Relation between Global Mindset and Internationalization of companies: A case of BILA A/S

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To finalize I would like to borrow the words of Jim Stowall saying:

Education is a lifelong journey whose destination expands as you travel.

Executive Summary:

Globalisation and internationalisation have been concepts well researched in the literature. The global mindset, on the other hand is relatively new concept, concerning the cognitive attitudes of both induvial as well as corporations. The importance of the global mindset concepts is well-known in the reach as a mean to overcome cultural barriers that exist in international interactions. The aim of this thesis in to understand the relationship between the global mindset and the companies' internationalisation by understanding the individual and corporate cognitive attributes effect on the extent of internationalisation.

This thesis has been conducted with a subjective approach to research and with an interpretive paradigmatic position based on the aim to investigate how the social world is perceived and created by the individuals involved. The data collection method is a deductive approach based on using theoretical background to drive qualitative data analysis. The data is collected using a single-case study BILA A/S, which has been chosen based on the uniqueness of the case. Within BILA two subcases exist, BILA projects and PALOMAT have been chosen based on the different way they have used networking to internationalise and to what extent.

A distinction has been made between these two aspects of global mindset; the individual and the corporate, which are the base of the conceptual framework to enhance international management knowledge. Seven interviews have been conducted among the employees of BILA and PALOMAT and one with a dealer from France, Liftop and one with a dealer from Germany, Karl, H. Bartels. BILA is an automatization company established in 1988 operating with automated production lines either with/without robots, Danish key accounts, whereas the PALOMAT department sells pallet magazines through dealers.

The findings suggest that the individual global mindset is an essential for building trust and commitment in a business network internationalization process based on the ability of the individuals to enhance knowledge and communication channels between the parties involved in the network. The managerial competencies related to handling culture is related to a person being broad-minded, adaptive and favor differences in the international environment. Managing linguistic diversity is essential for building trustful relations and avoid misunderstandings. The rationales suggest having the ability to make sense of the complexity of the global world. The work-life balance is regarded as an inhibiter of internationalization, favoring national market. The better the

individuals create trustful global minded relationship the better the company's strength in the business network.

The corporate global mindset is acknowledging international opportunities and are the strategic advantages of globalisation. Having an international vision is essential to aim for a greater understanding of the goal to motivate employees. Taking in risk is necessary for internationalising properly, because it allows employees to make mistakes and enhance their learning. Local embeddedness can be positive allowing firms to join forces to create innovate ideas locally and to minimize production cost. On the other hand, it eliminates the international opportunities because the embedded actors are difficult to replace based on the mutual dependencies. The corporate global mindset either welcome or reject international opportunities in the internationalisation process.

To conclude on the findings: this thesis finds that the global mindset, both the individual and the corporate have an impact on the business network internationalisation of companies. The thesis advances the theoretical understandings by using everyday life data to confirm the hypothesis. The findings enhance the empirical/ practical aspects of studying the global mindset phenomenon.

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Chapter 1: Introduction

My thesis aims to understand the relation between global mind-set and the internationalization of small-medium sized companies. More specifically, extant research did not pay adequate attention to the understanding of organizational dynamics (i.e. organizational culture, autonomous units in the organization) and their relations with leaders/managers' global mindset and growth in internationalization. My study thus aims to shed light on this scant area of research and plans to contribute to international management theory and practice.

With globalisation, the challenges faced by organizations based on the ever-increasing complexity and diversity among the domestic and the international interconnectedness keeps increasing. Cultural, context and technology are all factors taken into consideration in the recent internationalisation theories (French and Chang, 2016).

Firms tend to internationalise through building business networks to overcome cultural barriers, gain knowledge and build-up experience for expanding their market reach. The successfulness of these international business networks is what affects the extent of the internationalisation of a firm.

To succeed in international interactions, authors like Kedia and Mukherji, 1999, have argued that the developing a global mindset is a mean to overcome barriers. They pointed out that "*in a world where communication and transportation technology have reduced barriers considerably, an additional challenge is to develop a mindset that is global to increase organizational effectiveness and yet maintain efficient business operations*." (Kedia and Mukherji, 1999) This means that firms ought to have a higher focus on the organizational mindset to increase the successfulness of businesses. To have a global mindset means being able to identify, observe, interpret and understand the differences that exist between countries (Ananthram et al 2010, Gupta and Govindarajan 2002).

Global mindset is a relatively new concept, but the importance of the concept has still been well researched in the literature. Most of the research have been focusing on the multinational companies in a multicultural context (Bowen and Inkpen, 2009 and Levy et al. 2007a). Javidan et al. (2007 argue that the successfulness of firms depends on the ability of the employees, managers and executives to understand and adapt to the global business environment.

Following Levy et all, 2007a, the concept global mindset is based on the "cosmopolitanism" belief and origins from the cultural and strategic thinking. They defined it as "a state of mind that is

focused on the outside, the other, and seeks to reconcile the local and global, the familiar and the foreign". Some firms are only international in some divisions. The vision of the company might differ with regards to the product category and focus. Shifting the focus from the domestic environment to the global one, strategies and organizational objectives should be readjusted by business leaders and managers (Kedia et Mukherji, 1999).

Some large companies do not have a goal of becoming global, though having a global presence in some divisions. What is the reason behind this? Could it be the nature of the product? Or could it be that the employees simply do not have the global capacities. Some companies have a contrasting strategic outcome. In one division, the people are very globally oriented and the growth is high. On the other hand, another division is focusing on the local and regional market. They might have a low absorbing capacity for the foreign cultures.

Small and medium-sized companies have received less attention in the matter of the global mindset and how it affects the companies' ability to succeed in their internationalisation process. The gap in the literature includes the contrasting mindset which is existent in small and medium-sized enterprises with different divisions.

Arising from this fact various questions arise such as; why some companies are less global in one division in the same company and how come the global mindset concept of the company is not applicable across all divisions? Is it based on the different capabilities and structure or because the overall vision of the company?

J. Augusto Félicio et all, 2015, investigated the relationship between the individual global mindset and the corporate mindset in European enterprises. Their intention is to draw focus on the understanding of the effect individual and corporate mindset have on the companies' internationalisation. Their results and findings suggest that the corporate mindset does not have direct effect on the internationalisation effect, because firms use resources available to acquire the knowledge to maintain relationship with their suppliers. With regards to international networking the integration between the corporate and the individual global mindset influences the success of this matter.

This thesis intends to investigate how the global mindset affect the growth and internationalisation of small and medium-sized companies. The investigation will be conducted by illustrating the global mindset in a case study and how it affects the internationalisation. By adopting the global

mindset theory, the findings will contribute to the research gap of small and medium-sized companies' global mindset and the effect hereof.

The literature says that the global mindset of the companies will determine the extent to which they will have growth in internationalisation. The global mindset of the managers determines the extent to which they can have internationalisation.

The main research question is therefore:

What is the relationships between the global mindset and the internationalisation of companies?

In investigating the relationship between global mindset and the internationalisation of medium-sized companies, the following research sub-questions will take as point of departure of this thesis.

1. **What role does the individual mindset play in the internationalisation of a medium-sized company?**
2. **Does the corporate mindset of the organization determine the international successfulness of the medium-sized company?**

In investigating these questions, this thesis will adopt BILA A/s as a research case based on the different mindsets of the company's divisions. BILA does not have a global mindset in their activities per se, except when it comes to the "PALOMAT" product division. A study and analysis of the differences in the divisions will help to answer the research questions.

Though the literature these concepts have been chosen to investigate the issues that might affect the global mindset for going into foreign countries with a distant institutional context. A distinction has been made on the factors influencing individual and the corporate mindset.

The individual corporate mindset is investigated in relation to these four concepts: (1) Managerial competencies – related to handling foreign culture (2) Language – proficiencies (3) Rationales / logics of the mind and (4) Work-life balance concept.

The corporate mindset is investigated upon these concepts: (5) Vision (6) Risk taking attitude – in relation to tax policy (7) Strongly embeddedness in the local networks of the companies.

These seven points will be investigated in this thesis, as a guide to answer the research questions on the relationship between the global mindset and the internationalisation of companies.

Chapter 2. Research Methodology

Global mindset is relatively new concept, arisen from Globalization. The concept mindset is derived from the cognitive psychology studying the way people view the world. Because of globalization, people are faced with foreign cultural meetings daily. Thus, creating the need to understand how the social world is viewed both by individuals in organizations, but also by the researchers analyzing the challenges connected with the phenomenon. In researching how the global mindset affect how companies internationalize, concepts like networking, relationship-building and culture, becomes relevant. In addition, to how the research is investigated and interpreted will have an effect on the findings. In this chapter, methodological foundations for this thesis will be presented, the research structure as well as the methods used in the data collection.

Research is done to create knowledge, and knowledge is created by people. When researchers or investigators choose a topic to study, ultimate presumptions are made prior to the study. This refers to the methodological views of the research. "*These presumptions differ between views, and the different views, therefore, present different ways to understand, explain and improve*" (Arbnor and Bjerke, 2009). Here the perceived reality of the researcher will guide the study to the presumptions made. Challenges will be faced if we as researchers do not reflect on which particular view will form our understanding of the situation investigated. Otherwise observations, understanding and arguments might be blocked (Arbnor and Bjerke, 2009).

The global mindset comprises the way we as people view the world, and the reality in which we are faced with every day. How we view diversity and other cultures are some of the key issues in building a global mindset. The global mindset theory consist of the way social reality is conceived in the managerial positions of a company. In this thesis, the global mindset will be combined with the internationalization process of companies, in which the networking approach will be added.

This chapter is structured as follows: first the philosophical foundations for this thesis will be presented, including the subjectivist-objectivist paradigm, second the philosophical standpoint will be chosen. Next in creating a theoretical framework, a discussion will be presented on the impact of social science on the theory building process. Last the method collection methods used for this thesis will be discussed including the use of BILA A/S as a research case and how it influences the validity of the data collected.

2.1 Philosophical foundations:

As Burrell and Morgan state "*All theories or organization are based upon a philosophy of science and a theory of science*" (Burrell and Morgan, 1979).

In order to understand the philosophical foundations that lie behind this thesis. A presentation of the relevant paradigms will be summarized. The concept paradigm can be traced back to Thomas Kuhn in 1970, where he presented the idea that "*every field of research is characterized by a set of common understandings of what phenomenon is being studied, the kinds of questions that are useful to ask about the phenomenon, how researchers should structure their approach to answering their research questions, and how the results should be interpreted*" (Kuada, 2010). This is what today is known as a paradigm.

Simplifying the social science, it can be broadly explained as the being the underlying root assumptions researchers have when conducting a research. Burrell and Morgan, 1979, identified implicit and explicit assumptions and the at the social world is being studied to be the social scientists' approach. The identified four different understandings of the social world: ontology, epistemology, human nature and methodology. Today most researchers define paradigms within these four assumptions.

Ontology: this concept refers to the "reality" or the "knowable". This means the reality, that the researcher wants to know about. A distinction between the way the researchers perceives the social world. Whether the social world is external to an individual or if the individual creates his or her own social world. This characterizes the subjectivist-objectivist approach. (Kuada, 2010)

Epistemology: this refers to nature of the knowledge (how we know what we know). a distinction here is made upon whether a researcher is able to understand the truth about a specific social world only by observing or it is necessary to be involved in the phenomenon investigated (Kuada, 2010). Burrell and Morgan explains that these are the assumptions regarded as the "grounds of knowledge". These assumptions require reflections upon whether the research can be viewed as the truth regarding the way knowledge is obtained. (Burrell and Morgan, 1979).

Human nature: this concept refers to the assumptions made about the relationship between the human beings and the environment. Viewing whether the individuals can be seen outside the environment and whether they codetermine each other. Burrell and Morgan distinguishes between the determinism and voluntarism. This dichotomy characterizes whether the human being is the

creator of his/her environment or whether he or she is a product hereof (Kuada, 2010; Burrell and Morgan, 1979).

Methodology: the methodological assumptions are determined by the three above mentioned set of assumptions. They are likely to influence the way the investigation is conducted and to which methodology is the researcher is inclined to (Burrell and Morgan, 1979). Kuada refers the methodology to being the strategy or plan of action, which will guide the research is conducted. The justifications for choosing specific methods and data collection methods. If the researcher believes that the social world can be objectively investigated, the method will most likely be guided upon this, by studying relationships through regularities and universal laws. If the researcher, on the other hand, believes that in order to understand the relationship examined, it is necessary to gain firsthand knowledge, he or she will most likely fit under the subjectivist view (Kuada, 2010).

2.1.1 Objectivist- subjectivist perspectives:

A general distinction of two polar perspectives, when discussing different paradigms. The two perspectives are the objectivist and subjectivist perspective. As Kuada explains "*all research endeavours have to do with how researchers "make sense" of the phenomenon under investigation*" (Kuada, 2010). In making sense of the phenomenon, a distinction is made between a subjective or objective approach. Burrell and Morgan, 1979, compared these two aspects with regards to ontology, epistemology, human nature and methodology. The divergence is drawn upon how the social reality should be investigated.

Dimensions	The Objectivist Approach	The Subjectivist Approach
Ontology	Realism	Nominalism
Epistemology	Positivism	Antipositivism
Human Nature	Determinism	Voluntarism
Methodology	Nomothetic	Idiographic

Table 1: The Objectivist-Subjectivist dimensions in Social Science. (Kuada, 2012)

Ontology:

On the ontology view, an objectivist argues that the reality is external to the individual. This means that the world is made up of predetermined tangible structures and is relatively immutable. A realist perceives individuals as being born into a fixed social world with its own reality.

As a contrast the subjective view believes that the reality socially constructed. As the authors describe it, the nominalist does not believe in any real structure in the social world. (Kuada , 2012; Burrel and Morgan, 1979).

Epistemology:

To describe to epistemologies in to two views the concepts positivism and anti-positivism have been used. An objectivist approach is perceived as positivity, where the idea is to seek and explain the consistencies and the casual relationships to explain occurrences in the social world. A positivist believes that a researcher can conduct his or her research as an external observer.'

The subjective, on the other hand, is perceived as an anti-positivist., with the believe that the social world can only be researched and understood by actively participating in the social world, being investigated. Any objective knowledge is not accepted by these researchers (Kuada, 2012; Burrell and Morgan, 1979).

Human nature:

The third distinction is regarding the view on human nature. The objectivist believes in determinism, which emphasizes that all human activities are influenced by the external environment.

The subjectivist is described with the term voluntarism. Here, the subjectivist believes that humans are autonomous to their environment and is completely acting out of their own free will.

Methodology:

On the methodological view these two different approaches are used to distinguish; nomothetic and ideographic. An objectivist nomothetic approach aims for studies that are based on a systematic approach and prefers techniques as surveys and other quantitative methods.

The subjectivist ideographic approach is highly for using ideas and symbols to view the reality. These researchers tend to investigate the everyday life of the phenomenon in question. Here the scholar search for ways to get inside the situation that is investigated (Kuada, 2012; Burrell and Morgan, 1979).

Many typologies have aroused on the basis on the objectivist- subjectivist paradigm. Those most commonly used in the Scandinavian colleges all have roots in sociological studies and are the following three typologies (Kuada, 2012):

1. The FISI classification (functionalism, interpretivism, structuralism, and interactionism)
2. The RRIF classification (radical humanism, radical structuralism, interpretivism and functionalism.
3. Abnor and Bjerke's classification of paradigms and three research approaches

The paradigmatic position taken by this thesis will be presented and justified in the following sections by acknowledging this thesis' position and the position of the main theories used.

2.1.2 Choosing a paradigmatic position:

The aim of this project is to investigate how the global mindset affects internationalization of companies by investigating the individual and the corporate mindset and how they help companies to build international business relations and networks. In addition, contributing to the organizational literature by filling gap about the effect that global mindset has on the internationalization of a medium-sized corporation. This thesis will pursue a subjective approach to research and therefore adopt the RRIF classification of paradigms presented by Burrell and Morgan, 1979 based on the following arguments and justifications.

The concept global mindset arises from the sociological attributes of science, assuming that individuals have the ability to influence their own reality. In order words, the reality is presumed to be socially constructed and the individuals are presumed to be the creator of their own reality. In investigating how the individuals' own reality can influence the internationalization of companies, it is necessary to look at the way the internationalization takes place i.e. by international business networks. Following the definition proposed by Andersen in 1993 internationalisation is a process of exchange transaction modality to international markets. Transaction exchange includes human interactions either through networking or building business relationships. In order words, the individuals and organizations' cognitive attributes can influence the reality of the international exchange modality. As a result, both the global mindset and international interactions are social phenomena, and requires a subjective approach to be able to understand how the social world is viewed through first-hand observations.

Social phenomena are assumed to be socially constructed, which is a paradigm focusing on how the reality is presumed. The global mindset theory and international business network approach to internationalisation determining whether these phenomena are influenced by the social reality. Social constructivists believe that humans invent world instead of discovering it (Kukla, 2000).

The need for revising the internationalisation process first developed by Johanson and Vahlne, in 1977, with two new concepts; trust and commitment. These concepts are developed through social interactions and by acknowledging the changing global environment. According to Hacking, 1999, that a phenomenon is viewed as being socially constructed if (1) the concept has not existed, (2) has been transformed or (3) it is not inevitable (Kukla, 2000).

Social constructivism is mostly present in sociology research and is related to the way the social world is perceived and how knowledge is created. In the sociological research about international business networks building and the development of a global mindset, these are interactions between human affairs are related to the sociology of regulation, developed in the RRIF classification ((Burrell and Morgan, 1979)

Burrell and Morgan draw a distinction between "the sociology of regulation" and "the sociology of radical change". The first distinction refers to the research that tends to explain the nature of social order and equilibrium. the second distinction focuses on the problems of change, conflict and cohesion (Kuada, 2010).

The sociology of regulation is concerned with the research about human affairs. The idea why the society is maintained as an entity and questions the underlying reasons behind societies ticking together rather than falling apart. The sociology of radical change on the other hand is concerned with finding "…*explanations for the radical changes, deep-seated structural conflicts, modes of domination and structural contradiction…*" (Burrell and Morgan, 1979), which they believe defines the modern society.

Burrell and Morgan argues that these paradigms should be studied "*contiguous but separate – contiguous because of the shared characteristics, but separate because the differentiation is ... of sufficient importance to warrant treatment of the paradigms as four distinct entities*" (Burrell and Morgan, 1979; Kuada, 2010). As a result, these paradigms deliver fundamentally different perspectives in studying social phenomena and organizations (Kuada, 2010).

The RRFI classification consists of four paradigms; the functionalistic, interpretive, radical humanist and radical structuralist.

The sociology of radical change

Radical Humanist	**R**adical Structuralist
Interpretive	Functionalist

Subjective

Objective

The sociology of regulation
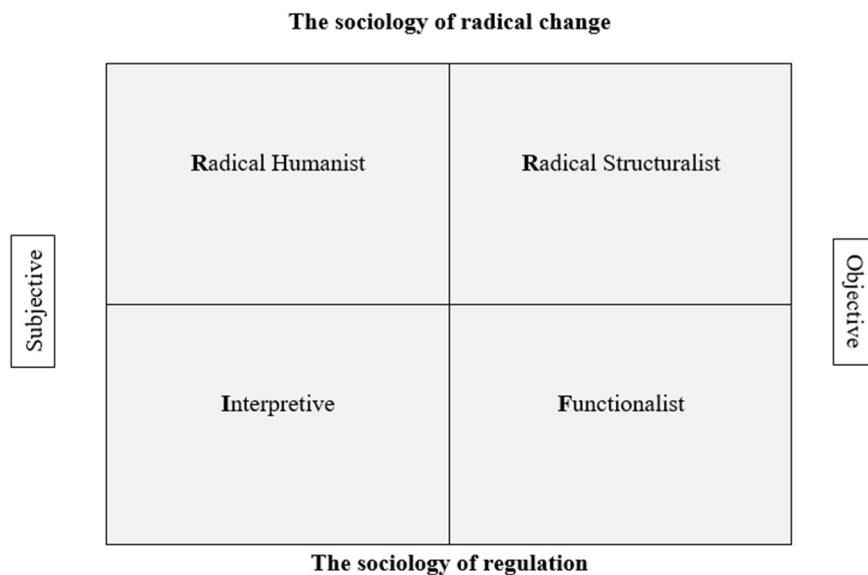
Figure 1: Burrell and Morgan RRIF classification, 1979.

The first paradigm is the functionalistic, which represents a perspective with roots in the sociology of regulation. In addition, it approaches the research with an objective standpoint. This paradigm tends to investigate social integration, consensus, solidarity, need satisfaction among others related. The underlying sociological dimensions, upon the philosophy, are positivist, realist, determinist and nomothetic. All in all, it tries to show rational explanations of social affairs. The view is very pragmatically oriented, seeking to find pragmatic solution to pragmatic problems. It is most likely linked to the philosophy of science trying to emphasize the importance on order, equilibrium and stability in a society (Burrell and Morgan, 1979).

The second paradigm is the interpretive paradigm, with focus on making sense of the social world by linking its sociology implicit rather than explicit. The concern is to understand the fundamentals of the nature of the existing world by the means of subjective experience. The aim is to seek explanations in the use of consciousness and subjectivity within the participant frame contrasting the observer. The philosophical concerns for this paradigm are nominalist, anti-positivist, voluntarist, ideographic. The idea is that the social world is an emergent process, created by the individuals involved. The standing point of interpretive researchers is that affected by the

assumption that the human affairs are cohesive, ordered and integrated. The main focus upon in this paradigm is understanding the everyday world (Burrell and Morgan, 1979).

The third paradigm is radical humanist paradigm, which evolves around developing a radical change from the subjective standpoint. on the ontological dimensions, it shares the same view as the interpretive one i.e. nominalist, anti-positivist, voluntarist, ideographic. The focus is upon the importance of overthrowing or transcending limitations of existing social worlds. The main assumption is that individuals are dominated by the ideological superstructures of one's environment. These structures provide the wedge between the individual and his/her consciousness (Burrell and Morgan, 1979).

The fourth paradigm is radical structuralist, which has an objective standpoint and is concerned with radical change. With regards to the ontological concerns it shares the same as the functionalistic paradigm i.e. positivist, realist, determinist and nomothetic. the radical structuralists focus on the structural relationships that exist in the within a realist social world. they believe that the radical change is built in the contemporary society and aims at discussing the interrelations that exist in total science formations (Burrell and Morgan, 1979).

This thesis will adopt a constructive view of study based on, the **interpretive** paradigm since the phenomena in question are concerned with how the interactions of individuals affects social properties. (Bryman and Bell, 2015). Both phenomena investigated are viewed as being socially constructed with the aim making sense of the human affairs. The understanding of the indivuals' way of making sense of the world. The view of the author's participating observations will be included in the study as well hence the subjectivity. The belief is that the social world is an emergent process evolving with the individuals, which is exactly what happens in the global mindset development process. Human affairs are connected with the business network internationalisation process, which aim is to acknowledge the cognitive approach to internationalisation (Johanson and Vahlne, 2009). The interpretive paradigm neglects any personal conflicts of interest in the study being conducted (Burrell and Morgan, 1979). In addition, the aim of this thesis is to investigate the essence and the sociological sense-making of everyday life at a company, which fits with the aim of the paradigm.

2.1.3 Paradigmatic position from the two theories

Criteria	Internationalisation network theory	Global Mindset theory

Main argument	Internationalisation through a networking perspective involves firms gradually expanding their internationalisation process though inward and outward activities. The business network internationalisation process acknowledges trust building and commitment.	The global mindset theory is based on assumptions of cognitive attributes that is developed by individuals over time. The focus is on the behaviour and sociology of individuals and organizations.
Major contributors	Johanson and Mattsson (1988), Elo (2005), Fletcher (2008) Johanson and Vahlne, 2009	Paul, H. (2000), Levy et all, 2007), Félicio et all (2015), (Gupta & Govindarajan, 2002
Ontology	Nominalism	Nominalism
Epistemology	Anti-positivism	Anti-positivism
Human nature	Voluntarism	Voluntarism
Methodology	Idiographic	Idiographic
RRIF classification	Interpretive	Interpretive

Table 2: The paradigmatic position of business network internationalization process and the global mindset theory

The paradigmatic position of internationalisation through networking and the global mindset theory.

Business network internationalisation process:

Ontology: In 2009 Johanson and Vahlne revised their previously developed Uppsala internationalisation process, because of the changes in the global environment. They argued for the need to acknowledge cognitive attributes to moving up the internationalisation process through developing business networks. Business networks are engaged through human affairs and are therefore sociological concepts. As a result, they acknowledge that the social world does not have any real structure (Kuada, 2012; Burrel and Morgan, 1979) and have to be considered and updated based on the contributions from the global environment (Kukla, 2000).

Epistemology: The revised Uppsala theory acknowledges the trust and commitment building fundamentals for strengthen a firm's position in the business network. (Johanson and Vahlne, 2009). Trust and commitment are cognitive attributes and as for so observing these concepts from the outside is not consistent. For that reason, the social world is better understood if investigated by participating and observing the phenomena first-hand, hence the anti-positivism (Kuada, 2012; Burrell and Morgan, 1979).

Human nature: Internationalisation through networking is based upon individuals engaging in international interactions. The network theory explains the initial commitment a firm makes to a new market (Håkansson and Waluszewaki, 2002), hence the idea that human beings create their own environment instead of being a product hereof (Kuada, 2010; Burrell and Morgan, 1979).

Methodology: The action plan of investigating how the cognitive attributes affect the business network internationalisation building, an ideographic approach is recommended to be able to investigate real life examples of the phenomenon.

RRIF position: the recently added cognitive aspects of the internationalisation process theories implies for a need investigating how the phenomenon of interactions affect social properties, which fits with the interpretive paradigm. (Bryman and Bell, 2015).

Global mindset theory:

Ontology: Global mindset is a socially constructed phenomenon, intending to investigate how well individuals can think, behave and operate in global environments (Jeannet, 2000). When the main idea is to understand how individuals think and behave, it is assumed that the individual creates his or her own reality (Kuada, 2010), hence the nominalism view.

Epistemology: Sociological and cognitive attributes of the global mindset are social constructions developed by the individuals' interactions with the global environment (Javidan et al, 2010). As Burrell and Morgan argues reflections upon what is regarded as the truth (1979) by observing these interactions or by participating in the research. Since the social reality of each individual is subjective and influenced by one's own reality, the global mindset theory is best researched with the anti-positivist view.

Human nature: As Javidan et Bowen defines "*A global mindset in an individual's capability to influence others unlike themselves*" (Javidan et Bowen, 2013). As a result, it is viewed that humans

act out of their own free will are therefore interdependent of their external environment (Kuada, 2010; Burrell and Morgan, 1979).

Methodology: Based on the above mentioned ontological views, the phenomenon global mindset has to be investigated by observing a real everyday-life of the concept in action.

RRIF position: The global mindset phenomenon is an ongoing process developed by the individuals involved and are based upon long time interaction with cultural aspects. The idea then, is that the social world is an emergent process, created by the individuals involved (Burrell and Morgan, 1979)

Summing up: Based on the paradigmatic positions of the theories used to investigate the relationship between global mindset and the internationalisation of companies, a subjective approach to reach has been chosen on the necessity to investigate every-day aspects a corporation to be able to view the global mindset in action. The subjective and the interpretive approach is seen to be the most relevant paradigm to answer the research questions as unambiguously as possible.

2.2 Methods and research structure

In designing a research method, an investigator should look at the phenomena investigated and the means necessary to answer the research questions as unambiguously as possible.

Both research questions regarding the individual and the corporate mindset and its effect on the internationalization of the company, will be answered by investigating relevant concepts to guide the thesis in the empirical study and primary data observations to test the hypothesis provided.

The identified concepts in the literature will help to investigate the constraints and advantages of the global corporate mindset and how it affects internationalization possibilities of companies.

Two different forms of data collection methods exist; quantitative and qualitative methods.

Quantitative methods evolve around methods as ethnographic, participant observation, in-depth interviewing, and conversational interviewing (Bryman and Bell, 2007).

Qualitative methods: includes observation, interviews and participant.

Mixed-methods: is a way of combining both quantitative and qualitative methods.

2.2.1 Research Design:

The research design is intended to assist the author in answering the research questions as unambiguously as possible, in addition to obtaining consistent evidence to support the main findings of the thesis to assist in filling the gap in the literature.

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         Introduction
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     Research Methodology
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       Literature review
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        Case Analysis
              ↓
    Discussion and findings
              ↓
         Conclusion
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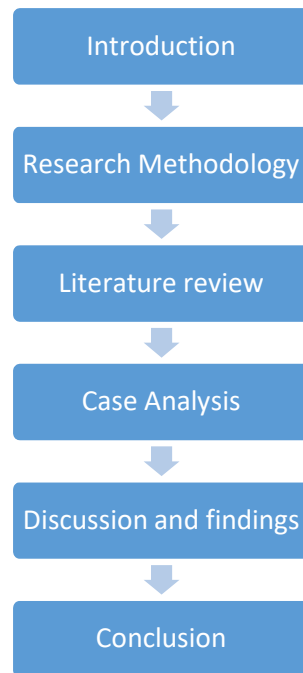
Figure 2: Author's Research Design of thesis

Two main research approaches exist to distinguish: the inductive and the deductive. The difference is between the interaction of research and theory (Bryman & Bell, 2015). The deductive follows the flow between theory and data collection findings. The inductive approach, on the other hand, follows this flow; Observation and findings to theory (Bryman & Bell, 2015).

This thesis intends to use the deductive approach to research based on the choice of using empirical international business theories to as basis to enhance knowledge. The deductive approach defines the problem and the affected variable to outline research (Bryman & Bell, 2015). The theoretical findings will then be tested in empirical data to either confirm or revise an existing theory.

2.2.2 Data collection method chosen for this thesis:

To investigate the global mindset's effect on the internationalization of companies, a combination of both an empirical and a conceptual thesis, in order to gain a better understanding how the phenomenon in question. First a conceptual framework is developed in order to break down the theorem Global mindset into two major parts (individual and corporate) to be able to investigate and

test the hypothesis in a company case. Starting with analyzing secondary data and providing a theoretical background based on the conceptual framework in order to present an understanding of the concepts used in describing the global mindset phenomena. Based on paradigmatic position adopted in this thesis, the interpretivist, qualitative data collection methods will be used to collect and analyze data. In order to understand the social world and its complexity in a subjective matter. The literature has been conducted through a thorough research on factors on the concept global mindset and internationalization. In addition, the researching the seven concept chosen in the conceptual framework and their effect on the internationalization of firms.

2.2.3 Secondary data:

The use of secondary data is intended to acknowledge the existing knowledge about the global mindset's effect on internationalization. The search engines used for this thesis is Aalborg University literature database using the key words: "Global mindset and internationalization". The oldest article used is by Perlmutter, 1969: "A drama in three acts…The tortuous evolution of the multinational corporation" and the newest one being Gitte O. Rosenbaum, (2017) "Female entrepreneurial networks and foreign market entry" and Rana M, and Elo, M. (2017). Global mindset, Institutional Condition and Internationalization of companies: The Case of Apparel and Electronic Companies from Bangladesh. working paper. To back-up the empirical findings, the use of a case study has been chosen to test the hypothesis developed.

2.2.4 Qualitative data analysis:

This thesis will be guided using qualitative data collected through the authors own observation and the interviews of the relevant employees and external actors on the case chosen. First, taking a look at qualitative data and the strength of it. Miles and Hubermann argues that "*one major feature of qualitative data is that they focus on the natural occurring, ordinary events in natural settings, so that we have a strong handle on what real life is like*" (Miles and Huberman, 2014;11). They mark it as **local groundedness**, meaning that the data is collected in a proximity to a specific situation. Collecting and analyzing underlying and unobvious issues are strong, because of the researcher's own observed data. Qualitative data has also been characterized with richness and holistic., based on the high tendency for revealing complexity. Being able to capture a ring of truth have great impact on the reader. In addition, most qualitative data analysis is usually collected over a period of time providing the researcher with the capacity to analyzing process including history related issues and changes. Flexibility and causation is qualitative data analysis provides the research with a better

understanding of the "reality". Qualitative data are well suited to analyze people's perception and meanings for certain concepts or process. The ability to put an emphasis on studying people's lives and experiences, in qualitative data, are ideal for understanding the social world in which the participants live in and associate with. (Miles and Hubermann, 2014;11). As a result, this thesis intends to understand the individual mindset and the rationales of people, and therefore the qualitative data analysis will allow for a thorough investigation, with a better understanding and possibility of capturing the reality and the circumstances of the participants and studied phenomena.

In studying and analyzing qualitative data, this thesis will adopt the qualitative data analysis model presented by Miles and Hubermann (2014). The authors emphasize on the three aspects of data analysis; Data condensation, Data display and conclusion drawing/verification, presented in figure 2 below.

Data condensation is the process of "*selecting, focusing, simplifying, abstracting, and/or transforming the data that appear in the full corpus (body) of… empirical materials*" (Miles and Hubermann, 2014;12). The authors use the condensate instead of reducing, because they believe by reducing we are weakening or losing some data. The condensation process is on ongoing process, which starts even before collecting data, since anticipatory data is happening when the researcher is deciding on a conceptual framework, which cases to use, the research questions to ask and which data collection methods to use. Further on in this process, various techniques such as coding and developing themes are used to interpret the data. The condensation process does not stop until the final report has been submitted. The data condensation is part of the analysis, it is where the researcher decides which data to include, code and interpret. These are all analytical choices. The final conclusions can then be drawn from the data summarized, focused and organized. "*Qualitative data can be transformed in many ways: through selection, through summary or paraphrase, through being subsumed in a larger pattern an so*" (Miles and Hubermann, 2014).

Data display: the second feature is data display, which is an organized and compressed accumulation of information with the purpose of drawing conclusion and action. By looking at displays, it provides us with an overview to understand what is happening and to either analyze more or decide on an action. The most sued form of data display is extended text. Miles and Hubermann argues that by using extended text, it is more likely for a researcher to draw to a hasty and partial conclusion. A pile of overloaded information tends to lead the investigator towards finding simplified patterns. Instead the authors of this model, suggests showing the data collected in

an organized way to allow for immediate accessibility in the form of matrices, graphs, charts and networks. The models are designed with the intention to allow the analysist to view patterns and understand what is happening. As a result, drawing conclusions are more justified. Designing displays are analytical activities with clear data condensation implications (Miles and Hubermann, 2014).

Drawing and verifying conclusions: this is the last step of the qualitative data analysis model. Throughout the data collection process, the researcher seeks the underlying meaning of the data, in the form of patterns, explanations, causal flow and propositions. A competent researcher holds an overview of these conclusions throughout the data collection, but some might still be vague at first. Though with an openness and skepticism, a researcher keeps digging until the conclusions bcome more concrete and explicit. For this reason, the data collection does not end before the final conclusions can be drawn based on the evidents and justifications. In addition, conclusions are also verified, either by the investigator him- or herself by cross-examining the notes and data additionally or it can be more elaborated and discussed by a different party (intersubjective consensus". Another way is to try to replicate same patterns in a different data set. The meaning of the data should always be discussed with regards to the validity of the findings (Miles and Hubermann, 2014).
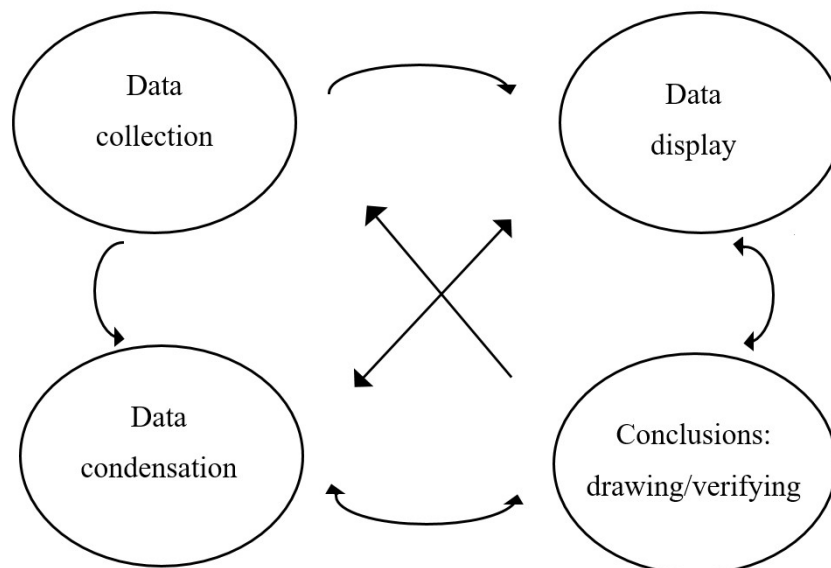
Figure 3: Components of data analysis (Miles and Hubermann, 2014)

The figure show the features of the Miles and Hubermann's model can be seen and the correlation between the features is shown with different arrows and relations. This is based on the fact, that data analysis is an ongoing process reflecting a back and forth between the steps of the model. In coding the data, new leads and preliminary conclusions might reverse the data collection process and another consideration might be added to the display and so on. In order for the study to generally usable by others, researchers should clearly understand ho to analyze, reflect and refine the methods (Miles and Hubermann, 2014).

2.2.5 Validity of data:

One of the important discussion to have when conducting a research, is discussing the validity and reliability of the data. The conclusions drawn from the investigation is confirmed to be accurate. As Kuada states, researchers investigating people and peoples' attitudes, it is only possible to inform about the prevailing characteristics of the investigation at a given point of time, meaning it shows a snapshot of the phenomenon researched (Kuada, 2010).

The reliability of a research evolves around the fact if the findings if study are repeatable. The main idea is to see if the concepts and the measures derived from them as sociological concept, like organizational effectiveness, motivation and teamwork) are consistent (Bryman and Bell, 2015).

The derive of the reliability and the validity concepts are from the quantitative research. some researcher has argued for the relevance when conducting qualitative research. With that established two forms of reliability measures will be distinguished in this thesis; the external and internal ((Bryman and Bell, 2015).

External reliability is concerned with the degree to which the qualitative research can be repeated to gain the same finding. This is difficult to do in a qualitative research, since the researcher is not able to freeze the circumstances studied. To enhance the reliability, ethnographic facts of the participants might help other researchers in repeating the study (Bryman and Bell, 2015).

Internal reliability is concerned on the diversity of opinion used to conduct the analysis. this means the number of researchers agreeing on the verifications of the study. (Bryman and Bell, 2015).

Internal validity involves about the connection between the researcher's observations and the theoretical ideas developed in the study. This emphasizes the strength of the research because it relies on the time frame that the study covers allowing participating researcher to study a social

group over a period of time to show a high level of congruence between concepts and observations (Bryman and Bell, 2015).

External validity involves the degree to which the study and the findings are generalizable across social settings. This is important when conducting the case studies as data collection methods. (Bryman and Bell, 2015).

Since this thesis has adopted a subjective paradigmatic position, with an emphasis on using qualitative data as a method for data collection. The external reliability of this thesis has included the ethnographic facts about the participants, allowing for other researchers to replicate the study. With regards to the internal reliability, this thesis is only being conducted by one researcher/observer influencing the diversity of concluding arguments. With regards to the internal validity of this thesis, the validity is assumed to be high since the researcher has worked in a student job during the 4-5 months the study had been conducted. For the external validity, using a single case as a mean for testing a hypothesis, is not assumed to provide the arguments for the ability for the findings to generalizable.

2.2.6 Single case data:

Case studies are widely used as a research method in various social science disciplines. As Yin (2004) argues that having access to a special case with participants in a case organization willing to open their doors widely open for the enquiry is an enormous advantage. If such cases are not applicable, sharpening the research through theoretical frameworks might support the researcher in the data collection process (Kuada, 2010).

Case studies can either be a single- or multiple-case studies, where the single case study is focused on one particular unit of investigation. This could be a person, group, organization, a community or a country. A multiple case study consists of two or more units in the same study with the aim to replicate instead of sampling data. Here the strength of the study is increased if the findings can be replicated and transferred to a different case with the context (Kuada, 2012).

Single cases are most often used by researchers and might be vivid and illuminating, because some cases might be unique and critical Some cases might even have sub-cases embedded in them. (Miles and Hubermann, 2014). This thesis has adopted BILA A/S as a case study to investigate how the global mindset has affect the internationalization of the company. The justification for choosing this company, is made on the ability to distinguish between two departments of the company, which

have a different vision on the extent of their internationalization and the way business networks are being implemented. the divisions are BILA projects and PALOMAT. This is a unique case, allowing for embedded subcases.

2.2.7 Interviews and data collection process:

In this thesis, a variance of interviews is conducted across the two chosen divisions of BILA. In the following table the names and position of the participating individuals is stated. In addition of interviewing relevant employees, the author participated as an observer in a 6 months' student position in the PALOMAT department as a sales and marketing assistant. Researcher's own observations will there be taken into consideration hence the philosophical position of this thesis.

Participants has been chosen based on their position and relation in the firm, which is shown in figure 3. The position of the participants has been taken into consideration in the concepts covered. The relation between the participants can be seen in the below diagram. This is to show the role order and the coverage of various different positions and interest in the firm.

```
                        ┌─────────────────────┐
                        │   Jan Sørensen      │
                        │   CEO of BILA       │
                        └─────────────────────┘
             ┌───────────────┼──────────────────────┐
┌──────────────────────┐ ┌──────────────────────┐ ┌──────────────────────┐
│  Majbritt Svane      │ │  Jens-Erik Majgaard  │ │  Per Bech Rasmussen   │
│  Area manager at     │ │  CFO at BILA         │ │  Chief of Sales at    │
│  PALOMAT             │ │                      │ │  BILA                 │
└──────────────────────┘ └──────────────────────┘ └──────────────────────┘
     ┌──────────┴─────────┐                                    │
┌──────────────┐  ┌──────────────┐              ┌──────────────────────┐
│ Natalie Poppe│  │ Tina Clausen │              │  Flemming Bunde      │
│ Sales        │  │ Sales        │              │  Key account sales   │
│ coordinator  │  │ coordinator  │              │  manager at BILA     │
│ PALOMAT      │  │ PALOMAT      │              └──────────────────────┘
└──────────────┘  └──────────────┘
       │                 │
┌──────────────┐  ┌──────────────┐
│Henrik Valentin│ │ Kevin Chaffot│
│PALOMAT Dealer │ │ PALOMAT Dealer│
│in Germany     │ │ in France    │
└──────────────┘  └──────────────┘
```
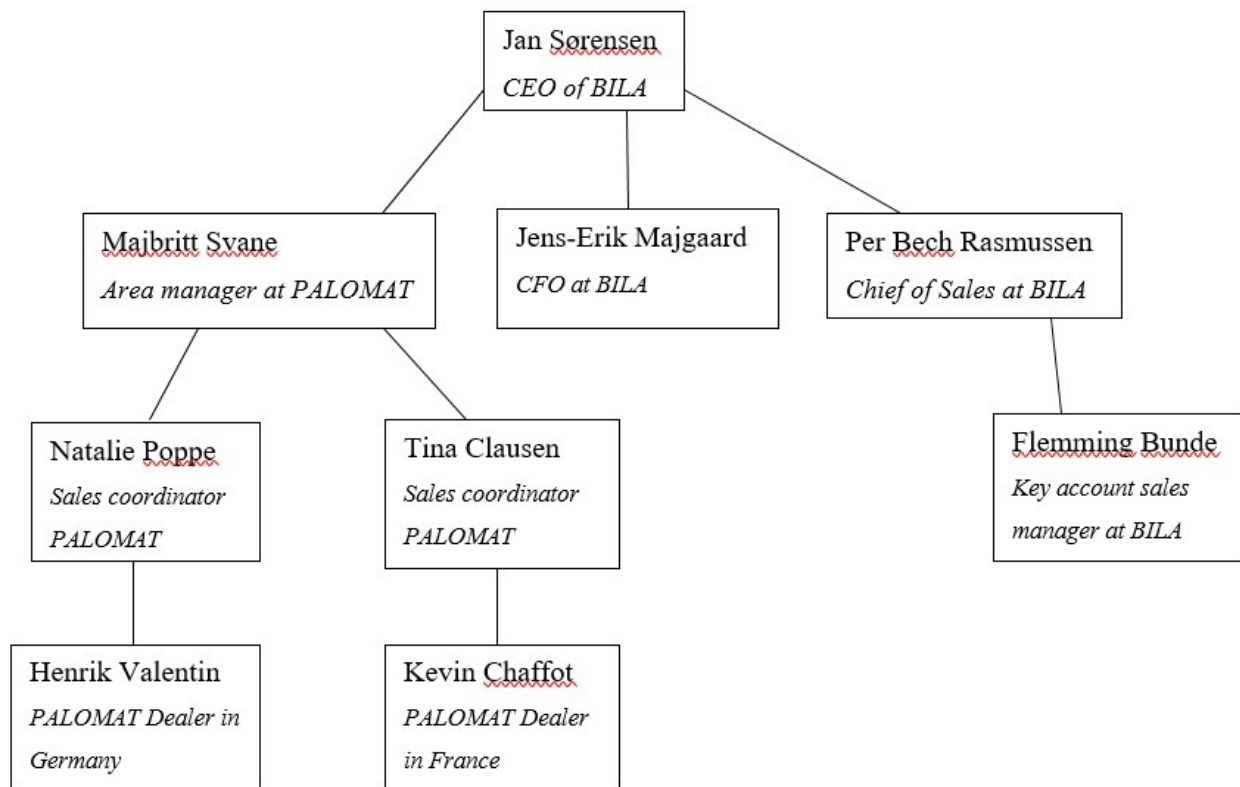
Figure 4: Participants relations in the case of BILA

The interviews have covered different concepts, divided between the two-main attribute distinction: the individual and the corporate. The concepts covered and the time length in each interview can be seen in the following table.

Concepts:	Participants	Participants position	Length of interview:
Individual mindset - Managerial competencies - Language - Rationales - Work-life balance	Natalie Nielsen	Sales Coordinator for Germany	20 minutes
	Tina Clausen	Sales Coordinator for France	20 minutes
	Kevin Chaffot	Liftop (Dealer of PALOMAT in France)	30 minutes
	Henrik Valentin	Karl H. Bartels (Dealer of PALOMAT in Germany)	30 minutes
	Per Bech Rasmussen	Chief of Sales at BILA	30 minutes
Corporate mindset - Vision - Risk - Local embeddedness	Jan Sørensen	CEO of BILA and PALOMAT	45 minutes
	Jens Erik Majsgaard	CFO of BILA	40 minutes
	Majbritt Svane	Area Manager of PALOMAT	40 minutes
	Flemming Bunde	Key Account Sales manager at BILA	35 minutes

Table 3 Interview participants

The variety of the answers will of course be impacted on their position in the firm and the knowledge they have on the different matters being investigated. some concepts have been covered by all the participants, since the individual mindset is relevant in the employees but also on the leaders.

Chapter 3. Literature review

To fill the gap, about the relationship between the global mindset and the internationalisation of companies, a summary of previous studies in the field will be presented in this chapter.

The chapter is structured as follows. First an overview and definition of the internationalisation of firms is presented. Second an overview of the internationalisation and how global mindset has been influenced the internationalisation process of companies in the literature. Next, an overview of the definition of a mindset and then the global mindset. An explanation based on the literature on the difference between the individual and corporate global mindset.

Third an overview of the seven chosen research dimensions evolved in the literature as followed by the developed conceptual framework. In investigating the relationship between global mindset and the internationalisation of companies, the distinction between the individual and the corporate mindset will be the structure of this chapter.

3.1 Internationalisation and Global Mindset:

Various researchers have tried to define the term internationalisation and has evolved over three decades. An early definition was used by Penrose in 1959, where internationalisation was seen as a process with emphasis on the core competencies and opportunities for firms. Later on, in 1977 Johanson et Vahlne defined internationalisation as a process, where firms evolve their international involvement in small steps, by gaining knowledge domestically, then gradually gain knowledge and expand to the nearby countries. (Johanson et Vahlne,1977). This process was known as the Uppsala Model and was revised by the authors in 2009 due to the changing environment.

The changing environment was based on two arguments. One being that "*markets are networks of relationships in which firms are linked to each other in various, complex and, to a considerable extent, invisible patterns*" (Johanson and Vahlne, 2009). The concept of "insidership" was added in order to build successful internationalisation. The second being that there is a potential of learning through building trust and commitment in networks and business relationships. Two concepts, which are important in the internationalisation process condition (Johanson and Vahlne, 2009).

The original model was built on these assumptions; uncertainty and bounded rationality. The argument was that firms change based on their learning process of operations and activities in foreign market. The other argument was that the commitment the firms make to strengthen their position in the foreign market make them change behaviour. The model is dynamic and firms gradually increase their market commitment to foreign markets based on the acquired knowledge (Johanson and Vahlne, 1977).

The revised internationalisation process acknowledges the need for taking networks intro consideration in the Uppsala internationalisation process of companies. The focus is on the networks being a market and network structure of the internationalisation embeddedness of a firm. it has been argued in new process that mutual commitment between the parties is essential for a successful internationalisation. Trust and commitment was added explicit to the revised Uppsala model, based on the identified needs by Johanson and Vahlne to acknowledge both affective and cognitive elements to the process (2009). Trust was argued to imply "*an ability to predict another's*

behaviour… Trust may develop into commitment if there is willingness and positive intentions. Thus trust is a prerequisite for commitment" (Johanson and Vahlne, 2009;1417). Trust was seen to be the key building commitment to the market and partners in the business networks. The new view of the Uppsala model is that firms is embedded in business networks of interdependent relationships enabling and constraining the internationalisation process, which is seen as the outcome of the firms' network positions and strength of relationship commitment. Overcoming cultural barriers is no longer viewed as being the core focus of the company but rather to strengthen its position if the business network (Johanson and Vahlne, 2009).

The new model consists of two variables the state and the change, which affect each other, hence the model is dynamic. In the state variable, knowledge is considered, more specifically the knowledge of opportunities and that is reflected in the relationship commitment decisions. The relationship gets stronger the more knowledge the actors gain of each other. The next variable is the is the network position, which grows stronger based on mutual beneficial partner exchange between the parties involved. This network position and exchange is affected by the three concepts of learning, creating and trust-building. By interacting the knowledge creation and learning strengthens the firm's position in the network, where trust-building is pre-fundamental for succeeding (Johanson and Vahlne, 2009).
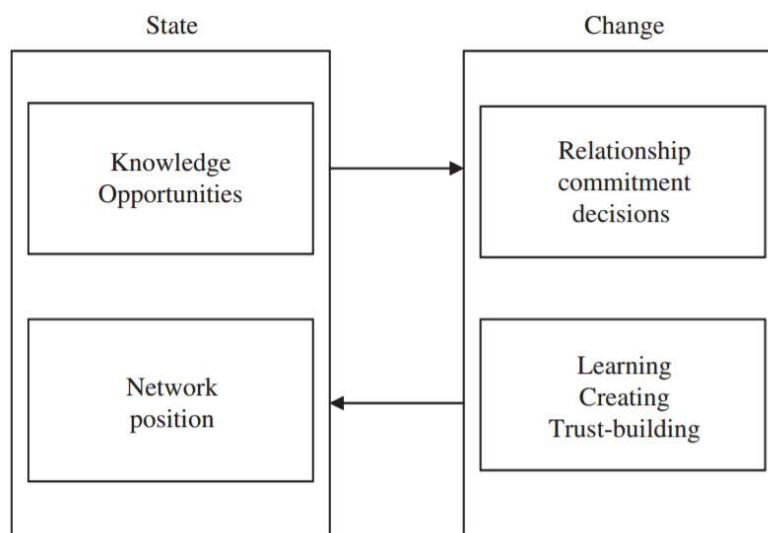

Figure 5: The business network internationalization process. Johanson and Vahlne 2009;1424

In the light of the revised internationalisation process, the cognitive elements of building international involvements have been recognized as influencing the successfulness of the firms' internationalisation.

The internationalisation process differs with regards to the size of the company. Small and medium-sized enterprises are more flexible (Kalinic and Forza 2012), are more risk-seeking (Fiegenbaum and Karnani, 1991) and easier to adapt to changes (Kalinic and Forza 2012). These companies are "*more responsive to market needs, more adaptable to change, and more innovate in their abilities to meet customers' demand*" (Ghobadian and Gallear, 1996).

Therefore, in studying the relationship between the global mindset and the internationalisation of companies, small and medium-sized enterprise show a higher tendency to succeed in developing a global mindset.

These companies show three different internalisation patterns: a gradual, a rapid, and a rapid but late pattern (Bell et al. 2001). With regards to the entry modes of these firms most companies tend to the exporting mode as the most applicable and dominant mode of entry because it is easier and faster than other modes of entry (Leonidou et al. 2007; Lappe and Dörrenbächer, 2016).

Many companies who intends to internationalise has a strong experience in the domestic market and are faced with a strong competition from domestic firms and multinational corporations. The intention of small and medium-sized firms is to diversify their risk and broaden their horizons to other markets. Some companies have a strong growth potential in their domestic market, where they feel comfortable and this influences the internationalisation process and decisions of the firm. Research has shown that the Global mindset affect the ability of the firms to develop successful international networks. The global mindset has also shown to impact the commitment building and conditions for developing international interactions (Felicio et all, 2012).

3.1.2 Internationalisation through networking

"*The firm itself is nothing more than a complex network of internal relationships among people, departments and functional units that form the basis of its ability to develop and implement its strategies.*" (Ritter et all, 2004). Whether it is national or international, internal or external companies unite in networks to be able to combine their resources for a better competitive standing. Firms are also struggling in managing and succeeding these internal and external relationships. in

carrying out their business activities, companies engage in relationships with different types of companies to affect, directly or indirectly, their performance. (Ritter et all, 2004).

The industrial network theory explains the initial commitment a firm makes to a new market. It also identifies bridgehead resources and their roles. (Håkansson and Waluszewaki, 2002). The bridgehead resources refer the underlying commitments that the firm take when entering a new market. A firm's internationalization process is impacted on the motives and the entry mode of the organization. The following figure shows an organization's resources. the bridgehead resource is the resource used in committing themselves to the foreign market. (Håkansson and Waluszewaki, 2002). For that reason, the bridgehead resource for building international networks is business relationships. These relationships are the fundamentals in which the organization commits themselves to in the internationalization process. The mean to overcome the cultural barriers therefore becomes the commitment to international business relationships.
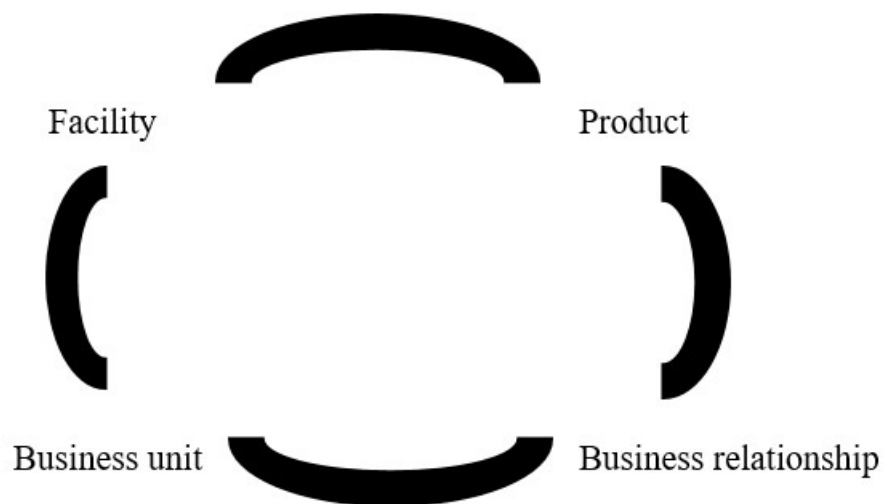
Figure 6: Bridgehead resources (Håkansson and Waluszewski. 2002)

Deciding whether to internationalise the bridgehead resources or not is assumed to reflect "ones' way of looking at the world" (Kefalas, 1988;558). This reflects the idea that the decisions are based on one's mindset. As Paul, 2000, mentions that the more global the managers' mindset is the better they get in welcoming a global approach to foreign markets and to "pursue a global strategy". (Paul,

2000;98). Nummela et all, 2004, showed empirical findings on the global mindset's effect on the internationalisation performance of companies.

In light of the above-mentioned literature, theorists have been shown a tendency to include the network approach to the internationalisation behaviour. The essential for successfully advancing in internationalisation networks is building trust and commitment and acknowledging opportunities. In building international networks, a commitment is done by carrying out one of the company's bridgehead resources abroad. The global mindset is seen to be a mean to overcome the cultural barriers and to ease the commitment process of firms' business network internationalisation process by acknowledging opportunities and building trust.

Building trust between foreign collaboration partners, requires reaching mutual agreements and to meet the expectations of both parties involved. The notion of building knowledge and learning from each other in business networks (Johanson and Vahlne, 2009) lies together with the initial idea behind the global mindset, which is to allow openness and awareness to learn from other "meaning systems" (Levy et all, 2007).

3.2 Global Mindset

Defining a mindset, this thesis will adopt Paul's definition from 2000: a mindset is "*a set of deeply held internal mental images and assumptions, which individuals develop through a continuous process of learning from experience.*"

In the literature, two theoretical traditions exist of the global mindset – the cultural and the strategic (Miocevic and crnjak-Karanovic, 2012). The cultural aspect origins from cosmopolitism belief, and evolves around the contrasting state of mind between the known and unknown. Moreover, the general understanding of cosmopolitism is that involves openness and "*the eagerness to investigate and learn from others meaning systems*" (Levy et al., 2007).

The strategic tradition of the global mindset involves cognitive complexity. (Miocevic et crnjak-Karanovic 2012, Levy et al., 2007). The strategic evolves around managing and coordinating activities based on knowledge in order to create profitable international business.

In 1989 Bartlett and Ghoshal argued that managerial mentality is the state of overcoming the gap between domestic and foreign business environment, which had an influence on the theoretical perspective of the internationalisation process. In 2004 Nummela et al. studied small Finnish companies with regards to the management experience and market characteristics and how it has a

substantial effect on the internationalisation of the firms. Their findings suggest that firms with a global mindset have a higher number of foreign partners and customers resulting in higher returns (Nummela et al. 2004). They also identified entrepreneurial orientation, which is defined as the strategic orientation to which firms engage in export marketing activities and is utilized in the managerial mindset and cognitive capability that determines their orientation and attitude towards international opportunities (Miocevic et crnjak-Karanovic, 2012).

Recent studies have evolved around the relationship between individual and organisational global mindset (Gaffney et al, 2014, Félicio et al, 2015). Based on Gupta and Govindarajan, 2002, having a global mindset means being able to associate openness and awareness with the ability to engage in cross-cultural environments. Jeannet, 2000, have different perspective on this matter. She argues that managers' global mindset is only effective if it goes beyond the individual mindset to the organizational one. This means that the entire company has to adopt a global mindset in order to be effective internationally. Her belief that the corporate global mindset covers "*cultural aspects of the company that define the extent to which the firm has learned to think, behave and operate in global terms*" (Jeannet, 2000). Following Jeannet, in order for the company to adopt a global mindset it has to be embedded in their core values and vision. The global mindset has to be implemented in the organizational identity.

3.2.1 Individual global mindset

Taking a look at Javidan et al, 2010, an individual global mindset can be traced back to an early age in life. Childhood experiences may have an influence on the extent of globalisation openness to the world in one's mindset. On the contrast, other researchers such as Félicio et al. 2012, and Kyvik et al 2013 argued that there is not a relation between one's childhood and to what extent one's global mindset is developed though it may trigger the tendency for developing it. One of the factors influencing the Individual global mindset is the level of language skills which has a greater impact than a formal education.

"*A global mindset in an individual's capability to influence others unlike themselves*" (Javidan et Bowen, 2013). This is the definition these authors came up with based on the long research in the field. It relates to the original definition of leaders which is the ability to influencing others. The difference is that in globalisation managers are requested to possess the ability to influence others across cultures and geographical distances. They suggest two approaches for developing such a capability.

One is to "find" it in people with certain characteristics such as educational demographical backgrounds. Another way to "grow" it in people though leadership developing programs and coaching (Javian et Boven, 2013).

In their findings, they developed three core capitals which contributes to the successfulness managers have with global roles. The three assets contribute to the global mindset and help managers influence individuals and organizations from other parts of the world.

Figure 1 shows the three capitals with 3 underlying blocks of each. The first on the **Global Intellectual Capital** which refers to the cognitive approach of the global mindset. It relates to the extent of the knowledge managers has of the foreign industry and the broader perspective. This capital includes three dimensions: the *global business savvy* is defined by the authors as "*the knowledge of the way business is conducted in different parts of the world*" (Javidan et Bowen, 2013). This is basically the knowledge managers needs for understanding the institutional environment of the foreign country. The next dimension is the *cosmopolitism outlook*, which means that managers has to have the "*understanding that things can be done differently in different parts of the world*" (Javidan et Bowen, 2013). The underlying idea behind is that managers need the ability to understand and reflect on the cultures in other parts of the world. The last dimension is *cognitive complexity*, which is defined as "*the manager's ability to digest, interpret, and leverage the large amount of information embedded in global business savvy and cosmopolitism outlook*" (Javidan et Bowen, 2013).

The first capital is important because it provides the managers with the ability to understand and comprehend in a global and foreign cultural environment. It gives the managers the knowledge of the diversity and is the starting point of developing successful international relations.
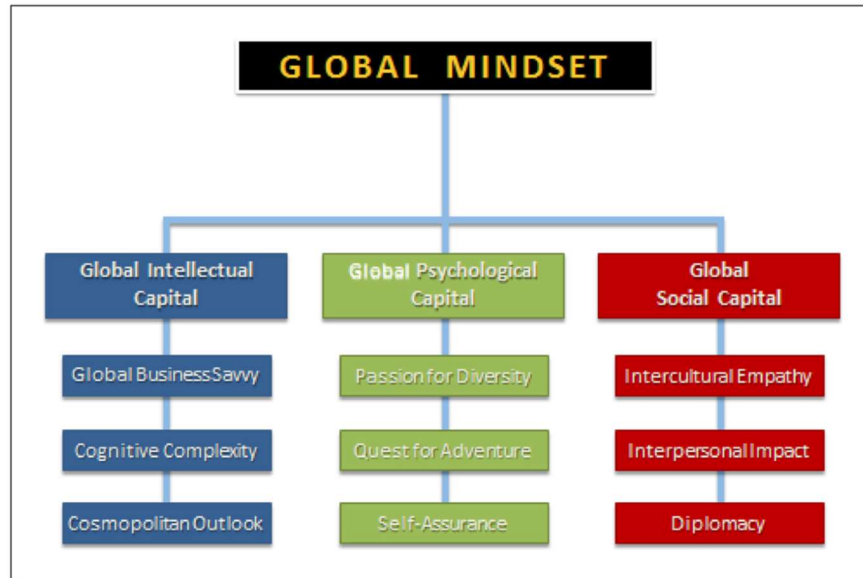
Figure 7 The structure of global mindset, Javidan et Bowen, 2013

The second capital of Javidan et Bowen, 2013, global mindset structure is the **global psychological Capital** is the affective aspect of the global mindset. In refers to the manager's emotional ability and willingness to work with other cultures. It includes a positive and constructive attitude towards diversity. The first dimension covers the *passion for diversity*, which is the "*curiosity about people in different parts of the world and how they do things differently. Joy in learning about and dealing with people from other countries and regions*" (Javidan et Bowen, 2013). It is our curiosity as humans which motivate us to learn and evolve. Next is the *quest for adventure***:** wanting to engage in new and unfamiliar environments can be an effective drive for taking risks and deal with different uncertainties (Javidan et Bowen, 2013). Third attribute is *self-assurance*. Here authors take into consideration the energy and confidence managers take when entering global roles and responsibilities. (Javidan et Bowen, 2013). Lacking these capabilities may cause frustration and anxiety when finding yourself in unfamiliar territory. Our mind will look search for some familiarity in the foreign environment causing misunderstandings and failures in influencing other cultures.

Third capital is the **Global Social Capital,** which is the behaviour aspect of the global mindset. It provides the managers the guidelines to act in a way to build trusting international relationships. First capability needed is *intercultural empathy*. This should reflect the "*ability to connect, communicate, and collaborate with people from other parts of the world*". In this attribute, the ability to understand body language and nonverbal communication is essential for avoiding cultural misunderstandings and having the ability to connect emotional with foreigners. Another important

quality is *interpersonal impact*, which is being able to build influential international networks and to negotiate across nations. (Javidan et Bowen, 2013). This quality provides the manager with the necessary capability to develop a credibility in building trustful relationships.

The developing of the globalised world and with the evolvement of internationally challenges researchers such as Kedia and Mukherji, suggest that managers has to be shift they global orientation to from the individuals to the corporate capabilities to ensure organizational effectiveness (Kedia and Mukherji, 1999).

3.2.1.1 Managerial competencies - related to handling foreign culture:

Kedia et Mukherji, 1999, argue that the capabilities of managers have shifted focus from "hard" issues including drivers of the bottom line orientation to more "soft" issues such as the drivers of the top line. Here the orientation is on values, culture, leadership style, innovative behaviour and risk-taking. The focus on the composition of the local and foreigners in the workforce and how well they are trained to handle international customers and partners. The mentality of the managers and employees, whether it is open or closed, will affect the ability to absorb the foreigners in the business networks.

In researching the competency and capabilities, employees and managers have for handling foreign culture, it is necessary to look at their personalities. What kind of different personalities influence the way you perceive a foreign culture and how do you develop a global mindset personality. Two different explanation of personalities relevant to the study of global mindset and the interaction and relationship building attitude in international corporations. The first model is developed by Baird in 1994 and modified by Kedia and Mukherji in 1999. The second one is the five-factor model and the managerial characteristics adapted by Caligiuri, 2006.

Managerial mindsets:

Constant changes in the environment and the business world causes changes in the way managers think and behave. Assumptions and behaviour of the employees very with the evolution and changing demands of the labour market. In understanding the way managers think and make decision a typical managerial mindset will be presented with four mindsets. The mindsets will explain how the business environment is analysed and decisions are made (Kedia and Mukherji, 1999). By studying these mindsets, an understanding of how much each mindset fits todays

internationalised business world. The four managerial mindsets are: 1. The defender, 2. The explorer, 3. The controller and 4. The integrator.

The defender:

"*The defender is a traditional mindset. It is known to be internally focused and domestically oriented to the market and its needs*" (Kedia and Mukherji 1999, Baird 1994). The defender does not have any interest in becoming international and interact with other cultures. People having this mindset, does are satisfied with the domestic market and is usually not interested in collaborating with foreigners and foreign companies. If the defender feels threatened by international and foreign companies he or she usually look to the government and trade barriers for a solution. With regards to foreign customers and collaboration partners, the defender does not show any interest in getting to know them or the culture them come from. Their attitude resamples fear for the unknown with regards to culture and people. The defender will most probably stand up for national norms and ethics and will behave prefer to behave according to his or her own country's culture. The defender acknowledges others presence but is not interested in their existence. The defender has no or limited knowledge of globalisation issues and orientation. He or she does not have the capability of competing in a globally competitive environment (Kedia and Mukherji 1999, Baird 1994).

The explorer:

The explorer prefers the domestic market, much like the defender, but is more open to the possibilities foreign markets may hold. The explorer does not have a fear for foreign markets and intervention, and is aware of the differences that exist between nations and cultures. People with this mindset are curios for the possibilities that lie in foreign markets regarding sales increase and product distribution optimization. Though, he or she will look at these opportunities with a high level of consciousness and will have studied the market carefully before committing any international transactions. The domestic market will always be the preferred by in the explorer's mindset and will typically always manage the foreign market from the head office of his or her home country. The international interactions are usually done with high level of control and a high level of centralized decision-making to supervise the communication, distribution and sales processes established abroad. The preferred entry modes of the explorer are exporting and franchising with limited motivation for international commitments. The explorer has knowledge of the international market to some degree, but is limited to pursue only a small range of international business (Kedia and Mukherji 1999, Baird 1994).

The controller:

Moving on to the controller, who is more external oriented than the explorer. The wish to dominate the foreign markets through well-organized domestic systems is a characteristic of this mindset. Commitments to international investments is something, that the controller would be open for. The controller follows the ethnocentric mindset (Perlmutter, 1969), where his or her strategic decisions will be affected by the values and beliefs of the home company. In investing abroad and opening foreign subsidiaries, the controller is forced to study and understand the foreign culture and how it impacts the way his or her company does business. Foreign subsidiaries managed by the controller will most likely be forced to adapt to the home country's organizational culture and the business processes will probably be marked by it. Foreign cultures are only used to a certain degree that benefits the home company (Kedia and Mukherji 1999, Baird 1994). Some people with a controller mindset might be characterized as having a polycentric mindset, where strategic decisions are customized to the need of the foreign subsidiary's culture. The decisions made by the controller could also be made with geocentric point of view, where his or her interests are adapted with the interests of the foreign company or subsidiary (Perlmutter, 1969, Kedia and Mukherji 1999). Allowing integration and freedom in the foreign country is only limited since the controller believes in financial and strategic control usually regarding prices and allocation of resources. The main idea is that all important decisions are coordinated, approved and sanctioned by the head office. People with a controller mindset is usually wanted in franchising businesses (Kedia and Mukherji 1999).

The integrator:

The integrator is the one mindset with the characteristics of a global mindset. Kedia and Mukherji 1999, argue that the integrator has a global mindset because of the level of awareness in the form of knowledge and abilities in the form of skills. The perspective of the integrator is multi-cultural and has worldwide network relationships with suppliers, collaboration partners, competitors and customers (Baird, 1994). Partnerships and alliances are structed and restructured with regards to new threats and opportunities. The integrator uses his or her knowledge to ensure organizational effectiveness. People with this mindset can gather information about foreign cultures and uses this information to optimize his or her skills to fit the dynamics of the complex international business environment. The integrator is aware and understands the differences that exist between nations and cultures. He or she has the capability to connect to the external world allowing for innovation and opportunities. The integrator does not only try to understand the culture of the relevant party, but

also other relevant cultures. In managing different cultures, the integrator has the ability to understand, integrate and overcome cultural obstacles. The integrator perceives him or herself as the coordinator rather than the supervisor and is constantly trying to improve the implemented strategy to fit the needs of all related parties. Creating international embedded effective relationships is the key goal of the integrator with appropriate linking and leveraging. The key function of the integrator is managing effective knowledge transfer from one part of the world to another through diversity and mutual benefits. The integrators have the capacity to cope with the changes that occur in the globalised world (Baird, 1994; Kedia and Mukherji 1999).

Defender	Explorer	Controller	Integrator
Domestically oriented and traditional	Domestic preference to a degree	Globally oriented but with domestic culture	Globally oriented and multi-cultural
Closeminded to changes	Strict to domestic ways	Cautious with new ways	Openminded to changes

Table 4: Characteristics of the four mindsets

Moving one from the mindset of the individuals to the their ability to show the outward of their mindset through their personality, which is the one the collaborating partners experience.

The big five personalities:

"*Personality characteristics predispose humans to behave in certain ways, given particular situations, to accomplish certain goals*" (Caligiuri, 2006). Many different researchers have looked at the different personalities that exist (Digman 1990; Goldberg, 1992, 1993, McCrae and Costa, 1987; McCrae and john, 1992, Buss, 1991). Based on their research five personality characteristics have been identified as the big five. These personalities have shown ability to some extent to succeed in living and working in international surroundings (Caligiuri, 2000; Ones & Viswesvaran, 1997).

Extroversion:

This personality includes a social component, which global leaders develop by interacting with different cultures. Extroverts have a tendency to be at ease with social demands and to make an

extra effort to succeed in building relationships with people from the different countries (Caligiuri, 2006).

Agreeableness:

According to Buss, 1991, it is necessary to have an extent of agreeableness to be able to succeed in a mutual beneficial social alliance with foreign cultures. To be agreeable means to be able to collaborate with conflicts, aim for mutual understanding and to be less competitive. These factors have shown greater cross-cultural adjustment and the ability for a successful collaboration (Caligiuri, 2006).

Conscientiousness:

Defining conscientiousness means being "*governed by or conforming to the dictates of conscience.*" (MerriamWebster.com). conscious people demonstrate greater effort and task commitment. Global leaders tend to manage their task with higher complexity and effort than national leaders. (Caligiuri, 2006).

Emotional stability:

According to Buss, 1991, emotional stability means being able to adapt and cope with the stress and changes in their environment. In managing global affairs and collaborating with unfamiliar cultures being able to manage unforeseen changes help leaders to avoid misunderstandings and to succeed in their international relationships.

Openness or intellect:

When talking about interacting with various types of culture, an open mindset is necessary for a leader. Providing an openness when entering international discussions help managers to avoid presumptions to blind their judgement. A barrier to a mutual beneficial communication is a biased mind. According to various researchers (Abe & Wiseman, 1983; Black, 1990; Cui & van den Berg, 1991; Hammer, Gudykunst & Wiseman, 1978) individuals, who possess a higher level of openness will have fever rigid views of what is right and wrong, when interacting with different cultures (Caligiuri, 2006).

Extroversion	*Agreeableness*	*Conscientiousness*	*Emotional stability*	*Openness or intellect*
Openness	Courteous	Effort	Adaptive	Open mindset

Social	Non-competitive	Commitment	Collaborative	Honesty

Table 5: The five personalities' characteristics

3.2.1.2 Language:

Studying and learning a new language is not limited to the grammar and the extent of the known vocabulary. Language-proficiencies include the ability to form a mutual understanding across different nations and origins. Collaborations across nations require the ability to understand each other beyond linguistic (Lappe and Dörrenbächer, 2016). Body language and cultural assumptions are included in the interpretation of different cultures and languages.

Language difficulties can be caused by two most common problems. First is the different accents and deferent proficiency levels will affect the comprehension of the spoken words. Second, it can cause problems in the formation of social identities in organizational international contexts (Lauring 2008). In order to reduce these barriers a common corporate language has been introduced to the business world – English. Most non-speaking countries have identified English as their communication channel with other companies and has become their corporate language.

Lauring and Selmer, 2013, argues that forcing people to speak in a second language could be problematic because of the level of linguistic proficiencies among non-native speakers. They have investigated the link between the foreign language proficiency and age. People, who have been in the work place a long time speaking their native language will have experience greater difficulties in switching to English. In addition, people, who does not possess a high proficiency in English skills have been seen to reduce status and prevent employees from doing their job effectively (Lauring and Selmer, 2013).

Challenges faced by language dissimilarities has not received enough attention, because it has been treated as just another ingredient of culture and the interpersonal interaction that happens is usually not considered in the literature (Henderson, 2005). Research has shown that interacting across languages can create obstacles and tensions. It has also caused challenges in the teamwork and building cross-national relationships. Research has shown that it does not only affect the message spoken, but also the interpersonal perceptions and attitudes, resulting from the fact that the spoken words can be perceived differently based on one's mother tongue. It all relates to the unfamiliarity experienced by the receiver (Henderson, 2005). Factors such as misunderstandings caused by poor language skills and insufficient sociolinguistic knowledge about other nationalities can be

interpreted as deficient charisma, confidence and leadership abilities (Henderson, 2005; Lauring and Selmer, 2013).

The literature also show that if the linguistic diversity is managed effectively, those challenges can be overcome and it will have a positive effect on team building and group consistency (DiStefano and Maznevski 2000; Goodall and Roberts 2003; Holden 2002; Henderson, 2005).

Language competence and sociolinguistic competence

The biggest barrier in international networking is the ability to form a mutual understanding across different nations and origins. As Lappe and Dörrenbächer, 2016, pointed out overcoming the existent manifold differences between countries require the ability to identify, observe, interpret and understand these cultural variances beyond the linguistic ability. Another factor is that to avoid misunderstandings in speaking a foreign language comfortability with the words is essential. Some speak foreign languages, but are still bothered and do not feel at ease with the language.

Gumperz, 2003, focuses on how interaction involves gathering what others are trying to communicate and monitoring how the message is received. It is not just about coding or decoding messages. In interactional sociolinguistic, the main idea is that diversity affects interpretation (Henderson, 2005). It is all about analysing the context of which the message is communicated.

Interpretation is highly important factor to consider when working with foreign cultures. Different interpretation mechanism is used based on their different backgrounds, even though they are communicating in the same language as for example English. People tend to forget that when they interact and they forget to take a moment to see how the meaning of the words have been received (Henderson, 2005).

Even though one might and study and master the language proficiencies in foreign languages, misunderstandings might still occur. Hymer, 1971, argues that it is because communication cross cultures do not only require language competency but also communication and sociolinguistic skills are needed when communication across nations (Hymer, 1971).

Challenges faced by multi-cultural communications falls under two categories. First one being, the language competency. This category is related to the level of language know-how that the interlocutors have. Lacking a sufficient vocabulary and grammatical mistake could cause misunderstandings and an inadequate recipient of the message intended. Factors such as the speed

of the speech and the different accents are also barriers to a sufficient communication (Henderson, 2005).

The other category, which is the less obvious one, is the sociolinguistic competence. This is the "*capacity to interpret the social meaning of language and to respond appropriately in the context of interactions*" (Henderson, 2005). Difficulties that arise in communication could also be caused by the cultural interpretation of the information. The receiver might think that the message is received correctly based the underlying expectations for the words spoken. This causes ambiguity and misunderstandings (Henderson, 2005).

Managing linguistic diversity

Different analysis techniques have been developed in order teach participants to overcome the barriers that occur in communicating across nationalities. As Thije and Maier, 2012, argued "*…learning grammar, vocabulary and pronunciation of a language and knowledge of a country is by far not enough for effective communication.*"

One of these analysis' is the Contrastive analysis, which is developed with the aim of systemizing the differences and similarities that exist between languages. This technique can be traced back to 1967, where Richard Lado argued that understanding information that is similar to oneself is easily understood, whereas information that is unfamiliar is difficult to interpret correctly (Lado, 1967).

As mentioned above, with contrastive analysis it is possible to understand the different communication practices that exist cross-cultural conversations. It is about gaining knowledge on how the use of the language in communication and how values, norms and practices has influence on an effective intercultural communication. This analysis has been used in pictorial information to analyse how different cultures perceives the message in the picture and takes into consideration possible ethnocentric presumptions. This analysis is mostly used for marketing purposes, but has also been used to make warning signs as universal as possible (Thije and Maiyer, 2012).

Another approach is the imagology analysis, which research cultural illustrations such as movies, film and journals. The pictures are analysed with regards to cultural, social and political construct. This analysis studies the production of cultural representations of cultures and collective both in language and by other semiotic means (Thije and Maiyer, 2012).

Next is interaction analysis. Here the study is done by examining the meeting between two different cultures and how the intercultural commination is exercised. Though the interaction analysis does

not investigate the cultures by themselves, but more the issues that arise from the interaction itself. The idea is to reconstruct the realisation on intercultural communication. When misunderstandings and challenges occur, it is difficult to point out if it caused by culture or nationality. In this study, the participants shared cultural capability is investigated with regards to representations, value orientations and action dispositions (Thije and Maiyer, 2012).

Last step is the transfer analysis, where the aim is to teach the intercultural communication competence. *"...Intercultural competence consists of four components: (1) knowledge of language and culture, (2) insight in general communicative principles, (3) strategies of interaction for engaging in intercultural situations and (4) (cap)abilities to learn in and through intercultural situations"* (Thije and Maiyer, 2012). Transfer analysis is used in organizations to prepare expatriates to go abroad, in intercultural training of public authorities or in knowledge transfer for international students (Thije and Maiyer, 2012).

These four analysis techniques can guide employees, managers and organizations to understand and learn how intercultural competence is studied and taught.

3.2.1.3 Rationales:

Logics of the mind and having an open mind can influence the way people interact. Minimizing misunderstandings and maximising international networking efficiencies are much affected of the ability to blend in. Here the emphasis lies on the duality of the individuals as wells as on the corporate mindset. The ability to absorb and adapt to new dimensions and logics. As Levy et al., 2007, pointed out the global mindset can be traced back to the cosmopolitism concept, which as they defined it is a state of mind that can integrate the local and the global as wells as the familiar and the foreign. The eagerness and the openness to interact with foreign culture, race, origin, appearances and their logics. Some might have dogmatic opinions, which could affect how well they succeed in an international context. It is important to look how the logic is conceived, whether it is strongly imbedded in the local culture as supposed to the multiple culture. Gupta and Govindarajan, 2002, argues that a person possesses the global mindset, when he or she "combines openness and awareness of diversity across cultures and markets with a propensity and ability to synthesize across the diversity".

Experiencing an external event may be interpreted differently by managers and maybe biased by ambiguity or have several interpretations. Messages are organized in the mind in meaningful

patterns to promote sense-making. With the increasing amount of data received by the human, it is getting more and more difficult to make sense of the increasing complex world (Kauer, 2008).

Strategic and corporate sense-making happens through the individuals, since firm knowledge is derived by the individuals involved as insights and ideas are developed by individuals and not corporations. An emphasis in to put on the individual level in order to be able to understand how managers think and interpret the changes in the environments (Kauer, 2008).

When analysing how managers' rationale and logics relate to the global mindset of the company, one should bear in mind that in most companies, important decisions are not usually made by one person and the organizational culture has a great influence of the perceptions of its employees (Kauer, 2008).

Factors influencing the cultural sense-making of managers have been discussed by Dekker, 2016, to be the cultural dimensions of individualism–collectivism and power distance developed by Hofstede in 1991. These dimensions are taken from Hofstede's four dimensions of culture, but only the two relevant dimensions will be presented. The first dimension refers to individualism–collectivism, which consist of the social framework where people in a society live. An individualistic society is where each member is supposed to take care of themselves and their families. A collective society is the opposite, where a tight social framework consisting of identifiable groups, could be relatives or organizations, and within these groups members are supposed to take of each other in exchange for full loyalty. Here self-identity is either individual or formed by the group. The second dimension, power distance, involves the way organizations view that the power is distributed unequally. The power structure is hierarchical and is accepted by less influential people in the organization (Hofstede, 1991; Dekker, 2016).

Subjective culture gives a direct insight into worldview cultural groups and are the resources that improve cultural interactions. "*People are culturally programmed to see themselves and other people in a certain way and these culture dimensions provide a broad insight into the intercultural mindse*t" (Dekker, 2016). The global mindset involves people's attitudes towards global developments and cultural differences, which are formed by people's experience, education and observation. The global mindset helps to simplify complex and dynamic business environment. A global mindset enables managers to quickly interpret observations in a business situation and to go beyond the cognitive complexities that arise (Dekker, 2016).

Domestic mindset and rationales:

The domestic mindset refers to the top managers view and conceptualisation of the world, based on their experience in business. Prior to engaging in any international activities their mindset is based on their experiences in the domestic market (Andersen, 1993).

In the literature, the domestic mindset has been linked to two versions – **breadth and depth** (De bono, 1968). The first one, breadth, is also called the relational or horizontal complexity. The main idea here is the mindset is associated and embedded with diversity and heterogenicity of viewpoints. Broad mindsets have a tendency to accommodate multiple and various dominant logics and world views (Nadkarni et al. 2010). Broad mindsets are also argued to show less reliance to existing knowledge and tend to show more leaning towards new specific knowledge creation through adaptive sense-making (Bogner and Barr, 2000). Managers use environmental concepts and trends to develop new interpretations. With this kind of mindset, managers use research and test to develop new strategies by expanding their view and by broadening their range of actions. As a result, managers tend to lean towards variety instead of detail and sophistication (Nadkarni et al. 2010).

The depth on the other hand is related to a cognitive or vertical complexity. Here exists one dominant logic, which is represented in the level of expertise, sophistication and specialisation. The depth mindset tries to implement new thinking into existing mindsets, which indicates path dependent sense-making. With the use of this kind of sense-making, filtering information to fit with existing and well proved strategies. An emphasis is put on creating sophisticated interpretations over time. Even though managers seek to increase the competence in the existing knowledge, the advantages of exploiting this knowledge increase (Nadkarni et al. 2010). As a result, instead of changing their mindset to fit with the new and remote information, managers tend to try to make sense of the new information through their own deeply held concepts.

In explaining these two kinds of mindsets De bono, 1968, used an analogy, where the breadth mindset refers to digging a new whole elsewhere, where depth refers to digging the same whole deeper (De bono, 1968). The two types of mindsets derive from the sense-making mechanisms (Daft and weick, 1984; Lyles and Schwenk, 1992; Nadkarni et al. 2010).

3.2.1.4 Work-life balance:

When studying European countries, the work-life balance has become essential in the modern working world. The society inspires people to have a stress-free life. Hildebrandt & Littig, 2006, argues the increasing internationalisation for firms' challenges ad jeopardizes the stability of the social structure, standards and rhythms of a work-life balance society.

Some cultures tend to always be busy and the people need to adapt to the speed of the society. To be up to date with the society and being able to compete in the workforce, the society make them busy. Here in Denmark it is different. People are satisfied with what they need, which is a peaceful happy life. Their wants and needs are not positive towards taking risk and to move, because they want to take care of their families. Job descriptions which include travel days might affect the job candidates' decision to apply.

A work-life balance refers to the ability of individuals to combine the responsibilities at work and at home simultaneously successfully. Work relates to paid employment versus life, which relates to leisure activities and family time (Wheatley, 2012). An argument was made by Guest in 2002 that a balance between work and life, does not necessary require an equal weight of both but rather a stable and acceptable relationship. In Denmark, an 8-hour work, 8-hour leisure and 8-hour sleep prospect have become a norm in the society.

In Scandinavian countries, a work-life balance has become an essential part of our requirements when looking for a job. Plus, travel days included in job adds might make candidates hesitative to apply. With the provided social security net that governments have given their citizens, different individuals' needs and wants are becoming more and more relevant to the people.

The concept work-life balance has gotten more and more attention in recent literature about the post-modern working world. The increasing long-term interest in female employment, which has continuously risen the last couple of year, especially with regards to females with children. Another shift that has influenced the work-life balance concept is change from male-bread winner-female carrier model to double household incomes and single parent families (Hildebrandt & Littig, 2006).

Some researchers argue that the focus on work-life balance has origins in the continuously decreasing fertility rates and the concept is intended to help demographic trends. The shift in the society has been interpreted as an increased emphasis on free time, that prefers leisure time over work-related obligations. The contrast between traditional values as performance and reliability

issues versus self-determination and self-realisation issues. Changes in the work places try to favour this contrast in their job offerings, because organizations are in the need for new skills and knowledge even though people have become more aware of the everyday obligations and duties (Hildebrandt & Littig, 2006).

In a publication developed by OECD in 2002 called *babies and bosses*, an investigation in the work-life balance changes and implementations throughout three countries; Australia, Denmark and the Netherlands. Policies in each country were analyzed and benefits presented. Some of the initiatives that enterprises offer employees in Denmark are; Child's first day sickness, special hours for parenting, bring a child on the job, work at home if one's child is sick, full or partly covered maternity or parental leave. Some of the findings that the they presented was that with the increasing number of working females, lesser working hours are needed for the parents to be able to raise their kids (OECD, 2002). Both men and woman are become the care takers of the house and the kids, especially with the increasing divorce rates or dissolution of partnerships in the European countries.

Internet has become a source of relationship building across nations in order to face the difficulties that arise with the increasing the need for a work-life balance. Communication technology is cheaper and will appeal to both female business owners and managers, who intends to maintain their work-life balance. Relationships building and network are proved to some important factors being jeopardized with the increasing attention to the work-life balance where communication technology is trying to minimize these risk (Rosenbaum, 2017).

Balancing a work-life balance and being able to maintain cross-national relationships are causing difficulties, when considering expanding or cooperating internationally. Employees' preferences and their decreasing motivation for travelling abroad are factors worth taking into consideration when building international networks both on the individuals side but also in the corporate mindset of the organization.

3.2.2 Corporate global mindset:

Challenges met by managers are not restrict to meeting changes in the global environment but also to the capability for companies to improve corporate performance and develop their individuals simultaneously (Kedia and Mukherji, 1999).

Managers were previously trained to cope with the "hard" versus "soft" issues. (Tichy 1992, Kedia and Mukherji, 1999). The hard issues refer to cost related issues (the low-cost producer) such as budgets and finance, the soft issues involve the need for creativities and innovation to develop products to compete in an increasing global business environment.

The focus, which previously, only included influencing managers has now shifted to teams, groups and organizations. The emphasis on the organizational culture, values, leadership style, risk-taking, innovation and vision can be seen in the literature researched after the development of Tichy's figure in 1992. As figure 2 shows managers' orientation has not only shifted but has broaden, suggesting the ability for focusing on both the hard and soft issues simultaneously. Researchers who have been focusing on the global organizational culture includes Lappe and Dörrenbächer, 2016; Félicio et al. 2012, 2013; Kyvik et al. 2006, 2013.

Figure 8 Changed orientation of global managers (Kedia and Mukherji 1999 adapted from Tichy 1992)

Essential aspects when developing an organizational global mindset are the development of a global vision and promoting shared global values between managers and employees (Gupta and Govindarajan, 2002; Paul, 2000). Developing a corporate vision that is globalised oriented helps motivate and encourage employees in the global commitment to the shared values and mission (Félicio et al. 2012). Shared values and believes across the organization might help companies interact within the company and with its subsidiaries.

It has been argued by Kobrin 1994, that having a global organizational mindset has become requirements to be successful internationally, because of the limitations it provides to the global minded manager if the organization does not have the international capacity to follow (Jeannet,

2000). With that said in order for the company to capture and preserve in the global industry, a developed global mindset has to be implemented with each division and employee (Govindarajan and Gupta, 2001). In order to interact with multiple cultures and market diversity, processes, behaviour and a structured organizational identity is a pre-request for a strategic thinking and cross-cultural learning.

"*To increase its global presence, a company must manage its global work force*" (Begley and Boyd, 2003). Geographic constraints and cultural diversity are some of the key challenges facing today's global organization. For that reason, different frameworks have been developed to explain organizational global mindset and help employees overcome cross national obstacles.

One of the first frameworks in the literature can be traced back to Perlmutter in 1969. He explained the need for a corporate mindset which can be one of three things: ethnocentrism. polycentrism and geocentrism. These three profiles are called the EPG-profiles.

An ethnocentric view favours the home country over the host country (Perlmutter, 1969; Kuada, 2010). Companies will there apply their values and beliefs when working with or being abroad. A polycentric view appreciates multiple and diverse cultures and will respect and implement local adaptation (Perlmutter, 1969). When working with a polycentric company, subsidiaries abroad are allowed to preserve their own culture and business norms. The company tries to integrate both cultures in the organizational identity. A geocentric mindset prefers a universal view of the world and will try to implement it across divisions and subsidiaries (Perlmutter, 1969).

These EPG-profiles have been used to explain the different mindsets companies have when operating in a global environment. The profiles have been used in both strategic and management literature to describe how managers and companies relate to international business partners, competitors and local affiliates (Kuada, 2010).

Further developments of global mindset thinking became relevant in academic world after the year 2000, when globalisation took a high increase. More and more companies began looking for ways to increase their success of doing business across nations.

In 2002 Gupta and Govindarajan developed a framework, where they put a focus on the contact between global and local adaption. In developing a global mindset, the authors put an emphasis on local adaption and local diversification. They developed three kinds of mindsets, with two variables in mind - integration and differentiation. The mindset developed have the same main idea as the

EPG profiles. The parochial mindset is similar to ethnocentrism since it has a high level of integration and low level of differentiation. In this mindset, there is a high value on standardization and a low value of local adaptation. A diffused mindset is similar to the polycentrism since local subsidiaries and divisions are allowed local freedom. The last mindset is the global mindset, which has same characteristics as the geocentric mindset where a high value is put on the ability to integrate and differentiate between cultures (Gupta and Goindarajan, 2002).

A third framework was developed a year later by Begley and Boyd. 2003. They focus on the balance between global consistency and local responsiveness. The balance between the two is not stated in the framework but it is rather an encouragement to the companies to find a balance that mostly fit the organization. "*To achieve success internationally, managers must balance global consistency vs. local responsiveness to varying degrees.*" (Begley and Boyd, 2003). A high level of global consistency allows the company with a cost advantage and a high level of local responsiveness allows the company adjusts country differences by integrating local autonomy. Companies having both dimensions are provided with a global balance in local concerns (Begley and Boyd, 2003).

The essence of wanting to be internationally involved, is based on the organizations vision. As Félicio et al. 2012, argues that the corporate global mindset is essentially seen in the organizations vision, values and norms. these are the characteristics engaging the employees in the global environment.

3.2.2.1 Vision - managerial:

The vision of the company includes the formal strategic goals, which the company follows as a clear guide for choosing current and future actions. The vision of the company defines the intention of the company to go global.

What does it mean for company to have a vision? According to Scoot, Jaffe and Tobe, 1993, "*Visioning includes the processes of clarifying values, focusing mission and stretching to a preferred vision. These key elements form the essence around which individuals, teams and organizations plot their course*". The vision is the goal to which employees and managers strive to uphold. Decisions are made based on the short and long term vision of the company, defining the core principles, to which companies envision and define themselves throughout. The vision is the journey from the known to the unknown, as the Scoot, Jaffe and Tobe, 1993, describe it. It is how individuals create the future. According to Peters, 1988, the vision of the company should be

defined clearly, inspiring and challenging. The vision statement's objective is to be a stable force in a chaotic world. An important factor to have in mind, is that the vision should be formulated in a way so it will empower and motivate employees at all stages. (Mohan, 1993). When defining the company's vision, an emphasis on the uniqueness of the organization should be included, also known as the strategic distinction (Peters, 1988).

Visioning is a continues process, binding people together to create a unified goal. The main purpose is to have clear picture of what the people in the organization is trying to build together. together with the vision, the values and the mission are the key elements that drive people, teams and organization in the organizational identity. These core principles are what keep organisations innovate and responsive in new situations (Scoot, Jaffe and Tobe, 1993).

Now, what does the visioning have to do with the relationship between global mindset and internationalisation? When studying the global mindset, the vison of the managers influence the motivation for going abroad. Two objectives influence the managers' motivation for internationalisation: Their attitude towards internationalisation and their vision for that internationalisation (Allali, 2003).

Allali, 2003, identified a gap in the literature, when writing his thesis, about how the owner-managers vision influence the internationalisation process of small and medium-sized companies. He argues that managers can have three different types of attitudes towards internationalisation: negative, positive or passive attitude. His findings suggest that there is a relationship between clear vision and the pro-activeness of internationalisation and the fuzzy vision seems to be related to the reactive internationalisation of firms (Allali, 2003).

Limiting the company's vision to the domestic market can be related to various reasons, of which two of them will be presented below as possible motives; Risk taking and local embeddedness.

3.2.2.2 Risk-taking – in relation to tax policies:

Risk is perceived differently in the literature, whether the focus is on the managerial, economics or financial. The focus will be on how tax policies influence companies' motivations for going abroad. International expansion requires thorough investigation of tax systems and different available methods in entering new markets by decreasing the risk. The method will depend on the resources available but also on tax consequences that can be fiscally tolerated (Rodin, 2015).

Risk and tax policies

Tax policies might inspire companies and business people to earn more profit and expand. The focus on the risk-taking capabilities of the company and the underlying structure might influence the motivations for going abroad and how they are driven to expand to additional markets. A firm's ability to take in risk refers to the relation between how decisions are made and how the action is taken with regards to certain knowledge of probable outcomes. In order to assess the corporate mindset of the company, the risk-taking attitude is chosen as a dimension influencing the concept (Talke, 2007). This attitude might be one of the reasons why companies do not want to go outside their nation, even though they have the potential. Researching issues as the readiness of the market, the company's orientation towards high cost or their ability to restructure themselves will show some light on this matter.

The main aim for a company, when internationalising is to avoid unnecessary overall tax burden and double taxation (Rodin, 2015). Some companies are exempt from paying tax earned outside their home countries, though in some cases this does not apply such as in the US and Denmark.

In some countries, tax policies are very aggressive, especially those with social safety nets. To be able to cover the social safety net, which is the help some governments provide their citizens with welfare, unemployment salary and medical coverage, taxes are high for people and corporations with high income. This can be reflected in the motivation, companies have for expanding and on their growth strategies including the motive for internationalization.

Tax avoidance is researched in the minds of CFOs and CEO by Rego et al. in 2012, where a greater impact of equity risk incentives was found on the corporate risk taking attitude in the CEO's mindset (Rego et al. 2012). In the end, in order to take in risks, a high return on investment is required. As a result, tax avoidance will impact companies' motivation for going abroad.

In a research conducted by Dyreng, Hanlon, and Maydew in 2010 they find that individual managers have an influence on the corporate motivation for corporate tax aggressiveness, even after controlling various firm characteristics.

Risk in the corporate mindset:

The decision makers, who in end, have the power to approve and disapprove international expansion and foreign market entries are also the managers influencing the corporate mindset towards risk-taking. An approach developed by Venkatraman (1989) and later adapted by Morgan and Strong (2003) includes a measurement approach on strategic orientation with regards to

corporate aggressiveness, riskiness and pro-activeness. Here the corporate mindset is taken into consideration, rather than the company's vision and objectives. Talke, 2007, used these dimensions in analysing the relationship between corporate mindset and new product performance. For the sake of this thesis, only one of the developed dimensions will be used, which is riskiness.

A firm's riskiness relates to how decisions are made and what knowledge has derived from possible outcome, including investing unknown resources into uncertain projects (Dess and Lumkin, 2005). In case of entering into unknown markets, the result on the performance will be negative (Venkatraman, 1989). With regards to a technology perspective, a progressive attitude towards supporting new projects and technology has a positive impact (Naman and Slevein, 1993). Taking into consideration these arguments, Talke, 2007, concludes that a risk-averse posture towards market and technology will have a positive impact on performance (Talke, 2007).

In looking how risk-posture is reached in the literature, a focus has been on the role of risk in global mindset of multinational corporations. Here corporate global mindset has been integrated in the analytical posture, risk-taking posture and aggressive posture (Venkatraman, 1989). It has also been researched in the situational posture (Begley and Boyd, 2003) and strategic posture (Jeannet, 2000). Where risk plays an important role, is in the organizational culture of the company, because it either encourages employees and decisions makers to learn from mistakes and to take risk and to develop skills to cope with the change (Felicio, 2015). Other important factors influencing corporate mindset is risk-taking posture and autonomy, which encourages employee commitment, global orientation and egocentricity of top management (Sigler & Pearson, 2000).

Based on Felicio's research conducted in 2015 about how the global mindset affect the internationalisation behaviour of small and medium sized enterprises, some of his findings will be presented here. The variables used in the risk-taking posture were "*1, Progressive and bold attitude to decision making; 2, support promising project; 3, tend to take risks related to the market; 4, market-related tried and tested actions*" (Felicio, 2015). The conclusion was that on the corporate mindset has a positive effect on risk-taking posture and the motivation for going abroad or to search for new projects and products (Felicio, 2015).

Taking in risk can sometimes be the only option for creating a competitive advantage in the globalised world. On the other hand, it might not be necessary, if the company has a strong embeddedness in the local network, creating this competitive advantage,

3.2.2.3 Strongly embedded in the local network of the companies:

Companies are often strongly network imbedded in the local environment or local multinationals. Older companies tend to build up a strong local network and be tied to it (network in a stickiness). It will affect the global mindset and internationalisation of the company. "The concept of embeddedness may be used to analyse companies' multiple dependencies (both positive and negative) on various types of networks. In this way companies may be seen as embedded in different kinds of relationship networks" Ratajczak-Mrozek, M. (2014).

Prior to the internationalisation and globalisation most companies started up by selling their products and services in their local and domestic network. Relationship building and networking were easily implemented where trust was already built. Here the concept local embeddedness becomes relevant. Embeddedness is derived from sociology and means that companies are connected in networks by interpersonal relationships and economic behaviour. Local embeddedness refers to the relationships and networks that are connected to a specific location. (Granovetter 1985).

Motivations for local business linkages can be derived from various reasons, to which some of the most relevant ones for this thesis will be presented. **Transaction linkages** is a way to reduce transactions costs, referencing the cost accrued in the intermediate stages between raw material processes and reaching the end-users. The also relate to transportation cost, the search for new suppliers, withholding the same product quality, contracts, delivery time and further on. Companies, who carry out all these transaction cost in an anonymous market will accumulate expenses in each transaction (Copus et al., 2011).

Transaction linkages are the easiest to observe, but are widely related to informal interactions between companies. Business networks can be related to minimizing cost either by agglomeration (transportation cost) or by transaction cost though networking.

With regards to urban areas, where many companies are located in northern European countries, transportation cost tends to be lower. Here finding potential suppliers and collaborators are well developed and easily accessible. For this reason, in urban areas a competitive advantage can be resultant from agglomeration, because firms can trade without occurring high transportation cost and can benefit from common institutions and services (Copus et al., 2012).

In the literature, it has been argued that new technology, transfer agreements or the presence of the innovate people are not necessarily the only reasons behind innovations, the actors in the local economy, the relationship between them and the environment in which they operate also favours innovate thoughts with the ability to implement them together. (Copus et al., 2012)

Local embeddedness and internationalisation

Arguments that companies are simultaneously embedded in local, internal and global networks regardless whether they have a direct or indirect presence in foreign markets. Reasons for this statement are first, that companies are involved in a global competition even from their home country. Ratajczak-Mrozek, 2014, argue that "*even companies selling solely in the local market are entangled in international dependencies, which in turn have a significant impact on their operations, performance and internationalisation process*". Companies become unintentionally embedded in international networks either through their local network or because of foreign companies' entries.

The complexity of the challenges faced by domestic companies are increasing, both with regards to managing and building business relationships. By adopting the networking approach, an explanation cam be given to the relation between purely local companies and their relation to the international business world. "A business network (an industrial network) is a set "*of repetitive transactions based on structural and relational formations with dynamic boundaries comprising interconnected elements (actors, resources and activities). Networks accommodate the contradictory and complementary aims pursued by each member, and facilitate joint activities and repetitive exchanges that have specific directionality and flow of information, commodities, heterogeneous resources, individual affection, commitment and trust between the network members*" (Todeva, 2006).

A network can then be both formal and informal and refers to the way companies build trust and collaborate with each other to gain mutual benefits by minimizing risk of involving new members in the business environment. Business relationship and networks are then build-up of a well-known reputation and integrity. Networking relationships have most likely been developed over a long period of time and the comfortability of collaborating have provided the members a feeling of loyalty and belonging.

In 2005 Forsgren, Holm & Johanson argues that a company has a low level of embeddedness, replacing actors in the business network is easier to replace, because the level of adaptation between resources and activities is also low. In contrast, if the company has a high level of local embeddedness, actors in the network will be difficult to replace because of the mutual dependence within the network. Companies have adapted their resources and activities to each other over time (Forsgren, Holm & Johanson 2005).

When building of local relationships and networks, a form of security and safety is embedded in the corporate mindset of the members of the company. Leaning on each other and working together create a knowledge flow and a partnership, which is difficult for companies to overstep. When considering entering new markets, some companies feel more at easy if the entry mode is through their local network and well-known trustful partnerships.

3.3 Author's conceptual framework

A conceptual framework is intended to break down he phenomena investigated to be able to show and test a hypothesis or a relationship between concepts. A conceptual framework can either be graphical or narrative, they can also either be simple or elaborate. They can either be theoretically driven, descriptive or causal. The framework is simply the map of the research. Through this framework, the researcher becomes selective in choosing the concepts to which are most important for to implement the outcome (Miles and Hubermann, 2014).

This thesis is investigating the relationship between the global mindset and internationalisation of companies. To be able to simplify and understand the research questions of this thesis, building a conceptual framework became relevant in order to define specific measurable concepts derived from the literature to investigate the main research question i.e. the proposed hypothesis. Qualitative metrics have the purpose of either approving disproving the hypothesis.

The dotted arrow is to acknowledge the reverse impact, where the internationalisation of companies impact the global mindset, but this will not be focused upon in this thesis. In investigating the global mindset, a distinction between the individual cognitive attributes and the corporate cognitive attributes have been provided by researchers such as Jeannet, 2000 and Gupta & Govindarajan, 2002. This distinction will be considered as a point of departure to investigate the relationship between the global mindset and the internationalization of small and medium-sized firms. In order to be able to answer the sub research questions, different concepts have been chosen from the

literature to help break down the phenomena Global mindset into specific theoretical measurements to test the connection in the investigated relationship.

In investigating the factors that might have an impact on the **individual mindset** and its effect on internationalisation four concepts have been derived from the literature. First the managerial competencies to handle foreign cultures, second language skills of the managers, third the rationales and logics of the managers' mind and fourth the work-life balance's impact on prioritizing to the extent the internationalisation performance of firms. These fours concepts have shown in the literature to be either inhibiting or motivating internationalisation.

Managerial competencies including the personality and mindset of the managers have shown to affect the successfulness of building foreign relationships and might have an impact on the ability of the managers to be open to other cultures and to meet mutual beneficial expectations in international relations. The metrics used to analyse the managers' competencies are the big five personality characteristics developed by Caligiuri, 2006 and the managerial mindsets proposed by Baird 1994. This concept will to shed some light on the managers' competencies to implement and encourage international interactions.

Investigating the **language skills** will provide the managers ability to limit misunderstandings and managing linguistic diversity in order to feel at ease with international circumstances and how that affects their willingness to expand and improve the international connections of the company.

The **rationales** and logical thinking of the managers, includes the managers' ability to handle and encourage changes to change behaviour to fit with the international circumstances. The individual thinking and mindset, being either domestically oriented or globally, have shown to impact managers pre-assumptions and standing when they are faced with different cultures and foreign issues. This will be to clarify managers' sociological mind when confronted with the international market.

The last concept found in the literature regarding the internationalisation of small and medium-sized is **work-life balance.** The prioritizes of the individuals have shown to favour a boundary between time spent at the office and minimizing travel days. Limiting employees travel days and afternoon working hours have become some the advantages that employees look for and employers offering. This minimizes international meetings, negations and opening foreign subsidiaries, which could result in limitations in the extent of the internationalisation process of a firm.

On investigating the **corporate mindset** and its effect, three concepts haven driven form the literature. First being the vision of the company, which mostly like is the strategy of the company, second the risk-taking attitude relation to economical and taxes and third the local embeddedness of firms and how that influences the intention for going abroad.

The corporate **vision** derives from the top management of the corporation and is the desired goal of the managers, where all resources are put in action for that purpose. Acknowledging the international possibilities in the vision of the company will then affect the resources available and intended for the internationalisation of the process.

Risk taking attitude with regards to tax policies derive from the institutional facts that might inhibit the corporate mindset towards internationalisation based on the return on investment outcome.

Finally, the local embeddedness of companies is considered. Some companies are strongly embedded in their local networks
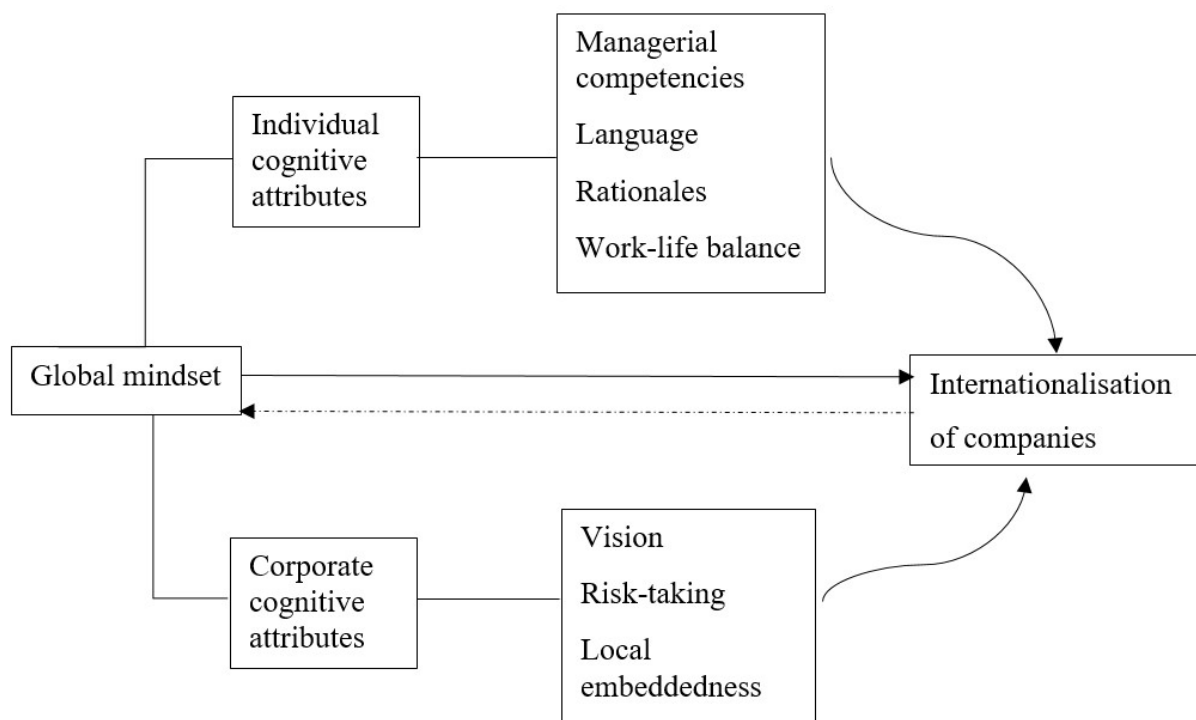

Figure 9: Author's conceptual framework

In breaking down the individual and the corporate mindsets into measurable concepts, it is easier and more accurate to spot a connection between the main phenomenon investigated i.e. the global mindset's effect on the internationalisation of companies. This conceptual framework covers

various attributes and concepts considered the global mindset theory and internationalisation network theory, and is therefore a pathway to discover the consistency of the hypothesis proposed.

Chapter 4. Case Analysis

To guide the analysis part of this thesis, the previous presented conceptual framework will be the guidance to be able to investigate the relationship between global mindset and internationalization of companies – in this case BILA a/s. BIlA is an atomization company, located in Nykøbing Mors, Denmark. This chapter will display the data collected by the BILA case to better show how the findings have been verified. First an overview of BILA and PALOMAT's history will be presented, followed by the organizational culture of the company. Moving on to the data collected about individual mindset about BILA and PALOMAT with regards to the four concepts investigated through the conceptual framework. Next the three concepts regarding the corporate mindset of both divisions will be presented. Finally, the relationships between the global mindset and the effect on the internationalization will be presented with an estimated degree to be allow for differentiation.

4.1 The history of BILA:

BILA started 26 years ago, in 1988, as a service providing company, providing machine services and maintenances to local companies, which was the focus of the company. In 1992, the first product was developed, the pallet magazine PALOMAT, because one of the owners was suffering from back problems. At some time after that, the focus for BILA started shifting to the atomisation industry. The reason for that was the increasing need the local area. BILA is located at Mors in some of the rural area of northern Denmark. In this local area, there was a lot of furniture manufacturing companies and dairies. These companies had started to consider automation solutions in their manufacturing. This caught BILA's eyes, and they started developing and manufacturing atomization solutions for optimising their local customers' production. The market and working foundation was aimed at northern and middle Jutland, because that was where most production and food companies were located. BILA, as a project house. became export oriented after the year 2005, though the PALOMAT department has been internationally oriented prior to that. The BILA project house started developing and focusing robot development a couple of years after the establishment. In 1995, BILA got the Kawasaki robots distribution licence for Scandinavia. In 2005, BILA A/S has a turnover of 80 million Danish kroner. The next three years the company had an annual growth of 30 %, which was primarily the Danish market, mostly in Jutland. At

around year 2008-2009, the company faced some structural problems in their ongoing projects, resulting in some organizational changes.

At around year 2010 BILA project department started going abroad through their Danish key account customers. The first international related project was through Vestas, Danish Wind Energy manufacturing company located in the Northern Jutland. The project was to develop an automatization solution delivered in for the US and Germany at around 70 million and lasted 2 years. Since then BILA project house has been in Germany, Norway, Iceland, Sweden and the US. What characterizes the BILA project department is that they have no intention in selling abroad unless it is through a Danish customer. They do not have a primary focus on entering the international market. They work through their local networks and national customers. For example, BILA got Arla, the Danish dairy company, as their key customer through a networking relationship between the CEO Jan Sørensen and the new CEO Jørgen Greve of Arla at that time. BILA had delivered automation systems to the company, where Jørgen used to be. With Arla, BILA also delivered a system in Germany. Almost all BILA projects were and are network related. In year 2016 BILA A/S had a turnover of 250 million Danish kroner, in which approximately 75 million were through export.

Organizational structure:

Figure 10: BILA's timeline retrieved from BILA A/S

BILA project house has three different departments; Metal, Industry and Food/diary. In the metal department, there has recently been developed a standard programmed robot RoboPower, which has sold around 50 at the time of this thesis. This product is estimated by the management to be ready for the international market, where BILA has considered building-up a dealer network, for example, in England. It is offered at a lower price, since the development cost has been decreased. The expected growth in the project departments are estimated with 20 %. Last year the turnover was 160 million and is expected to be 200 million in the year 2017. In these departments, the contribution

margin is more important, but every time they increase their contribution margin, they also increase the risk.

Bila Service provides service for their sold systems. In addition, they offer maintenance for Denmark including other robots. On the other hand, on the international market they only service BILA's own sold projects. Expected growth in the Service department is 20 %.

Kawasaki Robots has 10-15 % share of the international market. Before 2010-12, BILA only sold automated systems, which included a robot, though this is not a requirement anymore. BILA is the sole distributor in Scandinavia, including the sale of spare parts. BILA sells around 70-80 Kawasaki robots annually. They used to have a salesman selling the Kawasaki Robots in Sweden, but the projects he got, were too complicated for the company to handle. BILA is pursuing a different strategy now, they are considering establishing themselves in Sweden and Norway though a sales office or subsidiary, though it will take time to build-up networks. A new employee has just been hired to start a sales office in Norway to sell Universal robots and automated trucks AGV.

AGV (automated guided vehicles) was established in 2016 as a partnership between BILA and N.C Nielsen. The idea is to sell the automated truck in Scandinavia, since NC Nielsen has connections in the other Scandinavian countries as well. Linde is a big competitor, in Austria with regards to the automated trucks. They have a similar product but might consider buying the AGV Scandinavia concept since the it is developed and sold for half the price of a Linde AGV. The plan is to sell 6 before summer and then 100 the year after. They are still running field tests.

Universal robots are independent robots, which are sold without programming. The UR robots are not sold within the offered automated systems, because BILA does not want to offer a competing product to the Kawasaki robot. UR in BILA is about to get a distributor permission for Norway. The UR department has doubled their sale the past year and is expected to grow with 50-60 %.

4.1.1 The history of PALOMAT

The PALOMAT department is a division of the BILA organization. The PALOMAT is a pallet magazine designed by the owners in 1992 to reduce manual handling of pallets. Due to the fact, that the PALOMAT is a standardized product, the product had international prospect from the beginning. The PALOMAT started their internationalization process in Germany. According to area manager Majbritt Svane, the business strategy for Germany could easily be integrated to other countries as France, Belgium and the Netherlands. In the year 2005, the management increased their

focus on PALOMAT, since they believed it was possible to earn a high and easy income in this regard. Since the PALOMAT has a low cost and a high income, it was a high earned product for the company. PALOMAT has always been the company inside the company.

In the year 2005, the PALOMAT department had a turnover of 8-9 million Danish kroner. In the last five years, a significant change helped the PALOMAT to grow at around 20 % a year. The department has an annual turnover at 12-15 million Danish kroner. The significant change was that the department's strategy went from direct sales to building dealer networks. Building up a dealer network helped the company to overcome different cultural barriers, they had faced.

The PALOMAT department has two different product ranges; the stand-alone pallet magazines and the inline (which are integrated into an automatic system). The PALOMAT sells through a dealer network and are located in most of Europe, the US and Australia. PALOMAT had a turnover of 30 million last year. The department has a more risk-taking attitude, where they have a higher tendency to jump into new markets to gain knowledge and to improve their international performance.

The PALOMAT department has gone into a new era, where the sales coordinators can afford to be critical, when choosing their dealers. The dealers are chosen based on their competencies and type of business. The ideal dealer for the PALOMAT department has a large customer database, complimentary products, concurs an open and communicate relationship with PALOMAT and understands/ knows how to sell the value of the product. In order to assist their dealers, the PALOMAT division offers free marketing services and coordinates with the dealers to ensure value based selling and to promote the differentiation techniques of the resellers' organization.

Majbritt Svane, area manager, wants the whole world, but that is unfortunately not possible at once. The sales is a little slow for the time being, which forces the need to reflect and find new solutions to ensure the same level of growth. Time is the essence, so instead of using all the time and energy on new countries, the company tries to find better ways to increase their sales in the countries they already exist in. In order to enter new markets, the need for hiring more employees arise, but the budget does not provide the ability at the moment. The risk is therefore too high, with regards to the growth strategy. If the outsourcing plan of the parts fails, the risk of hiring employees to increase the sales will increase. If the department are not able to deliver on time, it will cause a loss of dealers. "The fundamentals should be stable, before taking another step. The focus will now be on the familiar." Majbritt Svane, Area manager PALOMAT.

4.2 Organizational culture:

The project and the product department is now separated into two buildings dividing the organization into smaller divisions to be able to maintain the organizational structure. Recently BILA has focused on changing the organizational structure from being flat to a hierarchy. The reason is that, with the huge increase of employees to 219, the communication and performance were inhibited. The culture followed at BILA is performance culture. They have a high focus on pushing people to exploit their abilities and skills. People, who cannot keep up usually falls off. Introducing the middle management into the organization has helped to delegate the responsibility which has shown to increase the effectiveness. Each month every employee at BILA has a one-on-one follow-up conversation with one's supervisor. This provides the employees with more presence and communication through the middle management. Since BILA is primarily owned by the CEO Jan Sørensen, it is easier to implement changes and to take decisions. BILA's organizational culture is built on these four concepts: Flexibility, Teamwork, Communication and Ownership. In addition, performance, structure and management are the key focus areas at BILA A/S. The offer to educate their own employees to able to invest in them and to keep motivation high inside the company.

The Danes are very pushy business people, and this is how BILA is run. BILA project-house faced some cultural challenges when working with the Swedish culture. The reason for that is that the Swedish organizations run an acceptance culture, where there is a working environment assembly where important decisions are made in agreements. BILA on the other hans, solve their problems right on the spot. In Norway, they met a challenge where the Norwegian people prefer Fridays off.

4.3 The individual mindset of BILA and PALOMAT:

In analyzing how the individual mindset has affected the internationalization of the two divisions, a focus on the personality and mindset of the ideal coordinator is established by the findings of the qualitative data analysis of the participants' answers.

Ideal coordinator personality for networking business			
Participant	**Skills**	**Personality**	**Mindset**
Per Bech Rasmussen	Strategic professional skills, market knowledge	Extrovert, innovative, trustful, reliable, modest	Open to changes and adaptation, openminded

	communication skills, time management		
Natalie Poppe	The ability to multitask, innovation, foreign language as German, some technical understanding	Proactive, extrovert, easygoing, kind but also assertive	Multicultural, open to changes, having a dualistic mindset, open to new ways
Tina Clausen	Sales experience, the ability to multitask and immerse, Foreign market knowledge and language, some technical understanding	Extrovert, courage, professional	Multicultural, respect, the ability to adapt to other mindsets
Majbritt Svane	Sales experience and value-based selling, at least 2 foreign language skills, communication skills,	Mostly extrovert, drive, motivation, persistent, professional, adaptation, agreeable but assertive, chemistry	Open to new ways, empathy and humbleness for other culture multicultural, emotional stability, open to changes
Flemming Bunde	Customer focus, the ability to multitask, strategic competencies, Domestic institutional knowledge, English skills,	Extrovert, integrity and trustful, innovative, conscientious, professional, friendly but consistent	Openminded, Visionary, understanding and welcoming, challenging, respect for differences
Henrik Valentin	Language skills as German, the ability to understand the resellers business, some economical and technical knowledge	Friendly, extrovert, trustful, modest, having a sense of humor	Multicultural and adaptive to your partner's mindset, openminded to changes, open communication

| Kevin Chaffot | Foreign language skills as France, foreign market knowledge incl. institutional facts, technical skills, | Friendly, extrovert | Open to changes and openminded, adaptation to other mindsets, multicultural |

Table 6: Ideal coordinator for building business networks based on interviewees answers

4.3.1 The ideal coordinator/manager at BILA:

There are currently 8 sales people at BILA, 7 of them working with key account customers. The ideal sales executive will be explained in the following section based on three concepts: Skills, Personality and mindset.

Personality and competencies: Having an extrovert personality is important to be a sales manager. The ability to multitask is also important, because there are many people involved in the process. Being able to show integrity and build trust with the customer in a professional manner are factors influencing the networking relationship. BILA is very innovative in the way they conduct business. They try to integrate the BILA's and the customer's way of doing things. They have seminars with their key accounts to keep finding new and better ways to innovate their processes. They should keep finding out what the best way is and how to advance quick. The ongoing shifting world processes change quickly and they should be able to keep up. Flemming Bunde, Sales manager, considers it necessary to have a balance between being friendly and consistent, both in the social and the business context. It is also important to be conscientious to build these relationships. Flemming Bunde, sales manager, also argues that because the Danish mindset is so openminded, it will support them and make them stronger in international collaborations. The Danes can work together across levels and hierarchies, in addition to having an open, understanding and welcoming mindset towards challenges, they can succeed in all production business, if they know how to master these qualifications. They want to have a positive influence on all levels of an organization. Being able to understand the Danish culture, norms and ethics are the essence of conducting business in Denmark and through Danish networks. Challenging the key accounts is a necessity to maintain the relationship and advance it. Using the Danes' assertiveness as a mean to convince that BILA's intention is to do what is best for the customer and to make them successful.

Language: In BILA, language has not been a priority, when hiring staff, based on the fact that the company goes abroad through their Danish key account customers. Even though the language is not

a priority in the production department of BILA, Per B. Rasmussen, the Chief of sales, argues that for the sales team, language is a must. In order to create the best automation solution for the customers (together with the customers), being able to communicate with them is a necessity. Flemming Bunde, Sales manager, has good English skills, which has also supported him in his line of work. He understands German, but not enough to discuss business strategies. He does not believe he has experienced any cultural difficulties when working and travelling internationally, especially because he tries to be prepared and studies the culture and norms beforehand. Flemming believes that BILA has a global mindset, because it is necessary to be able to go abroad with their key accounts, who have customers all around the world. Having a global mindset is important even though they internationalize through the key accounts because if they do not understand the context it is difficult to participate in the strategic discussions across the organizations to be able to provide the best solution for the customers. Institutional challenges might occur, but BILA tries to compensate by drawing on the customer's and the key account company's knowledge

4.3.2 The ideal coordinator/sales manager at PALOMAT:

The department consists of 5 coordinators, who are each assigned and responsible for a couple of countries. By interviewing and observing the participants, this is the ideal coordinator, based on these concepts: skills, mindset and personality.

The ideal candidate for the job has previous sales experience and understands value-based selling. He or she should be able to speak both German and English and have capacity to express himself or herself. To compensate for the German language, mastering a different language is also ideal. Based on the interviews with the dealers from France and Germany, the same opinion stands out. Their opinion is that having a coordinator, who speaks their home-country's language is ideal to gain the best out of the collaboration. Language skills have a positive impact on the way the coordinators build their professional relationships.

The coordinator should also be able to multitask, especially since the PALOMAT is not an easy sold product. One must saw some seeds, which should be processed, before closing a sale. It is important to keep following up with the dealer, because if there is a low communication between the dealer's company and the coordinator, they will not prioritize the PALOMAT in their portfolio.

The deal coordinator should be proactive. Technical skills are not per say necessary, but the ability to understand how the machine works and to explain to the dealer company when providing seminars, especially when explaining it in another language. As a result, having excellent

communication skills is always favorable in this kind of job. Some people have excellent communication skills, where they always leave a conversation, gaining something.

It is only important to have an extrovert personality, meaning that the coordinator dares to call anyone unknown. There is the possibility that the contacted company might not have the resources neither monetarily nor a customer base to take in a new product. It is important that the coordinator can build relationships and develop a professional friendship, where they can both small talk but still keep the professional line between them. The coordinator should be able to be easygoing, but still have the capacity to multitask and go outside one's comfort zone.

Henrik Valentin, PALOMAT dealer of Germany, values trust as the essence of a good collaborating professional relationship. With regards to the personality of the ideal personality for a coordinator, it should be a balance between being extrovert and introvert. If a coordinator is too present, Henrik is sure that he would be annoyed because PALOMAT is only one part of their business, so if a coordinator is a know-it-all person, it would cause barriers to the corporation. If someone would be calling all the time, Henrik would be irritated and prefers that the communication ceases. He believes that Natalie Poppe is adapting to the German mindset, but with the PALOMAT division, it is a little less. It goes back to the ability of the market coordinator to understand the reseller's business. he is not sure that the Danish and German mindset is very different. In general, he believes the PALOMAT department is openminded to changes. He has not experienced any cultural difficulties or barriers in the corporation. On the contrary, he believes that the two companies have managed to build a good relationship together.

Language: Language has been one of the strongest assets for the PALOMAT in succeeding to build international relations and overcome the barriers that exist in dealing with foreign dealers and distributors. Having coordinators, who speak German, Swedish, French and English have opened up doors into working with local companies to overcome the psychic distance that occurs. As perceived by their partners; it has been a success factor for the effectiveness of the collaboration, that the coordinator knows the language of the assigned country. The PALOMAT department offers sales and technical training for all their dealers abroad. Each dealer is invited to visit Denmark, to be well-equipped and educated with the values of the pallet magazine. Product brochures are developed in ten different languages, and translated newsletters and feature videos are available for the dealers to use, which is included in the free marketing service that the department offers their

dealers. As the sales coordinators interviewed in this thesis has argued, that speaking to the dealers in their own language has helped to minimize cultural and language misunderstandings.

In France, Tina Clausen, sales coordinator of France and Sweden, has had sincere advantage by having lived a couple of years in France., since most French people does not have a lot of English competencies. The English language is not very focused upon in France since all materials and movies are translated. Tina has also resided in Sweden for some years and can therefore also speak Swedish. As a result, she knows and understands the norms and ethics of both countries. In analyzing Tina, Kevin Chaffot, PALOMAT dealer in France, believes that Tina understand the French market and French mindset. The best coordinator, in Kevin's opinion is first, to know the language, second understanding the institutional facts about the French country including the law and the market requirements. Third, a good knowledge about the sold product is very important. Fourth availability is important, i.e. to be able to contact her when needed.

Natalie Poppe, Sales coordinator for Germany and Hungary, has faced challenges when coordinating with the only English speaking dealer she has. She does not feel like she can influence them in the same way she influences the German dealers. It would have been more difficult for her to build the same relationships in Germany, if she was not able to speak German. Since Natalie has both a Danish (mother) and a German (father) parent, it has helped her to be dualistic in her job. It also helps her to communicate and understand the German mindset and to build these fitting relationships. She has good language skills in German, which has been very helpful for her to understand the norms and the body language of the culture. In Hungary for example, they value the cultural knowledge high, which is why Natalie has read a lot about the culture to be able to adapt when visiting her Hungarian dealers. It is then easier to understand the way they think, though ehe has not faced any cultural barriers yet. The German dealers might experience the Danish culture to be able a little more assertive and proactive. Many dealers have been let go, but they always end the collaboration on a good tone.

Mindset and rationales: When a coordinator is working with different countries, the coordinator should be able to have a different mindset, that fits with each of the countries that he or she collaborate with. There is also a need to adapt a different mindset within the same country. In France for example. In the north of France, you develop a strategy and work according to it, whereas in the southern France they are dubious and are not very punctual. For this reason, it is necessary to know where which French person are from.

It is important to be able to innovative and open to changes. This is necessary if the company wants to grow. It is not all the dealers, who can advance in the PALOMAT way of doing things; therefore, trying to find new and better ways to integrate from one dealer to another. For example; when starting up new dealers, Natalie Poppe uses dealer case stories to help find a way that suits the dealer's organization.

Kevin Chaffot, PALOMAT dealer of France, argues that having an open mindset and being able to acknowledge change is essentially important when building international collaborations. French people has a difficulty cooperating with a close mindset, because the customers like to propose customization and alternative solutions for the customers. Kevin trusts the PALOMAT's way of doing things and they believe that following Tina Clausen's advice will help to grow their business. In trying to adapt, the PALOMAT's business process, Liftop tries to adapt the marketing activities and the strategic decisions to fit with the French laws and regulations and to fit the markets demand. A coordinator should be multicultural, and Tina has adapted to both mindsets and tries to adapt to the different markets. There is always room for improvements with regards to understanding the French way of doing things. Sometimes it is difficult to integrate the PALOMAT's global processes to fit the French market and the norms. There are different norms in France, that is between the south and the north mindset. They try to find a mutual understanding and agreement though. In avoiding misunderstandings, they use emails to communicate effectively. Kevin does not believe they have had any cultural misunderstandings in the cooperating with a Danish company.

Work-life balance:

BILA provides flexibility to their employees as one of the points in their organizational culture. Jan Sørensen, CEO, believes that this is sometimes a problem, because the employees cannot control the balance themselves. Their passion and proudness for their job and for improving the business sometimes pushes them too much than prioritizing a work-life balance. Jan believes that one of the reasons, why BILA does not have subsidiaries in other countries, is because they want to spare the managers and the employees of travelling days. Currently it is not many employees that travel outside of Denmark, and this is not intended to change. This is a factor, in the consideration process of increasing their international activities. Many years ago, the focus on decreasing travel days for the employees was not in Danish companies' radars, where as in the changing mindset of the employees, the companies need to adapt to the societal changes. Implementing a good work-life balance attitude for their employees, by allowing the people to implement their passion while still

trying to depress it. BILA will not try to encourage their people to prioritize their work over their personal lives and free time.

4.4 The Corporate mindset of BILA and PALOMAT:

An overall overview of the corporate mindset of BILA and PALOMAT is presented below and will be explained in the next sub-sections.

The corporate mindset for conducting business networks			
Participant	Vision	Risk taking	Local embeddedness
Jan Sørensen	BILA domestic PALOMAT international	BILA low PALOMAT high	BILA – strongly
Flemming Bunde	BILA domestic	BILA low	BILA strongly
Majbritt Svane	PALOMAT international	PALOMAT high	PALOMAT medium
Jens-Erik Majgaard	BILA domestic PALOMAT international	BILA low PALOMAT high	BILA strongly PALOMAT low

Figure 11: The corporate mindset of BILA and PALOMAT

4.4.1 The current corporate mindset of BILA.

"We want to be the industry's preferred partner in product optimization" this is how BILA has formulated their vision.

As the CFO Jens Erik expressed BILA is not structured to able to handle the international market. BILA delivers robotic/automatization systems, which are customized to each customer's needs. Most of their projects are not standardized, but are developed and manufactured to each customer's preferences and needs. In the development face, it is essential to be able to understand the customers' needs and cultural issues since they can cause barriers. The projects are sold at a high price and misunderstandings can cause high expenses. Having a good relationship with your customer is a key issue and focus for BILA, because it eliminates mistakes. Awareness and comprehension are some of the factors influencing the successfulness of the developed systems. BILA does not have the capacity to overcome communication and cultural barriers, because the employees are not well-equipped to handle foreign cultures based on the CFO's assessment.

Vision:

The vision is to increase the productivity of the company in the project department. and to convince the Danish market to implement automated solutions in their productions. Jan, CEO, believes that is

ecological and society related, which both provides motivation and meaning for the employees and the society. The focus is on the Danish companies' management and their wants and needs, because whenever the BILA project goes abroad, it is through Danes and their mindsets plus culture. It is basically the drive to cooperate with Danish companies, though, BILA has just received a German project, because of their reputation with the Danish companies in Germany. 98 % of the department is carried by the Danish culture.

BILA, as a project house, does not have a vision to become global. They have 6 key accounts partners through which, they go abroad. The company is not internationally oriented, excluding the PALOMAT department. BILA lacks knowledge of the international legislation and lacks language skills. Considering hiring foreigners is also difficult because all internal communication is in Danish. The project house sells through networking and relationships. The key accounts all have English as the organizational language and cultural knowledge of various countries. BILA has no problem connecting with the key accounts on this matter. Some challenges might arise when the projects are related to the south European culture, where they are more cautious and reluctant to confrontations. This might also happen with Danish companies, which is why they try to and cope with it by using pre-arranged contracts and agreements.

The challenge is on shifting focus from the strategic decisions to the operational ones. Jan Sørensen, CEO, acknowledges the fact that there might be some opportunities for BILA globally, but the question is whether it is worth the effort. There is a lot of challenges that exist in having subsidiaries worldwide, and it needs a lot of focus. For that reason, Jan, CEO, believes that the extent of which they are already international is enough. Getting the new structure of having various departments will provide BILA with better opportunities in Jan's opinion.

Risk-taking attitude: 60 % of the cost price of an automated system is salary expenses in relation to design, development and manufacturing. Any mistake in the design face will be multiplied 5-6 times as an expense in the end. For this reason, the risk-taking attitude is very low at BILA, they have decided to avoid proceeding with any new projects before they have tested it to be able to minimize the risk as much as possible. The customer does not have the resources to just jump into new projects blindfolded, which is the new attitude of BILA. The project department runs on a very low risk-taking attitude, whereas in the product and service departments risk-taking is high. One failed project in the BILA project department might cause the firm to go bankrupt, whereas this is unlikely to happen in product department as the PALOMAT. The project department is the riskiest

part of BILA, which is why the growth rate of that department is lower. They run structured projects to lower that risk, using project management office. Therefore, it is important and necessary to have all the processes and procedures to be well structured and followed. One of the challenges has been that the focus has been on the product and the human resources instead of the processes and performance management. In order to keep the business flow running, the company is integrating a filter to be more certain that the projects they take in, are also realistic to turn in within the timeframe given. The problems in different departments are the same but weighing less, monetarily. The way to earn money in the projects is to avoid mistakes. Jan Sørensen, CEO, believes that they take a lot of risk still, even though they run small pre-projects to be sure that they can implement them. They still have a long way in becoming better at filtering the projects, that they are able to handle.

Risk in relation to tax regulations:

Taxes have not been one of the factors, influencing the decisions to grow or to extent the internationalization of BILA. In evaluating the turnover of the company, Jan, CEO, focuses both on the income but also on how well the business is implemented. He believes in evaluating his company against other companies instead of the monetarily income of BILA. Focusing on how well the business is orchestrated will eventually provide better profits, whether it is before or after taxes is not a concerning factor. Taxes is a condition in conducting business in Denmark. The management believes that the conditions, which they do not have influence on, should not be the focused parameters, but instead just accept it and move the focus on the factors that the company does have influence on.

Local embeddedness: The company is highly embedded in their local network. Without their local network and local suppliers BILA would have a difficulty following up with the market. BILA uses their network to find the best materials and competencies to optimize the best solution for the customer.

Jan Sørensen, CEO, does not perceive BILA's local embeddedness as having a negative impact on their internationalization process. The challenge they face, in their location though, is attracting highly educated qualified workers in the local region, which is why they have opened and are still opening offices in some of the larger cities in Denmark, as Herning, Århus, Ålborg and Svenborg. The biggest resource of BILA is their human resources, which is why BILA invests in their people. For that reason, the company is more flexible. They are of course dependent of some of their key

suppliers, but this is not considered a challenge. Being a dealer of the Universal Robots manufacturer, BILA is met with some pressure to increase their performance, but since BILA is not dependent on them, it makes them more flexible. This is also applicable in the PALOMAT department. if the dealers are not depending on the sold magazines, they are difficult to budge.

Some of key account customers have been there for a long time and they have locations all over Denmark and some abroad. Of course, they are dependent of the localness because the production facility and employees are located there. Employees' working morality is very high, and many have worked at BILA for 10-20 years and are satisfied with their jobs, which is impacted in organizational culture. Some seek other opportunities, but it is not something that affects the company's performance. Some of their key accounts might find it easier to find highly educated employees, based on their locations in the larger cities, but they also face the risk that there are more job opportunities for the employees. The access to highly educated consultant employees is also easier for these companies, which is something BILA also wants to attract, in order to become a more people business.

4.4.2 The current corporate mindset of PALOMAT.

Vision:

PALOMAT had an international vision from the beginning, though the focus was mostly on Denmark and Germany, since Germany was the biggest marked. Majbritt Svane became the area manager at around year 2007, and then the focus started increasing and growing the PALOMAT division. The vision for the PALOMAT has always been to be international.

In the PALOMAT department, the vision is about improving the working environment for employees all over the world, which is also an ecological vision. Right now, it is a little penetrated and the challenge is to find the sweet spot from where to advance. The challenge is not in formulating a vision, but in implementing it. In the product department, the intention has always been to be international. Whether it is selling their products as with the PALOMAT or it is buying the products internationally as with the Kawasaki robots.

Risk taking attitude:

Risk taking attitude of the PALOMAT department is very high. Since they do not invest in the dealers, there is no risk if the dealers do not sell any products. The challenges of entering a new country, is that the employees need to learn a new culture and market demands. The coordinators

also need to have some confidence and patience to let the business grow. The risk would be paid salaries for new hires. Majbritt Svane, area manager, does not see a risk in the product specifications, since the product is not unique. What is unique for the PALOMAT division, is the dealer network and the service the department offers. The dealer network is not published on the website, to reduce the risk for the competitors to steal the company's business relations. If a dealer wants to shift supplier, it means that the PALOMAT department has not done their job accordingly. Having a competitor, keeps the PALOMAT department on their toes, to keep improving themselves.

Local embeddedness:

For marketing purposes the division uses worldwide suppliers, but with regards to the production, they have plans to outsource parts of the production to eastern Europe, to ensure delivery when the demand increases. The local suppliers might face difficulties in delivering a higher number of parts in the same delivery time and in case the local supplier cease their operations, the PALOMAT department will be vulnerable. Therefore, the value chain has to be spread out to different suppliers, the challenge is to keep the same level of quality though. The focus now is to spread the risk to a higher number of suppliers.

4.5 Global mindset and internationalization:

In taking a look at how the global mindset has affected the internationalization process for both BILA and PALOMAT. An overview of the internationalization aspects of both companies will be reviewed. A table will also be presented with the estimated degree of the effect both induvial and corporate attributes of the global mindset, have had on the divisions of the BILA company.

Attributes of Global mindset	Internationalization of BILA	Internationalization of PALOMAT
Individual GM -Managerial competencies	= medium = extrovert, open, lacking cultural experience	= High = Dualism, Extrovert personality, open mindset, foreign experiences
-Language:	= limited to the sales people. lacking linguistic diversity	= Various language skills including linguistic diversity

-Rationales	= Standardization	= Open to changes and dealers' knowledge
- Work-life balance	= Important, low travel days.	= Important but manageable, 15 travel days a year
Corporate GM -Vision -Risk-taking -Local embeddedness	= Low = Domestic = Low = High	= High = International = High = Medium

Table 7: Estimated degree of Individual GM and Corporate GM of BILA and PALOMAT.

For BILA:

The individual global mindset is estimated to be medium, based on the extrovert personality, their openness towards international projects of the sales people, but lacking cultural competencies and experiences. The language skills exist within the sales team but lacking linguistic diversity. Their rationales are low with regards to changes based on the implementation of standard processes. The work-life experience is favored with regards to travel days.

The corporate mindset is estimated at a low level, since the international projects are implemented through Danish Key Accounts. The vision of becoming international is not present, Risk taking attitude is low, and the local embeddedness is high.

For PALOMAT:

The individual global mindset is estimated to be high, based on the dualism of the managers, their open mindset, their extrovert personality and foreign experiences. Different language skills exist, with the ability to manage linguistic based on the managers foreign living experiences. Their rationales are open to changes and acknowledges the dealers' expertise of the market. the work-life balance is viewed to be important but the travel days are approved, since they help to improve the business.

The corporate global mindset is estimated at a high level since the dealers are located worldwide. The vision is being international, the risk-taking attitude is high based on almost non-existent risk, the local embeddedness is medium based on the local suppliers of parts, but is estimated to become low, since the division is looking to outsource.

4.6 Main findings summed up:

Concepts		Internationalisation of companies
Managerial competencies	BILA	Managerial competencies have helped BILA to build sustainable loyal long-term relationships with Danish key accounts, from whom the main business origins.
	PALOMAT	The open and multi-cultural mindset of the individuals have opened new business opportunities in Europe, but also some in the US and Asia
Language	BILA	Regulations and documentations in foreign languages is the key to succeed in automation business and for BILA key accounts have helped to overcome barriers when going abroad.
	PALOMAT	Multiple language knowhow has helped the PALOMAT department develop strong trustful relationships with foreign dealers
Rationales	BILA	The domestic mindset of BILA has helped to collaborate with Danish key account customers, but affected to international opportunities.
	PALOMAT	Trying to make sense of the complexity of the world has helped the department in being innovative and customize their products to fit with international demands.
Vision	BILA	BILA's vision is mostly domestic since they do not have the capacity nor the resources to go international without their key account customers.
	PALOMAT	PALOMAT targeting the international market which emphasizes an openness for strategic changes
Risk-taking	BILA	Since minor mistakes in a BILA project will cause a high loss, BILA's risk taking attitude is low, causing low growth
	PALOMAT	High risk-taking attitude has helped PALOMAT to brand their products internationally and to enter new markets.

Work-life balance	BILA	Some cultural misunderstandings have been seen based on the inexperience of dealing with foreign cultures. BILA values a work-life balance for their employees, which is why foreign subsidiaries in not BILA's intention.
	PALOMAT	Travelling in the PALOMAT department has helped to motivate and help the dealers in selling the pallet magazine.
Local embeddedness	BILA	Strong local relationships have helped BILA develop strong networks and loyal returning key account customers. Taxes has not been a factor influencing the management's decision to grow
	PALOMAT	Minimizing the ties to BILA has helped the PALOMAT department to grow internationally since PALOMAT's dealers are mostly competitors to BILA. A new focus has come on finding various suppliers to minimize risk.

Chapter 5: Discussion and Findings

This chapter will integrate the literature review with the findings of the case of BILA and try to support the findings with the previous conducted research to contribute to the Global mindset literature. The structure of the chapter is built on the two sub-research questions, to which the answers will be presented in the following sections.

Global mindset is seen to be a state of mind, applicable when building business networks in the internationalization process developed by Johanson and Vahlne, 2009. Since the aim of that model is to build trust, which essentially affects the commitment and the company's strength in the network position. Global mindset is a mean for the individuals and organizations to overcome the cultural barriers and misunderstandings that occur, by increasing understanding, openness and awareness when operating in cross-cultural environments (Gupta and Govindarajan, 2002). An argument made by Jeannet says that the effectiveness of a global mindset is best when it goes beyond the individual one to the corporate one (Jeannet, 2000).

BILA has two major departments, one being the project automation house and one being the product department. One division stands out, the PALOMAT division. While BILA goes abroad with the help of Danish key accounts, the way the business is conducted in PALOMAT is through

foreign dealers, making it necessary to have to adapt the individuals as well as the corporate mindset to the challenges faced by collaborating with independent dealers. The following sections will investigate how the individual and the corporate mindset have affected the internationalisation of BILA in general and the PALOMAT division.

5.1 Research sub-question 1: How does the individual mindset affect the internationalization of companies?

The individual mindset is the essence of relationship building, because it involves humans interacting in trying to find a mutual understanding and beneficial working arrangement. In the business network internationalization process developed by Johanson and Vahlne in 2009, they recognize trust as the key to building commitment between partners in an international network.

Commitment is made between independent partners in order to join forces and resources to compensate for each other's weaknesses in order to gain a competitive advantage. Building commitment though is difficult if the state of mind of the individuals are compromised by biases or narrow mindedness.

Paul, 2000, associates the individual mindset with mental images and assumptions based on experience. A global mindset is broadly spoken, the possibility of an individual to influence people from other cultures (Javidan et Bowen, 2013). As a part of being a sales coordinator, in charge of negotiating and managing resellers' business, it becomes essential to influence the foreign dealers. Being able to motivate them to invest time and resources into PALOMAT's product instead of the competing products in their portfolio, is what advances the business. With regards to the BILA project department, working alongside with Danish key accounts, does not eliminate the sales managers' ability to influence the foreign customer they have. The difference is that if BILA's sales managers fail, the key account customer will compensate.

Rhinesmith, 1993, argues that a global mindset "is a way of being instead of a set of skills" (1993;24), explaining by the idea that it is the capability of detecting things that others cannot, including unexpected trends and opportunities that may achieve personal, professional or organizational goals (Rhinesmith, 1993).

The individual mindset has been a key factor influencing the way BILA conducts their business, whether it is national or international (PALOMAT). In the following sub-sections, a thorough

analysis verification of the four concepts focused upon in investigating the effect of the individual mindset on the internationalization process will be presented.

The managerial competencies:

Managers' competencies in relation to handling culture, goes back to the personality and skills of the employee. Kedia and Mukherji have argued that the global mindset consists of knowledge, skills and the ability for handling diversity (Kedia and Mukherji 1999). Different frameworks have been identified in the literature when analyzing personality attributes that positively affect the internationalization process of firms with regards to building sustainable, loyal and mutual beneficial relationships. In analyzing the data collected in BILA and PALOMAT, a test of the frameworks will follow below.

Four different **managerial mindsets** were identified in the literature by Baird, 1994, affecting the extent of the internationalization process: The defender, the explorer, the controller and the integrator.

For the case of BILA, the domestic culture has a high influence on the way business is being conducted. BILA acknowledges the opportunities, that lie in the foreign markets and are open to the possibilities that arises. The company is not considering establishing abroad, since the extent of the business being transformed form the Danish key accounts to other countries is enough. The managers prefer the communication channel to be domestically influenced and centralized. The international interactions are usually implemented with the support of the key accounts knowledge of the foreign market and demands. The managers have a curiosity for the diversifications, that exist between nations and draw advantages of the international sales increase opportunities that their Danish key account customers provide. These characteristics supports the **explorer** mindset. This kind of mindset prefers the domestic mindset but are open to the opportunities the international market provides. The decision-making process is very strict to the domestic way of doings (Kedia and Mukherji 1999, Baird 1994). As with the explorer mindset, the company does not fear international opportunities, they just prefer handling them from their home country with a high level of consciousness. (Baird, 1994). This kind of mindset will always have the domestic market as the preferred market in the individuals' mindset, which fits very well with the sales managers' preferences (Kedia and Mukherji 1999, Baird 1994). For BILA, implementing standardized processes point to their domestic ways of conducting business.

Its division PALOMAT on the other hand, are further on in their process of having a global mindset. The coordinators have a high level of awareness based on their knowledge, abilities and skills to collaborate with foreign dealers. The coordinators have experience working with different cultures and are multi-culturally impacted. Some have lived abroad, some are dualistic and some have many years of experience providing them with the inside knowledge on how to adapt their mindset to the partner to, whom they are communicating. These characteristics all point to the **integrator** mindset, where the essential is having the ability to manage various mindsets. Individuals with the integrator mindset have the ability to enhance their knowledge of the foreign culture to fit with the dynamics of the international environment. The essential key is the sales managers' ability to manage knowledge transfer effectively through diversity and mutual benefits (Kedia and Mukherji 1999, Baird 1994). Most coordinators at PALOMAT have the responsibility of more than one country, forcing them to have to understand and cope with the differences that exist in the way they manage their collaboration. The dealers from France and Germany, both showed a high level of trust and integrity with regards to the information and recommendations received from their coordinators. Building trust between the partners, through adequate knowledge transfer, have enhanced the dependency of the partners in the network.

To sum up, BILA's manager's mindset is very domestic but acknowledging international opportunities through their Danish key accounts, which fits with the explorer mindset, because of the Domestic preference. The PALOMAT division's coordinators on the other hand, fit with the integrator mindset, because of their ability to transfer knowledge efficiently across various cultures.

The five-factor personality model argues that some personality characteristics impact whether the individual has a globally oriented mindset (Caligiuri, 2006). These five characteristics are:

The first characteristic is **extroversion**, which helps the employees to collaborate with foreigners and making an extra social effort to build successful collaborations (Caligiuri, 2006). In BILA, networking with the key accounts is a necessity for the cooperation to succeed, hence the activities arranged for the companies to meet and get to know each other, to enhance their mutual understandings and benefits. With regards to the PALOMAT department, their strength lies in building trustful relationships with their dealers in the foreign markets, since they are their key to the market. To ensure a good and trustful professional relationship, the coordinators have to be at ease with the social demands of the market and to be able to contact their dealers on various occasions to ensure, that they value their product in the product portfolio. An extrovert personality

is the essence of being able to overcome one's insecurity and promote the organization. As Caligiuri, 2006 implies an extrovert person goes beyond and make an extra effort in the successfulness of building international relationships.

The second characteristic is **agreeableness**, which is essential to have a mutual beneficial agreement and to be able to aim for mutual understanding (Caligiuri, 2006). Both BILA and PALOMAT internationalise through networking relations, whether they are national or international. In BILA, the key account customers provide BILA with projects, which they implement together. For that reason, going beyond the key accounts' wishes, might influence the possibility of returning customers. For the PALOMAT department, it is also an agreement with foreign dealers, that is the essence of international networking. The dealers are independent organizations, who are the final decision makers on whether the sale goes through or not. The PALOMAT coordinators can try to influence to aim for better opportunities, but it is not in their interest to budge their resellers interests. As a result, to aim for a mutual agreement is necessary to keep their resellers happy and to motivate them to invest resources in the PALOMAT. This characteristic has also been pointed out by the external dealers to be essential for keeping a line of negotiation between the firms.

The third characteristic is **conscientiousness**, which includes being reliable and to show a greater effort and task commitment. This characteristic is also essential to create loyalty within networking relations (Caligiuri, 2006). For BILA, their integrity is their branding and the mean for acquiring new customers and new key accounts. The employees' task commitment is what minimizes losses because misunderstandings are decreased, decreasing the cost of the production. In order to find the best solution for the customer, BILA uses their network to provide the customer with best solution. For the PALOMAT, integrity is important in the collaboration if the coordinators want to keep their dealers. In order to show integrity, conscientiousness is the key. One of the strengths and the way they differentiate themselves is through their human resources. The success of collaborating with resellers across nations has been based on the trustfulness of the professional networks, in the case of PALOMAT.

The fourth characteristic is **emotional stability**, which influences the way the coordinators cope with changes in the environment. This could be either domestic or internationally. To overcome misunderstandings, it is necessary to be able to manage unexpected changes with regards to unfamiliar cultures (Caligiuri, 2006). In international relationship, unfamiliarity is more like to

occur due to the cultural differences that exist. For BILA, coping with the changing environment international and domestic has been a struggle. They try to make sense of the business world by implementing various standardized plans and processes to avoid misunderstandings. For PALOMAT, coping with the changing environment lies in the hand of each coordinator. He/she has the only responsibility in adapting to the dealer's situation and societal changes. Each market changes without the influence of the coordinator and for that reason adapting and showing the dealers with an understanding attitude is what saves the relationship. Building a solid relationship between the coordinators and the resellers' management helps them to detect solutions to unexpected problems together by combining resources to find a proper solution.

The fifth characteristic is **openness or intellect**, which affect the way managers perceive the environment and to avoid having presumptions of external affairs. An open mind promotes the healthiness of having professional networking relationships (Caligiuri, 2006). For BILA, having an open mindset when going abroad, though through Danish key accounts, has been an essential in being able to participate in the discussions of a project. The project negotiation phase is what shapes the benefits, eliminate potential misunderstandings and failures of a project, resulting in huge losses. For PALOMAT an open mind is identified as one the key personality characteristics that presupposes the successfulness of a partnership agreement with the foreign dealers. The resellers know their market best and understands their customers in a way PALOMAT cannot. Coping with and understanding various mindsets affect the ability to manage and gain from the corporation. Organizations are different and each have their own organizational culture, even in the same country. As a result, an open mindset does not have any bias to the differences that might exist.

Concluding on the big five personality model: All five characteristics are important in having a global mindset when cooperating international business activities, whether it is through foreign dealers or Danish key accounts. The personality of the managers and coordinators have an influence on the successfulness of international networking. For BILA it has helped to be included in the negotiation face of a project, when foreign customers are involved. As for the PALOMAT, dealers value the personality of the coordinator to aim for a successful collaboration based on loyalty and mutual benefits.

Another skill that is important in the global mindset, is the language capabilities of the managers when coordinating across nations, which will be next investigated topic in the individual GM.

Language:

Living in the 21th century, one might assume that language is not a relevant concept to investigate, when talking about a global mindset. Unfortunately, research has shown that complications and misunderstandings still happen even though the English language has been so common around the world. The extent of the English knowledge is still impacted on the level of education or openness to learn a new language. Misunderstandings have occurred based on poor language skills and insufficient sociolinguistic knowledge. Body language and cultural assumptions are included in the interpretation of different cultures and languages. International relationships require the ability for parties to understand each other beyond the linguistic (Lappe and Dörrenbächer, 2016). Lauring and Selmer argues that individuals, who have been working in their native language for a while, show a difficulty in negotiating in a foreign language, jeopardizing the conformability of the conversation (Lauring and Selmer, 2013).

For BILA, the English language is not a common language across the organization. Sales managers and project leaders are expected to have a good knowledge of English to able to participate in negotiations within international projects, though having the Danish key accounts customer present. As an organizational language, Danish is the preferred mean for internal communication. Most of their Danish key accounts have made English as their main organizational language, which has been a support for the BILA's managers, whenever they take up a project abroad. Younger people are being hired more, where the English language skills have had a more focus in their education. Though for the managers, who have been used to working in their mother tongue, using a foreign language in negotiations might be a challenge, to reach the same understandings (Lauring and Selmer, 2013).

For PALOMAT on the other, having different language competencies have been some of the key factors influencing the successfulness of their international cooperation. All material is translated into 10 languages, and there are currently five different languages that exist in the department. The different accents and different English proficiency levels of the coordinators/dealers could cause for some misunderstandings, therefore emailing is the preferred way of communication if there is any suspicion of misunderstanding. What have helped the company is that many many non-English-speaking countries have identified English as their communication channel with other companies. The biggest market today for the PALOMAT is Germany, where they have two coordinators who master the German language. This is the key to best connect with the dealers to influence them to focus on the PALOMAT in their portfolio. The idea is to find more coordinators, who speak other

languages than English, to be able to communicate across the divisions in the reseller's organization, based on Majbritt Svane's opinion, area manager of the PALOMAT division.

Linguistic skills are more than just grammar, but the ability to foresee the cultural underlying assumptions when conducting a cross-national conversation. For BILA, English is important in the eyes of the sales managers, but negotiations in the foreign language might seem different than negotiating in Danish. At PALOMAT the use of the resellers' own language has helped to overcome the cultural assumptions and biases that occur when trying to find the right words to fit the message.

Rationales:

In determining how logic is being conceived in the minds of the managers involved in BILA, it is necessary to understand how the individuals make sense of the complex world we are living in. As researchers have implied it is not difficult to distinguish between the individual and corporate way of making decisions, because most decisions are influenced upon the organizational culture. Strategic and corporate sense making happens through individuals though, based on the fact the organizational knowledge lies in the hands of the employees (Kauer, 2008).

For the case of BILA, after having determined that their mindset is affected by the domestic mindset of implementing decisions. There are two kind of domestic mindsets adopted from the literature. The breadth mindset relates to the relational and horizontal complexity (De bono, 1968). BILA's mindset is embedded in the domestic mindset, but is still met with the diversity and heterogenicity of the different mindsets of their key accounts. The managers have the capacity to cope with various logics and world views and is therefore associated with the **Breadth mindset**. The shift from focusing on finding new strategies and processes show their openness to welcoming changes to increase their benefits (Nadkarni et al. 2010). They are trying to gain new knowledge and have hired many consultants in all departments to become better at making sense of the complexity of the world. They test their strategies to learn what is effective and what needs to be adjusted, trying to promote and improve their focus on their objectives and targets: To integrate while standardizing their processes to fit with each key account customers and their organisational mindset.

For the case of PALOMAT, to be able to investigate the way the managers and employees regards sense-making of their environment, the two dimensions of the Hofstede cultural dimensions will be

used to analyse the managers' rationales (Dekker, 2016). The first one being individualism–collectivism, which influence the way the managers view themselves and the environment there are working in. Whether they perceive themselves as individuals, taking care of themselves or as a collective group working on a unified purpose (Hofstede, 1991). For the PALOMAT, employees and dealers are more likely to perceive themselves as being part of a collective society. Each year the department have a dealer meeting, where all the resellers are invited to meet each other, socialize, get educated and to view the premises. All in all, it is intended to bring the dealers together, to provide them with the sense of global cooperation, where they are all a collective society. Each coordinator tries to bond with all members of the cooperating dealers' company, whether it is the management, the sales people or the service people. The aim is to provide the dealer with all the support needed to be a part of the team. The second dimension is the power distance, whether the organizations have an equally distributed power balance (Hofstede, 1991). In the collaboration with the resellers, they keep their free will to make all the decisions necessary for conducting a profitable business. The department favours an open communication with their dealers, to promote a healthy mutual beneficial agreement though. The power is therefore equally implemented between the parties involved. The dealer gains access to sell the PALOMAT in their domestic market, in the way they see fit to the market.

The rationales of the individuals are reflected in the way the employees conduct their business relationships. Whether it is using standardized processes across customers and projects or if it is adapted to each customer. For BILA, standardization has become a focus to enhance their knowledge in finding a way, beyond their existing knowledge to make sense of the complexity of the world by following guidelines. This has affected the way they handle international complexity. Whenever the complexity increase the more they try to find a standardized solution. For the PALOMAT department on the other hand the power distance between the collaborating partners are very equal, hence they try to use the collective purpose and sense-making to enhance the collaboration and rationales in a common vision.

Next is the work-life balance concept that is very relevant when considering the extent of which the global mindset can affect the internationalisation process. Prioritizes of the individuals, will reflect their willingness to make an extra effort for international networks to succeed.

Work-life balance

Prioritizing a work-life balance has been a focus more and more upon in Danish organizations. The Danish society has changes, where the values of being home in time to see the kids or to have after work activities have been the searching points for the new generation. When discussing a work-life balance it is essential to look at both the individuals and the corporate mindset towards this matter. Organizations are trying to compensate for this trend by offering more freedom and minimum travel days to cope with their need for new skills and knowledge (Hildebrandt & Littig, 2006).

For the individual mindset, the young coordinators, whether it is in BILA or PALOMAT put a high value on having a work-life balance. The travel days included in the job descriptions at PALOMAT are approximately 15 days a year, which is manageable for the coordinators to keep a healthy home base and avoid being away from their families for a longer period of time.

For the corporate mindset, the human resources are the strength of the BILA corporation and the management intends to invest money and effort in making their employees the best and providing them with the best working conditions. Many employees have a lot of passion for their job and might end-up in a bad habit of downgrading the importance of a work-life balance, but the managers in the departments try to depress their passion and to favor an after-work life.

One of the reasons inhibiting BILA to consider foreign direct investment of opening subsidiaries or acquisitions is to minimize the travel days of the managers and employees of the company. It will be difficult to have people travel much and still keep the same motivation. Many employees have been at BILA for many years and their knowledge is a highly-valued resource for the firm. For Jan Sørensen, the CEO, opening subsidiaries and jeopardizing the work-life balance of himself and the employees is not worth the possible outcome of opening foreign subsidiaries.

Sub-conclusion: The individual mindset is what is required to take advantage of the international business relationships that the opportunities provide. The successfulness of the networking international interaction depends on the degree to which a person is broad-minded, adaptive and favor the differences that exist between nationalities. Linguistic skills are essential for aiming at a mutual understanding and trustfulness in the relationship building face. Collaborating with independent actors in a business network requires an ability to form mutual sense-making across companies for the individuals to feel at ease and build trust, when complexity arises in the collaboration. The work-life balance is an inhibiter of the extent of the internationalization process, hence the need for business networks. The better the individuals are at creating sustainable business relationships in the network the better the strength of the company's position in the network chain.

Proposition 1: The individual global mindset is an essential mean when building trust and commitment in a business network internationalization process

5.2 Research sub-question 2: How does the corporate mindset affect the internationalization of companies?

The corporate mindset has also an impact on the strategic underlying decisions that enhance or inhibit the internationalization process based on the arguments made by Paul, 2000, where he believes that developing a corporate global mindset enhance the global oriented vision, that motivates employees across the organization to reach a common goal (Paul,2000; Gupta and Govindarajan, 2002). For BILA, the corporate mindset has been different whether it has been on the project department or the product department. The risk is very high in conducting automation projects worth millions, so the corporate mindset is more reluctant to globalization based on their insufficient international knowledge and resources.

Corporate global mindset:

The corporate mindset has been argued to put restrictions on the global minded individuals' abilities to follow through if the corporate GM is not globally oriented (Jeannet, 2000). In order to have a preliminary analysis of a firms' preferences and attitude towards internationalisation, EPG-profiles is developed by Perlmutter in 1969. First being the ethnocentric, then the polycentric and last the geocentric mindset.

All in all, analyzing the organizational culture of BILA, it is considered to have a polycentric view, based on the different cultures existent in the company's divisions including the PALOMAT department. Perlmutter argues that having a polycentric mindset mean appreciating multiple and diverse cultures but with respect to the local adaption (Perlmutter, 1969). BILA project is working alongside the key account customer on most projects requiring them to acknowledge and adapt to other firms' organizational cultures, whether they are national or international. In the BILA's organizational culture, various cultures exist based on the dualism of the PALOMAT department versus the national in BILA. This also emphasizes a polycentric view, because of the company's attempt to integrate various cultures in the company's identity (Perlmutter, 1969).

When a company commits itself to internationalization, the company moves one of their bridgehead resources abroad. The underlying commitment, being the bridgehead resource, depends on the company's motive and entry mode to the foreign market (Håkansson and Waluszewaki, 2002).

Analysing the bridgehead resources of the BILA and the PALOMAT divisions, the following figure will show the divisions commitment to the international market. BILA does not have a commitment to the international market since all the bridgehead resources are located domestic, whereas PALOMAT's commitment lies in the hand of their business networks located internationally, suggesting a relationship between the divisions corporate global mindset and the division's internationalisation process and motivation.
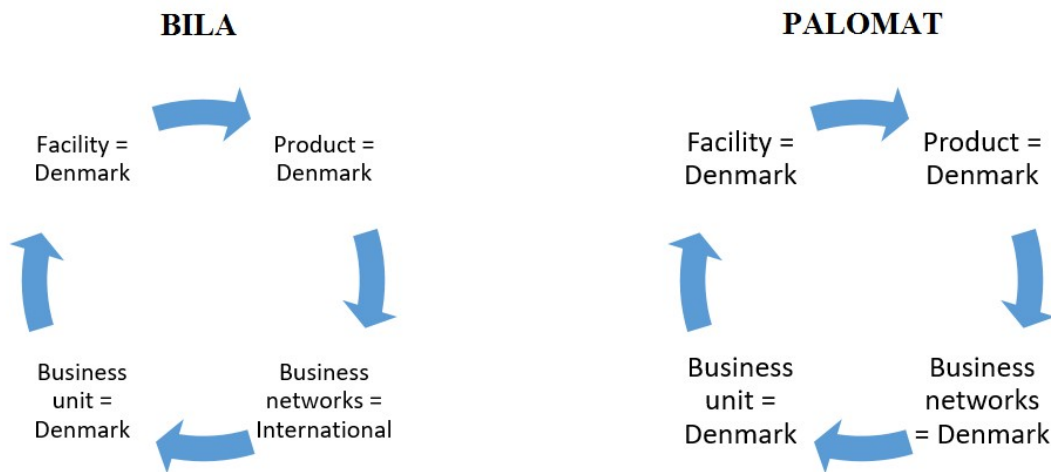
BILA

PALOMAT

Facility = Denmark → Product = Denmark

Business unit = Denmark ← Business networks = International

Facility = Denmark → Product = Denmark

Business unit = Denmark ← Business networks = Denmark

Figure 12: The location of the bridgehead ressources of BILA and PALOMAT

Breaking down the departments in viewing the differences of the corporate global mindset in the two divisions of BILA, a review of the vision, the risk-taking attitude and local embeddedness will be taken into consideration in the following sections.

Vision:

Visioning internationalization is one of the keys to open the possibility of extending the internationalization process of the firm. In addition, visioning globalization forms the strategic decisions, the companies are willing to take. To have unified goal to drive the customers helps to motivate them and to make sense of the world. To be innovate and responsive to changes, companies always go back to their vision, to keep following the same direction but with new and modified ways (Scoot, Jaffe and Tobe, 1993). BILA's vision is to be international in the extent of which their Danish key accounts provides the opportunities. Their vision has been and is still associated with streamlining Danish business with automation. Their aim to convince Danish companies to keep their production in Denmark by investing in an automated production line and

with the use of robots. The sense-making process of the individuals in the company to be working against a common social problem existing in the domestic country helps to convince the employees, that they are working on a bigger vision, assisting the Danish society in overcoming the challenges of globalization. This is what drives the employees to be responsive and innovative when faced with new and unknown situations (Scoot, Jaffe and Tobe, 1993).

For the PALOMAT department, the intention has always been to be international. The company's biggest market is Germany. They gained their international knowledge from collaborating with German dealers, and made the decision to implement the same strategy worldwide. Their vision is to avoid manual handling pallets to improve the working conditions for employees worldwide. The team spirit and the visioning is what motivates the employees to promote their product worldwide. The vision is transformed to the resellers to share the same vision, in order to provide them with a unified goal that they all have in common. As Scoot, Jaffe and Tobe designates it, as being the way individuals and corporations create the future (Scoot, Jaffe and Tobe, 1993).

Sum up: Having an international vision is what motivates and encourages employees to work for a unified goal and to make sense of the pursued purpose. For BILA, using a society issue, on keeping the production inhouse in their own country is what the employees use to make sense and drives them for the greater purpose, influencing the extended focus on the internationalisation process. For the PALOMAT division, the internationalisation in their vision drives them to create the future in the globalised world, using a unified goal to reach different cultures and foreign organizations. The vision takes up a world problem in convincing the resellers' organizations to engage in the collaborations. Internationalisation is then driven by the corporate mindset's attitude towards globalisation to be able to implement international interactions.

Visioning is the broad mental state of mind, that companies have in implementing strategies, but when faced with specific situations and opportunities, enabling the companies to get closer to their vision, their ability to take in risk becomes relevant.

Risk-taking attitude:

The risk-taking attitude in the global mindset can either be related to the managerial, economic or financial. It all comes the fiscal tolerance of the firm (Rodin, 2015). Tax policies are the government's way of either motivating or demotivating companies' expansion domestically or internationally. As Talke explains that the ability of a firm to take in risk comes down to the possible outcome knowledge of the managers and how the decisions is made (2007). Equity risk

incentives in the corporate risk attitude comes down to the CFO and the CEO's mindset about the required return on investment (Rego et al. 2012).

The risk-taking attitude in relation to taxes though is not a factor influencing the management on their decision of extending their internationalization process. The company perceives that paying taxes is a condition of living in Denmark, and the control on this matter is not in their hands. Focusing on what is in their hands to change has shown to be a more profitable way of conducting business. The focus is more on the performance of the outcome instead of the profit involved.

A risk-taking attitude in the corporate global mindset is influenced by the final decision makers' who have the power to make the necessary decisions regarding internationalization (Talke, 2007). A firm's riskiness involves how decisions are made and what is the desired outcome. Findings of Talke's research suggest that having risk-taking attitude in the corporate global mindset will have a positive effect to the performance of the company (Talke, 2007). Findings of Felicio in 2015 suggest a positive effect of the risk-taking attitude of the firm on the corporate global mindset, which can be seen in the intention of taking in new projects whether national or international. (Felicio, 2015).

For BILA, a minor mistake in the design phase of a project can be multiplied 5 or 6 times in the end as a loss in labor time, which in the end cost the company a lot of money. For that reason, taking risk is much less likely to happen when the stakes are that high. The company has also began filtering the projects they get, by analyzing the risk and capability of the firm to implement it within the time given. Test of the unknown projects are also run to be able to minimize mistakes and misunderstandings between the companies. Failures and mistakes in projects have had a tendency to be detected too late, causing the company to have too much at stake. The willingness to learn from failures have been minimized, where the new aim of the company is to learn from operational tasks instead of strategic ones. As Felicio argues, this does not motivate and encourage employees to cope with changes and to learn from their mistakes in the organizational culture (Felicio, 2015). The organizational culture at BILA is as explained by the management, impacted by performance. The aim is to educate the employees through seminars instead of project failures.

For the PALOMAT department, the risk-taking attitude is very high. Since there is not much at stake for the department if they choose to invest in a new dealer or in entering a new country. This is because the agreement between the firms does not involve any distribution payment unless their sell machineries. When the dealers get the rights to sell and distribute the pallet magazine the

PALOMAT, the dealers gain either a 25 or 35 % discount on every sold machine. The only potential loss is the loss of working hours in tracking down new dealers and using time to equip the resellers with the necessary knowledge to be able to sell and promote the PALOMAT brand through value-based sales. As Talke argued in his findings, taking in risk will impact a product's performance in foreign countries, creating the necessary knowledge to cope with the various challenges that exist in other nations (Talke, 2007).

Summing up: First, taking in risk with regards to tax policies could have influence on companies' decision to expand internationally. This has not been the case of BILA, though. Second the risk-taking attitude in a firm's global mindset, will influence the employees' motivation for learning from mistakes and enhance knowledge. The risk-taking attitude of the project department is very low, since one failed project might cause the company to go bankrupt, whereas in the product department the risk-taking attitude is very high, since the only risk the company takes in is labor hours.

Sometimes the risk is higher and the competitive advantage better, when companies have strong local networks. Opportunities could arise from the localness of the firm and their loyalty in their networks. Next, the local embeddedness of the firm will show, whether these bonds have an impact on the corporate mindset towards globalization.

Local embeddedness:

Embeddedness describes companies' dependencies of various relational networks (Ratajczak-Mrozek, 2014), which are connected to a specific location (Granovetter 1985). These linkages are referred to as transaction linkages, because they are intended to reduce cost acquired in the stages of production (Copus et al., 2011).

Local embeddedness can be an advantage or disadvantage of allowing a company to grow internationally. Many companies built up local networks and relationships based on the ease of transaction and the pre-known integrity of the firms. The local networks of a company might open up new doors and opportunities for new projects and sales favoring collaboration to reach specific shared goals (Copus et al., 2012).

This is the case for the BILA project department, where the local embeddedness of the BILA project has provided them the ability to work alongside Danish key account customers from whom they get international projects. Some of the motivations for having local linkages is argued to be

transaction linkages, which involves around decreasing the cost of transactions as in delivery and the need for keeping the same quality. Transaction cost are also minimized by the networks build between the key accounts customers and suppliers (Copus et al., 2011). BILA's suppliers and key account customers, located locally, help them to avoid cost linked with finding new suppliers and reducing the risk of misunderstandings by collaborating with unknown actors.

For PALOMAT, trying to distinguish themselves from BILA has been a huge advantage for them, being that many of their dealers are direct international competitors to BILA. Trying to brand themselves internationally, and to have a globally oriented profile is their key focus in the division. In the production part of the PALOMAT department, they are still locally embedded. Having local suppliers have helped the department to almost remove the defect possibility of the pallet magazine being the transaction linkages (Copus et al., 2011). Together with their local suppliers, the PALOMAT division has worked together to be innovative in the options they offer to the pallet magazine. Being able to customize the pallet magazines to the need of the customers, working together with the local suppliers have been an advantage. The linkage has been the source for innovation, which is one of the arguments presented by Copus et al in 2012. They suggested that innovation can come from local actors, the relationship and environment that favour the ability to implement ideas (Copus et al., 2012).

On the other hand, the risk of being affected negatively, if one of the suppliers are close to bankruptcy is very high. In addition, the department has intention of keep growing and they might reach to a point, that their suppliers are not able to keep up the same quick delivery. As a result, the management have begun to look for other alternatives of existing suppliers while still maintain the same level of quality as their dealers have gotten used to. When the company has a high level of embeddedness, replacing the actors in the networks becomes very difficult because of the mutual dependency between the companies (Forsgren, Holm & Johanson 2005).

One of disadvantages for BILA and PALOMAT though, has been to find highly educated individuals in their location. Trying to attract new human resources with new and innovate ideas are not an easy task in their location in the country side of Denmark. Providing their employees with courses and seminars by hiring outside consultants and specialist is the way to try to cope with the ongoing changes of the market demands. In addition to opening offices in the larger cities of Denmark, which is applicable to the project and service departments. Compensating for the lack of educated people in the rural area, that the firm is located in, the use of their local networks becomes

relevant. Creating innovation with the local partners provides BILA with the ability to implement and realise innovating ideas and optimizations (Copus et al., 2011).

To sum up: Local embeddedness is the dependency between companies located in a specific location. Together these firms can avoid transaction cost in production stages and compensate for finding educated people. The ability to realize innovate ideas becomes easier to implement in the local environment. BILA has had an advantage by cooperating with local key account customers, providing them with international projects. The PALOMAT department has tried to brand themselves internationally without bonding themselves to BILA. The only way they can offer customized products to their customers is working together with their local suppliers, though the plan is to try to spread out the raw materials to various international suppliers in the future. The local embeddedness impact the internationalization process, because of the competitive advantage the company gain from operating locally, like reducing transaction cost, which will be effected if they change strategy like opening foreign subsidiaries or getting foreign suppliers.

After discussing the literature and the case analysis on the corporate global mindset, the next section will provide an overall assessment of BILA's corporate mindset.

Sub-conclusion: The corporate global mindset is about acknowledging and allowing international opportunities. It is about viewing that the world is small and all nations are approachable. It is about welcoming differences and allowing for changes. Having an international vision provides the employees with a unified goal to encourage international interactions. Being able to take in risk is necessary to let the employees learn from mistakes and innovate their ideas to succeed in global expansions. Local embeddedness can provide companies with innovation from collaborations or international projects. Replacing an actor in the business network, becomes difficult because of their mutual dependency. As a result, the local embeddedness has an impact on the cost expenses accrued with going abroad either by getting suppliers or by opening subsidiaries. The corporate mindset has an effect on the company's decision to move their bridgehead resources abroad, because company's dependence of their business network, fear of failure and attitude towards globalisation.

Proposition 2: The corporate global mindset acknowledges and enables the knowledge opportunities that the business network internationalisation process provides.

Does BILA have a global mindset?

As a final assessment of the global mindset of the two divisions of BILA A/S, let us go back to the initial definition of global mindset adopted in this thesis.

"*A global mindset in an individual's capability to influence others unlike themselves*" (Javidan et Bowen, 2013).

All in all, does the BILA project department have the capacity to influence unlike themselves? To answer that question, the mindset of the individual is the relevant one. The individuals at BILA has been defined as having an explorer mindset. This does not exclude the possibility for the employees to influence others than themselves. The intention of BILA is that using the right arguments and finding the best way to service the customer with the most fitted automated solution by convincing the customers of the values their company will gain. It is easier for them to do it with the help of a Danish key account organization, because the risk of minimizing cultural misunderstandings are decreased and the benefits are promoted.

Does PALOMAT have the capacity to influence others unlike themselves? The strength of the department is to convince their dealers the values of their product, in order to convince them to use their resources and time on selling the PALOMAT. Influencing is also done, by using their relational networking to find a common standing point to reach a mutual beneficial agreement across nationalities. The ability to use and adapt to different mindsets and to be open to the differences that exist in the different countries with whom they collaborate, requires a global mindset to ensure the successfulness of an international cooperation. The strength of the department is the mindset of its employees, their ability to see beyond the domestic mindset and rationales to make sense of the complexity of the world through adapting to the multicultural aspects of their job.

Chapter 6: Conclusion and limitations

To sum up, a global mindset is a cognitive asset for companies when considering going global. A distinction between the individual and corporate cognitive attributes have been made by researchers to show the importance of focusing and integrating both. In the case of BILA, and investigating both attributes, the thesis can conclude that both the individual and corporate attributes influence the business network internationalization process of firms. It can be either motivating and inhibiting based on the how globally oriented the organization is.

The individual global mindset, which is most likely the mindset that external actors and partners experience, are essential for realizing the opportunities that arises in international interactions.

Individuals ability to reflect and understand cultural aspects of international collaborations affect the way knowledge is transferred and received in the international network. Trust and commitment building lie in the individuals' ability to overcome cultural barriers and aim for mutual beneficial understanding. Linguistic skills are a mean for the employees to manage across nations and to avoid mistakes and cultural misunderstandings. Having a multicultural and open mindset and rationales helps the individuals to make sense of the complexity of the international environment and eliminates biases and pre-assumptions. Work-life balance has become a barrier for companies and individuals to allow for establishments abroad. As a result, companies tend to internationalize through the business network internationalization process. The better the individuals are at easing the trust-building process, through the global mindset, to create commitment the better the company's position in the international business network. For the individual mindset, it can be concluded that the managers' competencies, rationales and language skills have a great impact of the successfulness of international networking relationships building.

Factors influencing the individual mindset is the personality of the managers and their openness to diversifications and changes. The rationales of the managers can influence the cultural sense-making of the managers, affecting the extent to which they prefer standardized procedure across international activities or they are able to adapt to international situations. The work-life balance preference in Denmark can be a very important factor determining whether companies wants to open foreign subsidiaries, especially in corporations, whose advantages lie in their knowledge of their human resources.

With regards to allowing for international opportunities, the corporate mindset has a great impact on the strategic decisions and vision of the company. The corporate global mindset reflects the decision to internationalize. The more domestically oriented the company's attitude the more the less likely they will engage any commitments to the international market. Having different mindsets towards globalization in a company is possible, when the divisions have acquired interdependence.

The risk-taking attitude is influenced to an extent that includes monetarily losses. For the impact of tax policies, in the case of BILA, the decisions for allowing international business were not influenced by this matter, though it cannot be rejected as a potential factor influencing other firms.

All in all, thesis can conclude that the global mindset has a positive effect on the internationalization of companies, allowing the extent of the possibilities of international networking and building trust into the business network internationalization process.

6.1 Limitations and future studies:

This thesis is using a single case to test the hypothesis. for that reason, it is difficult to determine whether the results can generalizable. In addition, building on participants answers in the interview might be less generable, because some information might be hidden. This thesis being built up on a single case is not likely to be repeated with the same results. The choice of the case has been on the existent of various mindsets and internationalization behavior of the different divisions of the same firm. In addition, to being a thesis developed on secondary data from the literature and the data collected from qualitative research, the focus has been on testing the conceptual framework on a single case. In addition, the author has had first-hand observations, which might have impacted the way data has been analyzed.

Single case: With a single case study, the limitation of the generality and the consistency of the findings are present. Since this thesis did not have the opportunity to apply the concepts investigated to other companies, the findings might have been incidentally.

Uniqueness of case: BILA is a company with a unique nature, where the differentiation of the divisions is very impeccably. The global mindset phenomena investigated in this chase appears uniquely with regards to the different departments. This might not always be the case with companies' structure.

Information access: Being that this study has been conducted on the bases of qualitative studies and the access to information has been limited. This research had only access to data achieved from the case participants. For that reason, the only data achieves is the data the participants chose to share with the author.

Time limit: This limitation causes no longitudinal data to support findings. the consistency of time and developing the changes and arguments were not available, and for that reason this thesis is relieving on the participants' perception of the concepts and circumstances without the availability of the author to observe each and every aspect at the time of reference.

Suggestion for further studies: the framework should be tested to various companies to see whether the findings are the same. Author's suggestion would be to investigate the phenomena to multiple case studies with different company nature.

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