

How leadership is shaping multinationals and the need for managers to have a global mindset approach:

Managerial cognition and the influence on the internalisation process of an emerging market firm

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## ABSTRACT

The world in which business is conducted has become more interconnected than ever, with institutions being intertwined in the manufacturing and delivery of products and services on a global scale. Organisations are required to continuously adapt and realign their strategic intent to a global landscape that presents numerous challenges needing to be navigated with precision and extreme caution. This is even more prevalent to organisations that are seeking to expand their business activities outside their home country. In international business, the internationalisation process is in itself complex and dynamic. The Uppsala model is applied to interpret the internationalisation process where the opportunities that are presented to the organisation are explored. It is during this analytical process and beyond, where the leadership of the organisation is confronted with decision making processes that could ultimately influence the organisation's internationalisation behaviour. In view of this, the study examines the knowledge gap by exploring the managerial cognition of the individual, how the individual's managerial cognition is influenced by the global mindset approach, and how the individual's decision-making behaviour is influenced by their own rationality. Examining the behaviour of the individual during the internationalisation process, will allow organisations to identify linkages between the individual and the organisation that would potentially have a direct influence on the performance of the organisation. The research methodology was a qualitative study which applied semi structured interviews with representatives from South Africa, Canada, United States, Indonesia, Ghana, New Zealand, and Australia. The outcome of the research indicated that there is a relationship between the individual's cognitive attributes and the effect it has on the organisation's internationalisation processes. The research further showed that the relationship between the mentioned cognitive attributes of the individual is not a singular function in the organisational context but that it points towards a dual relationship, that being the individual and his/her respective characteristics, and the collective characteristics of the individuals in the organisation, namely leadership.

Keyword: decision making, international business, managerial cognition, global mindset, leadership, internationalisation process, bounded rationality, Uppsala Model.

## DECLARATION

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Philosophy, International Business, at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

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# 1. INTRODUCTION TO RESEARCH PROBLEM

## 1.1. Background to research problem

In the ever-present dynamic international business (IB) conditions, a global mindset is required of managers and characterized by the ability (cognition) to rapidly assess, dissect, and act to environmental changes (Maitland & Sammartino, 2015). With this comes the natural process of making decisions that determine a specific outcome for the organisation as part of the international process. It is argued by Sniazhko (2019) that the complexity of the international business environment is a contextual factor that has a profound impact on the decision making by the firm but that this behaviour is not exclusive to the firm but also includes the individual decision makers.

For organisations expanding into international markets, it is seen as a corporate level strategy for which the Top Management Team is responsible. The TMT is considered the apex of the organisation and plays an active role in the organisation's internationalisation process as the team members are responsible for the coordination of domestic and foreign activities as well as for the internationalisation strategy. With this responsibility, it is expected that as a result of the complexity of the internationalisation process, a heavy burden is placed on the TMT in terms of information processing capacity, the interactions with diverse international environments and risk perceptions, making it imperative that organisations have top managers with various skills and characteristics and experiences states (Vallone et al., 2019)

Empirical IB research has repeatedly highlighted the need to incorporate managers' decision styles, biases, and overall cognitive processes into theoretical models of form, mode and location choice (Maitland & Sammartino, 2015). This is further substantiated by Clark et al., (2018) who state that previous research has been limited to firm level analysis by applying a framework such as the Uppsala Model, but more recently scholars have acknowledged that the decision-making cognition of managers is far more important than initially proposed (Vahlne & Johanson, 2020).

Considering today's complex business environment, an ever-present and fundamental question is why do some companies outperform others during the internationalisation process, and could this be due to the fact that traditional international theories tend to overlook the cognitive limitations and biases of decision-makers (Nardella et al., 2020). To investigate this narrative, the researcher explores managerial cognition and the decision-making process as constructs of the global mindset. As described by Adna and Sukoco (2020) and Helfat and



Peteraf (2015), cognition could explain why some managers, that are, or have been, exposed to the global business environment are more conducive, receptive and responsive to this constantly evolving environment. Fundamental to the internationalisation context, managerial cognitive capability is seen as a key driver of a firm's behaviour and how they react to this environment according to Cao et al., (2020). Bajwa et al., (2017) claim that cognitive capability is seen as a significant determinant in the ability to effectively make decisions and improve company performance in dynamic settings such as business internationalisation.

When companies decide to expand their business beyond the national borders of the host country, due diligence is done on factors such as ownership and location. More formally, the constructs of the eclectic paradigm theory as described by John Dunning (Dunning, 1977) are one of many considerations that are deliberated and applied to formulate an internationalisation process or strategy that best suits the company state Batschauer da Cruz et al., (2020) in their assessment of a systematic literature review. How companies and their managers perceive and interpret the global environment directly influences the strategies that will be pursued inter alia the behaviour of the firm (Batschauer da Cruz et al., 2020). The successful interpretation of the global environment by decision-makers can be directly translated to the successful pursuance of the company's strategy in a new country.

Even more compelling than this argument is the risk that could apply to countries seeking to internationalise for the first time. The organisation's, or individual's, ability to process information that is required to make decisions is limited and biased towards the individual's home-territory knowledge and experience (Azam et al., 2020). According to Buechel and Sorell (2014), the brain filters the vast forms and amounts of information coming from the external environment. The filtration is a basis of cleansing, leading to grounding the organisation or individuals' beliefs and in time creating a disposition that predetermines a response or interpretation of a situation. This is known as the mindset (Buechel & Sorell, 2014).

From an organisational perspective this is viewed as an important consideration as the strategic alignment process of internationalisation is based on the global mindset according to Bartlett and Ghoshal (2003), who's work, although dated 2003, is still very relevant by definition. The authors argue that the in the context of the global business environment, companies require specialized global business managers. From an organisational perspective, firms need leaders with a global mindset that can decipher the external environment and make objective decisions or decisions without bias (Torkkeli et al., 2018)

There is continuous interest in the individual's role in shaping the internationalisation of business as well as the individual's cognition and how that drives the firm's internationalisation behaviour (Maitland & Sammartino, 2015). Furthermore, according to Clark et al., (2018), the decision-making processes related to internationalisation activities are based on managerial thinking.

## 1.2. Research Problem

Irrespective of the nature of the business, the industry it is set in, or the location of the business, effective leadership is a pre-requisite for the successful management of an organisation as stated by Mahmood et al., (2020). According to Andresen and Bergdolt (2017a), companies are facing structural paradigms that have eroded the tailor-made solutions that are specific to cultural context.

The effects of leadership and managerial effectiveness on organisational performance is well researched and has become an important issue in the 21<sup>st</sup> century (Kyvik, 2018), (Adna & Sukoco, 2020). Globalisation has given rise to a transformed business world, where challenges such as diversity and social responsibility are no longer the only major obstacles that organisations are faced with (Islam et al., 2019). Andresen and Bergdolt (2017a) point out it has become increasingly obvious that, in a global environment, human behaviour and cognition are constructs that can be used to overcome this global complexity.

It is usually managers in senior roles who, in evaluating and determining what foreign entry strategy should be applied during this evaluation process, apply a pre-set preference or bias towards a choice. therefore, how do senior managers, the decision makers of the organisation, apply a thought process of critical analyses and that leads to the determination of an internationalisation decision? Could this be based on the preference or bias of the manager's host country knowledge combined with academic research as a support mechanism ask Clark et al., (2018). Senior managers within an organisation that have no, or little, internationalisation exposure are prone to make decisions with bias towards the home territory environment; in essence, with bounded rationality (Maitland & Sammartino, 2015).

The assumption therefore is that decision-makers (for the purpose of this research, managers), are somewhat limited by their cognition, leading to decisions being made that allow a sense of satisfaction rather than being objective (Niittymies, 2020). Recognition is given to the fact that the international business environment is complex and that it is not possible for decision-makers to fully grasp every aspect of this dynamic; hence managers are

likely to base their decisions on the experience of their business environment which could predetermine an outcome, according to Niittymies and Pajunen (2020).

Little is known about how managers choose or apply various models of evaluation to the business internationalisation process (Niittymies, 2020). Companies are expanding their operations into international markets, transforming the organisation into a multinational (Islam et al., 2019) but such transformation requires that the organisation is managed and led effectively. Such leadership necessitates global managerial cognition that is able to rapidly adapt to global conditions, social injustices and inequality, and can react with accurate and immediate decision-making capability (Bonsu & Twum-Danso, 2018).

Managerial cognition is an important factor when it comes to internalization decisions, and it is therefore important that the decision-maker can identify between different elements and interdependencies as found in a model such as Dunning's eclectic paradigm, the OLI framework (Maitland & Sammartino, 2015) or the Uppsala Model (Vahlne & Johanson, 2020) where experience is first gained in the domestic market before internationalizing.

Managerial cognition is a mental activity that is applied by the individual to interpret and assemble an action that follows a decision or action (Niittymies & Pajunen, 2020), and this action, whether rationally bounded or not, has the ability to shape the internationalisation of a firm. According to Hodgkinson and Healey (2008), when firms evaluate their international environment, constructs such as cognitive management perspective and a cognitive element such as global mindset, are deemed to be crucial determinant constructs. It is not by coincidence that the emergence of global mindset and managerial cognition have become such instrumental constructs. Felício et al. (2016a) argue that the emergence of global mindset has been due to the direct result of global competitiveness amongst organisations, where this is seen as a long-term source of competitive advantage. In the context of global competitiveness, leaders in organisations are instrumental in shaping the multinationals. A truly global company can ill afford not to have managers with global mindset skills according to Bowen and Inkpen (2009).

### 1.3. Research purpose and research questions

According to Felício et al. (2016a), organisations and their decisions-makers could benefit from a global mindset. The decision-maker in the organisation preferably demonstrates global leadership attributes and characteristics and identifies with factors such as organisational cultural dimensions, the global political landscape, resource capacity and capability with less head office (host country) syndrome during the internationalisation process. Managers will be faced with demanding questions in context-specific situations and it is therefore important that

decisions are made without taking cognitive shortcuts argue Helfat and Peteraf (2015). During the internationalisation of firms, managerial cognition has a fundamental role to play during the decision-making process (Niittymies & Pajunen, 2020). Aharoni et al. (2011) believe it is the cognitive process of the individual that drives the behavioural process of a firm's internationalisation process.

The aim of this research is to determine and demonstrate the relationship between the individual's cognitive attributes and their effect on the internationalisation of the firm. The researcher endeavours to answer three questions relating to the cognitive mind of managerial candidates at a middle to senior level of management in a firm with foreign activity.

The study asked the following research questions, with each research question identifying a unique knowledge identified within the literature. See Table 1.

**TABLE 1**

Mapping of research questions and their unique knowledge gaps.

Research Questions	Knowledge Gap
1. How does managerial cognition influence the decision-making process of firms looking to internationalise?	Little is known about how managers choose various modes or apply models of evaluation to the business internationalisation process (Niittymies, 2020).
2. To what extent does the home country effect influence decision-making during the internationalisation process?	According to Coviello et al. (2017), a notable omission from internationalisation models is that the individual plays no notable role. Vahlne and Johanson, (2017), in the revised Uppsala models, recognized the importance of the individual and that changes made at micro-foundation are due to the individual's contribution. According to Clark et al. (2018) the process of decision-making during internationalisation activities is reliant on managerial thinking, hence there should be a thorough comprehension of the individual's cognitive foundation.
	Global mindset cognition (Buechel & Sorell, 2014) and managerial cognition have been a widely-discussed research topic for many

3. How does the process of internationalisation create a global mindset?	years but with little recognition of the individual's contribution at macro-level (Niittymies & Pajunen, 2020).
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## 2. THEORY AND LITERATURE REVIEW

### 2.1. Introduction

Sigmund Freud recognised early in the twentieth century that the leader himself is the creator of a masterful nature that requires no love from the other and that the very same nature may be one of narcissism, self-confidence and independence (Oesterle et al., 2016). This might hold true in today's complex business environment in which the organisation participates. The traits and characteristics of leaders at the helm of these organisations are said to be the creators of behavioural patterns that influence decision-making in the organisation, sometimes to its detriment argues Oesterle et al. (2016).

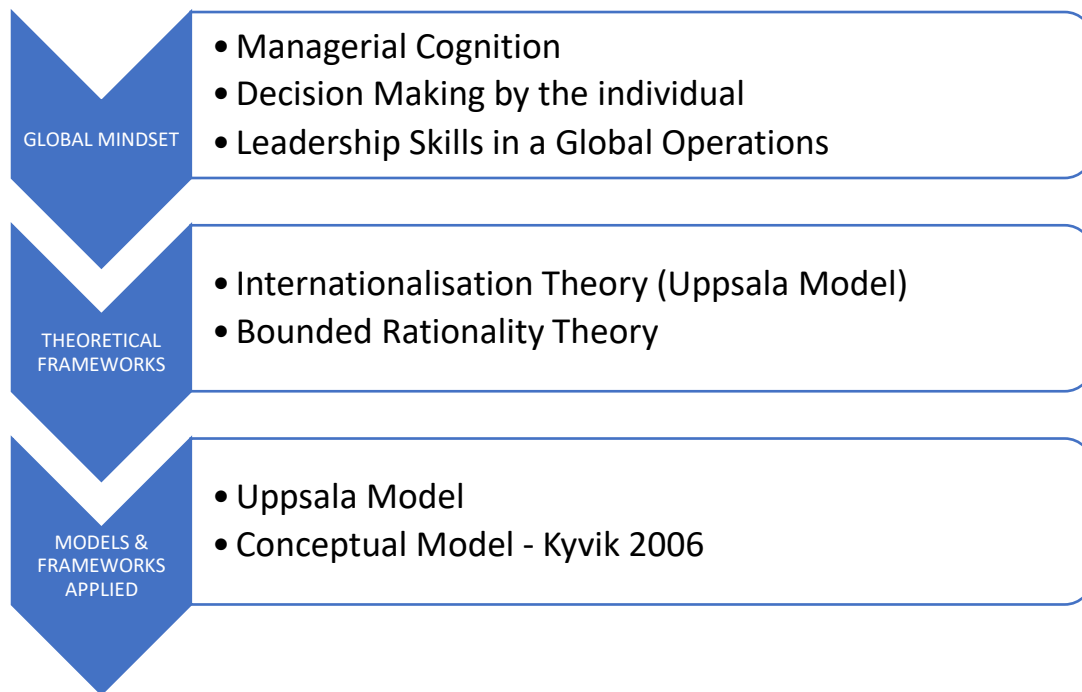
In this chapter, the researcher provides a theoretical and empirical review of the studies of managerial cognition during the internationalisation process as authored by Walsh (1995a), Vahlne and Johanson (2017), and Maitland and Sammartino (2015). The researcher focuses on a set of potential constructs that aims to demonstrate the ability and influence of senior managers or top management team member to make decisions based on cognition or a lack thereof (Adna & Sukoco, 2020). Specific attention is given to managerial cognition, as a construct of global mindset (Bartlett & Ghoshal, 2003), and the internationalisation process and how effective this approach is on the successful internationalisation of firms.

Global mindset cognition (Buechel & Sorell, 2014), as well as managerial cognition, has been a research topic which has been discussed in literature for many years but with little recognition of the individual's contribution at macro-level (Niittymies & Pajunen, 2020). The researcher will aim to narrow the gap in existing literature by providing a summary of previous work presented in this field.

To contribute to understanding the boundaries that firms are faced with when crossing national borders, the research will be underpinned by theories of International Business to cross-examine the external environment and organisational design, specifically to managerial cognition during the internationalisation process.

## 2.2. Road Map of literature review

Figure 1: Literature review road map



Source: Authors own

## 2.3. Themes relating to the research question

A firm's decision to internationalise brings about various differentiating factors such as foreignness in comparison to the firm's home territory (Maitland & Sammartino, 2015). When considering the foreignness variable, firms are exposed to countries with different institutional systems, allowing the firm the option of how to internationalise, where to base its activities, *location of foreignness*, and how to manage such activities (Maitland & Sammartino, 2015). According to Maitland and Sammartino (2015), firms very often focus on how to manage the *Location of foreignness* through modes of entry, i.e. Foreign direct investment, joint ventures etc. This is underpinned by two different internationalisation models, namely, internationalisation and institutional theory that subscribe to learning and knowledge acquisition.

The individual manager's role in shaping the firm during the internationalisation process is unparalleled (Helfat & Peteraf, 2015), (Buckley & Casson, 2019). Managers, at mostly middle

and senior levels, scan, collect and analyse information and, based on this, are said to make a boundedly rational decision which Simon (1956) describes as a behaviour to a predetermined goal. According to Buckley and Casson (2019) the decision-making capability is a fundamental part of international business theory resulting in different opinions on how decisions are made; namely theories of rationality and theories of bounded rationality.

According to Maitland and Sammartino (2015), there is a missing link by way of cognitive constraints. Managerial cognitive capability is defined as “the capacity of an individual manager to perform one or more of the mental activities that comprise cognition” (Cao et al., 2020). Managerial cognitive capability affects the decision-making process of the manager with direct implication on strategic transformation, namely behaviour, of the organisation (Cao et al., 2020).

Clark et al. (2018) believe a process of decision-making can be related to appropriate type, location, mode, and timing of foreign market entry, including the internationalisation activities, and are reliant on managerial thinking. Although the Uppsala model is explanatory in nature (Vahlne & Johanson, 2020), it is imperative that there is a thorough comprehension of the cognitive foundation of the individual decision-maker, irrespective of the level of seniority the decision maker holds in the firm.

A conceptual boundary to consider is cognition and management, as described by Walsh (1995b). This is further defined by Niittymies and Pajunen (2020) as a mental mode that the individual applies to construct a realization of what the individual has understood. The result is actions and decisions taken by the individual based on his/her's cognition. Therefore, the cognitive ability of a middle or senior level manager (defined as an actor/influencer to the internalization process) is seen as an important attribution in explaining the individual's behaviour and influence on the organisation's performance and outcomes according to Maitland and Sammartino (2015). Internationalisation topics that have been researched include entry modes, emerging markets, foreign direct investments and joint ventures, with these studies being based on contributions made to the behavioural theory of firms (Niittymies & Pajunen, 2020).

An important model applied with great influence is the Uppsala model which conceptualizes the decision-making process from the firm's current state to a changed state (Vahlne & Johanson, 2020). The Uppsala model provides logic to two key aspects of the internationalisation process. Firstly, the adherence to investing internationally through the selected entry mode, whereby the firm will consider lower investment entry modes with less



risk, to a higher investment entry mode (when the firm is more established in the external environment variables). Secondly, a tolerance for “psychic distance” in terms of choice of location (Aharoni et al., 2011). According to Johanson and Vahlne (2016), psychic distance can be defined as a behavioural concept that captures the uncertainty of decision-makers as a result of knowledge about foreign markets. Once the firm is comfortable and substantial knowledge has been gained, a higher risk of market entry will be observed. The Uppsala model categorizes this phenomena by utilizing the newly gained knowledge as a core construct in the decision-making process (Vahlne & Johanson, 2020).

If a lens is placed on the cognition construct as applied during the internationalisation process using the Uppsala framework, it could be assumed that the internationalisation process focuses on decisions made by a higher level of managerial seniority (Maitland & Sammartino, 2015). Coviello et al., (2017a) note, however, that individual managers play no notable part in internationalisation models and that, as is in the case of foreign direct investments, the term decision-makers are used. The Uppsala model, in its older format, according to Maitland and Sammartino (2015), is no different as it addresses internationalisation at firm level. In the revised models, the role of the individual is recognized (Vahlne & Johanson, 2017). Furthermore Vahlne and Johanson (2017) state that changes made at the micro foundation are as a result of the process at individual level.

McNally (2018), based on an article written by Bernard in 1938, notes that Bernard, in his earlier work on managerial decision-making observed that managers are not at liberty to make their own decisions based on rational analysis; it rather was viewed as decision-making responses based on their knowledge and experience (Maitland & Sammartino, 2015). Based on internationalisation decisions, Maitland and Sammartino (2015) argue that the decision-makers’ means to identify various elements and interdependencies between constructs of the Bounded Rational theory and the Uppsala Model are as a result of their mental model and the context of decision-making.

Using a combination of theory and relevant frameworks, the research will provide further areas of understanding as to how managers grasp environments, how they act on this understanding and how their actions influence their firms’ performance.

## 2.4. Internationalisation and Global Mindset

Numerous researchers have endeavoured to define the term internationalisation, and over decades this definition has seen numerous iterations. It was first defined in 1959 by Penrose and then again in 1977 by Johansen and Vahlne as the process where organisations approach their internationalisation involvement in a phased approach, by first gaining host territory knowledge and then increasing that knowledge before entering into other countries (Johanson & Vahlne, 2018). This process is known as the Uppsala Model, which in 2009 was again revised by the authors, Vahlne and Johanson (2017), due to the ever changing environment.

Due to the revision in 2009 of the internationalisation process by Vahlne and Johanson, the cognitive elements in a firm's internationalisation process have been recognized as a construct that determines the outcomes of the firm's internationalisation according to Cherrou (2017). According to Levy et al. (2007), the global mindset can be described in three terms, namely: cognitive, existentialist and behavioural. They give a more formal definition states it is a profoundly perplexing individual-level psychological design portrayed by a receptiveness to an enunciation of numerous social and vital realities on both neighbourhood and worldwide levels, and the intellectual capacity to intercede and coordinate across this variety. Furthermore, in reviewing the global mindset literature done by Levy et al. (2007), it was found that global mindset is based on two primary perspectives of the global environment, namely: the cultural and diversity perspective and the strategic perspective states (Egel & Fry, 2017).

With the onset of globalisation, organisations are continuously being exposed to challenges driven by an ever-increasing complexity of the business operating environment and due to this, the construct of a global mindset has come to the fore as an important individual trait with the ability to sustain the long-term competitive advantage of organisations, according to Levy et al. (2015).

This is further echoed in a study done by Global Mindset Index in which the results conclude that companies that consistently believe in, and act on, the importance of a global mindset demonstrate a higher corporate value and that employees will align their own behaviour to that of the corporate expectation, (2019 Global Mindset Index Study <sup>TM</sup>, 2019).

Egel and Fry (2017) stated that organisations and their leaders are continuously needing to address the strategic business orientation that presents a complex market with business opportunities across the globe. The exposure to these global opportunities has made

organisations realise that the demand for cultivating a global mindset is closely related to global leadership (Egel & Fry, 2017), (Levy et al., 2015).

The importance of leaders having a global mindset has been recognised and prioritised by both organisation and scholars, with Osland et al. (2012) stating that a global mindset has been seen as a competitive advantage and a prerequisite for leaders that are positioned to lead trans-national organisations and compete on a global scale. The complexity of the global environment require that global leaders move from a state of comfort to a more adaptive one.

This is in accordance with Ashby's Law of requisite variety that states that in a degree of environmental complexity, the complexity should be matched with an equivalent internal degree of complexity in the form of a global mindset (Ashby, 1956). The global mindset has become synonymous with globalisation and refers to everything from individual attributes, skills and competencies, as well portrayed behaviours towards the organisation's structures, strategies and policies and procedures (Osland et al., 2012), (Levy et al., 2007). According to Osland et al. (2012) there are contradictory empirical findings on the term global mindset - essentially conceptual ambiguity. This is supported by Andresen and Bergdolt (2017b) who state that the field of global mindset research is growing with a variety of approaches having been taken, thus leading to confusion about what the construct of a global mindset constitutes.

To demonstrate this conceptual ambiguity, the researcher provides a table of definitions, adapted for this research project, that defines global mindset in three constructs, namely global mindset as a strategic construct, global mindset as a cultural construct and global mindset as an integrative construct. The definitions emanate from a study done by Andresen and Bergdolt (2017b) that systematically reviewed and synthesized definitions and conceptualisations of the global mindset. The definitions and conceptualisations were grouped according to four dimensions of cross-cultural competencies, namely personal attributes, cognitive knowledge and skills, motivation, and resources for adapting behaviour. The definitions and demarcation of the global mindset and cultural intelligence is separated to three levels of business management; normative, strategic, and operative where the cross-cultural competency is implied towards operative management, global mindset applies more to strategic and normative levels (Andresen & Bergdolt, 2017).

Table 2: Definitions and conceptualisations of the global mindset

<b>STRATEGIC CONSTRUCT</b>
Ananthram, Pearson, and Chatterjee (2010), Ananthram and Nankervis (2014): Global mindset is defined as the ability and willingness of managers to think, act, and transcend boundaries of goals, values and competencies on a global scale
Javidan, Hough, and Boullough (2010): Global mindset is an umbrella concept that contains intellectual, psychological, and social dimensions. It is the capacity of a person involved in international business to influence individuals, groups, organisations, and systems
Javidan and Bowen (2013): Global mindset is an individual's capability to influence others unlike themselves. It consists of Global Intellectual Capital (Global Business Savvy, Cognitive Complexity, Cosmopolitan Outlook), Global Psychological Capital (Passion for Diversity, Quest for Adventure, Self-Assurance), and Global Social Capital (Intercultural Empathy, Interpersonal Impact, Diplomacy)
<b>INTEGRATIVE CONSTRUCT</b>
Cohen (2010): Global mindset is the ability to influence individuals, groups, organisations, and systems that have different intellectual, social, and psychological knowledge or intelligence from your own. It is now: think and act both globally and locally at the same time. This means not only recognize when it is beneficial to create a consistent global standard, but also deepen the understanding of local and cultural differences, crossing cultures and changing contexts.
Javidan and Teagarden (2011): Global mindset is the stock of (1) knowledge, (2) cognitive, and (3) psychological attributes that enable the global leader to influence individuals, groups, and organisations (inside and outside the boundaries of the global organisation) representing diverse cultural, political, and institutional systems to contribute toward the achievement of the global organisation's goals
Lovvorn and Chen (2011): Global mindset is a combination of awareness and openness to the diversity of cultures and markets with an inclination and capability to integrate across the diversity. A global mindset is an ever developing and evolving process built upon cognitive feedback mechanisms
Story and Barbuto (2011)/Story et al. (2014): The combination of having high scores on cultural intelligence (cognitive, motivational, and metacognitive cultural intelligence) and global business orientation represents global mindset in our proposed framework. Thus, a global mindset is that of individuals who have a global business orientation and are adaptable to the local environment and culture

<b>CULTURAL CONSTUCT</b>
Osland et al. (2012): Global mindset is a cognitive structure composed of two constructs, cosmopolitanism (an enthusiastic appreciation of other cultures) and cognitive complexity (the ability to perceive situations as highly differentiated and to integrate these differentiated constructs)
Javidan and Bowen (2013): Global mindset is an individual's capability to influence others unlike themselves. It consists of Global Intellectual Capital (Global Business Savvy, Cognitive Complexity, Cosmopolitan Outlook), Global Psychological Capital (Passion for Diversity, Quest for Adventure, Self-Assurance), and Global Social Capital (Intercultural Empathy, Interpersonal Impact, Diplomacy)
<b>STRATEGIC CONSTRUCT</b>
Ananthram, Pearson, and Chatterjee (2010), Ananthram and Nankervis (2014): Global mindset is defined as the ability and willingness of managers to think, act, and transcend boundaries of goals, values and competencies on a global scale
Javidan, Hough, and Boullough (2010): Global mindset is an umbrella concept that contains intellectual, psychological, and social dimensions. It is the capacity of a person involved in international business to influence individuals, groups, organisations, and systems
Javidan and Bowen (2013): Global mindset is an individual's capability to influence others unlike themselves. It consists of Global Intellectual Capital (Global Business Savvy, Cognitive Complexity, Cosmopolitan Outlook), Global Psychological Capital (Passion for Diversity, Quest for Adventure, Self-Assurance), and Global Social Capital (Intercultural Empathy, Interpersonal Impact, Diplomacy)
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Source: Andresen and Bergdolt, 2017a

To draw a conclusion to the relevance of the study by Andresen and Bergdolt (2017b), this research is focused on the global mindset of top managers, and the form of organisational structure that aligns more with strategic and normative levels. It was as early as 2000, when the chief executive was identified as the critical person in the organisation who was required to take on the global mindset personality (Herbert, 2000), the chief executive being labelled a member of the top management team and by implication providing strategic direction to the organisation.

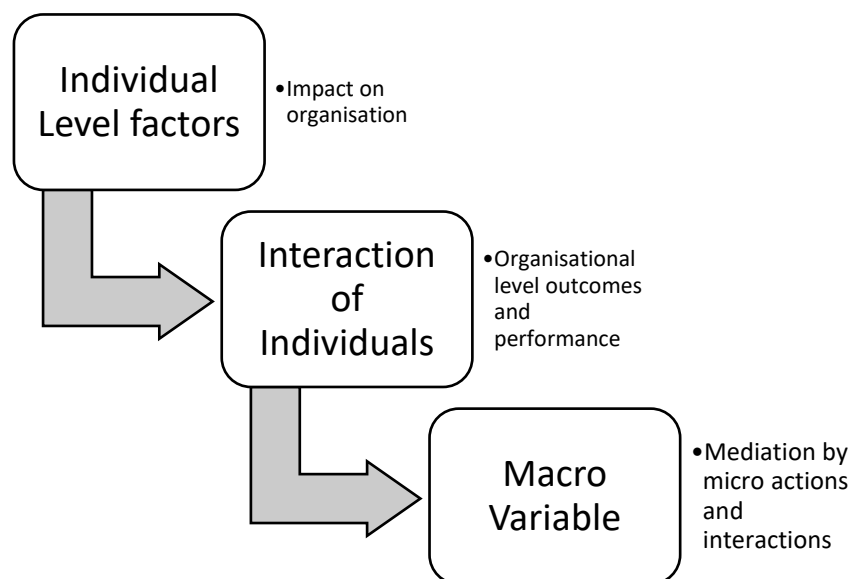
The relationship between the internationalisation processes and procedures and that of the top management team's characteristics are closely aligned and influences both the macro- and micro-level environments. Being more researched at organisational level, it has appeared that the organisation is the main context where decision making and execution take place, while ignoring the role and effect that the individual has on the organisation (Vallone et al., 2019). This approach ignores the fact that the organisation is made of individuals (Felin &

Foss, 2005) and that involvement in the organisation effects the performance and outcomes of the organisation, thus further implying that the organisation is the ultimate decision making authority (Maitland & Sammartino, 2015).

This view of the organisation's constructs needs dissection and further emphasis needs to be placed on the foundational elements or building blocks of the organisation (Felin et al., 2015) as well as the impact of the micro-foundations movement on the macro-management of the organisation and how this contributes to the micro-foundational areas such as organisational behaviour (Felin et al., 2015).

Before placing emphasis on the individuals' traits and characteristics, it is imperative to understand what is meant by micro-foundations and what and how micro-foundations are affected by the behaviour of the individual. The concept of micro-foundations is associated with strategy and organisational theory and has been well researched over the past decade (Felin & Foss, 2005), (Helfat & Peteraf, 2015).

Figure 2 below illustrates a combined order of effect from micro-foundation to macro-level.



Source: Micro foundations concept by Abell et al. (2008) and Felin et al. (2015).

Micro-foundations cover a large area, specifically routines, institutionalism, performance, absorptive capacity, research and development, stakeholder management, innovation, ambidexterity, networks, organisational capabilities, and dynamic capabilities. Micro-

foundations is not a theory according to Felin et al. (2015), but rather a movement and manner of thinking that spans many theories.

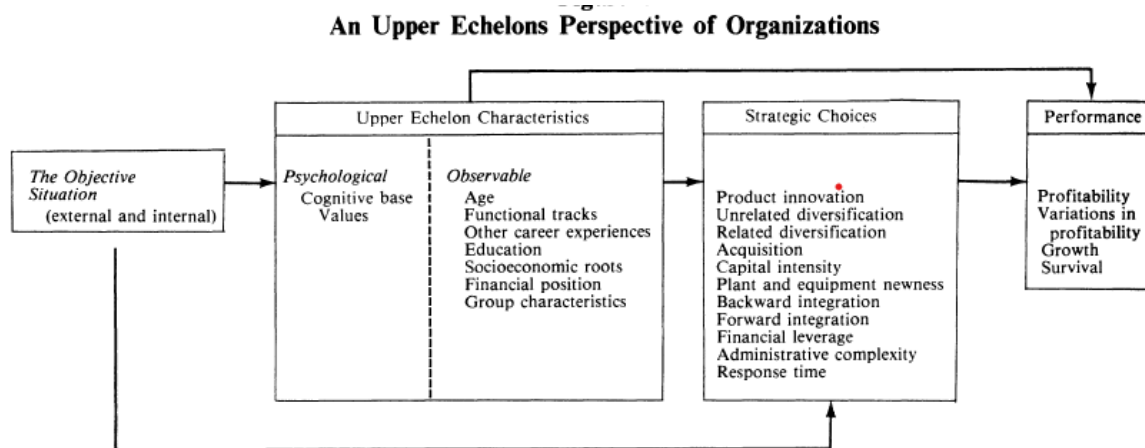
The researcher now draws attention to fact that the focus on micro-level activity has directly contributed to the development of macro-management theories with Bernard in 1938 (Keon & Barnard, 1986) and Felin et al. (2015) arguing that the individual is a strategic factor of the organisation and Simon, (1956) linking research on behavioural theory to that of individual decision-making and organisational performance. Furthermore, Argyres and Zenger (2012) state that organisational capabilities and knowledge have more than likely benefited from the micro-foundations' intuition and that the organisation's capabilities might improve due to the individual's level of skill, talents and abilities (Campbell et al., 2012).

The individual's association and direct influence on the organisation is part of this research project and after reviewing the literature on micro-level foundations and the impact on macro-level management, the researcher further explores the global mindset from the micro-level perspective, as well as the individual and the decision-making effect on the performance of the organisation.

For reference purposes only, and to demonstrate consistency across the research question, the researcher refers to the framework of Hambrick and Mason (1984b) that argues that there is a possible relationship between the individual's characteristics and the firm's strategic intent and organisational outcomes. Strategic intent is used interchangeably in this research project and refers beyond the strategic choices of post-internationalization activities, thus exploring the upper echelon characteristics pre and post the internationalization activities as described by Vahlne and Johanson (2017). This framework is similar in nature to that of the conceptual model by Kyvik (2006) and is illustrated in Figure 3.



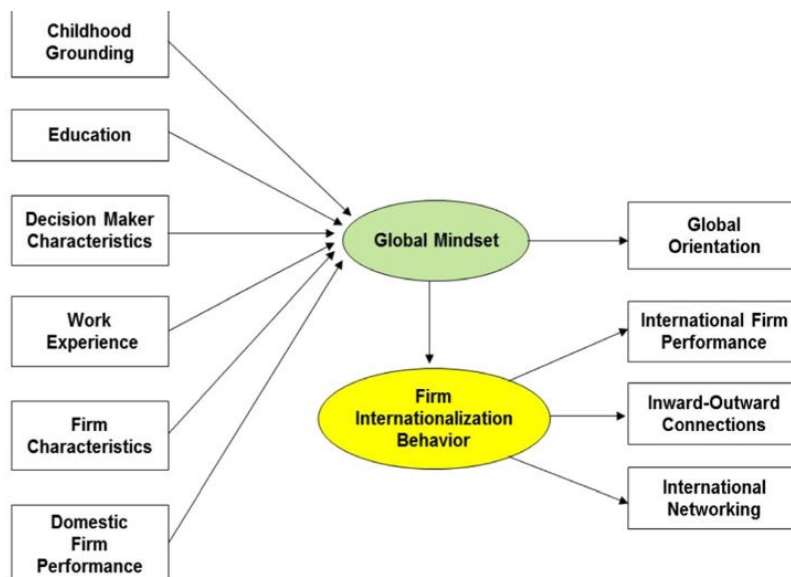
Figure 3: Upper Echelons Perspective of Organisations



Source: Hambrick and Mason (1984b)

The researcher does not endeavour to draw parallels to global mindset which focuses on the firm’s internationalization behaviour as described by the conceptual models of ØKyvik (2006) or Hambrick and Mason(1984b), but rather the decision-maker characteristics of the global mindset actor and the related cognitive perspectives.

Fig. 4 Conceptual model of Kyvik



Source: Kyvik (2006)

Wollenberg et al., (2020) claim that a global mindset is not a set of specific skills but a behaviour emanating from certain characteristics, that allows managers in their capacity as

decision-makers to predict and forecast events that are not prevalent to others, and that these traits or decision-maker characteristics are a cognitive equalization allowing the individual to develop the prerequisites of business performance leading to the firm's internationalisation behaviour.

## 2.5. Internationalisation and Decision Making

According to Sniazhko (2019), the manner in which the term 'uncertainty' has been defined and researched in international business literature, has caused significant confusion to viewing the organisation's behaviour with this behaviour also recognised in the individuals' perception of the uncertainty they face in the complex international business environment. The decision-making of the individual, which is downplayed in existing literature (Sniazhko, 2019), forms part of this research project as it aligns with the cognitive characteristics of the individual. In a review of international business literature done by Sniazhko (2019), it was found that, of the 114 reviewed articles, 22 emphasised that the individual decision-maker was regarded as the influencer to the organisation's approach to uncertainty. Although this study does not infer specifically to uncertainty as a construct of decision-making, the characteristics displayed by the decision-maker is in line with what is described by O. Kyvik (2018a) and Johanson and Vahlne (2018), referring to changes at the micro-level being influenced by the individual level. Furthermore, it was found in a study by Richards and Yang (2007) that MNC behaviour that deviates from theoretical models could be attributed to individual decision-makers.

A different view is portrayed in a study done by Buckley and Casson (2019) who state that although decision making is an important part of IB theory, there are numerous views and opinions on how decisions are made and that these differences are related to conflict between theories of rationality and theories of bounded rationality. Furthermore, Buckley and Casson (2019) argue that the contrasting views of decision making in IB are actually complimentary to each other as each theory highlights the weakness of the next.

For relevance to this study, the researcher draws parallels to the conceptual model of Ø. Kyvik (2006) which identifies decision-maker characteristics as a construct of global mindset that impacts the firm's internationalization behaviour with that of three characteristics identified by Sniazhko (2019) in a study of international business literature. According to Ø. Kyvik (2006), decision-maker characteristics such as personality and behavioural perceptions are cognitive constructs of the decision-maker's mindset. Considering that these characteristics affect the organisation's performance and success, this approach coincides with the characteristics identified by Sniazhko (2019).

This viewpoint is further supported by Oesterle et al., (2016) who argue that the individual decision-maker's actions are considered forces that provide direction, whether positive or negative, to the organisation's activities and that these actions are closely aligned to the decision-maker's personality. The personality of the individual aligns to the characteristics of the individual. This was recognised as early as 1984 by Hambrick and Mason (1984a) who stated that individual characteristics directly impact the strategic behaviour of managers and that the organisation's outcomes are influenced by these behaviours, which are related to the pre-determination of the managers' interpretation of problem-specific decisions. Oesterle et al., (2016) argue that this can be attributed to the cognitive capacity of managers and their perception of the external stimulus such as the complex business environment, and further that this could be attributed to why strategic decisions reflect the managers' personalities.

The Table 3 below summarizes the characteristics that are subject to the personality and behavioural perceptions of the decision maker as a combination of the conceptual model of Ø. Kyvik (2006) and Sniazhko (2019).

Table 3: Personality and Behavioural Perceptions and its relationship to decision-maker characteristics.

	<b>Decision Maker Characteristics</b>	<b>Terminology used</b>	<b>Effect on decision making</b>	<b>Relevance to this study</b>
<b>Personality &amp; Behavioural Perception</b>	Tolerance for Ambiguity	Cognitive Complexity Education Foreign Exposure	Higher tolerance for ambiguity leads to a more accurate perception of the environment. Ability to contextualise and have a broader view on the environment.	Managerial Cognition and Decision Making
	Hierarchical position in organisation	Organisational positions	Higher organisational positions have better access to environmental scanning and information processing than lower hierarchical positions.	Global Mindset
	Decision Making orientation	International orientation Decision making orientation Entrepreneurial	Higher levels of risk taking than conservative risk averse	Decision Making & Global Mindset

		vs conservative orientation		
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Source: adapted from Sniazhko (2019) and Ø. Kyvik (2006) - a conceptual framework.

Furthermore Johanson and Vahlne (2018) state that a manager's willingness to participate and commit to internationalization is underpinned by their acceptance and tolerance for risk and uncertainty, personality and behavioural perception, with Torkkeli et al., (2018) stating that the decision-makers cognitive bias is as a result of the decision-making context within internationalization.

The tolerance for risk and uncertainty falls within the decision-making orientation and ambiguity characteristics of the individual, therefore the research will further interrogate the cognition from a rational and bounded rational perspective.

## 2.6. Heuristic Decision Making in International Business

Heuristics, as a decision-making model, can be associated with the bounded rationality concept and cognitive limitation. This decision-making model is usually presented when there is a lack of information and time to process these capabilities according to Guercini and Milanesi (2020). The relevance of heuristics is justified as it is directly related to the characterisation of uncertainty in decision-making, which can be found when organisations enter new markets, introduce a new product, market conditions change, quality and cost, or from changes in technology (Guercini & Milanesi, 2020). According to Gottman et al., (1998) these uncertainties cannot be predicted and when they do, it creates a haphazard situation that leads to a heuristic situation.

Uncertainty is regarded as a primary characteristic of IB in contrast to the local conditions the organisation is accustomed to operating in (Cavusgil & Godiwalla, 1982). The sources of uncertainty can be attributed to political risk, not being familiar with operating in a new environment and/or different culture, or the difficulty in securing the correct infrastructure to execute on the businesses growth objectives (Johanson & Vahlne, 2018). Because of the lack of certainty and limited information available to managers, coupled with complicated organisational processes, managers often need to make decisions based on rules of thumb, or do a quick assessment on the information available to them, in turn creating a mental model or the development of heuristic decision-making in international business states (Guercini & Milanesi, 2020).

According to Kahneman and Tversky (1996), heuristics is associated with bias. Previous studies on the heuristic process were aimed at computers and how to make them smart, leading to the idea that it was for this reason that people became less smart. This has led to scientific research in the last decade exploring the study of judgements and decision-making or preferences and decision psychology states (Guercini & Milanesi, 2020). The result of this research implied that heuristics should be avoided where possible as this could lead to errors. This was also identified by Manimala (1992) in a study done on entrepreneurial behaviour which stated that traits and motives such as taking risks, the ability to motivate, the desire for autonomy, and a belief in the ability to control the environment are typical characteristics of an entrepreneur. It is these characteristics, when the entrepreneur is seen as a decision-maker, that lead to possible cause for bias in decision-making and draws on the conclusion from Guercini and Milanesi's (2020) discussion on decision psychology.

Looking beyond the traits and characteristics of the individual, a different approach to heuristics that would be more aligned with the context of rapid decision making based on a lack of information and assessment, is needed. This approach would also be of more relevance to this study. A different approach to heuristics such as that of Gigerenzer et al., (1999), who define heuristics as an adaptation of behaviour models that places the emphasis on a fast and frugal approach to heuristics, provides for an exploration on the opposite end of the spectrum of traditional rationalisation that heuristics is often inferior to rationality argues (Luan et al., 2019).

The argument presented by Luan et al., (2019) draws parallels to this study and previously reviewed literature in that an assumption is made that managers' bounded cognitive limitations lead them to apply heuristic decision-making, creating biases such as ineffective decisions, but Luan et al., (2019) argue that ecological rationality challenges this view and that improved decisions can be made with little information. This was also recognised by Gigerenzer (2016) who extends on Simon's (1956) theory of bounded rationality and argues that not only does fast and frugal heuristics require less information to process but that it could allow for an improvement in decision making.

This implies that managers whom have unbounded cognition are still able to make effective decisions in comparison to the generalisation of effort and accuracy (Luan et al., 2019).

The literature compellingly presents the evidence that a considerable emphasis is placed on heuristics in decision-making and that the result could, and will, influence the organisation's performance. It can be argued that heuristics, whether studied in social science or strategic

management, is advantageous whether applying it fast and frugally (Luan et al., 2019) or whether applying it in a traditional fit to context (Guercini, 2019); ultimately the application should be to benefit an effective outcome.

## 2.7. Leadership Skills in Global Organisations

A key part of the organisation is its functions and capabilities to execute business activities in the markets that it has established itself in outside its home base. With the increase in globalisation, it has become more essential to have effective leadership in the organisation, especially in those organisations that are globalised leading them to participate in cross-cultural management (Shankar, 2021). As a reference point, it was Cyert and March (Cyert & March, 1963) who in 1963 identified the strategic relevance of executive decision-makers to the company's evolution (Oesterle et al., 2016).

There are numerous leadership challenges that managers in today's globalised business environment need to be conversant with. According to Shankar (2021), successful international leaders need to understand what leadership in the international context is, what is expected from them, and how to execute such leadership. It is imperative that global leadership has exhaustive knowledge about working with diverse teams; teams being those of the organisation as well as those of business partners in the new environment (Bonsu & Twum-Danso, 2018)

The inverse also justifies mention, as globalisation does impact global leadership skills and the required capabilities to navigate through the complexities that leaders are faced with brought on by globalisation states (Perez, 2017). What this refers to, is that leadership skills are formed and moulded by globalisation and do not always require that leaders embark on self-improvement in leadership skills (Perez, 2017).

Globalisation has been a catalyst for interactions between persons of various cultures and the measured success of organisations. According to Perez (2017), this has led to culture being a key consideration when organisations hire global leaders or when global leaders, themselves, hire for their organisations.

It is important to define the term 'global leadership' as there are various definitions to explain what it means in terms of the organisation's participation in a global environment. According to Mendenhall and Bird (2013), the generalised definition of leadership is the ability to intentionally influence or create a behaviour that leads to actions in an organisation.

Mendenhall and Bird (2013) then add the term 'global' to 'leadership' and define global leadership as interactions amongst people of varying cultures irrespective of leadership style to exert influence to get a desired outcome. Others such definitions include that of Bauer (2015) who states that it is the individual's ability to participate in a global environment and apply motivation as a key driver for organisational success.

To become an individual with a global mindset and with global leadership attributes, successful leaders require skills to become the intellect and influence in their organisations and they must be brand ambassadors with a vision to navigate the macro-environment in which the organisations operate (Perez, 2017). They should display the ability to seize opportunities at the right time and critically analyse situations that could present as risks to the organisation (Swanson & Holton III, 2009). This is supported by Shankar (2021) who proposed that global leadership skills such as the ability to motivate others, values and norms of a high standard, being results driven, analytical, and strong communication skills, are required to foster strong relationships and have a strategic view of the future. Perez (2017) argues that since global leaders will be exposed to a global environment and will interact with various cultures, a level of sensitivity is required. This is supported by George (2015) who maintains that leaders would need to be culturally sensitive due to the increased interaction with other cultures, and that this characteristic will enable them to embrace people from different cultures, creating a common purpose amongst them, and helping leaders become more successful.

The individual's leadership skills should complement their leadership style in this 21<sup>st</sup> century of multicultural state of globalisation states (Bonsu & Twum-Danso, 2018). Furthermore, Bonsu and Twum-Danso (2018) identify three characteristics that a cross-cultural leader in a global environment should have to complement the transformational leadership style: these are identified as being culturally sensitive, knowledgeable about other cultures and open minded. When cross-culture and transformational leadership is merged, a leadership style of cross cultural – transformational leader is created. This type of leadership style fosters a broader skills set with recognition for innovative business sustainability according to Ojokuku et al., (2013) and Bonsu and Twum-Danso (2018). This is supported by Perez (2017) and Diekhöner (2021) who refer to a hybrid leadership style that would embrace multiculturalism.

The requirements of global leadership reach beyond the traits and characteristics of the individual. It has necessitated the organisation to rethink strategy and align it with its global leadership, as the organisation no longer formulates a strategy for a single market but that of a broader audience in which there are varying economic and social contexts (Egel & Fry, 2017). According to Story et al., (2014), a global mindset could be an essential attribute

needed for individuals to meet the complex and diverse challenges of global leadership. Egel and Fry (2017) argue that the cultivation of a global mindset is necessary to develop global leadership and proposes this through the theory of “Being – Centred” leadership that encapsulates multiple dimensions of knowing and being. Furthermore Egel and Fry (2017) state that the existentialist property, which is one of three core properties of the global mindset properties (Levy et al., 2007), has at its base value, the quality of self-transcendence which is described as a personality trait that involves the individual expanding their personal boundaries and overcoming their own limits, and if the levels of self-awareness and self-transcendence are not achieved, the effective global leadership cannot occur.

It is not the purpose of this research project to test the theory of “Being – Centred” as a main construct as to how global leadership is cultivated, but the relevance of this literature review is in relation to the acknowledgment that leadership skills do have an impact on the activities of the organisation; that being the leadership skills of all the actors involved in the decision-making processes of internationalisation.

## 2.8. Internationalisation and Managerial Cognition

There has been an immense amount of research conducted over the years contributing to the field of firm internationalisation, with notable research done by authors such as Paul and Sánchez-Morcilio (2019) and Welch et al., (2016). The topics addressed have included entry modes, exporting, emerging markets and entry timing (Niittymies & Pajunen, 2020), (Welch et al., 2016). Several of these studies used the behavioural theory as a foundation and contributor towards internationalisation research topics with the most influential model being the Uppsala model and the revised versions thereof. Much of this research covers the application of the Uppsala Model and its constructs at a firm level with little recognition given to the individual decision-maker. In the revised Uppsala Model (Vahlne & Johanson, 2017), recognition is given to the contribution of the individual and as stated by Vahlne and Johanson (2017), when changes are recorded at micro level the outcome of such changes can be attributed to the individual.

Internationalization trends have placed the emphasis on the organisation to either develop the manager’s cognitive capabilities or else hire managers that have the adequate cognitive skills to operate in these complex and competitive markets (He et al., 2020), (Hitt et al., 2016).



The manager, when faced with complexities, creates a knowledge base of the organisation of which he is considered a primary influencer, claim Mostafiz et al., (2019), and these knowledge structures are mental representations, beliefs and information processing capabilities which ultimately are responsible for the outcomes and actions of the manager. According to Helfat and Peteraf (2015) and Cao et al., (2020), managerial cognitive capability is an individual's ability to perform one or more mental activities that comprise cognition. Maitland and Sammartino (2015) term this as the decision-maker's ability to recognise and dissect information based on their mental models and the context for decision making. This statement is similar to what Cao et al., (2020) suggested, albeit the reference was being made to mental activities.

Managerial cognition should not be seen in isolation but rather in the context of dynamic managerial capabilities (DMC). According to Haapanen et al., (2020), dynamic capabilities refer to the ability to alter or reroute organisational processes, competencies and capabilities, and has three elements that stem from the individual's learnt skills, social capital and managerial cognition. Further, Helfat and Peteraf (2015) argue that heterogeneity of the executive could have an effect on the determinants towards strategic change of the organisation.

Although this research will focus on managerial cognition as a single dimension of dynamic managerial capability in the internationalization process, the researcher deems it necessary to gain insight from other activities that reach beyond the decision-making outcomes such as strategy and firm performance, as these activities are related to decision-making management. A relevant question in strategic management is why some organisations outperform others (Kumbure et al., 2020) and what this be attributed to. According to Adna and Sukoco (2020) and Helfat and Peteraf (2015), it could be attributed to the cognition of managers who have the ability to be more effective at analysing and responding to their environment. Kumbure et al., (2020) posit that this is due to the individual's ability to generate knowledge, retrieve knowledge and apply knowledge in, for example, decision-making. From an entrepreneurial perspective, Bajwa et al., (2017) state that the cognitive capability of the entrepreneur is relied upon to successfully navigate the challenges of the entrepreneurial processes.

According to Mostafiz et al., (2019), DMC has been positioned as an individual capability with three attributes, namely; managerial human capital, managerial social capital and managerial cognition. These three attributes combine to afford the manager the opportunity to recognise and respond to strategic changes in the business environment (Helfat & Peteraf, 2015). Teece

(2016) claims there is a difference in capabilities with normal capabilities referring to doing things right such as a measure of labour productivity, whereas dynamic capabilities is about doing the right things. Dynamic capabilities is seen as a catalyst for organisational growth, profitability and the ability to improve on ordinary capabilities that are within and beyond the organisation's boundaries, allowing that these changes in market conditions can be responded too, and is crucial in creating the ability for the organisation to recognise this and respond accordingly (Teece, 2016). This is supported by Fainshmidt et al., (2016) who state that an organisation with stronger high-order dynamic capabilities equates to an improved performance.

As is evident in the literature reviewed, cognition as an attribute to dynamic capabilities plays an important part in achieving the organisation's objectives. Walsh, (1995a), in his summation of managerial cognition, recognised that there are three streams of research that are crucial to managerial cognition and decision-making. These three streams are knowledge structure and presentation, the use of the knowledge structure in decision-making and the development of the knowledge structure (Walsh, 1995a), (Maitland & Sammartino, 2015).

Combining current IB models with that of theories such as dynamic capabilities, strategies and cognition science, provides direction on how managers interpret host environments to make sense of the information retrieved and how that interpretation influences the organisation's performance (Maitland & Sammartino, 2015).

## 2.9. Theoretical background

The researcher will apply two frameworks, namely the Uppsala Model (Vahlne & Johanson, 2017) and the Bounded Rationality theory (Niittymies, 2020), to demonstrate the firm's current state to a changed state pertaining specifically to knowledge and decision-making, and how the internationalisation activities are dependent on managerial thinking, more specifically behavioural decision-making.

### 2.9.1. Uppsala Model

According to Vahlne and Johanson (2017), the Uppsala Model is a tool that is used to analyse and explain the evolution of the multinational during the internationalisation process. There are various assumptions that the Uppsala Model makes such as that the outcome of one decision constitutes the input of the next, with the main constructs being the change aspects and state variables of internationalisation (Johanson & Vahlne, 2018).

The Uppsala Model is therefore a mechanism used to explain all the steps in the internationalisation process and the decision-making process, hence the area of change aspects is of particular interest to the researcher in this study. Normative internationalisation theory demonstrates that decisions are based on the transaction costs, opportunities for knowledge creation, conditions in the target market and the firm's specific advantages and the requirements of the target market states.

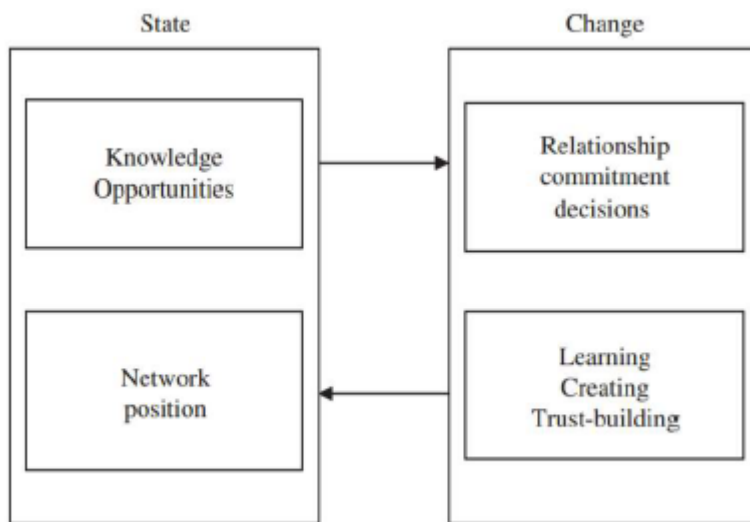


Figure 5. Basic mechanism of Internationalisation – State and Change Aspects (Johanson & Vahlne, 2018)

### 2.9.2. Bounded Rationality Theory

The behavioural decision theory, which was developed by Simon in 1947 (Millett & Simon, 1947) and Mintrom (2020), is a core concept discussed in managerial cognition literature and relates to the bounded rationality theory which infers that decision-makers strive to make decisions based on rational considerations yet within their cognitive ability (Niittymies, 2020). This recognized the importance of the cognitive and interpretive role of managers when organisations are exposed to the external environment.

The external environment is complex and unpredictable and one which managers cannot be expected to fully comprehend. Managers rely on past experiences that they have been exposed to and this will influence their attention, manner of interpretation, and consequently the decisions they make (Niittymies & Pajunen, 2020). It is acknowledged that the experience of managers can be used to dissect and make the external environment comprehensible, but it should be noted that even though past experiences are relevant, the previous experience construct could confuse and deceive managers.

This is relevant to the question in this research - how the behaviour of a manager in a firm with little or no external exposure influence the internationalisation process when making decisions during the state and change aspects of the Uppsala Model. The behaviour, when analysed by advocates of the behavioural decision theory, refers to cognition by recognizing the traits and characteristics of decision-makers as agents for managerial cognition when firms makes strategic choices (Maitland & Sammartino, 2015).

## 2.6 Conclusion

The need for this research study to explore the internationalisation process within a comprehensive framework such as the Uppsala model and the Bounded Rationality theory, aligned to constructs such as managerial cognition and global mindset and its linkage to decision-making behaviour, has been made clear in the literature review. The managerial cognition and global mindset constructs are well aligned to the behaviour of the individual or decision-maker in the organisation. The study draws attention to the decision-maker or actor in the organisation and his/her behaviour and characteristics.

Based on the Uppsala model and the models' state and change mechanisms, the decision-making process is a critical part of the organisation's behaviour or success pre and post internationalisation (Coviello et al., 2017b). Therefore, the researcher drew insight from past and current literature to explore the characteristics of the decision-maker at the micro-foundation level during the internationalization process rather than that of the organisation in the macro-context.

## 3. CHAPTER 3: RESEARCH QUESTIONS

### 3.1. Introduction

The research questions were constructed through a comprehensive review of the literature in the fields of international business management, strategic management, and management science.

#### **Research Question 1: How does managerial cognition influence the decision-making process of firms looking to internationalise?**

Little is known about how managers choose various modes or apply models of evaluation to the business internationalisation process (Niittymies, 2020). The research question aims to identify to what extent the manager's knowledge and experience in his home country influences his ability to apply a strategic thought process to foreign exposure and whether the person can readily adapt his bias towards his home country to interpret new and complex environments. Empirical IB research has repeatedly highlighted the need to incorporate managers' overall cognitive processes into theoretical models of form, mode and location choice (Maitland & Sammartino, 2015), (Clark et al., 2018), stating that during the initial stages of foreign market selection, the manager's familiarity with his home country has an influence of the decision-making process and the outcome.

#### **Research Question 2: How does managerial cognition influence the decision-making process of firms looking to internationalise?**

The decision-maker's cognitive capabilities lays the foundation for dynamic manager capabilities in relation to managers identifying opportunities and threats in their business environment, therefore cognitive capabilities such as reasoning and problem solving could be the foundation upon which the business model is designed (Adna & Sukoco, 2020).

According to Nardella et al., (2020), international theories have failed to observe the fact that cognitive limitations and biases could limit the decision maker's ability to make objective and rational strategic choices, hence the research question will aim to explore the behavioural concepts of decision-makers, such as cognitive biases and heuristics and how these concepts can influence firms looking to internationalise.

#### **Research Question 3: How does the process of internationalisation create a global mindset?**

Global mindset cognition (Buechel & Sorell, 2014) as well as managerial cognition is a research topic which has been discussed in literature for many years but with little recognition of the individual's contribution at macro-level (Niittymies & Pajunen, 2020). The global mindset construct can become an important behaviour for managers when they are seeking to draw parallels to interconnectedness and business dependencies. According to Wollenberg et al., (2020), global mindset is not a specific skill set but more a behaviour characteristic that influences the manager and/or others in areas such as entry modes and location selection during the internationalisation process. Furthermore, Wollenberg et al., (2020) conclude in their research that there is a direct correlation between the global mindset orientation and the individual's exposure to foreignness and international education.

## 4. RESEARCH DESIGN AND METHODS

### 4.1. Introduction

The research methodology and design adopted for this research, supported by the literature review, was applied to answer the research questions in Chapter 1. The research questions were designed to explore phenomena with regards managerial cognition and the global mindset of leaders in organisations with foreign business exposure, hence the researcher adopted a qualitative study with an interpretivist philosophy to investigate the lived experience of the selected population as advocated by Algozzine and Hancock (2016). According to J Creswell (2003), for research that poses the “what” question, it is recommended that an exploratory research is conducted which allows for in-depth answers to be obtained on the research questions.

The researcher followed an exploratory study and endeavoured to discover parallels in existing literature to draw a contrast from the data collected from the subjects. Furthermore, J Creswell (2013) states that qualitative research is best approached when the study has a research problem that has unknown variables. The researcher categorized managerial cognition, decision-making and global mindset as the unknown variables of firms that are seeking internationalisation of their business activities. This approach is further emphasized by Soiferman (2010), who stated that a qualitative research method is a rigorous approach that allows the researcher to explore the factors that contribute towards the research problem.

### 4.2. Research Design

This research design endeavours to demonstrate and explore the factors that empower leadership with decision-making rights in firms, to profoundly influence the internationalisation process of the firm (Azam et al., 2020). The Uppsala model, first published in 1977, has over time been through numerous iterations making it a model that emphasizes the studying mechanisms of internationalisation, as described by Welch et al., (2016). As stated in the research problem, the researcher will study a phenomenon that warrants further investigation as described by Maitland and Sammartino (2015), that is open-ended with the appropriate theory to verify the outcome. The researcher will investigate and examine the cognitive foundations that contribute to the theorization of the Uppsala model. The Uppsala model, like many other different approaches and models, tries to explain the internationalisation of firms into foreign markets through a risk formula and the attitude towards foreign activities (Cavusgil, 1980). The Uppsala model is grounded in behaviour theory which is influenced by the growth of the firm according to Hansson et al., (2004), thus describing influences that impact a firm

when it decides to increase its international presence or enter the international business environment. These influences, such as decision-making cognition by the top management team, are often based on the experience and knowledge, or lack thereof, of the decision-maker's cognitive ability, according to Azam et al., (2020).

### 4.3. Research Philosophy

The nature of the study is qualitative which involves developing questions and interpreting the data gathered from a small sample through an in-depth investigation of the research problem. Therefore, the researcher applies an interpretivist research philosophy, studying the social construct of managers that are directly experiencing the phenomena. According to Saunders and Lewis, (2017), the interpretivism philosophy allows the researcher an in-depth understanding of the complexity of the organisation and its behaviour. This philosophy will enable the researcher to engage at a focused level with the target population, giving rise to their lived experience of the phenomenon. Kuada (2011) states that the field of research is characterized by common principles that relay the phenomenon which is under study. The researcher will test the research propositions outlined in this study by accessing multiple data gathering methods, namely interviews and other source documents such as case studies, books, and journal articles.

Table 4: Philosophical assumptions:

Ontological:
The researcher is aware that individuals will have different perspectives on each of the research questions. The individuals all have different backgrounds, beliefs, and points of view. Therefore, the researcher will conduct in-depth interviews with the population to be better understand their respective views.
Epistemological:
The participants will be studied on their personal experiences, with in-depth interviews used to document these personal experiences.



#### Axiological:

There is a risk that the researcher could portray bias as the researcher has experienced the phenomenon personally and within a company with little or no foreign exposure. The study emanated from the researcher's personal lived experience of how global mindset and managerial cognition shape a firm and how bias contributes to the decision-making process. Therefore, the researcher would need to approach the study objectively.

Source: Creswell and Noth, (2016)

#### 4.4. Approach to Theory

The approach to theory was inductive as the researcher had developed open-ended research questions from the theory and then collected and analysed the data to find phenomenological patterns. The literature review in Chapter 2 informed the researcher of the relationship between the theoretical framework and the empirical evidence that compliments the study. The researcher used in-depth interviews as the primary data to draw insight into the relationship between the phenomenon and the top management teams' actions.

#### 4.5. Population

Of interest to the researcher was top management team individuals employed at an emerging market firm with exposure to the internationalisation of a firm, or individuals that had successfully been exposed to the internationalisation process. The population had been subjected to experiences where they held positions of esteem; positions of management where they, as individuals, had to make decisions which could ultimately shape the firm's internationalisation process and international success.

The population was selected from countries in South Africa, Canada, United States, Indonesia, Ghana, New Zealand, and Australia. The selection method is one of convenience and based on the researcher's network relationships. The selected population had been exposed to the internationalisation process prior to their currently held positions.

#### 4.6. Unit of Analysis

The unit of analysis was individuals within an organisation, in positions of seniority that have the managerial skills-set that qualify them to make decisions that influence the firm's behaviour. The respondents to the study would have shared the experience of internationalisation within a firm, which is reconcilable to the phenomena as recommended by J Creswell (2013). Top management team individuals will include managing directors, chief

operating officers, business development managers, consultants, presidents and vice presidents, entrepreneurs, and general managers.

#### 4.7. Sampling technique, criteria, and size

The sample technique was purposive sampling which is a form of non-probability sampling as described by Bell et al., (2019) and is exploratory in nature. The researcher selected the samples from the population of middle and senior level managers at firms with exposure to international business activity. The researcher approached persons who could provide relevant information based on lived experiences of the proposed research problem. The proposed sample size was 12 individuals from the nominated population; in purposive sampling, data saturation can be reached through the increase in sample size and not through the statistical power of the sample increase as seen in convenience sampling, according to Etikan (2016). These individuals were selected from various industries and based on their knowledge and experience of the proposed industry.

**Table 5**

**Mapping of research questions against interview questions.**

Research Questions	Interview Schedule Questions
<p>1. How does managerial cognition influence the decision-making process of firms looking to internationalise?</p>	<p><b>ISQ 1.1:</b> Would you say that the behaviour of a manager is determined by his participation in business environments that he is exposed to on a regular basis?</p> <p><b>ISQ 1.2:</b> What do you think are the cognitive characteristics that influence the behaviour of the manager?</p> <p><b>ISQ 1.3:</b> How has managerial cognition changed the strategy of the organisation during the internationalisation process?</p> <p><b>ISQ 1.4:</b> When considering internationalisation of business, do you consider the impact of individual behaviour on the macro-level strategy?</p>
<p>2. To what extent does the home country effect influence managers’</p>	<p><b>ISQ 2.1:</b> Do you believe that context specific experiences influence decision-making?</p>

<p>decision-making during the internationalisation process?</p>	<p><b>ISQ 2.2:</b> How would you apply heuristic decision-making due to a lack of international experience?</p> <p><b>ISQ 2.3:</b> How would you address cognitive limitations of the decision-maker when they base their decisions on mental representations of the home country business environment?</p> <p><b>ISQ 2.4</b> How have you addressed decision-making that has deviated from rationality and lead to cognitive biases?</p> <p><b>ISQ 2.5</b> From your experience with regards to modes of entry and location, has the decision been influenced by the individual's preference for home country similarities?</p>
<p>3. How does the process of internationalisation create a global mindset?</p>	<p><b>ISQ 3.1:</b> How does a global mindset benefit the organisation when internationalising?</p> <p><b>ISQ 3.2:</b> What skills do you believe represent a global mindset?</p> <p><b>ISQ 3.3:</b> Do you believe that a global mindset can only be achieved by international education</p> <p><b>ISQ 3.4:</b> Can you describe a situation where the global mindset approach had a significant impact on the decision to internationalise?</p> <p><b>ISQ 3.5:</b> Does an international assignment provide the individual the opportunity to develop a global mindset?</p>

#### 4.8. Description of sample

The chosen sample was collected through purposive and snowball sampling. This mixed method of sampling was chosen as the researcher used his personal network in countries such as Canada, USA, Ghana, and South Africa; due to the researcher's limited network in New Zealand and Australia, snowball sampling increased the access to participants, however the sampling criteria stated previously (Sub-sections 4.5 and 4.6) were rigorously adhered to. This is further substantiated by Clark et al., (2018) who states that previous research has been limited to firm level analysis by applying a framework such as the Uppsala Model, but more recently scholars have acknowledged that the decision-making cognition of managers is far more important than initially proposed.

This instigated the comparative assessment taken on individual and firm level contexts within the study to triangulate the data from different market perspectives. The researcher was not physically present in the mentioned countries used for the sample within the research schedule timelines and all interviews were conducted on an electronic platform, namely Microsoft Teams, through video calls. All interviewees agreed that their interviews be recorded for transcription purposes. Recordings were transcribed using Otter.ai software and uploaded to ATLAS.ti software programme which was used to analyse the data using thematic and frequency analysis techniques. Table 6 summarises the total interviews and duration times.

**Table 6: Interviews and Duration**

Description	Quantity
Number of interviews	12
Total duration of interviews	486.33 minutes
Average duration of interviews	40.53 minutes
Shortest interview	25.54 minutes
Longest Interview	52.45 minutes

Due to the geographical dispersion of the sample group, the sample group consisted of one South African, one New Zealander, five Canadians, one Ghanaian, two Australians and three American interviewees. It should be noted that the location of the participants does not necessarily reflect the nationality of the participant.

Table 7 presents a summary of the individuals in the sample and their current job designations, industry, the organisation, self-reported orientation towards internationalisation, and the location. The individuals in the sample have between five to 20 years management experience and all hold senior positions within their current organisations or are managing partners in their own firms.

**Table 7: Summary of the Chosen Sample from 10 different organisations**

INDUSTRY	JOB DESIGNATION	ORGANISATION	ORGANISATIONAL ORIENTATION	LOCATION
Information Technology	Managing Director	Data Analytics	Entrepreneurship	Canada
Mining	General Manager Business Development	Global Chemical Manufacturing Firm	Strategic Management	Ghana
Professional Services	CEO – Specialises in organisational development	Global Management Consulting Firm	Entrepreneurship	South Africa
Chemical	General Manager – Strategic Development	Global Management - Chemical Manufacturing	Strategic Management	USA
Chemical	Senior Manager – Chemical Solutions	Global Management – Chemical Manufacturing	Strategic Management	Australia
Chemical	General Manager – Mining Science	Global Management – Chemical Manufacturing	Strategic Management	USA
Professional Services	Director – Specialises in Business Improvement	Consultant	Management & Organisational Development	Canada
Agriculture	Director	Agri Technology	Entrepreneur	New Zealand
Professional Services	Director	Global Management Consulting Firm	Entrepreneur	USA
Supply Chain	Principal – Specialises in operating models & supply chain management	Global Management Consulting Firm	Entrepreneurship	Canada
Manufacturing	CEO	Manufacture of goods to mining industry	Strategic Management	Australia
Professional Services	CEO – Specialises in organisational development	Global Management Consulting Firm	Entrepreneurship	Canada

#### 4.9. Data Collection Method

For an exploratory study, the most appropriate data collection method was semi-structured, interviews lasting between 45 and 60 minutes each (J Creswell, 2003). The interviews were conducted electronically via the Microsoft team’s and Zoom platforms, recorded and transcribed. An undertaking was provided by the researcher that the names of the interviewees, or the company they are employed with, would not appear in the research report nor be recorded during any stage of the interview and that all data will be securely kept for

record purposes. The interviewees all provided consent to the voice and video recording of the interview and for the transcribed information to be reported anonymously. All the interviewees completed and signed a standard consent form.

The study made use of a data collection instrument such as an interview guide that comprised open-ended questions. As a qualitative study is subjective, the researcher had to consider interviewer and interviewee biases, but this was mitigated by having an open-ended questionnaire which allowed further in-depth questions outside of the structured questions. As highlighted by Saunders and Lewis (2017), the interview guide should be aligned with the research questions.

The primary data was collected directly from the subjects, which were from a group of people in management positions, who were directly involved in the decision-making processes of the internationalisation of a firm. The primary data collection method was by means of semi-structured in-depth interviews.

The interview guide included introductions, general conversation in context to the study topic, questions as per the interview guide, open-ended questions for further interrogation and concluding comments.

The literature review in Chapter 2 informed the theoretical and business need for the study, hence the research questions in Chapter 3 allowed for direct correlation to the interview questions. The design and purpose of the interview questions were constructed in a manner that allowed for comprehension and insight into the cognition and mindset of decision-makers within the organisation, as well as how these behaviours impacted the overall performance of the organisation. The questions were used in a semi-structured manner and were used to guide the conversation.

Furthermore, not all questions could be asked as the interviewee may have answered it earlier. The interviewer encouraged open dialogue to gain an in-depth understanding of the interviewee's lived experience (Lewis & Saunders, 2018).

The interview guide is presented in Appendix 1.

#### 4.10. Data Analysis Method

Due to the large volume of data that was generated due to the nature of the research design and method, the researcher used coding to analyse the research data. The coding followed a structured approach that included categories, subcategories, and themes. According to

Azungah (2018), the inductive approach means working exclusively from the respondents' experiences, hence the inductive approach applies detailed readings of raw data from which concepts and themes are derived. The analysis was done by assigning codes to parts of the concepts as they unfolded, in relation to the research questions. The themes were derived from the theory-related material. The computer aided software of choice that was used is ATLAS.ti.

#### 4.10 Quality Controls

According to Scandura and Williams (2000), the rigor that is applied to a research study method has a significant impact on the result of the study. To ensure validity and credibility, the researcher approached globally-based firms that have attempted, or are in the processing of attempting, to gain foreign exposure.

#### 4.11 Limitations

Due to the subjective nature of this research and the interviewees' experiences, it was possible for the respondents to show bias in their responses to the questions. Furthermore, qualitative studies of this type often have very limited generalisability or transferability and, as such, the findings could be further tested by means of a quantitative study with a much larger sample set. Another limitation to the study could be the researcher's presence during the data collection process and the reluctance of the subjects under study to fully disclose their lived experiences.

## 5 CHAPTER 5: RESULTS

### 5.1 Introduction

In this chapter, the findings from the interviews that were conducted with the population described in Chapter 4, are presented.

The findings are presented according to the research questions presented in Chapter 3.

This section, the presentation of results, will disclose the findings of the 12 individuals, who were interviewed through semi-structured interviews, based on their perceptions, opinions, and insights into the behaviour of individuals they have managed, that of their line management or that of their own behaviour whilst being involved in the internationalisation process of their current or previous organisations. The insights, opinions and perceptions of the interviewees are relevant to the understanding of managerial cognition and behaviour, decision-making and global mindset for an organisation to better understand the effect of individual behaviour on organisational performance during the internationalisation process.

This introduction is followed by the summary description of the sample group used and the presentation of the findings. The interview questions were developed from a consistency matrix that mapped the Research Questions with their unique literature gap which ensured provisions for consistency between the literature review, the research questions, the data collection process, and the method of analysis.

### 5.2 Analytical Process

The researcher used ATLAS.ti software to codify the raw data that was collected from each participant. The researcher approached the codification with an open mind as the participants' answers were in relation to their lived experience and with the interview being open-ended, there was data that was not at all relevant to the interview questions. The researcher followed a process of elimination for each interview question answered. During this process of elimination, the researcher identified words or phrases that related to the three research questions. All words or phrases relating to each interview question was then exported into Microsoft excel and formatted using the conditional formatting function. Once all the words and phrases were formatted, they were then grouped and colour coded, with a specific colour relating to each research question.

The codification and colour grouping allowed the researcher to draw themes that related to each research question.



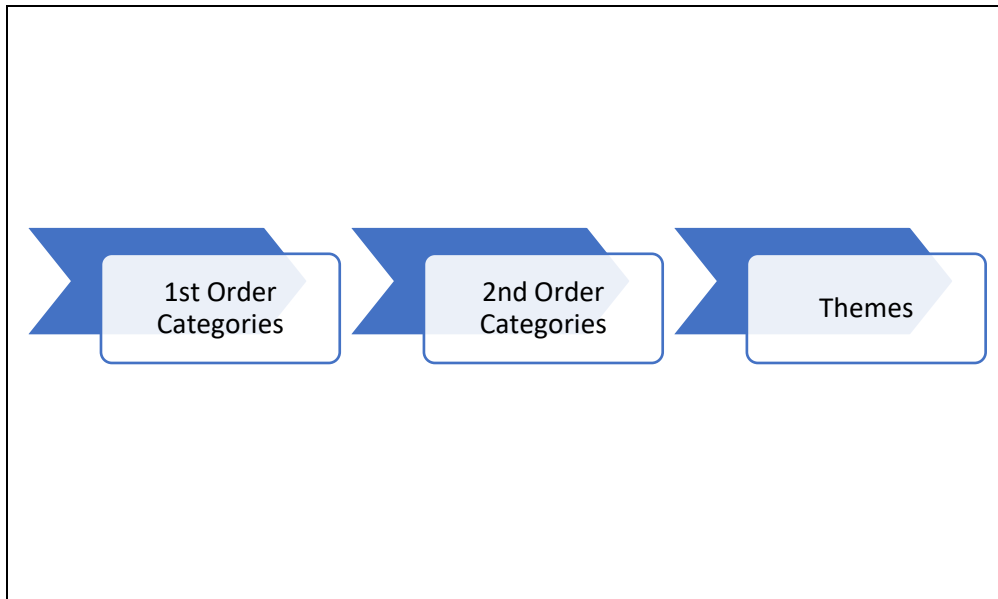


Figure 6: Determination of themes

Source: Authors own

### 5.3 Presentation of Results

The findings from the qualitative data collected from interviews with the sample group described above in 5.2 are presented according to each research question presented in Chapter 3 as well as aligning them with the interview questions which were derived from the research questions in Table 2.

For further confidentiality of the sample group, interviewees were identified alphabetically from A – L and do not correspond with the sample group chronology of the table or industry in 5.2. which preserves interview respondents' confidentiality and research ethics codes.

Each research question is presented with the relevant theme and each theme is answered with the sub-categories identified in the data analysis.

## 5.4 Results for Research Question 1

Research Question 1: To what extent does the home country effect influence managers' decision-making during the internationalisation process?

Four questions were drafted for Research Question 1 to determine how managerial decision-making effects organisational performance when based on certain behaviours. The researcher sought to link the interviewees' understanding of managerial cognition and whether the limitation of cognition creates a behaviour that impacts the organisation's performance. Furthermore the question aimed to confirm the literature research in Chapter 2, that revealed that previous research has been limited to firm level analysis and the need for individual analysis in terms of decision making cognition of managers is far more important that initially proposed (Clark et al., 2018).

### 5.4.1 IQ 1.1 - The exposure to certain environments determines the behaviour of that manager.

The interviewees were questioned on their understanding and opinion of whether the continuous and long-term exposure to certain business environments and practices determines and dictates the behaviour and attitude of a manager towards activities during the internationalisation process. The aim was to determine that, in the event of the individual being tasked to participate in any stage of the internationalisation process, the individual's long term exposure to their home country business environment creates a limitation of cognition that effects and impacts organisational performance.

### EXTERNAL STIMULUS

Responses by interviewees:

RECOGNITION OF THE EXTERNAL ENVIRONMENT:

*"The business environment in which you operate in teaches you to act in a certain fashion or to follow a certain chain of processes within the business cycle. And so that entrenched behaviour within the manager will influence the new environments in which they move into"*

*Interviewee A*

*“We're all products of our environment, and, in, in that context, that's probably one of the biggest issues that I see, is typically when companies globalize, there's a home country, and their managers are brought up in that environment, so they learned to do business in that environment, they learned to do business the way that it's done in that area”*

*Interviewee D*

*“So, it definitely depends on the person's behaviour, but also more so the person's position of power, if that person is in a position of power, if that person has an influence on the organisation and influence on the team”*

*Interviewee E*

*“I would say they are, because I mean one of the biggest adaptations a globalized manager needs to make is understanding regionalized behaviours and culture. And those individuals that cannot make those adjustments you know emotional IQ, ability to read people, ability to sort through different words with without being offended can for misinterpretation in general can be pretty impactful”*

*Interviewee F*

*“I think by definition absolutely. So, a large portion of managers, kind of get their skills, tools, bumps and bruises from their previous experience. So, to that extent that the previous experiences inform the manager's current abilities or outlooks or views. it has definitely been informed by previous experiences in previous roles”*

*Interviewee G*

*“I think your approach to how you look at international business would be very much, informed, by the how the individual views the world and what knowledge is formulated from that”*

*Interviewee J*

*“Doing business in Africa was easier than doing business in other countries because, although I am Australia-based, I am a South African citizen. What further assisted me was the fact that my company allowed me to travel and make connections in countries we had no business, so today being the CEO, I find those experiences certainly help”*

*Interviewee K*

Interviewees A, D, E, F, G, J and K agreed that the external environment and the external environment's forces were creators of experiences that informed individuals' certain

behaviours or ways of doing things. It was further evident that previous experience was a common theme that the respondents related to.

## ORGANISATIONAL CAPACITY

Response by interviewees:

INTERVIEWEES WHO RECOGNISED THE ORGANISATIONAL CAPACITY AS INFLUENCE

*“I think that's a bit of a yes and no answer there. If you have a yes or no type of manager, he is always influenced by his leader, manager. If you have a young intellectual manager up and coming, he will start questioning those decisions, especially if you're looking at the global mindset of things”*

*Interviewee B*

*“I think you might see more in the emerging markets. There I would definitely say that people are obviously influenced by how they interact, in Africa especially we have leaders who haven't changed very much. They are a lot more narrow minded and a lot more said, tunnel vision than those that have been exposed to different cultures, different thinking, different approaches to doing business”*

*Interviewee C*

*“No, I would say that management decisions, primarily, are enabled by the authority given to him”*

*Interviewee H*

*“In my experience with international management, is that you take your management style, and it won't be your management style because that's a personal style, you might use it initially, but you will change down the line, that's why the organisation brings you in, is to adapt to different management styles”*

*Interviewee I*

Four of the 12 interviewees recognised management style and leadership influence as variables that contribute to the individual's cognitive development and affect the behaviour of the individual. Respondent B inferred that the individual's line manager and their relationship had a significant influence on the individual's managerial functionality. Interviewee H believed

that the authority given to the individual enables his decision-making capacity whereas respondent I felt that the individual's management style eventually morphs into an adaptation of the new environment to which he is exposed.

INTERVIEWEE WITH COMBINED RESPONSE TO THE QUESTION:

*"So, depending on your environment, it's going to reflect in your behaviour.  
"I think there's a mixture too and it depends on people and the leadership's awareness"*

*Interviewee L*

One of the 12 interviewees, interviewee L, believed the individual's cognitive ability would reflect in their behaviour due to the complexity of, and exposure to, the business environment as well as the influence of the people and leadership in those environments. Furthermore, the behaviour of others in the same complex environment could be seen as an influence on the manager's cognition. This opinion draws parallels to the consideration that the external environment that the individual is exposed to is not isolated to primary business functions, but also to the influences from people and leadership.

## DECONSTRUCTION OF COGNITIVE CHARACTERISTICS

### 5.4.2 IQ 1.2 - Cognitive characteristics that influence the behaviour

The interview question was designed to form an opinion of the interviewees of what they, in their capacity as senior managers, and as decision makers by level of managerial seniority (Maitland & Sammartino, 2015), believe are cognitive characteristics that influence the behaviour of the individual who has been tasked to either lead or be part of the team that leads the internationalisation process. The question was not meant to form an opinion of their own cognitive characteristics albeit that some participants answered in such a manner. This approach is in line with the conceptual model of Ø. Kyvik (2006) who states that the decision-maker characteristics form part of the actor's global mindset which in turn affects the firm's internationalisation behaviour.

Response by interviewee:

INTERVIEWEES WHO IDENTIFIED THE INDIVIDUALS' COGNITIVE CHARACTERISTICS

*“I certainly see the most important common thing is listening to understand, so that you don't just jump to an answer based on past experience, especially even in a global environment where you're in a different country, different strokes different approaches, as you have to lose some of the bad habits or the old learned by hard habits and be bold enough to put them aside and say, Can I think differently or they cannot take a different decision, will it work?”*

*Interviewee B*

*“Well, as an individual, like I say, adaptability and sensitivity. So, you know, the, the important thing for managers is, you know, we want to establish I think, a working relationship with people.”*

*Interviewee F*

*“I mean obviously everybody's different; I think you have to have a measure of empathy. In the sense that you, you have to be open to hearing and accepting that there are different ways of doing things,”*

*Interviewee I*

*“I think, probably one of the biggest ones is the ability for self-reflection. So, the ability to just stop, think, and then decide. Now that can be mindfulness, taking time off, exercise, whatever, and it all, all affects cognition. So that would be the big one, reflection, the ability to just stand back. How did I show up today, what worked well for me? Well kind of my way. What do I need to do differently tomorrow?”*

*Interviewee L*

Respondents B, F, I and L referred to the personal characteristics of the individual as the cognitive characteristics that have the potential to influence behaviour.

*“I think if you're looking at, Africa, and people are pretty much seen that they've been dictated to in all stages of the chieftain. If that person has got the highest position, it is somebody you got to revere, you're ready to go, whether they are a good leader or not, the natural inclination is to bow down and accept that you're being dictated to”*

*Interviewee C*

Respondent C felt that a behaviour influence towards that of the individual is more culturally and the exposure to structural culture such as dictatorship, in other words an influence that is encountered at the macro foundation

*“Depending on that person's makeup, the way they are brought up, so it could lead to their insecurities, in their life. So, they actually have a fear of losing, so they need to be feel powered to be in that position. So, the protection of that power, protection of that authority, and creating the space around that, that gives them the comfort that they own that space, leadership, power, or it could just be having that position in the organisation where they have no one that can stand against them”*

*Interviewee E*

Respondent E observed that the individual's personality is a determining factor towards their cognitive characteristics. It also refers to the individual's leadership style as being a catalyst for behavioural influence.

*“What is context, it's they've got to have subject matter experience they should be a definition of a manager; they need to be able to work with people, they need to be able to deal with variation, they need to be able to have a strategic view of whether it depends on what manager, on what level in the organisation. So, just from a cognitive perspective, you need a manager that understands, first and foremost, what it is that you must do.*

*Interviewee G*

*“So, so my view is, you need a vision as to the business opportunity that lies in a new jurisdiction and depending on what you're doing, there will be a myriad of tried and tested mechanisms in terms of which you say this jurisdiction is attractive”*

*Interviewee J*

*“I think the key to do that is to be really open minded. So, I think, sort of, in terms of their cognitive ability, you need to be able to always say like you need to be a bit of a chameleon, it's kind of sales, everything, everything, almost everything in life is sales. So, I think, being very humble and going into these places as a visitor, as an outsider”*

*Interviewee K*

Respondents G, J and K identified more with business skills at the operational level of the individual and how those business skills could demonstrate a behaviour. Respondent K did elaborate further by recognising the personal characteristic of being humble.

Common amongst respondents B, F, I and L was the recognition of the personal cognitive characteristics of the individual, and the approach to the knowledge structures that reside in the mind of the individual. Respondents G, J and K were more subjective in their answers as they preferred business skills as the behavioural influence. Respondent C recognised outside influences as the behavioural change agent with Respondent C believing that an individual's personality and leadership style is the influence catalyst.

Response by interviewees:

INTERVIEWEES WHO IDENTIFIED WITH THEIR OWN COGNITIVE CHARACTERISTICS:

*"I think partially its maturity. I think it's probably what helped me the best understand this was, believe it or not, in the US Army. They teach you communication, they break the communication down into every detail"*

*Interviewee D*

*Depending on that person's makeup, the way they are brought up, so it could lead to their insecurities, in their life. So, they actually have a fear of losing, so they need to be feel powered to be in that position. So, the protection of that power protection of that authority, and creating the space around that, that gives them the comfort that they own that space, leadership, power, or it could just be having that position in the organisation where they have no one that can stand against them.*

*Interviewee E*

*So, what I've done here is I've got a very informal management structure. But I listened intently to my colleagues, and those that report to me, so if they say this is an opportunity that's come up, I will err on the side of supporting their decision. So, the first cognitive skill that you need to listen to people who can make decisions because just like you and me would say you know why my manager doesn't, support me in my decision. So cognitive skills, obviously, check the effects so you need to be able to do a factual check, capacity check, are we equipped to do this, can we do it"*

*Interviewee H*

Three of the twelve participants answered the interview question based on their own cognitive characteristics and how they applied that to their involvement during the internationalisation of a business. Furthermore, responses relating to leadership style and cultural cognisance were also evident. Respondents D and E were explicit in pointing to the personality of the



individual. Respondent D mentioned maturity developed during military training, the military being synonymous with leadership development skills such as discipline, maturity and communication - all traits that shape the individual's personality. Respondent E was more directed towards the individual's hunger for power and the fear of losing as being characteristics that influence behaviour in a negative manner.

## MANAGERIAL CAPABILITY, FRAGMENTING CONSEQUENCES AND LEADERSHIP

### 5.4.3 IQ 1.3 - Managerial cognition effect on the strategic intent during the IB process

When companies decide to internationalise and move beyond their home country borders, it is based on a plan or road map derived from deliberations by decision-makers within the business (Batschauer da Cruz et al., 2020). The derived plan or road map is then delivered as a strategy to the business. What is of importance is how that strategy is executed upon by firstly, the company as whole, and secondly, the individual who is tasked with strategic execution of the internationalisation plan. Often the execution by the individual is based on what they know best; the cognition assembly or knowledge structure gained through experience in the home country which leads to a pre-set preference or bias (Clark et al., 2018). The question attempts to clarify from the interviewees how they experienced the execution of strategy from an internal micro-level and how that execution affected the organisational output and performance.

Response by interviewees:

Managerial Capabilities

*"I'm just trying to think the extent to which, how aggressive the culture is, and the nature is in the company or culture in which you develop and how that might affect a move internationally"*

*Interviewee A*

*"With the individual, if he's not on board with everything, that can cause some serious reputational damage for the company, if it is not in line with, what you want to achieve as a group or company with a company objective, that individual can really screw it up"*

*Interviewee B*

*“The single biggest cognitive ability is to be able to strategically move, to be able to have multiple relationships on different levels. It's all about relationship I think because again you're breaking and breaking into this, it's about the people that you know it's about the environment, it's being able to be flexible, it's being able to be adaptable.”*

*Interviewee G*

*“I do, I mean I think that's the whole reason why you bring people from other nations. And I mean look, it doesn't always have to be other nations, in the United States, it could be from the South to the North, East to the West, territory to territory here, but I mean I think that the whole point is to try to take a strategy that is successful somewhere else and try to move that into a different, you know, geography, a different culture”*

*Interviewee I*

*“If you sort of answered internationalising your business then you need to increase your view, quite significantly. Earlier on in the process, decisions were much easier because in some respects, I had less experience I had less knowledge to draw from. Whereas now, you've got a lot more experience and a lot more things to consider, so decisions can take a bit longer. And so, I'm kind of grappling with that concept now because I thought it's supposed to get easier”*

*Interviewee K*

*“A big lesson for me was, you know how the nitty gritty, dotting the I's and crossing the t's is actually important to make what is really a good idea and completely viable actually take root in another jurisdiction”*

*Interviewee J*

*“So, the first thing I'd be looking for if I was looking for a manager like that would be somebody who's good at building relationships. I mean, there'd be other factors involved, but their ability to connect with others across cultures is crucial”*

*Interviewee L*

Respondents A, B, G, I, J, K and L referenced the nature and design of the organisation as being driving forces behind the effect on strategy. This infers to how the individual onboards with the organisation's processes and their level of autonomy and how the processes will define the eventual output of the individual, which in turn affects the organisational performance. Respondents I, K and J gave considerable thought to the design of the organisation, with Respondent I pointing out that the organisation places individuals for purely

strategic reasons, and Respondent K inferring that the design of the organisation, and by implication the culture, creates a level of autonomy which becomes less as the individual moves up the organisational hierarchy.

Response by interviewees:

#### FRAGMENTING CONSEQUENCES FOR THE ORGANISATION

*“There's a lot to do with the exposure and what and how companies now exposing the people to multinationalism. If you have somebody who has a much broader mindset to some, open mind system and is ready to learn, wants to learn and unlearn and relearn, you'll find those people every day dealing with strategy, learning what to do and practicing the proper execution of the strategy, it's no longer just a document”*

*Interviewee C*

*“We were a global company then but without a presence in China, so we decided to enter China with a partner and build a manufacturing facility there. There was a person who was a high-level business development manager and had a lot of experience in Asia but coming from Australia. In the end, the venture had failed, and I personally attribute that to the high-level guy not designing and executing on the strategy”*

*Interviewee D*

Respondents C and D attributed the individuals' exposure to multinationalism and experience as influencers to the organisation's strategy. The inability of the individual to up-skill and gain experience and pass on that experience when in foreign territories was seen as a possible cause to fragmenting the business strategy.

Response by interviewees:

#### INFLUENCE OF LEADERSHIP

*Absolutely, absolutely. If the person in charge is power hungry, its detrimental. If it's not aligned with their own growth and benefit. it will not be accepted, even if that is still the right strategy for the organisation but if it does not fit their part of the puzzle, it will not be well accepted and executed”*

*Interviewee E*

*“I was seconded to a four-year role in Asia Pacific and not having any international experience at the time, the company arranged a submersion course for me but until I arrived*

*in Singapore, I found that all the submersion training I had done was out of date. Our leadership at the time also had us do exchange with other key personnel to start getting that experience to help and understand leading to company going forward”*

*Interviewee F*

*“So, the first thing I'd be looking for if I was looking for a manager like that would be somebody who's good at building relationships. I mean, there'd be other factors involved, but their ability to connect with others across cultures is crucial”*

*Interviewee L*

The participants agreed that managerial cognition could influence the company's strategy to internationalise but felt it was not a clear-cut case that it was all up to the individual. A, B, G, I, J, K and L believed the design and nature, or culture of the organisation, plays an important part in the execution of the strategy. Furthermore, as responded to by Interviewees E, F and L, the leadership style or influences of leadership can have fragmenting consequences for the organisation should there be no alignment between the expectations of the individual and the organisation, and this was also referred to by Respondents C and D.

<p>STRATEGIC CONSENSUS – STRATEGY FAILURE AND THE INDIVIDUAL'S ROLE</p>
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#### 5.4.4 IQ 1.4 - Individual behaviour impacting the macro-level strategy

The interpretation of the business environment that managers are exposed to is complex and grey. It requires the manager be able to decipher and translate these complexities to the benefit of the organisation, and this is even more compelling for organisations that are moving into the international space for the first time as they are exposed to a higher level of risk than those that have previously embarked on an internationalisation journey (Azam et al., 2020). The purpose of the question was to investigate, through the interviewees who all had internationalisation experience, whether the strategic intent of the organisation looking to internationalise, possibly faced the same risks associated to the individual as would be the case when the organisation prepares a strategic road map (micro environment) intended for execution of the expansion of the business internationally and how that could impact the results the company is seeking to attain.

Interviewee responses:

THE INDIVIDUAL – FIT FOR PURPOSE

*“The macro-environment would have obviously a significant impact as well as the more localized micro-culture based individualized based thought pattern, all of that would have an impact on the success and the potential opportunities with an environment. You will probably find that individuals still lean towards certain practices, irrespective of the macro environment and that, there's probably a need to have a more balanced view in line with the two, but the individual point of view is still going to be a preferred view”*

*Interviewee A*

*“I think it worked both ways, right? It was meant to be an enrichment process for the individual. And through that enrichment, you were, you know, the idea was that you were going to bring home that enrichment and, you know, share its benefit, with the greater organisation”*

*Interviewee F*

*“These are people that don't fit well inside an organisation, they do to a certain level, but they've got to be able to function to a certain level to get to a certain place, to be considered, that they're always going to be the people that are dragging and kind of pull up business in a direction that kind of they're not, never satisfied with the status quo.”*

*Interviewee G*

*“Yes, and it is absolutely fundamental to the long-term success of the business. Because otherwise I think you missed the plot. The individual contribution to the businesses' successful transition is critical, they need to be able to sense what is happening outside of the business”*

*Interviewee H*

*“During the expansion of a soft drink company into South Africa, I did a lot of specific corporate finance work around the viability of the business, but I don't think I ever saw or interacted with an international manager”*

*Interviewee J*

*“We would look for somebody that had experience in the mining industry right. And that was the key criteria, and sort of, I think it was not that it was a done?dune strategy we, didn't really consider the individual, in terms of, say, his abilities really when we sort of, we relied on the fact that he was in mining and he was in a products role, and that was enough for us. We didn't assess him further than that”*

*Interviewee K*

*“So, relationships form the ability for that person to find the right people to have the right discussions and to have a shared vision with them, get them motivated in their way”*

*Interviewee L*

Respondent A said that the individual would first and foremost fall back on what that individual considers to be his preferred view, irrespective of the macro-level environment. Respondent K said that the individual selection process was not dependant on the individual as a person but rather on their experience, and this was informed by their strategy. Respondent H emphasised the importance of considering the individual’s role in relation to the long-term success of the business, with such a view being echoed by Respondent L who based their opinion on the fact that relationship building was crucial in selecting the fit-for-purpose individual. Respondent F drew comparisons to what Respondent H referred to by the right individual for the long-term success of business. This was supported by Respondent G who believes that the individual will be more of an out-of-the-box thinker who will not simply accept the status quo.

Interviewee responses:

STRATEGY FAILURE – AT THE MACRO-LEVEL ACTIVITIES

*“If it's passed down top to bottom and trained down, it will have a good influence. If it is a discussion topic at the boardroom table and it doesn't get past the boardroom, it will fail, it's no good”*

*Interviewee B*

*“One has to be careful not have a tunnel vision approach to it because then it's normally only done to appease the move. So, it becomes a document without proper execution, its presented to the board and that's usually where it stays, it becomes part of a culture”*

*Interviewee C*

*“The strategy is never communicated in enough detail to, or in convincing enough fashion for anyone to ever believe that it's actually going to work. So, you know, in my previous company it was very command and control. And it's really fragmenting right so it's actually an organisational issue affecting the macro environment the region is operating in, where the previous company went through several cycles of how centralized, the decisions are at a*

*global level, and, and then the power ultimately shifts back because of these types of issues, the power would shift back to the regions.”*

*Interviewee D*

*“If the organisation is not adapting, and the organisation is not maturing, and not adapting to the changing macro economical, the organisation will eventually vanish, because if they are not changing with the changing times and not adapting and not growing not globalizing, it will limit that organisation’s ability to be sustainable, to sustain over a longer period.”*

*Interviewee E*

*“The only issue of macro level strategies tends to be done by the senior executives in a company with board members, and I would have to say the most board members I’ve run into, and the majority of companies tend not to be as international as the strategy.”*

*Interviewee I*

The participants, interviewees A, F, G, H, J, K and L, believe that the individual’s capacity to assess and dissect the environment in which that individual was exposed to, is related to the autonomy that individual had been given by the organisation. Respondent A felt that the individual will still lean towards their preference for certain practices, irrespective of the macro-environment or the autonomy given to them by the company.

Interestingly, Respondent F mentioned that the selection of the right individual was critical for the organisation’s successes; furthermore, the fact that there was a selection process and set criteria for individuals to be sent on international assignments could imply that organisations are cognisant of the fact that individual behaviour could influence the macro-level strategy. This sentiment was echoed by Respondents H, J, K and L who interpreted the behaviour based on the individual’s competence as a direct correlation to the organisation’s macro-level strategic success. Competences that influence the behaviour according to the respondents, ranged from the individual’s ability to provide direction and not just accept the status quo, having a feel for geopolitical economies, and the ability to foster relationships at macro-level. Respondent K implied that leadership’s participation in the selection of the individual to execute the strategy was crucial, although consideration must be given to the leadership’s own ability or experience. This is in line with the opinion of Respondent I who strongly advocated that board member and senior management experience is critical when considering behaviour as an influencer to macro- level strategy.

Respondents D and E shifted the focus from the individual to the collective by questioning the head office’s centralized decision-making structure, commanding the territory, and seizing

control. It can be concluded that the individual's autonomy is limited, it could create a behaviour that impacts the organisation's macro-level strategy. It seems that such a scenario works both ways, top-down, and bottom-up, with both structures influencing and affecting top to bottom and bottom to top. Respondent E felt that the individual's personality traits are a factor to be considered when looking at the behaviour of the individual. Respondent E felt that a power-hungry individual will not foster the maturity of the organisation but instead influence it to such an extent that the individual's ability to recognise macro-level challenges and opportunities is skewed.

Furthermore, the Respondents B, C, and I were unanimous that direction begins with the strategy provided by the leadership of the organisation, and this includes effective and clear communication, and that the approach to strategy execution is a product of the company culture. Strategy should not be seen as a document approved at board level and shelved, but rather it must be approached in a manner that the individuals involved are conversant with what is expected. Respondent I placed emphasis on the experience of the board members and senior management in internationalisation, creating strategy that, because of their diversified experiences, contributes to the success of the organisation and creates a different culture. This is in line with Respondent C who said that the strategy document should go beyond the boardroom and if it doesn't, it could set a precedent for an unwanted organisational culture.

#### 5.4.5 Conclusion to Research Question 1 findings

The interview questions for Research Question 1 were designed to seek answers to how much of an influence the manager of a business in internationalisation was affected by their home country environment and how this could impact the business's performance. Common amongst the respondents' answers was the case that people are products of their own environment which includes other influences of which they are open to, such as experiences of doing business in their home country, other managers' traits and characteristics, and leadership from within their own organisation as well as external climates.

### 5.5 Results for Research Question 2

Research Question 2: How does managerial cognition influence the decision-making process of firms looking to internationalise?



Research Question 2 had five interview questions that were put to the participants, relating to the cognitive and interpretive role of managers when they are exposed to the natural environment.

The individual's ability to process information required to make decisions is limited and is biased towards the individual's home territory knowledge and experience state Azam et al., (2020). According to Buechel and Sorell (2014), the brain filters the vast forms and amounts of information coming from the external environment. The filtration is a basis of cleansing, leading to grounding the organisation or individual's beliefs and, in time, creating a disposition that predetermines a response or interpretation of a situation. This is known as the mindset states (Buechel & Sorell, 2014). The behavioural decision theory, which was developed by Simon in 1947 (Millett & Simon, 1947), (Mintrom, 2020), is a core concept discussed in managerial cognition literature and relates to the bounded rationality theory which infers that decision makers strive to make decisions based on rational considerations yet within their cognitive ability states (Niittymies, 2020).

## Context Specific Decision Making

### 5.5.1 IQ 2.1 - Do context specific experiences influence decision-making?

The external business environment, which is context specific, is at a minimum, challenging and complex, and thus managers will rely on their past experiences to summarise and interpret situations they are faced with. By doing this the manager can make the environment comprehensible and base a decision on that premise. According to Clark et al. (2018) the process of decision-making is related to internationalisation activities such as location and entry mode, which requires managerial thinking.

Responses by interviewees:

#### HOME COUNTRY PREFERENCES AND SIMILARITIES

*“Where ultimately our thought process is formed by decades of external influences that teaches us certain practices. And based on that programming we then act in a certain way. The question around, decision making, that, ultimately, that the decisions that you make are going to be heavily influenced by that entrenched pattern that you have”*

*Interviewee A*

*“Decision making has changed quite a lot in the last five to 10 years, as you will know, I mean you know with a disruptive environment that we live in now this VUCA world, that we speak about the volatile, uncertain, complex and ambiguous”*

*Interviewee C*

*“I have situation right now where the delegation of authority is set by our head office in South Africa according to South African standards, but that's what a headquarters is right? they're trying to think about one size fits all policy rather than, you know this market or that market or country or region. So, I need to base my decision on that standard. I think it's due to a lack of international experience, in my previous company, it was more of a control function”*

*Interviewee D*

*“So, I mean, people tend to make decisions based on their experience. Right, what they know. And, you know, people will make decisions based on what they do know, a lot of the time, I think one of the real pitfalls is people that try to make experiences or make decisions outside of their experience and without acknowledgement that they don't have the experience or explore, you know, what it takes to make that decision”*

*Interviewee F*

*“I think absolutely 100% And that's the whole issue is that it's, it's, decisions are being made in the context of that new environment. The thing that I've learned is that the individuals that you send up there must be able to make decisions”*

*Interviewee G*

*“Well, I think. So the way I look at it is like, every company has a sort of a skeleton that they want to follow, there's this straw man, there's this straw man and this is kind of how we do things, this is what we know, whether it's, you know from the safety, health and environment standpoint, you know, from an ethical standpoint, you know, we don't deal with corruption, there's a whole list of things that make up the DNA of a company”*

*Interviewee I*

*“I think experience counts, that whether it's internal to a given jurisdiction or external. It's hard, how the individual is capable of applying insights gained in that environment into a broader context. I think it comes back to the fact that the international market, sort of, has similar issues, as the local market”*

*Interviewee J*

Respondent C referred to the individual's decision-making ability adapting to a disruptive environment, and Respondent A believing that the individual's thought process is formed by being exposed to decades of external influences. Respondent F confirmed that experience plays a part in decision-making but was cautious about the individual making decisions in the context of lack of experience or exploring the self-learning option on what it takes to make a certain decision.

Respondent D related context specific experiences to that of the organisation's systems and process and how that influences decision making. This concurred with Respondent I who said that each organisation has a DNA that sets the tone for decision making. Respondents G and J were of the opinion that the context specific experience was the new environment and that the individual chosen to make those decisions in the new environment needs to be able to cope with that.

Responses by interviewees:

LEADERSHIP STYLE AND CONTEXT SPECIFIC DECISION MAKING

*"You know, if we are not wise to learn from our past experiences and past bad judgments and using that and being open to some new ideas, it does affect your decision making. Unless you are one of the old, or those guys that you know who can teach me nothing and I know everything and I'll do it my way, and then you will never learn and that's the anti-version of a global mindset"*

*Interviewee B*

*"Absolutely so that person in that, again I keep saying the person in the position of power, that person's ability to make that decision, see the bigger picture. Look at the strategy at different levels, doing all sorts of strategic tools using the tools of SWOT analysis PESTEL and having that information at disposal"*

*Interviewee E*

*"It's pretty important because the context gives relativity to what this decision-making is all about. So, context gives direction, and basically gives the story behind the decision. So, context is vital to understanding any kind of decision because it's also, context is time sensitive. So, if someone makes a decision, and they say oh well it was a poor decision, but in the context of what was happening, that was the important decision. So, context has weight, substance and time sensitivity for me"*

*Interviewee H*

*“So, it comes back to you, know high performing individuals, influence high performing teams, influence high performing organisations, so it always comes back down to the individual”*

*Interviewee L*

The style of the individual and the context of the situation were of importance to Respondents E, H and L. Respondent E referred to the person’s power as the context specific variable, inferring their leadership style, while Respondent H advocated that the context will add substance to the decision to be made.

Responses by interviewees:

#### CULTURAL CONSIDERATIONS

*“If you had no international experience here, it would be very difficult, but it would be about your, what were your values and your upbringing I think. I think that becomes a very important part of that because that's the only thing you can draw on.”*

*Interviewee K*

The results from the respondents conclude a variety of answers in relation to context specific experience.

Interviewees A, C and F responded with insight relating to changes to conditions from an external point of view and how the individual responds to these external stimuli by reverting to the individual’s knowledge structure and experience. The respondents stated that, although the external environment is challenging and constantly changing, the individual will most likely revert to what they know best from experience to decide.

One respondent, Respondent B, believed the individual’s leadership style influences the context specific experiences and that it does indeed influence decision-making but only to the extent that the individual can use those past experiences and judgements to deal with new ideas when making decisions.

Respondents D, G, I and J referred to the home country preferences that the individual relies on for decisions and that the home country preferences are the individual’s reference points or specific context. Respondents D, G and I related home country preferences to the authority

imposed on the individual by the home country organisation that is internationalising, and Respondent J referred to home country preferences in the context of the general business environment in both the local and international markets.

Respondents E, H and L directed the context specific experiences towards the individual's leadership style and how that influences the decision-maker, and the importance of context in the decision-making process. This was closely related to Respondent B who felt that personal management had been the context specific experience.

### Heuristic Decision-Making Considerations

#### 5.5.2 IQ 2.2 - Heuristic decision making due to a lack of international experience

The environment in which the individual must operate in, when exposed to the global business environment, is complex with many dimensions and spheres of business-related activities. It is expected that a manager who faces this complex global environment will make decisions that are in the best interest of the organisation. The challenge for managers is that they strive to make rational decisions based on rational considerations within their cognitive ability. The question aims to address this exact point of view, with rational considerations and rational decisions of the past being used to make decisions but all without experience in the global business environment.

Responses by interviewees:

REFERENCE STRUCTURE THE INDIVIDUAL USES AS A FRAMEWORK

*“Certainly, we all do, you have to try hard to dig for information that doesn't support your view, and often you don't even look for it because you naturally fall into those heuristics. And that will impact, obviously your thought pattern even within your business context. So, there are certain things you just wouldn't consider until you get exposed to something that really doesn't fit your thought pattern. In which case, you then have to go back and reconsider it”*

*Interviewee A*

*“There's no reason not to use that, there's some good scholarly papers written about the, you know problem solving methods, etc, etc, that will work in almost any environment, but it's the application of the solution that you come up with that determines the success, how you arrive at what solution you want to apply. There are many tried and tested methods and they're the basics. that you must follow when it comes to applying this solution”*

*Interviewee B*

*“Sure, you know, one of the things, and this is where I think I struggle with, is just the education of the head office people. So, that they know it's different here, you know, so their, their whole, everything they do is based on assumptions, and the assumptions here are different, they've never listed their assumptions, they don't accept the challenges we are faced here”*

*Interviewee D*

*“It becomes a little egotistical sometimes, right, because people think they have this particular decision-making capacity. People that are very well educated, do a lot of book learning, have had success in their region tend to really fall into this again, pitfall”*

*Interviewee F*

*“Well, I think that your heuristic decision-making has got its place, but it has to be aligned in the long-term goal of what the strategy is. So, I think each of them have their place, but as long as the short-term decision, eventually is aligned to the strategic long-term decision, that makes sense”*

*Interviewee H*

*“My decision-making is prefaced on the best knowledge of my managers who are local who are in touch with the customers, so ultimately my decision-making is for the benefit of a customer which benefits the company”*

*Interviewee I*

*“My sense is that individuals are being forced to, with building a new business. I think if you have the filters, and you need filters to understand where I need to sweat the small stuff and where can I sort of move on, it's not, it's not a crisis.”*

*Interviewee J*

The summation from the analysis of the answers by Respondents A, B, F, H and J is that every individual will have a basic frame of reference that they can fall back on when making

decisions, such as the organisation's strategy and their formal education and training. Respondent J believed that individuals would make heuristic decisions purely because they are being exposed to the processes of building a new business. Although both Respondents D and I referred to relationships as a cause of heuristic decision-making, the respondents answers were on the opposite ends of the spectrum. Respondent D felt that the relationship with head office was the cause of heuristic decision-making, implying that decisions are not always made with consideration to the challenges being faced by the host office, whereas Respondent I used the relationship construct to his advantage by gathering information from other persons and using that information to make an informed decision.

Responses by interviewees:

#### PAST EXPERIENCE AND EXPOSURE

*"Decisions that have to be made in context of where you've been and I'm talking about from a, from a cognitive perspective, must be based on the context of what you have been exposed to"*

*Interviewee C*

*"I think it's, it's, it all starts with accepting that if you do not have that experience, find the person, connect with it, gather that information, connect with the expert in that field."*

*Interviewee E*

*"I think you're always going to go back to that in terms of it's your easy way, I think you always refer back to heuristic learning and I think you would want to do that, but you have to understand that it's the context that has to be applicable. So, you first go back to previous learnings and understanding of how things have worked, I think that's your go to"*

*Interviewee G*

*"If you had no international experience, it would be very difficult, but it would be all about you, first what were your values and your upbringing I think. I think that becomes a very important part of that because that's the only thing you can draw on. And I guess I've always sort of in a, sort of reflect back to the early days and what your decision making would have to always be about"*

*Interviewee K*

*"Well, everything's based on heuristics regardless of experience, so somebody who's got more experience is making their international decisions based on their international"*

*exposure, but I mean if somebody's got lots of experience, coming into the international arena, completely different ballgame to somebody who's got none. So, and both are going to have to step out of the comfort zone to be able to, to make those decisions, so everything's, relative"*

*Interviewee L*

The conclusions drawn from the answers provided by the respondents are unanimous that individuals, when faced with making decisions, will revert to what they know best to draw a conclusion directed at what is meant to be the correct answer at the time. Respondents A, B, F, H and J all alluded to points of reference that the individual relies upon to make a call. These reference points refer to constructs such as formal education, theoretical application of decision models, knowledge structures and the individual's own management style.

Respondents D and I referenced the use of relationships to inform decisions and counter the lack of international experience.

Respondents C, E, G, K and L concluded that the individual's past experiences are a form of self-help when needing to make such a decision. The common thread amongst the respondents was that, in some form or another, the individual would apply a mechanism or support structure that would guide the decision; the consequence of whether the decision is correct or not was not addressed.

### Cognitive Limitations

#### 5.5.3 IQ 2.3 - How would you address cognitive limitations of the decision-maker, if decisions are based on the home country business environment?

Individuals act and make decisions based on what they know. The question aims to address this behaviour should the individual display cognitive limitations by constantly basing decisions and applying the experiences from their home country business environment. According to Niittymies and Pajunen (2020), the cognitive knowledge structures have a bearing on internationalisation decisions.



Responses by interviewees:

#### CAPABILITY TO RATIONALISE IN THE ENVIRONMENT

*“The culture is one thing and religion is another and they, they have a fine line between the two, as well as the good corporate governance that's applied to a company, you cannot go into another country, with the home base attitude, that is wrong”*

*Interviewee B*

*“So, it's good to have a person who's got experience and experience counts a lot, there is a reference. And what that tells me about that person is that person has dealt with similar problems, but a different environment, but if that person has not been exposed to global every day markets, it is very different.”*

*Interviewee E*

*“The reality of it, is that you have a different model that differs from the home base. The print environment, different circumstances, different regulations. And you are literally torn, almost always, between the right thing to do in this environment than the corporate values and way of doing things on the other side, and you really need to in that instance, have executive kind of authority over what's going to happen to take accountability for that but at all times you're doing two things”*

*Interviewee G*

*“I think you run into it continuously, both in daily business and international business certainly more in international business because of the cultural and geographic and national facts but I like to generally try to trace it back to some sort of similar experience in a local environment, I mean it doesn't matter whether you're doing business the US in or Africa.”*

*Interviewee I*

*“If somebody is making decisions that, and sort of not taking into consideration where they are in their environment, then they're the wrong person to be there making decisions”*

*Interviewee K*

The respondents referred to the ability to make decisions based on the rationality of the environment that they are in. Respondent B believed there such are vast differences between the environments that one could not enter a new territory with preconceived ideas. Respondent B also alluded to experience in general as not being the only consideration but that exposure to international business in imperative. Respondent I took a different stance

from the others, stating that it is irrelevant to be rational in the new environment because business is business, and the experiences are similar, although did mention that the international environment is more tricky due to culture and other national influences.

Responses by interviewees:

#### STRATEGIC ALIGNMENT

*“The effect is in the region, and it drains the focus of it, it brings the focus on, off of what you're supposed to do. The disadvantage of this is, that you lose focus on the strategic execution, the head office knows and understands the strategy, but their lack of international exposure has them pushing for other short-term initiatives, which you know, is not the right focus”*

*Interviewee D*

*“So having somebody who I mean, is from that jurisdiction, that's just how it worked out. Now in that context if you have somebody that is from a given jurisdiction who understands the cultural nuances you have in my mind, a benefit in that the nuances are better understood. So, you've got somebody in your business that is well versed in your business, understands how your home jurisdiction functions within it.”*

*Interviewee J*

Respondent D stated that the strategic alignment between the region and the head office was the cause of lack of strategic execution, more so than the individual. Respondent J had a different view and felt that by having an individual from the home jurisdiction managing the new environment would limit the impact of cognitive limitations.

Responses by interviewees:

#### LEADERSHIP INFLUENCE

*“So, the only way to get around that is for that person to acknowledge their own shortcomings and understanding the requirements within the market. And because they occupy a senior management position they need to be willing to bring in other points of view that do have that experience within that market”*

*Interviewee A*

*“Rather than forcing the decision on an individual, I tend to like, you know, we’ll call it decision by committee, you know, you look at having a group of advisors to help, you know, cross reference your thoughts, to support, to challenge, to provide feedback”*

*Interviewee F*

*“I’d say it can be pretty detrimental to your business. Because your frame of reference is different. And you’re also dealing in a totally, totally different environment”*

*Interviewee H*

*So, there’s an assumption that the in-line manager and the individual, have a great relationship, right, one that is based on the ability to suspend judgment, one that’s based on the ability to be open to influence”*

*Interviewee L*

The ability of the individual to adopt a rationalised thought process in relation to his operating environment was supported by six of the twelve respondents. Respondents B, C, E, G, I and K all shared similar views in that the new environment takes on many shapes and forms which is difficult to decipher, hence the individual relying on behaviours or actions that are justified in a logical and rational manner. The capability to rationalise in that complex environment infers that recognition is given to the fact that having a home base attitude does not mean success, although experience is useful, the established support around the individual can be advantageous if used correctly. Every business has an operating model but no two are alike even if the new business is an extension of a mature business in another country.

Respondents D and J aligned the possibility of cognitive limitations and its effects, with the internationalisation strategy and the execution thereof, with the company. Respondent D highlighted the tension created by the head office in instances where the home country authority is forced upon the international entity. This dynamic is detrimental to the execution of the strategy. Respondent J highlighted that the most ideal scenario would be to have an individual with experience within the home country structure but who was a national of the proposed new country. This approach could be strategically advantageous to the organisation. Leadership influence was a notable theme amongst Respondents A, F, H and L. In this context the respondents seemed to have favoured the individual’s own leadership capabilities by recognising their own shortcomings and addressing it by embracing available support, recognising the challenges presented by the local environment and putting in place measures to assess the individual’s behaviour.

## Rationality and Bounded Rationality

### 5.5.4 IQ 2.4 - Addressing cognitive bias

The question was put to the participants to determine the extent that an individual's bias influenced the individual's ability to process the information required to make rational decisions and how this could be addressed. As stated by Clark et al. (2018), senior managers within an organisation that have no, or little, internationalisation exposure are prone to make decisions with bias towards the home territory environment; in essence with bounded rationality. The respondents concurred with the three identified themes..

Responses by interviewees:

#### INFLUENCES BY TRAITS AND OTHERS

*"If you're working with people who are much more senior to you, it becomes incredibly difficult to try and influence if they haven't accepted the fact that you're operating in a different space"*

*Interviewee A*

*"I've had several instances of this where CEOs are very self-confident, and they become very confident in their ability. So, it's, it's difficult to then tell them something contrary to what they want to hear or what they have decided is there, I don't know what you call it, favourite thing to do"*

*Interviewee D*

*"I guess you have to, because that's when you become almost a little bit on bureaucratic but then you need to have decision making matrices where there's certain levels of approval and that sort of thing, which then you lose, you lose the entrepreneurial spirit in the group as well because then people aren't being creative"*

*Interviewee K*

The influence or traits of others was evident in the responses given by the participants. Respondent A felt that senior team members influenced those below them, while, similarly, Respondent D referenced the confidence of the CEO as an influence to addressing cognitive

bias. Respondent K believed that an organisational procedure would enforce the bias limitation but that it would be detrimental to the individual's creativity.

Responses by interviewees:

## EVALUATION OF KNOWLEDGE STRUCTURES THROUGH PRACTICE AND EXPERIENCE

*"You need to listen and understand what the requirements are, gather that information and act on it"*

*Interviewee B*

*"We all have biases and it's a natural inclination to be biased, we can't hide from that"*

*Interviewee C*

*"Expertise into a different region of globalisation and no reference point, I would still make an opinion based on the option or the information that's present in front of me, but I would still work with an expert and have a person that could be a sounding board for me"*

*Interviewee E*

*"You actually relying on your previous surroundings or your previous experiences to make decisions So, what I do is I take every opportunity to edify people for things that they've done that make a significant or not so significant difference, but it all adds fire to the flame of success"*

*Interviewee H*

*"I think you need to be conscious of biases because you can't actually, you're almost incapable I think of avoiding them, at the end of the day you have to manage the biases"*

*Interviewee J*

The respondents referred to using their knowledge structures such as other experts and their previous experience in addressing cognitive bias. Respondents J and C acknowledged that bias is normal and unavoidable. Respondent B emphasised the importance of evaluating the information, and Respondent E felt that although a lack of international experience was a probable contribution to bias, the use of knowledge structures such as an expert was valuable.

Responses by interviewees:

## PERCEPTIONS AND SENSE MAKING

*“So, the first thing to acknowledge is that we all have cognitive bias, and what we're trying to acknowledge is exactly what those biases are. So, like it's an important exercise to understand what your biases are because it absolutely influences your decision making. So, the biggest thing, the biggest thing is number one to acknowledge that, in fact we are all biased, and we all have our preferences and we all in many seconds make decisions in our head that form, to our biases because that's the short path for decision making and truly trying to dig in and understand what your biases are and acknowledge them”*

*Interviewee G*

*“I think the successes and not having a bias, is finding that middle ground, I mean they have a bias to how they want to do business, you have a bias to how you know, or you've been instructed, to do business, you know where your board says and your president says and you're, you know guys in finance, say, I think what it is finding common ground, finding middle ground in between so, by, by doing that I kind of think you actually dispel the bias”*

*Interviewee I*

*“So, there are many different approaches, because it depends on, it depends on the situation, right, and individual and the decisions being made, and the biases involved. What I think would be applicable is some self-directed feedback”*

*Interviewee L*

The influence by others such as the CEO and senior management (leadership), was discussed as a bias construct towards the internationalisation process, although the question was put to the respondents to try to elicit an answer to how bias is addressed if the decision-making process had deviated from rationality. Respondents A, D and K believed the individual's decision-making rationality is influenced by the leadership core, and this influence compounds the individual's bias.

By far the most common theme amongst the respondents was the evaluation of knowledge structures through practice and experience. Respondents B, C, E, H and J believed that reliance on what they know best addresses their deviation from rationality. Past experience and practices were seen as a knowledge structure that is relied upon to mitigate bias, although all accepted that bias was a universal trait.

Respondents G, I and J referred to perceptions and sense making as mechanisms to deviate from rationality and provide solutions to corrective actions when this deviation has been realised.

## The Distance Effect on Decision Making

### 5.5.5 IQ 2.5 - The Distance Effect on Decision Making

During the internationalisation process, decisions are made with regards to location selection and the modes of entry. By and large these decisions are made by top management teams who study and scrutinize the international processes to follow. Very often, it is seen that individuals rely on a pre-set of values and norms which are closely related to the activities experienced in their home country. The question aims to address whether such preferences influence the decisions made by top management teams and how that home country similarity draws the attention of the decision-makers, inferring that such decisions are based on similarities to the home territory due to a lack of knowledge about foreign territories.

Responses by interviewees:

#### THE PSYCHIC DISTANCE EFFECT ON DECISION MAKING

*"I don't think it's a conscious decision. I think it's just part of that entrenched process, where when you evaluate opportunities for new markets, new opportunities, new regions, you evaluate them, based on that entrenched thought process that you've got"*

*Interviewee A*

*"I mean that's where one's experience comes from is your home base, and you know you either going international or you're going global, it's a fine line difference between the two. You can just say I'm bringing a product; they are going to expect from you to bring more than that from your country. That biasness often leads to what some people call a cross culture mishap"*

*Interviewee B*

*"Well, I think there's a natural tendency to do that, right? For example, doing business in Asia is totally different than doing business in the Western style. Especially the people culture aspect, is so different from your territory, it's important to get it right or it could damage the relationship."*

*Interviewee F*

*"I think we're always inclined to go where we feel more comfortable. We say we have got a real strong solid footprint in Anglophone countries, Now, just think about the map, there's more French in West Africa than there is English, but we just because it was familiar and comfortable and that's where we kind of moved too.*

*Interviewee G*

*"So, yes, it could be influenced by that, but I mean, honestly, I mean if you're a senior leader. I mean, I would have seen that as one of the criteria, not first criteria. Right so size of market, potential of market, I mean, I don't know if somebody was being biased by their homework, when they're going into a new country, that would be, I think, I find that one thing would be a red flag for me"*

*Interviewee L*

Respondent A believed that it's a natural consequence and happens without the individual consciously making such a decision whereas Respondent B believed that although your experience comes from your base, there would be an expectation from the international community for you to deliver above and beyond. Respondents F and G emphasised the diverse cultures that are at play and how one needs to be able to separate the influences from your home base. Interviewee L pointed out that due diligence will highlight potential risks when entering a new market. Overall, the responses were in favour of the psychic distance effect on the internationalisation process.

Responses by interviewees:

#### THE ALLEGIANCE TOWARDS A STRATEGIC FIT

*"That's, that's because it's just the comfort, because it's easier, because you look at some sort of strategic alliances in the sense of, are you, is there a cultural fit, is there, you know fit in terms of strategic fit. So basically, you minimize the barriers and minimize the barriers that can have a negative effect on your growth"*

*Interviewee E*

*"Number one, it's, it's certainly the communication issue, it's very important from a business systems point of view, I think that the system's, the way of operating, certain things is very important to go into. I think that that's probably then, with regards to physical location, it's where the opportunity is"*

*Interviewee H*



*“I think unfortunately that selfishness plays in a lot and a lot of it has to do with who you hire”*

*Interviewee I*

*“I think that's early on in the piece, like, like for example, our move into China in terms of just doing business, not necessarily internationalizing its supply chain and, and all those things. Once you've done something like that and you're confident, and you've got your, you've got a bit of a game plan. I think it makes that part of it, less important that's more about the opportunity”*

*Interviewee K*

One of the 12 interviewees expressed a view that no preference exists when an individual assesses the internationalisation process, but it is rather an entrenched process that the individual follows, based on his own capacity. The opinion was based purely on the individual's assessment of the business opportunity and the belief that the opportunity that is presented is the overwhelming consideration when deciding to internationalise.

Following on from that, Respondents E, H, I, and K, felt the strategy would dictate the internationalisation process, with their allegiance leaning more towards strategic intent than consideration for the influences of the home territory. Strategic intent, in their opinion, was operating model focused, with inclusions such as means of communication, relationships, personal management styles and resources.

Respondents B, F, G, and L mentioned the perceived lack of knowledge of the foreign market and diverse cultures, known as psychic distance in IB. The participants had mentioned how cultural factors and linguistic differences affected the rationalisation of the process of entering a new location or the mode of entry.

#### 5.5.6 Conclusion to Research Question 2 findings

It can be concluded that the respondents had a spread view on each interview question and were of the opinion that managerial cognition does have an influence on the firm's decision-making process when looking to expand the firm's business activities beyond their home base, and that there are a number of factors that contribute to the individual's decision-making rationality. The influences included context specific experience, bias, heuristics, and home country environment similarities.

The Figure 7 below depicts the influences that the decision-maker contends with.

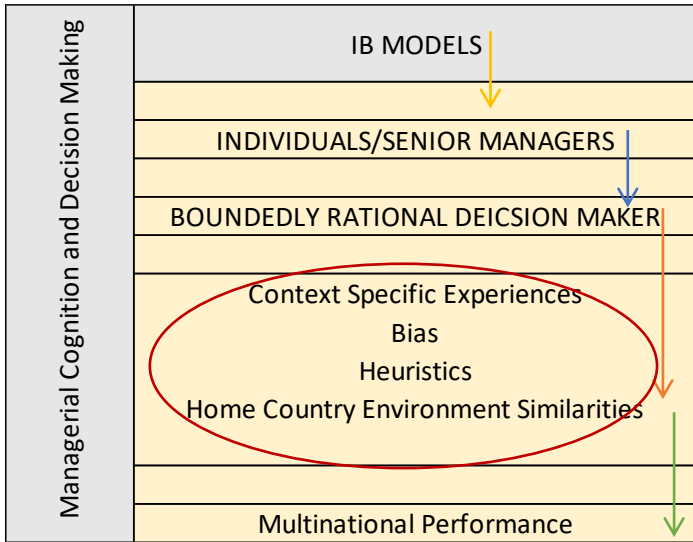


Figure 7: Influences that the decision maker contends with when making decisions  
 Source: Authors own

### 5.6 Results for Research Question 3

Research Question 3: How does the process of internationalisation create a global mindset?

The research question presented five interview questions to the participants of the study. The questions related to the global mindset as a behaviour of the decision-maker within the organisation. The questions drafted were to establish the benefits of the global mindset, skills of an individual that presents a global mindset, the achievement of such a mindset through education, the impact of a global mindset on the organisational outcomes, and performance and possible development of such a mindset through an international assignment.

Furthermore the question aimed to confirm the research claims that decision-makers and organisations could benefit from a global mindset (Felício et al., 2016).

The interview question 3.3 of the interview instrument relating to the achievement of a global mindset through education, and question 3.5 of the interview instrument, the development of a global mindset through international assignment, are very similar in nature. The respondents tended to conflate the two questions and provided repetitive answers hence the researcher decided to combine both questions. The issue was not recognised during the pilot study phase hence the continued discreteness of the two questions.

### 5.6.1 IQ 3.1 Benefits of a global mindset when internationalising

The decision-maker in the organisation is faced with a complex international business environment, and he/she is expected to demonstrate global leadership attributes and characteristics when an organisation enters the international environment. The individual's behaviour when faced with context specific situations needs to be of a high standard to benefit the organisation.

Responses by interviewees:

#### THE ABILITY TO HAVE A BROADER VIEW ON BUSINESS ACTIVITIES

*"It gives you a much broader sample size of the different opportunities that exist to two extremes. It's not only important to your influences in your abilities to manoeuvre your business and strategize in your own business about the way forward"*

*Interviewee A*

*"If I were, CEO of a company wanting to go global, expand, I will certainly select staff that are open to be trained"*

*Interviewee B*

*"Having a global mindset and being able to expand that mindset makes a big difference if you are going to go international"*

*Interviewee C*

*"It's been a benefit when you recognize that there's differences and when you're willing to learn what those differences are. And then you can in your mind, you can make that adjustment, you can see how your technology or service model or whatever it is, you know can work with that market, or even that it can't, that you don't want to compete in that in that market"*

*Interviewee D*

*"I guess my point being is that to have just the broadening of the experience, whether it be international, whether it be within the same industry. I see the same benefits to international bringing in people with different ideas, different perspectives you know how they handle employees, how they handle conflict"*

*Interviewee I*

*“The global mindset being that you need to have certain traits in order to have a successful international business”*

*Interviewee K*

*“If I had to choose between people that have the global mindset and didn't work with in terms of expanding business. I go with people with a global mindset, people who've travelled and experienced it, and be aware of some of the biases that come with that.”*

*Interviewee L*

The respondents inferred that the individual with a global mindset was advantageous to the organisation. Respondents L and B preferred to work with people with a global mindset, whilst Respondents I and K supported this by commenting that the personal traits of people with experience add a different dimension to functions within the organisation. Respondents A and D referenced the ability of the individual with a global mindset to identify opportunities and act with more reassurance.

Responses by interviewees:

#### THE PARTICIPATION BY LEADERSHIP IN CREATING A GLOBAL MINDSET

*“In one of the companies I previously worked for, there was always a model we used, Real Way Worth. So, is there really opportunity to be had, a real win, can we win with what we bring in, and then is it going to be worth it. So even if you can get revenue, you know, what are the costs and can you do that”*

*Interviewee D*

*“The pitfall is that they do the arithmetic with without understanding the numbers behind it, right”*

*Interviewee F*

Participants D and F referenced the leadership's responsibility to create an environment conducive to the global mindset and how it would benefit the organisation in terms of due diligence and improved decision-making.

Responses by interviewees:

#### AN OPERATING MODEL THAT IS CONDUCIVE TO THE GLOBAL BUSINESS ENVIRONMENT

*“By having an open mindset, globalized mindset where you are willing to learn, explore, try feel, give it a go, having that open mindset opened opportunities, because if you are very rigid, it's very difficult to fit a triangle into a round. It's very difficult, unless you are flexible and you willing to explore and willing to expand and shrink and be moulded in different way.*

*You will never have that growth; you will not see the global growth”*

*Interviewee E*

*“So, one of my frustrations has been with internationalisation, is that people want to go to new markets that they want to Africanize, for example, Australia. Yeah, don't do that. We have the same, I'm going to sound very political now, but if you decide to go to Canada, or to New Zealand or whatever, rather become a Canadian South African, than a South African Canadian”*

*Interviewee H*

*“The benefit is derived by the company for going global not international, I can open up in Zimbabwe then I am internationalised, you don't need a global mindset to do that. You can have someone that doesn't know how to globalise but they know how to operate really well in China”*

*Interviewee G*

*“I have a very direct experience with a company I'm with now, that wanted to internationalise not globalise, but internationalise so they chose the United States they chose Australia, and they chose New Zealand to do it simultaneously. With internationalisation of any sorts, what you really need to do is to have the roadmap to gear up for this in place”*

*Interviewee H*

*“Making a good business decision because you know the fundamentals of the business is solid and then applying it in the country in question in the right context.”*

*Interviewee J*

The flexibility created by having a global mindset benefits the organisation and creates opportunities according to Respondent E. Respondent H referred to the inability of the organisation to develop an operating model based on the host countries offering than trying to convert the host country to the similarities of the home country. Respondent J believed that the benefit of a global mindset was in terms of applying the businesses fundamentals to the new territory, however this slightly contradicts Respondent H who has an opposing view.

Respondents A, B, C, D, I, K and L were unanimous that having a global mindset is beneficial to the organisation in terms of creating the ability to predict, analyse and execute in the international environment when organisations decide to expand their operations. The ability of the individual to eliminate a tunnel vision approach and employ a broader perception of the business landscape, creates the opportunity to take the collective information and make diligent assessments. The ability to contextualise with a broader view, is also beneficial to the strategy and could be seen as a preamble to the design of a successful strategy. The individual's global mindset fosters creativity, not only for themselves but for the business too, possibility creating an unconscious DNA of the business's international activities.

Respondent D identified with two themes, namely the ability to have a broader view of the business landscape and that the leadership surrounding the individual has a role to play in fostering that global mindset. Respondent F identified with the organisation's leadership as a first point of entry, with the design of the strategy and calculated approach to international business.

Respondents E, H and J felt that an effective operating model needs to be conducive to IB as well as flexible with less home country preferences. The summation is that the operating model, if not suited to IB, will not benefit from a global mindset approach. Respondent H was also of the opinion that distinction needs to be made between internationalisation and globalisation, as the global mindset construct is more suited to globalisation. This statement was similar to the response of Respondent G who inferred that context needs to be given to internationalisation versus globalisation of a firm.

### 5.6.2 IQ 3.2 What skills represent a global mindset?

With the increased participation of organisations in international practices, the global mindset is a key element in their successful functioning. Individuals who present with global mind sets are thought to have skills and qualities that can be described in terms of cognitive, existentialist, and behavioural. The interview question was aimed at getting an opinion from the respondents on what skills they think represent a global mindset. The construct of a global mind set has come to the fore as an important individual trait of an individual that participates in international activities (Levy et al., 2015).

Responses by interviewees:

SELF-MANAGEMENT – THE THEORY, EXPOSURE, TRAINING, AND EXPERIENCE

*“From an exposure perspective, and whether you get that exposure through education or whether you get that exposure by operating in different cultures, it’s very easy to assume if you’ve got a small, entrenched view of a certain market, that this is the way the world works, without seeing or experiencing that, it can happen very differently somewhere else*

*Interviewee A*

*“I think training is an important aspect. In essence, the company has given you some on-the-job training, that type of thing, so training is important, you can go and learn some of those things, but not everybody can learn them”*

*Interviewee B*

*“Now I think that, you know, one of the things that we talk about nowadays is the type of skills that we look for in leadership. Things like agility, things like shifting, is a big skill.”*

*Interviewee C*

*“So, it’s being able to think about outside of your home country, there, that there are, you know, get rid of your assumptions, or test your assumptions at least, You need to be open-minded to do that. It’s like people who are not self-aware, they don’t realize that they, they don’t know what they don’t know and they’re unwilling to critically look at it like critical thinking, is a big skill.”*

*Interviewee D*

*“I want to start from the bottom up, learn, willing to change. Be open-minded, I think the key is not sit with these preconceived ideas, go and explore”*

*Interviewee E*

*“I guess for me a global mindset, would, somebody would need to be a risk taker. They need to be comfortable, outside of their, well not, nobody’s comfortable outside their comfort zone, but they’d need to have pretty big comfort zone, just being able to adapt”*

*Interviewee K*

*“They need to be able to morph into a different mindset. I mean you have to be pliable; you’ve got to be malleable, you’ve got to be, you know, flexible in the sense, I’m using three terms for the same thing, but I mean, you need to be willing to you know look at things differently accept different views on things”*

*Interviewee I*

Respondent A believed that exposure to the global environment is a skill that is needed by the individual to fully grasp what is happening outside of their home market. Respondent D had a similar answer, implying that the individual needs to have the mental capacity to be self-critical and analyse critically. Respondents B, C and E referenced training, the willingness to learn and the teaching of leadership skills as skills that could represent a global mindset. Respondents K and I were, in contrast to Respondents B, C and E, more specific about the individual's characteristics representing a global mindset.

Responses by interviewees:

#### THE INTERNATIONAL ENVIRONMENT FOSTERS A DIFFERENT MINDSET

*"You know, after a period of couple decades, you get exposed to a lot of different countries, you get exposed to a lot of different cultures. And listening becomes extremely important.*

*You find within organisations that listening is actually a pretty poor skill set."*

*Interviewee F*

*"You want to make sure that you have somebody that's going into China, that can affiliate, adapt, has contacts, connections, is not going to be like a piece of ice floating on the water it's like part of the water"*

*Interviewee G*

*"A global mindset is someone who realizes that there are massive differences, but we're all the same. So that sounds like a contradictory in terms, but people are people"*

*Interviewee H*

*"I believe the individuals that are, are ultimately successful are curious, so I think, I think its curiosity helps you find out what matters in any given jurisdiction. And then your ability to apply that to your aspirations for a business"*

*Interviewee J*

The respondents were divided in their responses to what skills are required to have a global mindset. Respondents A, B, C, D, E, K, and I leaned towards the self-management, lifelong learning constructs as pillars to develop the skills of a global mindset. Interventions such as formal theoretical training and practical training were recognised along with experiential learning and experience as the means for an individual to develop these skills. Respondent A felt that exposure to the cultural experience of IB trumps that of a formal education, while



Respondent B was an advocate for on-the-job training, implying that the company would benefit if they were to “in-house” train employees to be able to operate in the IB environment.

Respondent C believed that leadership skills such as agility, self-awareness and being able to shift one’s mindset, were qualities that are taught in leadership courses and that by following a leadership approach to global mindset would have immense benefit to both the individual and the organisation.

Respondents D, E and K, although aligned to self-management principles, also felt that having the ability to move beyond one’s larger comfort zone, being more more open to risk taking and acting past the mind map of the home country preferences would ensure the individual successfully acts and manages in the complex spheres of international business.

As with Respondent B who believed that the IB environment and on-the-job training would foster that global mindset, Respondents F, G, H, and J said that the IB space would be a better platform to gain the skills required for a global mindset. This implied that instead of reverting to training, whether formal or informal, the actual experience gained in the IB environment would be more advantageous. Elaborating further, Respondent G answered that if a firm needed to make such an appointment, they would preferably select an already experienced person. .

Both sets of views argue that the skills of a global mindset are not easily come by - it is dependent on the individual and that individual’s capacity to learn and adapt. Leadership skills are also considered a preamble to global mindset skills.

### 5.6.3 IQ 3.3 & IQ 3.5 A global mindset can only be achieved by international education and or international assignment.

The skills required for a global mindset are said to not be specific, but more of a behaviour and an adoptive learning process through international assignments and international education. As stated in the Global Mindset Index, companies believe that employees will align their own behaviour to that of the corporate expectation (*2019 Global Mindset Index Study™*, 2019).

The aim of the question asked of the participants was to draw on their views of whether having a formal education contributed to the global mindset or whether an international assignment, experience, and exposure, would better develop an individual’s global mindset. This question was combined, due to similarity, with the interview question “does an international assignment provide the individual the opportunity to develop a global mindset”. Wollenberg et al. (2020)

further state that international experience through international assignments and international education have both contributed to the development of a global mindset.

Responses by interviewees:

THEORY (FORMAL EDUCATION)

*“It depends on the type of education; an MBA from Australia might not be relevant in Mozambique. When we appoint people in these, into any of these positions, it’s not just a case of we’ll stick him in there, for starters it’s a guy that wants to be developed, he wants to advance his career. So, you’ve selected him, he gets the experience, you put him into the next step, it will go well”*

*Interviewee B*

*“It depends on the type of international education you're talking about. International education and global education in my opinion are quite different. What I mean by global education I mean education that isn't linear in its approach”*

*Interviewee C*

*“I don't think it's; I think there's different types of education, I don't think you can achieve it through education, meaning, you know, here's a teacher, here's a book, I'm going to give you a test is the answer A, B or C. I don't think that does it.”*

*Interviewee D*

*“I'm not sure, because the problem with education is that you, you are actually you are reading about other people's trips through life. So, it's kind of like, there's no original sin. You know, I have met many people who are very well read, and who are very knowledgeable, but they don't seem to be better people”*

*Interviewee H*

*“And my answer to you would be yes if you'd had the opportunity”*

*Interviewee J*

*“I don't necessarily agree, I think. I think there's certain traits in that, like, for example, with, with my kids, I'm trying to teach them that they need to be understanding about other people around them, so I think it starts at a very early age in terms of wanting to be a decent human”*

*Interviewee K*

Respondent J fully agreed that the global mindset could be achieved by formal education, whereas Respondents B and C believed that a global mindset could be achieved through education but that the type of education is relevant as well as where the individual will be placed to apply that education. Respondents D, H and K believed there were other factors such as the development of people skills that could contribute towards developing a global mindset.

Responses by interviewees:

#### INTERNATIONAL ASSIGNMENT

*"Maybe a bit of reservation on that so it depends on the size of the business and the opportunity for learning experiences like that"*

*Interviewee A*

*"Absolutely, but you will need to have those people who are not just, you know, believing in that they need to execute that as well, so it definitely helps to have that person with that skill set, but we need to execute it and organisation needs to accept that"*

*Interviewee E*

*"I think it does. It was a huge learning experience. For me and or submersion in a foreign culture, especially one that's as radically different from, you know, western United States mentality into the heart of Asian culture in Singapore. It can't get much different"*

*Interviewee F*

*"Look, if you gave me a choice and I send a Chinese person, someone who's really good experience in China to go and develop a market that's one, if you give me one that's been to Australia, South Africa, the states and now also China, I'm going to choose that one for every time because I've got someone that's got to, that again is more flexible, adaptable has proven himself in different geographies, is ultimately going to be to my benefit"*

*Interviewee G*

*"Absolutely. Now there's some that just take it as a vacation, don't get me wrong, but I'd say that's few and far between. I think most people who are ready to disrupt their family and move them across the globe and be 6000 miles away from, you know, friends and sort of the life they've had. They've already shown the willingness to be open minded"*

*Interviewee I*

*“So, absolutely. The other dimension actually that plays a huge important role, the emotional side. Right. Because you can't just make decisions based on rash rational facts, you've got to go in there and smell the place like the generals got to go into the onto the front line and see it for himself and smell it for himself”*

*Interviewee L*

Respondents B, C, D, H, J and K implied that international education contributed towards a manager's global mindset development. The respondents, although siding with education as a predictor of managerial global mindset, alluded to the fact that the type of education is an important consideration. Respondent B sided with education being a contributor towards developing a global mindset but questioned the relevancy of the qualification in a certain setting. Respondent D disagreed with education being the sole predictor but felt rather that the type of education was more relevant. This was similar to the response from Respondent K who believed that soft skill education such as empathy and consideration for culture from a young age are more important. Interestingly, Respondent J had a positive view on education if the opportunity arose but saw the benefit more in terms of comparative studies.

The results indicate that a single respondent, Respondent E, who believed that the appreciation for expert knowledge - which can be defined as persons with a global mindset, in this instance, an expert(s) with international education and experience in international assignment - was not the only factor that contributed towards the firm's success.

Seven of the respondents were unanimous that an international assignment was more advantageous in developing a global mindset than education. Respondents A, E, F, G, I and L argued that international experience and international projects can shape a manager's global mindset. The willingness to be a participant in an expatriate assignment, the ability to be open-minded, the engagement with persons from other countries and experiencing that culture were common threads mentioned.

#### 5.6.4 IQ 3.4 Describe a situation where the global mindset had an impact on the decision to internationalise.

The question aims to draw a parallel to the research in Chapter 2's literature review, where it is stated by Wollenberg et al. (2020) that the decision-maker displays a behaviour that encompasses traits and characteristics that allows the individual to develop prerequisites of business performance. The behavioural outcomes are then said to contribute to the changes

at micro-level. According to Wollenberg et al. (2020), managers that possess a global mindset have the ability to readily identify and assess risks and opportunities and submerge themselves in the culture of the new environment to the benefit of the organisation's objectives.

Responses by interviewees:

#### CULTURAL AWARENESS AND CULTURAL SENSITIVITIES

*"So it takes more time to educate, you can't just say, you know, we're going to have an in person meeting in Latin America, and you know a non-global person say, you know, why can't you do it by phone, and you know somebody who's lived in Latin America would say, because that's the way you do business in Latin America is face to face"*

*Interviewee D*

*"It's that, how do they behave between the new environments and the cultural kind of fit back at home, and it's that glue, really that's the thing that you need to have in place, otherwise you set a free agent, and the next thing you come back in your business hasn't been globalised"*

*Interviewee G*

*"I would say is I know this seems kind of trivial, but I think those that learn a foreign language is just an indicator whether it was forced on him. In my case, but I did try to learn some other languages. I think it's a good, it's a good trade and even if you're developing international talent and your plans are like hey you want to go to Latin America, then you better start learning Spanish. Maybe we'll put them in a position where they're going to be with likeminded individuals, and also likely some people from other countries as just give them exposure so I mean, I always look at it"*

*Interviewee I*

Respondents I and G mentioned the individual's ability to grasp the cultural nuances of the new territory with aspects such as business etiquette and language whereas Respondent G was more specific about the individual's adaptability towards the new environment.

Responses by interviewees:

#### CONTRIBUTION TOWARDS STRATEGY CREATION AND IMPLEMENTATION

*“I’d like to give you an example of from a Pan African perspective. One of the biggest banks in Africa, decided to expand their footprint into Africa and the global context. They expanded into Africa, and brought in people to lead that expansion, who had what we international experience, who are open to dealing with different cultures and they put together teams that have international expertise that could take their brand into the rest of the world and Africa”*

*Interviewee C*

*“So, having been exposed to experts, those who have had experience in the global market, definitely help the organisation, think of going global. Just the expedition is again to me the strategy is just a piece of paper until it’s actioned and implemented. But if the organisation is not going with that aspiration, it will never materialise”*

*Interviewee E*

*“I mean, we’re very good at saying the word globalisation. We’re not experienced. And we are very much learning as we go. I think our leadership is inexperienced in globalisation, they know the words, they’ve read the material, but now they’re actually trying to take it from, you know, what I’ve read and what I think I know into what I’m doing and what I can do the work, you know, there’s, there’s definitely some steps of pain right now”*

*Interviewee F*

*“I think it’s that you need to really understand the opportunity that’s there, so you need to understand that there are always opportunities. And I think sometimes you need to look at different opportunities so it’s not just about how we’re going to enter into market and globalise the market”*

*Interviewee H*

Respondents C and E mentioned that the use of external resources such as consultants with the necessary experience can create an advantageous scenario, but the organisation needs to recognise the strategic intent of their own aspirations. Respondent F experienced a lack of leadership experience as a constraint to the leadership’s ability to assess internationalisation opportunities.

Responses by interviewees:

EFFECTS TO THE ORGANISATIONAL PERFORMANCE AND RELATED ACTIVITIES

*“I think it naturally would. So, having a global mindset, just means you’re open to international opportunities”*

*Interviewee A*

*“From a failure point of view yes. From a success point of view, no. Or let's put it this way, near miss or near failure, you uplift a manager, designed to replace another guy, there is no handover. And the person has hit the ground running, and he hasn't been warned about some of the pitfalls that are there. And yes, I experience that, and the damage happened in question of half an hour, we took about six months to undo it”*

*Interviewee B*

*“I think that might be that first example [ interviewee was referring to a previous question where the example was used] of an immature global mindset where you think the US is the same as Australia, and then you fail, and then you go, well, I'm going to leave the US alone for a little while, and try to cut my teeth somewhere else”*

*Interviewee K*

Leaders of organisations in the globalisation domain need to negotiate the functional aspects of the business in the global environment context. The respondents were asked to elaborate on experiences or situations where the global mindset had an impact on the organisation's decision to internationalise. Considering that internationalisation is not a one-step process, the researcher was open to allow interviewees to answer the question in this context; that being, past or present experiences and/or situations. Respondents D, G, I and J felt strongly that cultural awareness and cultural sensitivity recognition was an important consideration when deciding to internationalise. The individual's behaviour in the new environment versus that of his home country and the understanding of the organisation's cultural value and norms were said to be key determinants. Although considered essential, Respondent I believed that the individual needed to have the trainability or self-management ability to learn and use the newly-gained cultural awareness and sensitivity knowledge in the new setting.

Respondents C, E, F and H recognised the benefit to the organisation in using open-minded individuals that have had international experience and are experts in their respective fields. Respondent E led with the opinion that the contribution of the global mindset towards the organisation's successes was not a singular event but rather it needed to be considered as part of the strategy to internationalise the organisation. If the strategy is not in unison with the individual's global mindset skills, and the organisation fails to appreciate the interconnectedness of the two, the so-called readiness of the organisation to internationalise needs to be considered. Respondent F followed a similar though process in terms of organisational readiness by comparing the experience of the organisation's leadership with

that of only having theoretical knowledge, and how the latter scenario could ultimately expose the entire business to unnecessary risks. Respondent H recognised the need to use management tools during the decision-making process but believed that the global mindset presents an opportunity to look beyond the analysis and conclusion reached by simply using management tools such as Porters 5 forces model.

Following on from strategy and execution, Respondents A, B and K believed that the organisation's outcomes have been more successful because of the global mindset of individuals. They believed that the opportunity of a global mindset gives the individual the ability to view the international landscape in broader and more holistic terms. Respondents B and K provided examples of failed organisational outcomes caused by the inability to identify micro-level influences such as implementing a proper handover between managers when replacing one with the other, and how this had caused reputational and relationship damage. Respondent K drew attention to an immature global mindset and the inability to identify with the internationalisation process in the broader context, how this experience had led to determining the incorrect expansion location and caused the organisation to exit the chosen location without success.

### 5.6.5 Conclusion to Research Question 3

The benefits from a global mindset were in areas such as the creation of opportunities and the design of a business model that applies the home country fundamentals. Other indicators from the respondents included that of the individual being able to predict, analyse and execute within the complexities of the international environment. The respondents correlated this with the theme Global Skills Representation, where there was a difference of opinion, with some arguing that the individual's lifelong learning experiences, constructs pillars of global skills. Furthermore, a few respondents stated that leadership and global mindset abilities have a direct relationship but with the focus of leadership being on the individual's own leadership qualities. The areas of life-long learning and leadership qualities were discussed by some respondents in the context of gaining those skills through education or international assignments, with the latter being preferred by most respondents.

## 5.7 Conclusion

This chapter discussed the results obtained from 12 interviews with participants from Canada, USA, New Zealand, Ghana, Australia, and South Africa. An analysis of the interviews was done and presented. The results were aligned with the three research questions established



through the literature review. The results provided new insights and interpretations into the global mindset of individuals and how their managerial cognition shape the internationalisation process of the organisation.

In Chapter 6 the findings of the study will be discussed in more detail by using the literature review in Chapter 2 to support the discussion. A hypothetical model will be included to support further exploration of the effect individual leadership has on the organisation pre and post internationalisation. The data will be discussed using thematic categories identified in Chapter 5 such as managerial cognition and behaviour, decision-making and the global mindset approach to internationalisation. Some aspects of the results in Chapter 5 will be briefly referred to in Chapter 6, indicating areas for future research which will be discussed in Chapter 7.

## 6 CHAPTER 6: DISCUSSION

### 6.1 Introduction

This chapter will discuss the findings in Chapter 5. These discussions are in context of the study and the literature review in Chapter 2. The results of the 12 one-on-one interviews with the individuals are examined as they relate to each research question, and insights gained through the investigation are presented in this chapter. The individuals work in organisations that are expanding their business activities to foreign territories or that have already internationalised. The results are compared to existing literature with the aim of extending the body of knowledge in relation to how leadership is shaping multinationals and the need for managers to have a global mindset approach.

The structure of Chapter six.

- Research Question
  - Themes from data analysis in Chapter 5

### 6.2 Discussion Research Question 1

Research Question 1: How does managerial cognition influence the decision-making process of firms looking to internationalise?

As per the literature review it is accepted that the organisation's performance and expected results are influenced by the actor. Such an individual applies characteristics that are attained by previous experiences and knowledge structures which have been adapted over a period. The respondents' findings were somewhat divided when questioned on the individual's characteristics as some respondents referred to the influence of leadership style from others within the organisation as contributing to the cognitive characteristics of the individual. In the context of a global mindset, the respondents affirmed in their answers that characteristics such as having a forward-thinking approach and the know-how of responding to external stimuli were contributors to the behaviour of that individual.

The findings pertaining to the effect managerial cognition has on strategic execution (internal) and the individual's behavioural association towards macro (external) level strategy, had results that were very closely aligned to the overall strategic direction provided by the leadership of the organisation and the culture of the organisation. The answers provided by the respondents further affirmed that the firm's performance could be fragmented by the

individual and the collective leadership if there was no clear collaboration on strategy and its intended consequence.

### 6.2.1 Recognition of the external environment

The theme, recognition of the external environment, was posed to the participants to address the question of whether the behaviour of an actor is shaped or determined by the constant exposure to a single domain as described by Niittymies and Pajunen (2020). Seven of the twelve interviewees recognised that the individuals are products of their own environments and that these environments could relate to the home country or home territory of doing business. The continuous exposure to these environments creates mental maps and cognitive representations which are encoded from experiences, the interpretation of those experiences and memories (Niittymies & Pajunen, 2020). The literature review in Chapter 2 defines the middle or senior manager as an actor or influencer to the internalisation process and therefore, the actor's cognitive ability contributes to their behaviour, which has an influence on the organisation's performance and outcomes as stated by Maitland and Sammartino (2015).

Clark et al. (2018) maintained that the country familiarity, or the environment in which the actor does business, is closely aligned to what the actor perceives as knowing about a specific nation; the measurable differences between home and host countries such as culture, psychic distance, and regulatory rules. The respondents recognised that the external environment which creates a mental model or knowledge structure, is a conduit to the behaviour that the manager displays by constantly seeking to draw a comparison of commonality between their home country and host environment. According to Maitland and Sammartino (2015), these mental models have a direct impact on the actor's behaviour which, in turn, shapes the organisation's performance.

The question gave recognition to the knowledge structures that are represented as information in the mind of the individual that allows him or her to understand their environment. These knowledge structures are mainly built upon by exposure to different environments and imprinted as the experience of the individual, which is then used to identify and diagnose issues that could affect the organisation or, in the early stages of the internationalisation process, influence strategic decisions such as foreign market selection and entry mode. The data therefore confirms that the external environment influences the behaviour of the individual.

## 6.2.2 Interviewees who recognised the organisational capacity as influence

A reference by the respondents is made to organisational capacity as the micro-environment in which the organisation operates, and within this environment are influencers such as top management teams, CEO, and other executives. These influencers have been recognised by the participants as possible behavioural change agents to those in the same environment. Those behaviours are mentioned as authority, culture, personality, and management style. This was based on the answers of five participants.

The exposure to an environment to shape the individual's mental model or knowledge map is discussed in the literature in context of the external business environment. Four respondents however, referred to the external environment as influenced by others, such as the organisation's own capacity to change. According to Adna and Sukoco (2020), the organisation's capacity to change is its ability to implement effective organisational changes so as to be in a position to respond to its environment. This could be achieved by structural flexibility such as authority and leadership, which allow middle managers to be strategic change agents to the benefit of the organisation, and show a greater commitment towards the organisation which, in turn, leads to a positive behaviour and supports decision-making (Adna & Sukoco, 2020). As stated by Felício et al. (2016b), leadership attributes and characteristics identify with external stimuli such as cultural dimensions and could facilitate strategic change. The external stimuli in this case, as per the respondents' answers, are at a micro-foundation level of the individual manager.

According to Helfat and Peteraf (2015), the concept of managerial cognitive capability involves the individual manager's capacity to perform mental activities. The organisation's capacity influencers such as top executives are closely linked to managerial capabilities in the micro-foundation's context which has direct bearing on the organisation's performance. Furthermore, research by Helfat and Peteraf (2015) and Teece (2007) was focused on the organisation itself although more recent research has focused on the contribution by executives to the micro-foundations of dynamic capabilities. The heterogeneity of the influencer, in this instance the top management team or executive, is what can be concluded from the participants' answers. This heterogeneity is seen as a contribution to the organisation's performance as it is directed towards change, whether positive or negative is irrelevant, as argued by Helfat and Peteraf (2015), who state that heterogeneity had a significant impact on organisational policies and performance and an effect on determinants towards strategic change.

According to Mostafiz et al. (2019), DMC has been positioned as an individual capability with three attributes, namely: managerial human capital, managerial social capital and managerial cognition. These three attributes combine to afford the manager the opportunity to recognise and respond to strategic changes in the business environment (Helfat & Peteraf, 2015). Teece (2016) points out that there is a difference in capabilities in that normal capabilities are doing things right such as a measure of labour productivity, while dynamic capabilities are about doing the right things. Dynamic capabilities are seen as a catalyst for organisational growth, profitability and the ability to improve on ordinary capabilities that are within and beyond the organisation's boundaries, allowing these changes in market conditions to be responded to, and are crucial in creating the ability for the organisation to recognise this and respond accordingly (Teece, 2016). This is supported by Fainshmidt et al. (2016) who state that an organisation with stronger high order dynamic capabilities equates to an improved performance overall.

### 6.2.3 Deconstruction of Characteristics

To get an understanding of how cognition influences the internationalisation process by the individual, the respondents were asked about their view of how cognitive characteristics determines behavioural outcomes. This was specifically with regards their positions held in current or previous organisations that had internationalised or were in the process of doing so.

Nine respondents held the view that the cognitive characteristics of the individual were shaped by their personal attributes or characteristics such as self-reflection, being able to listen effectively, being empathetic, being adaptable and sensitive to the extent of being able to understand the environment they operate in and being able to build new relationships. Of the twelve participants, three recognised cognitive characteristics as being associated with business acumen and how that acumen could influence behavioural patterns.

This relates to the literature in Chapter 2 where it is stated by Wollenberg et al. (2020) that a cognitive equalization is created that allows the individual business prerequisites relating to the businesses performance during the internationalisation process. Leadership style, cultural cognisance and having a forward-thinking approach or open mind, were commonly mentioned amongst the participants. According to Felício et al. (2016b) and Maitland and Sammartino (2015), the individual identifies with factors such as leadership attributes, external factors and cultural dimensions being associated with the internal and external environment. In a study by Niittymies and Pajunen (2020), the characteristics of the upper echelons were investigated (with the meaning of upper echelons being CEOs, top management teams and, in some

instances, board members), where behaviour influencers include variables such as experience and education.

A study by Ø. Kyvik (2006) identified variables that are aligned with the answers given by the respondents. The individual level of characteristics (curiosity, flexibility, and adaptability) are identified and then combined with those business acumen characteristics such as educational background, experience, and exposure to diversity. Placing these characteristics in context to the study, it must be recognised that the two different characteristic constructs, as described by the participants, are of such a nature that either one cannot be ignored as they both have potential to be a conduit to managerial behaviour.

#### 6.2.4 Managerial Capability, Fragmenting Consequences and Leadership

The organisation's executives or top management teams are responsible for executing the strategies when making foreign market expansion decisions (Haapanen et al., 2020). The derived plan or road map is then presented as a strategy to the business. What is of importance is how that strategy is executed upon, firstly by the company, and secondly, by the individual tasked with the strategic execution of the internationalisation plan. Often the execution by the individual is based on what they know best, the cognition assembly or knowledge structure gained through experience in the home country which leads to a pre-set preference or bias (Clark et al., 2018).

Seven respondents related the strategic execution by top management teams to the capabilities of the manager by referring to factors such as the culture of the organisation and whether that culture is conducive to international growth; the growth and maturity of the individual and what potential dangers there could be if the individual is not in agreement with the overall plan; and the cognitive ability to realise and act upon the importance of relationship building and being capable of looking at the business through a wider lens. The research done in the literature review in Chapter 2 draws attention to dynamic managerial capabilities which refers to managerial abilities such as functional competencies and capabilities to ensure that the organisation remains competitive (Teece, 2016). Research prior to that, done by Helfat and Peteraf (2015), suggests that dynamic managerial capabilities are an extension of the executive's learned skills, managerial social capital (relationships) and assumptions and beliefs.

Based on the answers received and the reviewed literature, the factors that were evident correlate back to the dynamic managerial capabilities. For reference, the researcher draws

parallels to the answers on managerial capabilities such the learned skills, which from the respondents' points of view infers that the individual will have a broader view of the business environment, social capital that infers relationship building and the importance thereof, and assumptions and beliefs inferring managerial cognition. Two respondents were of the opinion that moving beyond the managerial capabilities, the organisation firstly has a role to play in developing and placing the correct people by exposing them to multinationalism and, secondly, the placement of an individual with a diverse background does not necessarily guarantee success. This is supported in research by Haapanen et al. (2020) who state that strategic consensus must be reached amongst the top management team in order to make strategic decisions. The question remains on the fragmenting consequences when strategic consensus is not reached and how these would impact the organisation's performance. The respondents mentioned dynamic managerial capabilities factors such as culture and the cognitive ability to build relationships, but three respondents were more concerned with the impact the leadership had on the overall execution of the strategy. To answer this, one needs to look at underlying micro-foundations such as the managing of decentralization and firm structures, and the processes for knowledge transfer and learning (Haapanen et al., 2020). The creation of an environment that fosters growth into the internationalisation process of the organisation by the organisation's leadership is important. To conclude, the respondents agreed that managerial cognition plays a part in directing the strategic execution, but that there lies some accountability with the organisation's leadership to consider the individual's cognition capabilities. The responses to the question by the twelve interviewees confirm what is stated by Bartlett and Ghoshal (2003), namely that organisations require managers with the cognitive ability to define the global business environment and shape the internationalisation strategy.

#### 6.2.5 Strategic Consensus – Strategy failure at macro-level and the individual's role

Gaining knowledge is one of the organisation's most important resources used to make strategic decisions. The participants of the study directed their answers very much towards the individual's ability to gather international knowledge and use this to create a strategic road map that outlines the organisation's macro-activities and how the identified macro-activities would determine the successes or failures of the organisation. The organisation can only gather knowledge and information from two sources (Azam et al., 2020), the top management team as a collective and the individual, with both sources playing an equal part, albeit in different spheres of the IB process. For instance, the individual has knowledge (or gained knowledge) from previous experiences in IB or from external sources (Azam et al., 2020).

Seven participants believed first and foremost that the individual's contribution towards macro-level strategy is because of the individuals' capabilities and characteristics; in other words, their culture, their ability to not accept the status quo and drive the business beyond its capacity, a personal road map embedded process. This was further discussed by some participants as the fit-for-purpose role, a categorisation of the specific makeup of the individual in that role.

The second construct that was mentioned by the five other participants was that of the organisation's role in strategic execution. A fit-for-purpose individual is positioned in the role that forms part the top management team that uses its knowledge and information to prepare this strategic road map, but, according to these participants, the strategic execution was of no use if the organisation sees the strategy as a document that does not leave the boardroom, if it is not communicated and articulated in a manner that aligns the organisation as a whole towards the end goals, if it is not used to gain or maintain competitive advantage or if strategic consensus is not achieved at the starting point - the board level. This relates to, and integrates with, the fragmenting consequences theme identified in the previous question; namely, that if no consensus is reached at board level, how can one expect the strategic execution to be successful. This relates to the research conducted by Haapanen et al. (2020) who found that a lack of strategic consensus leads to divergence and a lack of continuity in international business.

A relevant question in strategic management is why some organisations outperform others (Kumbure et al., 2020) and what can this be attributed to. According to Adna and Sukoco (2020) and Helfat and Peteraf (2015), it could be attributed to the cognition of managers who have the ability to be more effective at analysing and responding to information from their environment, both internal (micro) and external (macro). Kumbure et al. (2020) argue that this is due to the individual's ability to generate, retrieve, and apply knowledge in, for example, decision-making. From an entrepreneurial perspective, Bajwa et al. (2017) claim that the cognitive capability of the entrepreneur is relied upon to successfully navigate the challenges of entrepreneurial processes such as those of the macro-environment.

### 6.3 Discussion Research Question 2

Research Question 2: To what extent does the home country effect influence decision-making during the internationalisation process?



According to Buckley and Casson (2019), the central theme around internationalisation is the organisation's boundaries in terms of the internal structure and external environment with the internal structure referring to the micro-foundations and the external environment referring to macro-level dominants. Different approaches to decision-making are required for each boundary of the organisation. To investigate this approach, the research question was put to the participants to relate to the cognitive and interpretive role of managers when they are exposed to the boundaries of the organisation.

The literature review in Chapter 2 investigates decision-making and the internationalisation theory from the lens of the individual's cognition. This is described by Sniazhko (2019) as the individual's role within the organisation's behaviour, as well as the individual's perception of the uncertainty they face in the complex international business environment. The organisation or individual's ability to process information that is required to make decisions is limited and is biased towards the individual's home territory knowledge and experience (Azam et al., 2020). According to Buechel and Sorell (2014), the brain filters the vast forms and amounts of information coming from the external environment. The filtration is a form of cleansing, leading to grounding the organisation or individuals' beliefs and in time creating a disposition that predetermines a response or interpretation of a situation. This is known as the mindset states (Buechel & Sorell, 2014). The behavioural decision theory, which was developed by Simon in 1947 (Millett & Simon, 1947), (Mintrom, 2020), is a core concept discussed in managerial cognition literature and relates to the bounded rationality theory which infers that that decision-makers strive to make decisions based on rational considerations yet within their cognitive ability states (Niittymies, 2020).

The participants in this study were questioned on how they experienced managerial cognition towards decision-making and how that had contributed to the behaviour of the organisation. The data collected and analysed determined five themes in relation to decision-making and the influence on organisational behaviour.

### 6.3.1 Context Specific Experience Decision-Making

According to Clark et al. (2018), the cognitive effort of a decision-maker is the application of their limited capacity central processor that is utilized in performing an information processing task. The question aimed to address how a context specific experience such as one's home country preferences or similarities effected the decision in the internationalisation process. Of the twelve participants, seven referred to various home country preferences and similarities. These ranged from the external environment and the prolonged exposure thereto of the

individual, to procedure and process within the parent organisation. This is a common practice which humans use to make sense of the information to be processed and for a decision to be made (Williams & Grégoire, 2015). The adaptation to the home - host similarities and preferences by the individual was well articulated in their answers to this research question. Furthermore, mention was made of experience, both locally and internationally, as a context specific decision-making influence. The literature review indicated that international experience has continuously had an effect on internationalisation decisions (Vahlne & Johanson, 2017), such as host country selection and related strategic change (Clark et al., 2018).

A context specific experience that four participants highlighted as an influence was that of the individual's leadership style. In this context, reference is made to the individual's capabilities, traits, and characteristics. It links to the answers of the other participants who referenced similarities and preferences as the variables used when processing information. The same could be said of the traits and characteristics of the individual, as stated by Ø. Kyvik (2006), who argues that the decision-maker characteristics have an effect on the decision and goes on to list two such traits as the personality and behaviour of the decision-maker which are seen in the context of leadership style.

What the data reveals is that context specific experiences such as home – host country similarities do influence decision making but it is unclear as to how the context specific decision making is made. This is in line with Buckley and Casson (2019) who state that although decision-making is an important part of IB, there are numerous views and opinions on how decisions are made and that these differences relate to conflict between theories of rationality and bounded rationality.

Table 6 is a summary of the external influences, as per the collected data, that had bearing on the context specific experiences. This tabulated summation is a direct correlation of the theme (context specific decision making) and that of the influences identified by the respondents.

Table 8: Context specific experiences and influences

RESPONDENT	CONTEXT SPECIFIC EXPERIENCE	INFLUENCE
A	External Stimulus	Individuals entrenched process
C		Disruptive environment
F		Lack of experience
B	Leadership Style and Personal Management	Inability to learn from past experiences Be open to new ideas
D	Home Country Preferences	Delegation of authority
G & I		Corporate Structure DNA of the corporate
J		Apply insights gained in new environment into broader context
E	Leadership Style and Context Specific Decision-Making	Position of power
H		Context gives relativity to decision
H		Decision-making autonomy
K		Cultural considerations

Source: Authors own

### 6.3.2 Heuristic Decision-Making Considerations

Heuristics, as a decision-making model, can be associated with the bounded rationality concept and cognitive limitations. This decision-making model is usually presented when there is a lack of information and time to process these capabilities (Guercini, 2019). The relevance of the heuristic decision-making theme is in relation to the often uncertain and complex international environment that organisations and their top management teams are faced with, even more so when decisions such as new market considerations, product introduction and the change in market conditions need to be considered. The challenge for managers is that they strive to make rational decisions based on rational considerations within their cognitive ability. The question's purpose was to address this exact issue, with rational considerations and rational decisions needing to be made with insufficient information and time.

The question aimed to prompt the participants to answer as to how they would apply heuristic decision-making due to a lack of international experience rather than why heuristic decision-making would be applied due to a lack of international experience. Seven participants made mention to a reference structure of sorts that the individual would still rely upon even in the event of a lack of information and processing time. These reference structures included strategies of the organisation, education, and training. Amongst the same seven respondents there was also the opinion that heuristic decision-making is not only because of a lack of information or insufficient processing time but also due to uncontrollable variables such as the

parent company's inability to identify challenges that the host territory needs to contend with. This approach from the respondents is closely aligned to the heuristic decision-making in entrepreneurial behaviour, as described by Manimala (1992) where traits and motives such as the desire for autonomy from the parent company and wanting to control the environment are typical entrepreneurial behaviours. Furthermore, the respondents view that the parent organisations inability to identify with the challenges the host territory faces could be a preamble to heuristic decision making by the host organisations management due to the uncertainty that is evident in the international business environment and which they as host organisation management are required to deal with. This is supported by Artinger et al. (2015) who posit that heuristics could be very functional in uncertain environments and suggest that effective control over organisational processes is limited.

Moving beyond the reference structure, four respondents believed that the individual's past experiences and international exposure serve as a mechanism that informs the decision-maker when information is limited and there is not sufficient processing time. This is described as a rule by Guercini (2019) who states that heuristic decision-making is a product of its fit to the context, in this case the context being the individual's experience and exposure. The scope in which the individual needs to apply heuristic decision-making could be referred to as the external environment and in that context the individual relies on his experiences and exposure of the external environment deliver judgment on a situation or scenario that requires a quick decision. It is interesting to note how the respondents viewed heuristic decision-making as a consequence of either a reference structure or other mechanism.

The conclusion is that the data analysed confirmed first and foremost heuristic decision-making is an important part of the IB process, but that heuristic decision-making is a result of the individual's cognitive limitations and the individuals' international scope (or rather lack thereof), and this could be the error in judgment that literature refers to about heuristic decision-making. The context of this question leaned towards heuristic decision-making being negatively viewed as a source of error (Manimala, 1992) but the literature review identified that recent research had concluded that heuristics could be positively viewed and could even lead to better results (Guercini, 2019). This will be discussed in the next section as it relates to cognitive limitations and managerial decision making.

Heuristics and bias are not discussed as a combination in this section as bias is discussed in a separate section.

Table 9 illustrates the possible contributors to heuristic decision-making by the individual and what influences that reference structure. The table is a summation of contributors to the individual's cognition (naturally endowed) which is influenced (possible bias) by several variables.

Table 9: Heuristic decision-making contributions and associated influences

RESPONDENT	CONTRIBUTOR	INFLUENCE
A, G, K	Own Reference Structure	Thought pattern
B	Skill Level	Problem Solving Ability
F	Decision Making Capacity	Excessive application of theory
H	Consideration for Heuristics	Strategic Alignment
J	Individual's ability to adapt	Rapid decision-making capability
D	Head office influence and experience	Loss of decision-making power
I	Team members - Relationships	Logic process
C & E	Lack of experience	Home base environment

Source: Authors own

### 6.3.3 Cognitive Limitations of the Decision-Maker

The mental model is used by the individual to act and make decisions. The question aims to address this behaviour should the individual display cognitive limitations by constantly basing decisions on, and applying the experiences from, their home country business environment. According to Niittymies and Pajunen (2020), the cognitive knowledge structures or micro-foundations have a bearing on internationalisation decisions. Clark et al. (2018) claim that decision-making is a dual-process; namely, system 1 is intuition, and system 2 is analytical. System 1 enables the individual to make reasonable, but perhaps less accurate, decisions within their cognitive limitations. System 2 is the more effortful and deliberate process which is considered more rational. Based on this assumption by Clark et al. (2018), the question was aimed at investigating how the manager addresses decision-making when cognitive limitations (system 1) are evident.

However, five participants believed that the rationality of decision-making is based on the environment one finds oneself in. According to Clark et al. (2018), this points to system 2 which is the more deliberate process of decision-making. However, the data analysed from the answers provided by these five respondents pointed towards a capability by the decision-maker when in a new environment, a forward thinking approach, which is described by Niittymies and Pajunen (2020) as cognitive processes or an encoding avenue through learning, knowledge, generation and capability development. The participants provided insight

into their lived experience as senior managers where the cognitive limitations and context specific experiences were witnessed. This summation could be what is addressed by Niittymies and Pajunen (2020) as the manager's ability to solve complex issues in context specific settings. Considering these context specific experiences, attention is drawn to the study by Helfat and Peteraf (2015) who address the managerial cognitive capability of the individual that relates to performing mental activities. This is in line with the participants' responses on capability, which as described by Helfat and Peteraf (2015) are dependant in part on managerial cognition and how this cognition is applied in an environment to anticipate, interpret and respond to the ever-changing and dynamic environment. Parallel to this opinion by the five respondents was the opinion of four respondents who felt that the individual's own leadership capabilities were the conduit to cognitive limitations and that it was the individual who should recognise their own shortcomings and take appropriate measures to mitigate these shortcomings. According to Buckley and Casson (2019), decision-making by individuals who lack intellectual insight or are shuttered, could create a behaviour where decision-making is linear or static, inferring that decisions are made in relation to past experiences but without consideration for future options. This approach to decision-making could be problematic as argued by Niittymies (2020) who states that there are numerous micro-level activities that influence the macro-level phenomena, deducing that while the individual has numerous contexts to refer to from a micro-foundation perspective, no substance for the macro-level considerations could lead to unstructured or risky decision-making. Therefore, the leadership influence is most likely to be a consideration when top management teams or executives are involved in the activities of the internationalisation process.

From a strategic perspective, the data analysed from two participants pointed towards the strategic alignment between the home-host organisations and the possibility of eliminating cognitive limitations by addressing the managerial appointment from the host country. According to Helfat and Peteraf (2015), managerial capabilities are underpinned by the micro-foundations of dynamic capabilities where the cognition of top executives contributes towards the micro-foundation capabilities. From this perspective it could also relate to the leadership influence that was analysed for five of the respondents as this leadership influence will be beyond the strategic perspective.

In summation, the data analysed concludes that cognitive limitations by the decision-maker have an adverse effect on the organisation. These limitations impact the capability of the individual in terms of performing an activity, and put into context, refer to lacking attributes such as the mental power needed to perform or achieve accomplishments, according to Helfat and Peteraf (2015). Managerial cognitive capabilities such as perception, attention, problem

solving and reasoning, language and communication, and social cognition are all desired cognitive capabilities.

The table below illustrates what influences were recognised by data analysis as positive influences or alternatively as a source of cognitive limitations.

Table 10: Cognitive limitations of the decision-maker and associated influences

RESPONDENT	COGNITIVE LIMITATIONS	
B	Self-Centred Individual	Home base Attitude
C	Self-belief	Personal Development
E	Global Exposure	Lack of exposure to other environments
G	Authority	Values & Norms
I	Local Environment Practices	Standard Business Script
K	Change and Adaptation	Experience and Exposure
D	Loss of focus	Strategic alignment between Home Base and New Entity
J	Ability to function in unknown environment	Experience and Exposure
A	Position of Power	Leadership Style
F	Individuals' decision-making Capacity	
H	Frame of Reference	Ability to function in unknown environment
L	Relationship Acceptance	

Source: Authors own

#### 6.3.4 Rationality and Bounded Rationality

The analysis of the data relating to rationality and bounded rationality focused on the bias component of rational decision-making or heuristic decision-making. The analyses recognised three subcategories of data, namely the influences and traits of others, knowledge structures through experience and perceptions, and sensemaking which forms part of dynamic capabilities. According to Helfat and Peteraf (2015), top management can shape, by influencing, certain aspects of the organisation such as designing a business model for a new opportunity and investing in skills development but, they go on to say that the organisational context and knowledge structures could be detrimental to even the most skilled executives. Buckley and Casson (2019) state that knowledge structure refers to past experiences that create an availability of biases for the individual

In summary, there are many ways that an individual can behave, either rationally or irrationally, and that behaviour will certainly influence the outcome of the decision taken. Therefore,

boundedly rational decisions are shaped not just by the individual's mental mode but also by those around them, their own experiences and even the organisation context.

The table below illustrates what reactions or causes could be a contributing factor towards the cognitive bias of the individual. The reaction or cause of the bias takes on different forms as illustrated in the column labelled – Cognitive Bias.

Table 11: Cognitive biases and the reaction or cause to the bias

RESPONDENT	COGNITIVE BIAS	REACTION/CAUSE
A & D	Senior Team Members & Traits	Ability to process information objectively
K	Bureaucracy	Loss of entrepreneurial spirit
B	We do it this way back home	Loss of perspective
C	Unreferenced Decisions	Lack of experience and or expertise
H	Personal Gratification	Previous surroundings
J & G	Objective reality	Subjective reality
I & L	Bias Creation through others	Finding middle ground between parties & self-directed feedback

Source: Authors own

### 6.3.5 The Distance Effect on Decision Making

According to Maitland and Sammartino (2015), the greater the physical distance between an organisation's home and the host destination, the less likely it is that the organisation will enter that market and the more difficult it would be for the organisation to transfer its firm specific advantages (FSA) (Vahlne & Johanson, 2017) From an operational perspective the data provided insight into the strategic fit that the host needs to have with the home base in order to address potential issues. Managing from a distance is not an easy task, whereas a strategic fit would ease congestion at operational levels with aspects such as policies and procedures being transferred.

The literature gives substance to what is termed knowledge structures, and one could argue that these knowledge structures are two-fold, in that they reside within both the individual and the organisation. The knowledge structures from an organisational perspective are described by Niittymies and Pajunen (2020) as background-related knowledge which focuses on the internationalisation process and is influenced by psychic distance. What is interesting about the findings is that they centre equally around the behaviour of the individual and the organisation. The findings provided insight into how the individual perceives the distance



between home and host country when making entry mode decisions, what firm specific advantages are being brought to the new territory and how the different cultures play a pivotal role in the way business is conducted.

The literature certainly provides insight to psychic distance as a factor when organisations are considering international expansion, but the analyses further highlight that there are two levels of thought process, one being the individuals on decision-making management and the other being what the home organisation perceives as its fit towards a new region. According to Johanson and Vahlne (2016), psychic distance can be defined as a behavioural concept that captures the uncertainty of decision-makers as a result of knowledge about foreign markets. Once the firm is comfortable and substantial knowledge has been gained, a higher risk of market entry will be observed. The Uppsala model categorises this phenomena by using the newly gained knowledge as a core construct in the decision-making process (Vahlne & Johanson, 2020).

The table below illustrates analysed data that represents possible knowledge structures of the individual and what influences the preferences are associated with.

Table 12: Home country preference and associated influence

RESPONDENT	PREFERENCE	INFLUENCE
A	Entrenched Process	Own view and experience
B	Own view and experience	Culture
F	Home Base Business Style	Relationship
G	Comfort Zone	Location
L	Nationality Preference	Due Diligence
E & H	Strategic Similarities	Partner Selection
I	Personality	Appointment of leader
J	Relationships	Location
K	Familiar Territory	Location

Source: Authors Own

#### 6.4 Discussion Research Question 3

Research Question 3: How does the process of internationalisation create a global mindset?

With the onset of globalisation, organisations are continuously being exposed to challenges driven by an increasingly complex business operating environment, and accordingly, the

construct of a global mindset has come to the fore as an important individual trait that has the ability to sustain the long-term competitive advantage of organisations (Levy et al., 2015).

The importance of leaders having a global mindset has been recognised and prioritised by both organisation and scholars, with Osland et al.(2012) stating that a global mindset has been seen as a competitive advantage and prerequisite for leaders of transnational organisations that compete on a global scale. The complexity of the global environment requires that global leaders are removed from a state of comfort to a more adaptive one.

This is in accordance with Ashby's Law of requisite variety which states that a degree of environmental complexity should be matched with an equivalent internal degree of complexity in the form of a global mindset (Ashby, 1956). The global mindset has become synonymous with globalisation and refers to everything from individual attributes, skills and competencies as well as portrayed behaviours towards the organisation's structures, strategies, policies and procedures (Osland et al., 2012), (Levy et al., 2007).

Research Question 3 investigated how organisations and their leadership excel in a globally competitive environment and what avenues to success in the global environment need to be created that encompass the operational aspects of the organisation and leverages off the current talent in the organisation to develop or renew the mindsets of those involved in the internationalisation process.

#### 6.4.1 Creating the Competitive Advantage with a Global Mindset

To discover the competitive advantage the individual creates for the organisation, it is imperative to understand the context in which the individual influences the organisation and at what level. The argument by Felin et al. (2015) that the individual's impact on the organisation begins at micro-level is an important dynamic relating to the eventual success of the organisation. The micro-level is where the individual is deemed to have influenced to such an extent that it ultimately determines the behaviour of the pre and post outcomes in the macro-environment (Felin et al., 2015), and this macro-environment is ultimately where the organisation's competitiveness or ability to compete, is positioned. The participants had a view that for the individual to contribute to the competitiveness of the organisation or be beneficial beyond the normal managerial realm, such benefit could be achieved by the individual adjudicating and rationalising the broader business activities beyond the normal or average managerial assessment. This view is supported by Wollenberg et al. (2020) who claim that the global mindset is not simply a skill set but rather the ability of the individual to look beyond

the normal activity and dissect that information to such an extent that it enables the individual to predict and forecast events that are not visible to others, thus creating what could be deemed a competitive advantage.

The role of the individual is critical to creating a competitive advantage by applying the global mindset approach, but one needs to consider the organisation's behaviour beyond the individual or at least, to the extent that the individual is in part influenced by the organisation's behavioural attributes, among them the domestic performance of the organisation, the characteristics of the organisation and the organisation's orientation towards the global market (Ø. Kyvik, 2006). Further, leadership influence is a huge challenge argue Egel and Fry (2017) who state that the organisation's performance and outcomes are dependent on the leadership's ability to direct employees towards the collective goals of the organisation. The data analysed pointed towards competitive advantage through a global mindset being driven from an individual perspective as well as that of the organisation's leadership, drawing parallels to the arguments set forth by Egel and Fry (2017) and Ø. Kyvik (2006) linking the individual's own characteristics to a global mindset, the organisation's orientation to a global mindset and the organisation's leadership ability to direct others.

One cannot ignore the organisation's strategic influence on creating the competitive advantage which ultimately benefits the organisation itself. According to Campbell et al. (2012), although human capital is emphasised as a competitive advantage, there is more to it from a strategic perspective. The strategic perspective forms part of the organisation's leadership corps that is responsible for mapping an effective strategy from certain tactics and processes both within and outside the organisation by using a compelling vision (Mendenhall & Bird, 2013).

Leaders are required to be in the moment when dealing in the global environment. This refers to having a global mindset, looking beyond the horizon, taking information and dissecting it to the extent that it creates a benefit for the organisation that is beyond the competitor (Bonsu & Twum-Danso, 2018). The data analysed confirms that this opinion reaches beyond the individual, and instead, there is a triangulation between the individual, the leadership, and the organisation with each contributing towards having a competitive advantage through embracing a global mindset.

#### 6.4.2 The Development of a Global Mindset

In any organisation, the formation of a global mindset is enabled by the individual's ability to recognise their own shortcomings and move beyond that point to allow themselves a self-

development framework that includes learning experiences that are beyond just formal education. This could include developing the formation of a global mindset through exposure to international environments, training, and education (O. Kyvik, 2018a). The development of a global mindset is not a specific skills set according to Wollenberg et al. (2020), but more a framework of cognitive enablers that should be taught to students long before college (O. Kyvik, 2018a). The data analysed for this question provided evidence that the representation of the global mindset skills set is not a single construct of skills or characteristics but rather the accumulation of theoretical knowledge that is practiced through the exposure to the international environment, giving the individual the opportunity to gain the necessary experience. This summation is supported by O. Kyvik (2018a) who states that the global mindset is nurtured through periods of gaining experience and practical action. As for the cognitive enablers stated by O. Kyvik (2018a), this philosophy is shared by Osland et al. (2012) who posit that factors contributing to the development of a global mindset are self-awareness and cognitive complexity. To conclude, the prevalent themes of self-management, theory, training and experience in the international environment are developmental factors towards the development of a global mindset, and this is supported by the literature as described by Osland et al. (2012), Wollenberg et al. (2020) and O. Kyvik (2018a).

#### 6.4.3 Multiple approaches towards inculcating a global mindset

To promote the global mindset development as described above from a cognitive perspective only, would not do justice to the global mindset theme. Considering that the literature review indicated the importance of managers having a global mindset to gain a competitive advantage, the researcher asked the participants whether a global mindset could only be achieved through education or by international assignment. The data indicated that the participants were not unanimous in believing that formal education was the precursor to achieving a global mindset but felt rather that gaining experience through an international assignment coupled with some formal education was more acceptable. According to Osland et al. (2012), providing experiences to individuals such as cross-border experiences, expatriate assignments and formal education development mechanisms through which the global mindsets could be achieved is a preferable and non-linear approach to global mindset and global leadership development. Wollenberg et al. (2020) point out that international experience has the ability to develop the global mindset and bestow a competitive advantage in the global market as it augments the individual's interpersonal skills and flexibility in addressing organisational challenges. Whether a global mindset is achieved by either education or international assignment is not at issue as the literature is clear that a combination of education, whether by training or formal study, and international assignment

to gain that exposure is considered the preference. Wollenberg et al. (2020) consider international experience as represented by international assignments and an international education to be the ideal to nurture a global manager's mindset orientation.

#### 6.4.4 Decision-making and a Global Mindset

The question was designed to examine, from a cognitive perspective, the effect of the top management team's global mindset regarding decisions that affect the internationalisation process. According to Jiang et al. (2018), the senior managers' global mindset decision-making is based on their cognitive decision-making style and managerial experience. From a strategic perspective and more relevant to the internationalisation process using the Uppsala Model as described by Johanson and Vahlne (2018), behavioural theorists, according to Jiang et al. (2018), argue that strategic decisions are a result of the behavioural characteristics of the decision-makers; hence managers are more likely to interpret and present a decision-making scenario based on their own cognitive characteristics. An alternative approach is that of Egel and Fry (2017) who state that the multidimensional approach integrates and uses as a foundation the perspective of the global organisation's strategic sense-making capability by enabling the decision-maker to understand and process the cultural perspective as well as the strategic perspective.

An analysis of the data presented three subcategories that related to the theme of the relationship between the global mindset and decision-making characteristics. The cultural nuances of the global environment, strategic contribution and the organisation's performance were seen as contributors towards the internationalisation decision-making process. Cultural nuances have a particular relationship with entry and location decisions as described by Johanson and Vahlne (2018), where it is argued that a senior manager with a global mindset strategically considers cultural awareness during the due diligence process (Batschauer da Cruz et al., 2020). According to Torkkeli et al. (2018), managers with a higher sense of cultural awareness are perhaps more skilled at recognising the dynamics of different cultures.

#### 6.5 Influencer Model

The Influencer Model (IM) was developed by the researcher in response to the findings of the study as well as the theoretical framework applied for the study. The critical constructs that were highlighted in the study included managerial cognition, decision making and global mindset. Further to the mentioned constructs, other critical factors that were considered influencers to the main constructs such as leadership, decision-making management and individual characteristics were also explored as a crucial component of the study. The data

and literature review reveal that organisations needs to understand the internationalisation process is not singularly dependant on the organisation’s behaviour to determine successful outcomes or sustained competitive advantage but more so on the individual’s behaviour towards the process and the organisation’s international objectives (Maitland & Sammartino, 2015). Therefore it must be recognised that the complex international business environment is a contextual factor that has a profound impact on decision-making by the senior manager (Sniazhko, 2019).

Figure 8: Framework demonstrating the influences on the organisation’s global orientation

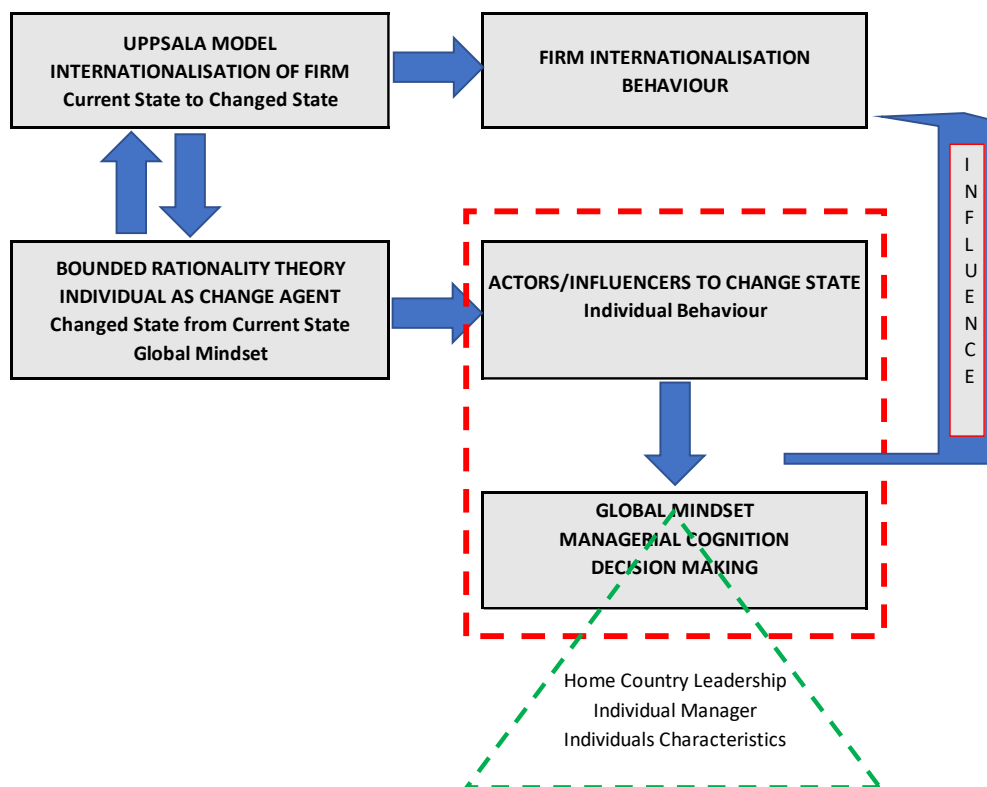


Figure 8: Authors own

## 6.6 Explaining the Influencer Model

The Influencer Model is a diagrammatical illustration of the influences that are prevalent in the organisation’s global orientation and its strategic decision-making. It demonstrates that from a theoretical perspective the Uppsala Model, which is a mechanism used to explain all the steps in the internationalisation process (Vahlne & Johanson, 2017), including the decision-making requirements, is directly related to the organisation’s international behaviour that is ultimately determined by the individuals who form part of the home country leadership. The

decision-making process is then considered with the study's second theoretical framework of bounded rationality, which is a core concept discussed in managerial cognition literature which infers that decision-makers strive to make decisions based on rational considerations yet within their cognitive ability states (Niittymies & Pajunen, 2020). Based on the two theoretical models, the research problem is identified at the changed state of the Uppsala Model and bounded rationality (cognition of manager) decision-making stage of the organisation's global orientation. Specific attention is given to managerial cognition as a construct of global mindset (Bartlett & Ghoshal, 2003), to the internationalisation process, and what contribution this approach has towards the organisation's international behaviour.

The global mindset is then the next focal area as it relates directly to the individual's capacity to make decisions affecting the internationalisation process. According to Levy et al. (2015), the construct of a global mindset has come to the fore as an important individual trait that has the ability to sustain the long term competitive advantage of organisations. To attain what is termed the global mindset and how it influences the organisation's international behaviour, is examined in the Influencer Model which explores the individual's cognition and decision making. Areas such as the individual's characteristics as explained by Ø. Kyvik (2006), are an important consideration seeing that traits and characteristics form the personality and behaviour of an individual who, through these characteristics, creates the knowledge base and mental representations which are ultimately responsible for the manager's outcomes and actions (Mostafiz et al., 2019).

## 6.7 Desired Outcome of the Influencer Model

The need for this research study on exploring the internationalisation process within a comprehensive framework, such as the Uppsala model and the Bounded Rationality theory, aligned to constructs such as managerial cognition and global mindset and its linkage to decision-making behaviour, has been made clear in the literature review. The managerial cognition and global mindset constructs are well aligned to the behaviour of the individual or decision-maker in the organisation. Considering this, the desired outcome of the Influencer Model is that organisations are more aware of the actions taken by individuals with decision-making authority and how the absence of a global mindset in such individuals could have a detrimental effect on the organisation's global orientation. This supports the argument by Maitland and Sammartino (2015) who state that IB research has repeatedly highlighted the need to incorporate managers' decision styles, biases, and overall cognitive processes into theoretical models of form, mode and location choice.

## 6.8 Conclusion

The question of how the managerial cognition of their home country preferences or external stimuli effect their behaviour during or towards the IB process was answered by the respondents regarding themes relating to their own experiences and how they recognised and formed opinions of the IB process. This follows from the IB process where a lens is placed on the cognition construct, the behavioural theory, as applied during the internationalisation process using the Uppsala framework, where it could be assumed that the internationalisation process focuses on decisions made by a higher level of managerial seniority (Maitland & Sammartino, 2015). In the revised Uppsala Model (Vahlne & Johanson, 2017), recognition is given to the contribution of the individual and when changes are recorded at micro-level, the outcome of such changes can be attributed to the individual.

According to Clark et al. (2018), tasks in the IB process such as foreign market selection and entry mode are complex and require individuals or top management teams to make complicated decisions, where information is gathered from external stimuli such as the micro-foundation of the organisation as well as the macro-environment. These decisions are based on their own experiences, traits, characteristics and knowledge maps which they then use as reference points to make such decisions (Maitland & Sammartino, 2015).

Helfat and Peteraf (2015) and Cao et al. (2020) state that managerial cognitive capability is an individual's ability to perform one or more mental activities that comprises cognition. Maitland and Sammartino (2015) term this as the decision-maker's ability to recognise and dissect information based on their mental models and the context for decision-making. This statement is similar to what Cao et al. (2020) suggested, albeit the reference was being made to mental activities.

Managerial cognition should not be seen in isolation but rather in the context of dynamic managerial capabilities (DMC). According to Haapanen et al. (2020), dynamic capabilities refers to the ability to alter or reroute organisational process, competencies and capabilities and has three elements that stem from the individual's learnt skills, social capital and managerial cognition. Further to that, Helfat and Peteraf (2015) argue that heterogeneity of the executive could have an effect on the determinants of strategic change of the organisation. To answer Research Question One, the collective data gathered concludes that there is a definite influence on the individual's behaviour in terms of their decision-making cognition; this is supported by the research done by Clark et al. (2018) who found that country familiarities influence how managers consider the potential host country selection. What was further



evident was that the respondents were not unanimous in concluding that the individual's behaviour was the dominant determinant. Areas such as liability of behaviour towards the organisation was raised by some participants, who believed that the organisation was the change agent of behaviour in areas such as managerial capability and strategic execution. The shift from individual focus to that of organisational level is well documented (Maitland & Sammartino, 2015) but it has failed to include managerial cognition, which is the domain of this study. Possible future research could consider how organisations shape and influence managerial cognition.

Question Two of this research project focussed on managerial decision-making as part of the internationalisation process and the characteristics of the individual tasked at executing managerial decision-making. The question follows on from Question One and overlaps with theory such as managerial cognition.

Based on the findings herein, it is evident that heuristics in decision-making is a strategic consideration when organisations decide to enter the internationalisation process. Furthermore, the analyses confirm what is stated by Niittymies (2020), namely that heuristics in decision-making is conditional to prior experience from related contexts such the preference for home country similarities, and that heuristic decision-making could possibly be applied in a positive manner to internationalisation. Context specific experiences are not considered in isolation only and in relation to experience and the internationalisation process, but that too of the individual's leadership style which creates its own context specific experience which the individual applies to decision-making. Decisions by individuals and groups of individuals make decision management complex but either way the decision can only be made rationally or bounded rationally. According to Buckley and Casson (2019), the individual who is considering the complex international environment will most likely use rationality whereas a group of managers contemplating strategy will analyse this differently, creating a strained rationality.

When limitations of the decision-maker are evident, that decision-maker could possibly rely on the experiences of others and leverage their knowledge structures to create a reference structure for themselves to understand the complexity of the decision to be made. There seems to be no consensus that rationality and bounded rationality could co-exist in the internationalisation process yet, the data from this study concludes that it is possible, albeit limited, as the home-host relationship needs substantial consideration. In conclusion, it appears evident that managerial cognition influences the decision-making process of firms looking to internationalise, but it should be noted that the theories of decision-making are

complex and widespread as the individual capabilities might not be a strategic fit from the organisation's perspective.

Research Question Three seeks to answer whether the process of internationalisation contributes towards the development of a global mindset of the decision-maker. The minds of individuals that are engaged in internationalisation processes are seen as the catalyst for all activities that the organisation is engaged in. No conclusion was reached on whether a global mindset is developed by the internationalisation process. The participants recognised that the global mindset starts with the individual's own cognitive abilities and how these are developed on an individual level either by formal education and training or by global environment exposure, with global exposure being considered as expat experience or as broader international assignments. It was recognised that leadership of the organisation plays an integral part in the early development of the individual's global mindset as well as the leaderships' direction and attention given to strategic alignment of the global objectives. Focusing on the individual with a global mindset, it was evident that certain characteristics and traits were seen as crucial to global mindset development, including dynamic cultural awareness. In summation to Research Question Three, the data analysed conclusively suggests that the internationalisation process creates a global mindset, but it recognised that it is a springboard towards global mindset development with the proviso that the individual has some formal education and experience.

The findings from the data collected and analysed for this study determined that leadership is not the only pre-requisite for organisations that are seeking to engage in international activities. The type of leadership, such as that of individuals that are in positions of decision-making authority, is said to have the ability to shape multinationals, particularly when combining a global mindset approach related to their cognitive ability. But it was further concluded that, to a degree, the individual is just as influenced by their immediate surroundings, whether being the organisation's micro-foundations or other persons, and that the onus of successful interpretation of the internationalisation process does not flow in one direction.

## 7 CHAPTER 7: CONCLUSION AND RECOMMENDATIONS

### 7.1 Introduction

In this chapter, the final comments on the studies contribution are expressed by drawing parallels to the Influencer Model developed for this study and discussed in Chapter 6 as well as the data that was analysed and presented in Chapters 5 and 6 respectively. Recommendations for organisations are provided considering the literature that was reviewed in Chapter 2 and the theoretical models applied in this study. This chapter concludes with recommendations for future research and research limitations.

### 7.2 Theoretical and Practical Contributions of the Study

Chapters 1 to 3 presented an overview of the complexity of the International Business environment and the ever-present dynamics that require managers to have a global mindset philosophy towards this environment. The global mindset is said to be characterised by the ability (cognition) to rapidly assess, dissect, and act to environmental changes according to Maitland and Sammartino (2015). Within this complex domain of IB, is the requirement to make decisions that determine a specific outcome for the organisation. The nature of the international business environment is so complex that it is characterised as a contextual factor that has a profound impact on decision-making by the firm as well as the individual decision-makers (Sniazhko, 2019).

In Chapters 4 to 6, rigorous and more detailed research was conducted in this field to determine the individual's decision-making contribution, whether positively or negatively, towards the organisation's objectives and performance. In understanding the role that the individual plays when making decisions as part of the IB process, the literature indicated that firstly a global mindset is not a skill but rather a set of traits and characteristics that is gained through education or international assignment and is beneficial to the organisation's long term strategic objectives as it forms part of the decision-making process on a micro and macro level; secondly, decision making by the individual is driven by the knowledge structures created over their entire working experience in both local and international environments; thirdly, these knowledge structures or mental maps of the individual are the bases for bias and heuristic decision-making; and fourthly, that leadership contributes to creating the desired decision-making behaviour by the individual which all begins with the cognition of said individual. These steps that were indicated by the literature form an integral part of what the nucleus of the complex IB environment is. (A) the recognition to participate in this complex environment and applying a tool such as the Uppsala Model to analyse and explain the

evolution during the internationalisation process and (B) taking cognisance of the fact that this analysis is underpinned by managerial cognition which relates to the bounded rationality theory which infers that decision makers strive to make decisions based on rational considerations yet within their cognitive ability.

Having determined the need for further research in this field of study, where human behaviour and cognition are constructs that can be utilized to overcome the complexity of the IB environment, the purpose of this research was to gain a deeper understanding of the relationship between the individuals' cognitive attributes and their effect on the internationalisation of the firm.

### 7.3 Recommendations to the organisation and their leadership

The results present an opportunity for recommendations to be made to the organisations seeking to participate in the global business environment, and more specifically in the internationalisation process and the required eventual outcomes. It is evident from the findings that the global business environment is complex and requires strong leadership to successfully steer the organisation's activities and behaviour in this specific environment. Organisations should place the individual at the centre of this process as the eventual outcomes and performance of the organisation are ultimately determined by the decisions made, creating a behaviour that is the key.

- The first recommendation is to instil the global mindset attributes as a culture within the organisation. Leadership, which is at the forefront of the organisation and a representation of the organisation's intentions, needs to first and foremost adopt the global mindset orientation towards the international business. This should encompass the whole organisation and all its relevant processes; thus, the recognition and importance of a global mindset orientation needs to reach beyond the boardroom.
- The second recommendation is that the organisation needs to recognise that the managerial cognition of top management teams is influenced by the individual's own mental model of knowledge and that this mental model has a direct impact on the decisions the individual makes in relation to all aspects of the business. The necessary support structures need to be in place in the event the individual's mental model proves to be biased towards orientations that are, or could be, detrimental to the organisation's objectives.

- The third recommendation is that recognition is given to the requirements of immersion training or some sort of educational model in international business, not just on cultural nuances but more specifically on the understanding of cause and effect by decision-making in international business.
- The fourth and final recommendation would be that the organisation places more emphasis on managerial decision-making and the individual's decision-making management in relation to both the collective bodies of individuals and collective leadership.

#### 7.4 Recommendations for future research

The research findings have provided useful contributions towards the understanding of global mindset, managerial cognition and decision making.

The following is suggested for future research:

- The study was conducted by experienced top management team participants. The same study could be done to determine the opinions and experiences of those individuals who are direct reports of the top management team members. The views of different stakeholders can then be ascertained.
- Conduct a study on the appointment of the top management team's ability to transition from national to international in the event that the internationalisation process is driven by an individual who originates from the proposed host country. This will provide insight into how the cognitive capabilities differ and to what extent this difference of cognitive capability influences the organisation's global orientation.
- The results of the study indicated that a global mindset is fostered through education and experience in international assignments. To compliment these findings, a future study into the appointment and selection criteria of top management teams in the host country will provide insight towards the impact such appointments have on the home country team members.
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#### 7.5 Research Limitations

The research had various limitations that required acknowledgment and consideration when reviewing the research results and findings. The researcher's own experience in the internationalisation process may have resulted in subjectivity towards some aspects of this research. Consideration should also be given to the conducting of interviews on a virtual

platform, which was a challenge based on the time differences between countries that the interviewees were based in, as well the internet connectivity and loss of signal at times. Furthermore, the terms used to describe some of the literature was not always well understood by the participants, forcing the interviewer to provide an alternative explanation which could have clouded the thought process of the interviewees.

## 7.6 Conclusion

The purpose of this research was to determine and demonstrate the relationship between the individual's cognitive attributes and the internationalisation of the organisation. The research aim was to make a valuable contribution to current literature and theories that are relevant to International Business.

The literature revealed that in the ever-present dynamic international business environment, a global mindset is required by managers and is characterized by the ability (cognition) to rapidly assess, dissect, and act to environmental changes. With this comes the natural process of making decisions that determine a specific outcome for the organisation as part of the international process. The complexity of the international business environment is a contextual factor that profoundly impacts the decision-making by the organisation but this behaviour is not exclusive to the firm but also to the individual decision-makers.

The outcomes of the research proved that there is indeed a relationship between the individual's cognitive attributes and the effect it has on the organisation's internationalisation processes. The research further showed that the relationship between the mentioned cognitive attributes of the individual is not a singular function in the organisational context but that it points towards a dual relationship, that being the individual and their respective characteristics and the collective characteristics of the individuals in the organisation, namely leadership.

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## APPENDICES

### Appendix 1: Interview Schedule

#### **INTERVIEW SCHEDULE**

##### **ALIGNMENT OF KEY RESEARCH THEMES TO KNOWLEDGE GAPS**

The themes identified on this page relate to the three Research Questions (RQs) shown in the Methodology Chapter. As such, the accompanying Interview Questions (see overleaf) are explicitly aligned to the RQs, which are in turn aligned to the Knowledge Gaps provided here.

##### **Managerial cognition and behaviour**

In the ever-present dynamic international business (IB) conditions, a global mindset for managers is required and characterized by the ability (cognition) to rapidly assess, dissect, and act to environmental changes. Empirical IB research has repeatedly highlighted the need to incorporate managers' decision styles, biases, and overall cognitive processes into theoretical models of form, mode and location choice (Maitland & Sammartino, 2015). This is further substantiated by Clark et al. (2018), who state that previous research has been limited to firm level analysis by applying a framework such as the Uppsala Model but that more recently, scholars have acknowledged that the decision-making cognition of managers is far more important than initially proposed.

##### **Decision making**

The organisation or individual's ability to process information that is required to make decisions is limited and is biased towards the individual's home territory knowledge and experience (Azam et al., 2020). According to Buechel and Sorell (2014), the brain filters the vast forms and amounts of information coming from the external environment. The filtration is a basis of cleansing, leading to grounding the organisation or individuals' beliefs and, in time, creating a disposition that predetermines a response or interpretation of a situation. This is known as the mindset (Buechel & Sorell, 2014). The behavioural decision theory, which was developed by Simon in 1947 (Millett & Simon, 1947), (Mintrom, 2020), is a core concept discussed in managerial cognition literature and relates to the bounded rationality theory which infers that decision-makers strive to make decisions based on rational considerations yet within their cognitive ability (Niittymies, 2020).

##### **Global Mindset approach to Internationalisation**



According to Levy et al. (2007), the global mindset can be described in three terms namely, cognitive, existentialist and behavioural, with a more formal definition by Levy et al. (2007) stating that it is a profoundly perplexing individual-level psychological design portrayed by a receptiveness to an enunciation of numerous social and vital realities on both neighbourhood and worldwide levels, and the intellectual capacity to intercede and coordinate across this variety.

With the onset of globalisation, organisations are continuously being exposed to challenges that are being driven by an ever-increasing complexity of the business operating environment and, due to this the construct of a global mindset has come to the fore as an important individual trait that has the ability to sustain the long-term competitive advantages of organisations (Levy et al., 2015).

**Primary research question:** How leadership is shaping multinationals and the need for managers to have a global mindset approach:

Managerial cognition and the influence on the internationalisation process of an emerging market firm

Theme	Interview Questions	Notes to Interviewer
<p><b>1. Managerial cognition and behaviour</b></p>	<p><b>1.1:</b> Would you say that the behaviour of a manager is determined by his participation in business environments that he is exposed to on a regular basis?</p> <p><b>1.2:</b> What do you think are the cognitive characteristics that influence the behaviour of the manager?</p> <p><b>1.3:</b> How has managerial cognition changed the strategy of the organisation during the internationalisation process?</p> <p><b>1.4:</b> When considering internationalisation of business, do you consider the impact of individual behaviour on the macro-level strategy?</p>	<p><i>The aim of these questions is to gain an understanding of how managerial effectiveness effects organisational performance. Managerial cognition is the construct that is used to explore the assumption that managers are somewhat limited by their cognition which in turn leads to behaviour that impacts organisational effectiveness.</i></p>
<p><b>2. Decision making</b></p>	<p><b>2.1:</b> Do you believe that context specific experiences influence decision-making?</p> <p><b>2.2:</b> How would you apply heuristic decision-making due to a lack of international experience?</p>	<p><i>The bounded rationality theory or behavioural decision theory is a concept that is discussed in managerial cognition literature which infers that decision-makers strive to make decisions based on rational considerations yet within their cognitive ability. It was then</i></p>

	<p><b>2.3:</b> How would you address cognitive limitations of the decision-maker when they base their decisions on mental representations of the home country business environment?</p> <p><b>2.4</b> How have you addressed decision making that has deviated from rationality and lead to cognitive biases?</p> <p><b>2.5</b> From your experience with regards to modes of entry and location, has the decision been influenced by the individual's preference for home country similarities?</p>	<p><i>that scholars recognized the importance of the cognitive and interpretive role of managers when organisations are exposed to the external environment</i></p>
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Theme	Research Questions (RQs)	Interview Schedule Questions (ISQs)
<p><b>3. Global Mindset approach to internationalisation</b></p>	<p><b>ISQ 3.1:</b> How does a global mindset benefit the organisation when internationalising?</p> <p><b>ISQ 3.2:</b> What skills do you believe represent a global mindset?</p> <p><b>ISQ 3.3:</b> Do you believe that a global mindset can only be achieved by international education</p> <p><b>ISQ 3.4:</b> Can you describe a situation where the global mindset approach had a significant impact on the decision to internationalise?</p> <p><b>ISQ 3.5:</b> Does an international assignment provide the individual the opportunity to develop a global mindset?</p>	<p><i>The global mindset can be described in three terms namely, cognitive, existentialist, and behavioural. A global mindset is not specific skills set but rather affords the decision-maker the ability to predict and forecast events that others cannot, allowing the decision an increase in business performance prerequisites.</i></p>

## Appendix 2: Consistency Matrix

Research Question	Literature Review	Data Collection Tool	Analysis
1. How does managerial cognition influence the decision-making process of firms looking to internationalise?	Niittymies (2020) Maitland & Sammartino (2015)	Semi - structured Interviews	Frequency Analysis
2. To what extent does the home country effect influence decision-making during the internationalisation process?	Coviello et al. (2017) Vahlne & Johanson (2017) Clark et al. (2018)	Semi - structured Interviews	Frequency Analysis
3. How does the process of internationalisation create a global mindset?	Buechel & Sorell (2014) Niittymies & Pajunen (2020)	Semi - structured Interviews	Frequency Analysis

## **GIBS ETHICAL CLEARANCE APPLICATION FORM 2021/22**

### **G. APPROVALS FOR/OF THIS APPLICATION**

When the applicant is a student of GIBS, the applicant must please ensure that the supervisor and co-supervisor (where relevant) has signed the form before submission

#### **STUDENT RESEARCHER/APPLICANT:**

29. I affirm that all relevant information has been provided in this form and its attachments and that all statements made are correct.

Student Researcher's Name in capital letters:	NEIL ALBERTS
Date:	13 Jul 2021
Supervisor Name in capital letters:	COLIN ROWLEY
Date:	13 Jul 2021
Co-supervisor Name in capital letters:	
Date:	13 Jul 2021

**Note:** GIBS shall do everything in its power to protect the personal information supplied herein, in accordance to its company privacy policies as well the Protection of Personal Information Act, 2013. Access to all of the above provided personal information is restricted, only employees who need the information to perform a specific job are granted access to this information.

#### **Decision:**

Approved

#### **REC comments:**

Date: 19 Jul 2021

## Appendix 4: Letter of Informed Consent

### LETTER OF INFORMED CONSENT

Dear Madam/Sir

I am currently finalising a Master of Philosophy: International Business at Gordon's Institute of Business Science (GIBS) University of Pretoria and I am in the process of completing the compulsory research component of the academic programme. I am conducting research to contribute to the field of International Business. My research project title is:

**How leadership is shaping multinationals and the need for managers to have a global mindset approach: Managerial cognition and the influence on the internalization process of an emerging market firm.**

The purpose of this research is to explore managerial cognition and the decision-making process as constructs of a global mindset.

I would greatly appreciate your willingness to participate in this study. By signing below, you give your consent to participate. Your permission is requested to use an audio recorder to capture the content of the interview. The interview will be kept strictly confidential and no source, individual or organisation will be identified in the text of the final report. The interview will be a semi-structured, in-depth interview and expected to last 45 - 60 minutes. Please be informed that your participation is voluntary, and you may withdraw at any time without penalty. With your permission, our interview will be transcribed for purposes of academic analysis. All data will be stored without identifiers to preserve confidentiality. On request, a copy of the research findings will be made available to you. If you have any concerns, please feel free to contact me or my supervisor, our details are provided below.

As an indication of consent please sign below.

Signature of participant: \_\_\_\_\_ Date: \_\_\_\_\_

Signature of researcher: \_\_\_\_\_ Date: \_\_\_\_\_

**Researcher:**

Neil Alberts

Email: [Neil.alberts100@gmail.com](mailto:Neil.alberts100@gmail.com)

**Supervisor:**

Colin Rowley

Email: [colinrowley@vodamail.co.za](mailto:colinrowley@vodamail.co.za)

PLEASE CHECK THE TITLE OF YOUR PAPER AS MENTIONED ABOVE.

IT SAYS "INTERNALISATION" BUT SHOULD READ "INTERNATIONALISATION"