

**SPECIAL TRACK: Understanding internationalisation of the firm in an internationalising network context**

**AN INTERPRETATION AND OPERATIONALISATION OF THE CONCEPT OF COMPANY INTERNATIONALISATION MATURITY (NETWORK APPROACH)**

Competitive paper

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**Abstract**

The aim of this study is to interpret the concept of company internationalisation maturity based on the network approach and make an attempt to operationalise it.

The study discusses the mechanism of the impact that internationalisation has on a company's competitive advantage and on its market and financial performance. The various possible levels of maturity examined in the study are associated with the ability to create value for a company in the internationalisation process. The higher the level of company internationalisation maturity, the greater the likelihood of achieving a favourable competitive advantage and better results compared with those of the closest competitors. The level of company internationalisation maturity thus becomes a basic measure of the evaluation of the internationalisation process.

Company internationalisation maturity is examined in terms of three identified main components, namely the character of the internationalisation process, the nature of cooperation with other entities in the internationalisation process, and the scope of

cooperation in the internationalisation process. They are clearly based on network-approach principles. The three main components of company internationalisation maturity include a number of specific components. The character of the internationalisation process is described by such specific components as time advancement of the internationalisation process, the advancement level of internationalisation forms, and the formalisation level of internationalisation. In turn, the nature of cooperation in the process of internationalisation includes openness to cooperation, the atmosphere of cooperation, trust as part of cooperation, conflicts as part of cooperation, and psychological distance. The last main component - the scope of cooperation in the internationalisation process - has two specific components: cooperation with key entities in one's environment and cooperation with internal entities.

The considerations presented in this study are based on the authors' ten-year research into company behaviour in the internationalisation process, and on their critical analysis of the subject literature. The authors have developed their concept of company internationalisation maturity and, in order to operationalise it, they have conducted an analysis of ten companies' internationalisation process. The studies presented are part of a larger three-year research project to be implemented in the years 2014-2016.

# AN INTERPRETATION AND OPERATIONALISATION OF THE CONCEPT OF COMPANY INTERNATIONALISATION MATURITY (NETWORK APPROACH)

## Introduction

The most frequently cited reasons why a company initiates an internationalisation process include market-, cost-, and supply-related as well as political motives. Regardless of the reasons for a company's internationalisation, in the long term we expect benefits resulting from the decision to enter foreign markets. This is why ascertaining the impact of internationalisation on the company's competitive position and on its market and financial performance is key for any business.

The majority of studies point to a positive impact of internationalisation on company performance [Hitt, Hoshisson, Kim 1997; Gomes, Ramaswamy 1999; Contractor 2007; Pangarkar 2008; Assaf et al. 2012; Bausch, Kirst, 2007; Ramírez-Alesón, Espitia-Escuer, 2001; Capar, Kotabe, 2003; Lu, Beamish, 2004; Chiang, Yu, 2005; Hennart, 2007; Zahra, Ireland, Hitt, 2000; Vermeulen, Barkema, 2002; Väätänen et al. 2009]. It is emphasised at the same time that the relationship between a company's internationalisation and its performance varies between particular businesses [Bausch, Krist 2007, Ruigork, Wagner 2004]. Investigating this relationship involves taking into consideration a number of variables which modify the internationalisation process. For the purpose of this paper, it has been assumed that these variables are related to the company's tangible and intangible resources.

According to the resource theory of the firm, differences between particular companies' resources result in their different competitive position [Ahuja, Katila 2004]. It should be noted, however, that tangible resources may undergo a unification owing to the possibility of their being copied by competing entities. The same suppliers' services being used by the closest competitors, easy access to information, a global transfer of knowledge, and cooperation between competitors – all of them make it possible to eliminate the existing differences in tangible resources in a relatively short period of time. It is much harder to copy intangible resources, especially relational ones. We assume, after Davis and Mentzer [2008], that relational resources result from a company's relationships with external partners. Additionally, in our considerations, a company's relational resources apply also to internal relationships existing particularly in many companies' developed organisational structures. The significance of relational resources for a company's continuous development, for

increasing its value and, consequently, for building its competitive advantage is confirmed by the latest research [Gillis, 2007; Saraf et al. 2007; Sampson, 2007; Ziólkowska 2014].

Determining unambiguously the impact of relational resources on performance poses a considerable challenge [Cooper et al. 2010]. This is why, as suggested by many scholars, this paper analyses the impact of relational resources from the angle of selected positive phenomena caused by relations between partners. What is most strongly emphasised in this context is the trust developed between entities [Weitz, Bradford 1999; Sivadas, Dryer 2000; Kale et al. 2000; Dyer, Chu 2013], the exchange of knowledge [Verona 1999, Gillis 2007, Saraf, Langdon, Gosoin 2007], and the acquisition and transfer of experience from a business partner [Kotabe et al. 2003].

The concept of company internationalisation maturity is proposed to evaluate the internationalisation process in the context of a company's results [Fonfara 2015]. On the basis of the above researchers' suggestions and the present authors' previous research, it has been assumed that, in the concept presented, relational resources will be related to a number of variables called components of company internationalisation maturity.

To determine the impact of relational resources on company performance, we are putting forward the concept of company internationalisation maturity. It is based on the network approach, as relational resources are most often analysed in studies that are based on this approach. The network approach emphasises the importance of a company's relationships with various entities in the environment (buyers, suppliers and competitors) [Håkånsson ed. 1982; Easton, Aranjó 1989]. Crucial in making company internationalisation possible, these relationships determine the firm's behaviour during the internationalisation process [Fonfara ed. 2014]. Not without significance in the internationalisation process are also relations with internal entities [Fonfara ed. 2012, Ratajczak-Mrozek 2014]. Consequently, a company in the internationalisation process should initiate, establish and develop relationships with various entities operating both in the international environment and in the domestic market, as well as with those constituting an isolated part of the company (e.g. subsidiary).

The proposed concept of company internationalisation maturity is designed to verify the relationship between company internationalisation and performance. It should be emphasised that, although research has been conducted into the influence of both tangible resources and particular network-relationship characteristics on company internationalisation and performance, there are no comprehensive analyses explicitly discussing the issue of relational resources in the internationalisation process and their impact on performance. The

present paper attempts, therefore, to supplement what is known about this field and contribute to a better understanding of the company internationalisation process.

Its aim is to present and interpret the concept of company internationalisation maturity, and try to operationalise it on the basis of 10 case studies.

The considerations presented in this paper are part of a larger three-year research project.

The project consists of four stages. The first one is aimed at developing the conceptual framework of company internationalisation maturity, based on the latest subject literature and supported by earlier research conducted by the present authors on company behaviour in the internationalisation process. It was followed by the qualitative research, with the use of an in-depth interview at 10 companies of various sizes representing various industries. Its purpose was to verify the components of company internationalisation maturity and their influence on company performance.

The paper presents these first two stages of the project. The third stage, which started in June 2015, applied quantitative methods with the use of a questionnaire survey sent to a group of 2,000 companies based in Poland and involved in international business. The purpose of the quantitative research is to collect material that will enable us to comprehensively test the adopted system of evaluating the level of internationalisation maturity in the context of company performance. In the last stage of the research (which will start at the end of 2015), a qualitative method will be employed again, based on a case study in 30 companies in combination with participant observation and an in-depth interview, SNA and Network Picture. The purpose of the analysis will be to comprehensively diagnose the mechanism determining competitive advantage in the internationalisation process with the use of a previously (stages 1-3) developed system of identifying a company's level of internationalisation maturity.

The paper consists of four parts. First, to provide a theoretical background, we present an overview and main conclusions of research into the relationship between company internationalisation and performance, which constitutes a justification for extending the range of analyses in the field and thus a basis for putting forward the concept of company internationalisation maturity. The essence and detailed assumptions of the concept are presented in Part 2 of the paper. Part 3 presents the results of empirical case-study research conducted among 10 companies to verify and operationalise the basic assumptions of the concept. The article ends with main conclusions and suggestions for future research.

## **1. A theoretical background – the relationship between company internationalisation and performance**

Company performance is “a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues” [Investopedia, 2015] and to what extent the company meets its assessed targets. The term is so broad that it refers to financial, market, and operational performance. This is related to the fact that a company’s overall performance depends on performance in particular areas of activity, including the market orientation [Jaworski, Kohli, 1993], finance [Narver, Slater, 1995], and customer satisfaction [Walter et al. 2006; Kenny, Fahy, 2011b]. Although there are many measures of company performance, it is financial ratios that are most commonly used, which results from relatively easy access to data needed to calculate these indicators [Karasiewicz, 2013, p. 193], and from the desire to assess performance as objectively as possible. The most commonly used financial accounting ratio is ROA as it “explicitly takes into account the assets used to support business activities” [Hagel et al. 2010]. It should be remembered that since each measure has its pros and cons, it is recommended that performance should be established using several measures at the same time.

Internationalisation studies focus on the positive impact of internationalisation activities on company performance [Hitt et al. 1997; Gomes, Ramaswamy 1999; Contractor 2007; Pangarkar 2008; Assaf et al. 2012; Bausch, Kirst, 2007; Ramírez-Alesón, Espitia-Escuer, 2001; Capar, Kotabe, 2003; Lu, Beamish, 2004; Chiang, Yu, 2005; Hennart, 2007; Zahra, Ireland, Hitt, 2000; Vermeulen, Barkema, 2002; Väätänen et al. 2009], which results in specific benefits gained by the company thanks to internationalisation. In this context we could mention economies of scale and of scope, risk diversification and limitation, access to cheaper factors of production, a better use of resources which are a source of competitive advantage, an increased flexibility of the organisation, an easier acquisition of information, a better creation of knowledge, and increased bargaining power. As for the negative impact, this involves problems such as financial, political and market risk, and costs (eg, of information and transportation).

However, the level of benefits gained thanks to internationalisation, and thus the relationship between internationalisation and performance, depends on many factors. Initially, in the 1970s, the relationship between the level of companies’ internationalisation and their performance was considered to be linear [Brewer 1981; Ramaswamy 1992; Grant 1987; Daniels, Bracker 1989; Delios, Beamish 1999; Tallman, Li 1996; Qian 2002], resulting from a surplus of benefits over costs (or a surplus of costs over benefits) [Ruigrok, Wagner,

2004]. It was assumed that a higher level of internationalisation leads to better company performance. Today, it is emphasised that the relationship between company internationalisation and performance is non-linear. There is no agreement, however, on the shape of this non-linear relationship. It is pointed out that it may assume the shape of the letters J and U [Capar, Kotabe 2003; Lu, Beamish 2004; Assaf et al. 2012, Dragun 2002, Mathur et al. 2001, Qian 1997, Ruigrok, Wagner 2003], reversed letters J and U [Daniels, Bracker, 1989, Geringer et al. 1989; Gomes, Ramaswamy 1999; Hitt et al. 1997] or a reversed letter S [Thomas 2006, Chiang, Yu 2005; Contractor, 2007; Ruigrok et al. 2007; Contractor et al. 2003, Lu, Beamish 2004].

The prevailing view is that, generally, the relationship is not universalist but only context dependent [Bausch, Krist 2007, Ruigrok, Wagner 2004]. The factors determining the relationship between the internationalisation level and company performance include knowledge, experience and organisational learning (also in the context of networks) [Blomstermo et al. 2004; Hsu, Pereira 2008; Lindstrand et al. 2009; Assaf et al. 2012], resource allocation [Chen, Hsu 2010], managers'/CEOs' characteristics [Hsu et al. 2013], marketing abilities [Zhou et al. 2012], social capital and strong personal relationships [Blankenburg Holm et al. 1999; Zhou et al. 2007; Musteen et al. 2010; Kenny, Fahy 2011a; Sigfusson, Harris 2013], and the formal or spontaneous character of the internationalisation process [Fonfara 2009, Fonfara 2013]. Additionally, research results demonstrate "a positive relationship between a firm's network coordination and international performance" [Kenny, Fahy, 2011b, p. 1], and that "export performance is influenced by relationship marketing components; in particular, a readiness to export (market commitment) and the establishment of relationships at the first stages of seller-buyer contacts (relationship commitment)" [Pfajfar, Makovec Brenčič, 2008, p. 15]. Although research has been conducted into the impact of network relationships on company internationalisation and performance, there are no analyses explicitly discussing relational resources in the internationalisation process and their impact on performance. Numerous factors influencing the relationship between company internationalisation and performance are important in that they suggest that, in consequence, we should not "search for internationalisation-performance generalisations or principles, but rather focus on the identification of moderators or drivers that produce different internationalisation-performance effects" [Kenny, Fahy, 2011b, p.2].

The above assumption concerning the importance of particular factors and context, which determine company performance in the internationalisation process, is particularly significant for the maturity concept being developed, since it points to a need for a multi-

dimensional measurement of company performance, but also for a multi-dimensional analysis of various factors of company behaviour in the internationalisation process.

## **2. An interpretation and description of the concept of company internationalisation maturity**

Studies of a company's success in the internationalisation process usually highlight the "traditional" set of factors that have a positive effect on company performance (increased sales, profits and market share). Particular emphasis is given to the importance of a perfect product, a recognised brand, unique distribution solutions etc, in developing a competitive advantage or, to put it simply, in achieving better company performance than this of the closest competitors [Hooley, Piercy, Nicoulaud 2008; Kotler, Keller, 2012]. The impact of these factors on company performance in the process of internationalisation is indisputable. This has been demonstrated by numerous research results and case studies. In this case, if a company is more adept than its closest rivals at tailoring a product or distribution system to meet overseas buyers' needs, this is proof of its higher level of internationalisation maturity.

In addition to "traditional" sets of factors determining a company's success, we can identify other sets of determinants that have an impact on company performance. They usually have an intangible character and concern a company's relations with various foreign entities. In comparison with traditional factors, they are far less emphasised; in practice, it turns out that a company's operation as part of a business network is a significant factor in developing a competitive advantage in the internationalisation process [Berckhan 2015].

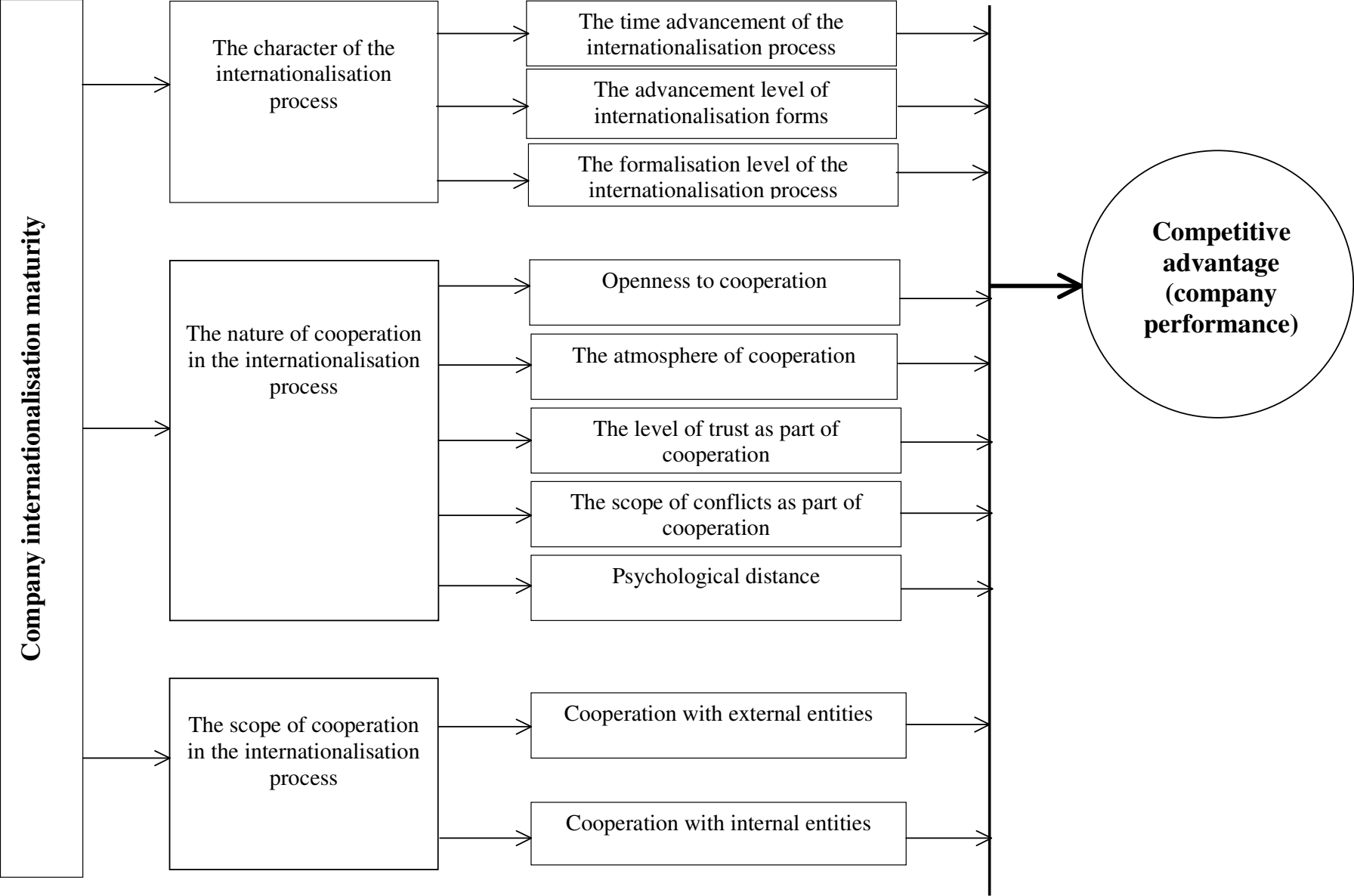
Building a competitive advantage (which in practice means achieving better company performance than this of the closest competitors) is dependent on the company's resources. These are usually related to what is within the company and, as such, are presented as part of the resource theory of the firm [Barney, 1991]. In this paper, it is assumed that, in addition to the factors located within the company, a significant role in developing a competitive advantage is played by factors found in its environment. According to the relational view of resources-based theory [Acedo, Barroso, Galan 2006], a company's competitive advantage is based on intangible resources which result from the relations existing between entities [Lavie 2006; Castaldo 2007]. Consequently, a competitive advantage is not a function of the resources owned by a particular company. It often depends on the resources situated outside it [Duschek 2004], particularly within a business relationship network [Gulati, Nohira, Zaheer 2000].

Recent research confirms that relational resources contribute to a company's continuous development and increase in value [Ziółkowska 2014]. Identifying the actual impact of relational resources on company performance requires their operationalisation by specifying their nature, role, etc, in relation to entities operating in the environment. In many studies, a positive impact of relational resources on company performance concerns the trust [Kale, Singh, Permuter 2000; Dyer, Ehu 2003] that is developed as part of business networks. Entities linked by mutual relationships can operate more efficiently and focus on the development of their competences, without having to engage in destructive competition. As part of their conceptual work and on the basis of their previous studies, the present authors have proposed, in addition to trust, nine other characteristics of a relationship between companies. It is assumed that each characteristic, called within the conceptual framework a specific component of company internationalisation maturity, can have a beneficial influence on company performance.

Company internationalisation maturity is associated with an ability to create value for a company in the internationalisation process. Our assumption is that the higher the level of company internationalisation maturity, the higher the likelihood of attaining a favourable competitive position and achieving relatively better results than those of the closest competitors. Therefore, in the concept presented, the level of internationalisation maturity becomes a basis for assessing the internationalisation process.

Company internationalisation maturity is examined from the angle of three analytical planes, namely the character of the internationalisation process, the nature of cooperation with entities in the internationalisation process, and the scope of cooperation in the internationalisation process. These three analytical planes, referred to as the main components of company internationalisation maturity, include a number of more specific components which, within the conceptual framework, were adopted on the basis of previous studies [Fonfara 2012] and critical literature research (see Figure 1). In particular, components concerning the nature and the scope of cooperation with entities in the internationalisation process are related directly to the aforementioned network approach and company relational resources.

**Figure 1.** The impact of internationalisation maturity on a company’s competitive advantage [conceptual framework].



## 2.1 The character of the internationalisation process

The first main component of company internationalisation maturity is the character of the internationalisation process. It consists of three specific components, namely:

- [1] the time advancement of the internationalisation process,
- [2] the advancement level of internationalisation forms,
- [3] the formalisation level of the internationalisation process.

The time advancement of the internationalisation process should have a positive impact on a company's competitive advantage. Greater experience and knowledge gained through operating in foreign markets can be helpful in achieving better results than those of one's competitors. As experience and knowledge are often gained gradually, they tend to take a long time [Karasiewicz 2013]. Therefore, the longer a company participates in the internationalisation process, the more likely it is to achieve relatively better results than those of its closest competitors. Taking into consideration the development of a company's internationalisation process in time, we can distinguish its four possible phases [Fonfara ed. 2012]:

- initiation [1-2 years],
- constant development [3-5 years],
- advanced development [6-10 years],
- maturity [more than 10 years].

With reference to the specific component discussed here, it is assumed that the greater the company's time advancement of the internationalisation process, the greater the likelihood of it achieving a competitive advantage over the closest competitors.

Companies use various forms of internationalisation when operating in foreign markets. They usually engage in indirect export, direct export, the sale of a licence, and foreign direct investment [Witek-Hajduk 2010; Rymarczyk 2004]. In many cases, the company initiates the internationalisation process with relatively simple forms of internationalisation, replacing them later with more advanced ones. Some of them are used because of the specificity of the product that is traded internationally (eg, the sale of services usually requires making foreign direct investment). Very often, however, the choice of a particular form of internationalisation results from the company's potential and expectations regarding the benefits of international trade. It can be assumed, therefore, that some forms of internationalisation (eg, indirect export) are relatively easy to achieve, while others (eg, foreign direct investment) require large capital and often involve high risk. A company's involvement in relatively more

advanced forms of internationalisation (those requiring greater capital and intellectual resources) may result from its efforts to derive greater benefits and to strengthen its position in relation to competitors. It can be assumed, therefore, that the higher the advancement level of internationalisation forms in the company internationalisation process, the greater the likelihood of it achieving a competitive advantage over the closest competitors.

In practice, a company can use various forms of internationalisation in different foreign markets. When assessing the advancement level of a company's internationalisation forms, we should identify and indicate the relatively highest form of internationalisation used by the entity under investigation.

The last specific component of the character of the internationalisation process is the formalisation level of the internationalisation process. A formal process of internationalisation means that the internationalisation process is formally developed and adopted by the company in its strategic and operational plans [Fonfara 2007]. It is assumed that internationalisation-related decisions (including why, where, when and how to enter overseas markets) are based on formally conducted studies and on analyses of potential overseas markets.

In practice, a company's internationalisation process may also be spontaneous [Fonfara 2007]. In such cases it develops on an ad hoc basis, often when an opportunity happens to present itself. In such cases, there are no formal analyses of foreign markets; instead, informal sources of information on foreign markets predominate. Additionally, a spontaneous process of company internationalisation often features many subjective internationalisation-related decisions dependent on the personal, subjective preferences of the company's decision-makers and on their temperament. To a large extent, a decision-making process makes use of informal relations [Kadushin 2012].

In practice, we can observe different formalisation levels of the internationalisation process, namely:

- a spontaneous character of the internationalisation process,
- a spontaneous character with elements of formalisation (ordering selected activities in overseas markets in short-term plans),
- formalisation of the internationalisation process by designing and developing it in the company's strategic plans.

Previous studies have pointed to a definitely positive impact of internationalisation-process formalisation on company performance [Fonfara 2009; Fonfara 2012]. Hence, it can be assumed that the higher the formalisation level of a company's internationalisation process, the greater the likelihood of it gaining a competitive advantage over the closest competitors.

## **2.2 The nature of cooperation in the internationalisation process**

The second main component of company internationalisation maturity is the nature of cooperation in the internationalisation process. The assumption is that it consists of five specific components, namely:

- [1] openness to cooperation,
- [2] the atmosphere of cooperation,
- [3] the level of trust as part of cooperation,
- [4] the scope [scale] of conflicts as part of cooperation,
- [5] psychological distance.

Openness to cooperation involves accepting cooperation in the internationalisation process as an essential part of a company's business activity, making sustained efforts (often based on formal studies) to find cooperation partners, and opting to operate in foreign markets which require cooperation with domestic and foreign entities. On the other hand, closedness to cooperation in the internationalisation process means attempting to operate by oneself. There may be various reasons for a company adopting such an approach to overseas operations. Most often, a company's closedness to cooperation is due to a fear of losing independence, the risk of potential partners acquiring important trade and industrial secrets, and the lack of competence in dealing with foreign entities [unfamiliarity with overseas markets, inadequate communication skills]. Research conducted by one of the present authors [Fonfara, 2009; Fonfara, 2012] demonstrates that, in practice, companies that close themselves to cooperation do quite well as they conduct by themselves most of their activities in foreign markets. Most often, however, it is companies open to cooperation that achieve success in foreign markets and gain a competitive advantage over their closest competitors [Yip, Bink, 2007]. Hypothetically, we can distinguish the following levels of openness to cooperation on a five-point scale:

- a definitely full openness to cooperation,
- openness to cooperation,
- partially closing oneself to cooperation,
- closing oneself to cooperation,
- definitely closing oneself to cooperation.

With reference to the specific component discussed here, it is assumed that the greater the degree of a company's openness to cooperation in the internationalisation process, the more likely the company is to achieve a competitive advantage over its closest rivals.

Another specific component of the nature of cooperation in the process of internationalisation is the atmosphere of cooperation [Ford et al. 1986]. The atmosphere of cooperation and trade is a significant aspect of research into the relationship between entities [Easton 1997]. The atmosphere both results from and has an impact on this cooperation [Fonfara 2014]. To put it simply, the atmosphere of cooperation improves if:

- partners' needs, capabilities and expectations are more convergent,
- openness in mutual relations is greater,
- plans for future cooperation are more specific,
- partners know and like each other.

Thus interpreted, the atmosphere of cooperation undoubtedly influences the effectiveness of a company's operations in overseas markets. It can be assumed that the better the atmosphere of cooperation between partners in the internationalisation process, the greater the likelihood of gaining an advantage over the closest rivals.

In the network approach, trust as part of cooperation constitutes a key aspect of an analysis of the relationship between entities. Trust is defined as the belief that the other party will perform actions that will produce positive results and will not unexpectedly do things that may adversely affect the relationship between the entities examined [Małys 2013]. In practice, trust means that our partner is able to meet the conditions of a contract and will not undermine the existing partnership to gain some short-term benefits. Trust, therefore, is a guarantee that an agreement between parties will not be unilaterally broken, and that unforeseen problems will always be resolved to the satisfaction of both parties. It is expected, therefore, that a high level of trust as part of cooperation has a positive effect on company performance. Consequently, it can be assumed that the higher the level of trust as part of cooperation in the internationalisation process, the greater the likelihood of achieving a competitive advantage over the closest rivals.

Conflict is the next specific component of the nature of cooperation in the internationalisation process. The occurrence of conflicts is intrinsically linked to the development of relationships between independent entities [Håkansson et al. 2009]. Naturally, conflicts occur also within internal business networks, between entities that are, from the legal and formal point of view, part of the same organisational structure. Conflicts may arise from expectations that are too high for cooperating entities, or be related to product quality, the speed of delivery of goods, etc. They may also be associated with the "selfish" behaviour of partners who, in an attempt to reap short-term benefits, cause inconvenience such as

additional costs for other cooperating entities [Ford et al. 1997]. Conflicts do not always have an adverse effect on relations as part of cooperation. It is emphasised that they may be a source of innovation and further development, especially if they are resolved constructively [Gósling et al. 2007]. This is why the influence of conflicts as part of cooperation on company performance should always be thoroughly analysed. It can be assumed, therefore, that the smaller the number of conflicts, or the more constructive the conflict resolution, the greater the likelihood of achieving a competitive advantage over rivals.

Psychological distance is the last of the investigated specific components of the nature of cooperation in the internationalisation process. Psychological distance is most often interpreted as a set of factors that make it difficult for a company to operate in a foreign environment [Hallén, Wiedersheim-Paul, 1993]. The factors include differences in the development of particular countries, a different business environment, a different level of education and, finally, language differences. According to the concept of psychological distance, the smaller the psychological distance, the greater the inclination to establish business relationships between entities from different countries. The concept was used in the Uppsala 1977 model by Johanson and Vahlne [1977] in order to describe the process of internationalisation. Owing to such things as universal globalisation and ease of communication, the role of psychological distance as a basis for decision-making at the company level seems to have decreased. Today's research results indicate, however, that psychological distance continues to play a significant role in decisions taken at various levels of company management by people who have varying levels of knowledge about the foreign environment and, consequently, deal with psychological distance more or less successfully [Johanson, Vahlne 2009].

The concept discussed in the present paper is based on the assumption that psychological distance has an impact on the relationship between entities in the internationalisation process. It can sour the relationship and adversely affect cooperation, which in turn may translate into a company's poorer market and financial performance. Therefore, the smaller the psychological distance, the greater the likelihood of a company achieving a competitive advantage over its closest rivals.

### **2.3 The scope of cooperation in the internationalisation process**

According to the conceptual framework, the third major component of company internationalisation maturity is the scope of cooperation in the internationalisation process. For many years, entity-focused research into cooperation analysed mainly the relationship

between seller and buyer [Anderson et al. 1997]. More recent studies have demonstrated that the effectiveness of a company, including in an overseas market, depends not just on its cooperation with the buyer. Achieving a company's objectives requires that it should establish relationships and cooperation with entities such as, among others, suppliers, competitors, or referral and influential entities [Peck et al. 1999; Wuyts, Van de Bulte 2012]. The concept presented here assumes that cooperation in the internationalisation process takes place not only with external entities, ones that are independent of a given company in a formal and legal sense. Because of the extensive organisational structure of many large companies, a significant part of cooperation in the internationalisation process is conducted within an internal business network. In such a situation, relationships concern entities which are subsidiary in formal terms, but which often carry out business activities at least partially independent of the headquarters. Therefore, the analysis of a company's cooperation in the internationalisation process should concern both its external network and its internal relationships with selected entities [Ahmed, Rafig 2002; Cropper, Ebers, Huxham, Smith Ring 2010]; it is a consequence of today's phenomena of externalisation and internalisation of the internationalisation process [Fonfara 2014].

As part of the concept of company internationalisation maturity, we take into consideration a company's relationships with both external and internal entities. The significance of these relationships in terms of their impact on competitive advantage varies between different companies. In particular, in the case of smaller companies, relations with external-environment entities will definitely be more important. This results from these entities' not-very-complex internal organisational structure. On the basis of previous research [Matys 2013], it is assumed that in the external environment, owing to their importance, we should take into consideration buyers, suppliers, competitors and influential entities. The buyers may be institutional entities and individual consumers. As part of internal relationships, in turn, internal buyers and suppliers will be considered.

In practice, the significance of particular external and internal entities is dependent, among other things, on the industry, company size, and the intensity of competition. Hence, in the case of the specific component which is the scope of cooperation in the internationalisation process, it is assumed that a range of cooperating entities commensurate with the significance of external-environment entities and to the significance of internal entities has a positive effect on the level of a company's competitive advantage. This is because a company should focus on the relationships with those entities which have the greatest impact on its effectiveness, and therefore on its market and financial performance.

### **3. Operationalisation of the concept of company internationalisation maturity**

#### **3.1 Data collection and analysis**

As has been mentioned in the introduction, the considerations presented in this paper are part of a larger project. The qualitative research discussed in this chapter is the first stage of empirical studies conducted under the project. Its purpose was to verify the components of company internationalisation maturity, specifically their interpretation in the investigated companies and their influence on company performance. As part of the qualitative research, subjective measures of company performance were used [Dawes 1999; Hooley et al. 2003]. The term “subjective” means that since the company’s performance data are based on respondents’ subjective opinions, they do not represent actual figures for performance measures. Within the “subjective approach”, the Likert Scale is used to identify the spectrum of the company’s possible performance, from “very good” to “very poor” in comparison with the closest competitors.

The concept of company internationalisation maturity was analysed on the basis of case studies of 10 companies based in Poland. An exploratory qualitative research method was used in order to “uncover and understand what lies behind a phenomenon about which little is known” (Strauss, Corbin, 1990, p. 19) and to use the experience of people with regard to the analysed phenomenon (Bazeley, 2007).

The companies selected for the case-study analysis represented various industries, sizes and forms of ownership. A purposive sample was applied. This choice of companies was intended to ensure the most objective evaluation of the assumptions, and the possibility of reaching conclusions regarding the specificity of companies’ activities. Table 1 presents characteristics of the companies which were used as respondents in the study.

The case-study analysis presented in this paper was prepared on the basis of structured in-depth interviews conducted from November 2014 to February 2015. The interviews were carried out with company representatives occupying senior management positions, which ensured that they had a sufficient knowledge of the issues covered by the study.

During the interviews, semi-structured questionnaires were used with open-ended questions. The interviews were based mainly on open-ended and probing questions to encourage discussion of the phenomena (Denzin, Lincoln, 1998). Some of the interviews were recorded; in the other cases, detailed notes were taken. Next, for each case, a report was produced to present the company’s characteristics and evaluate specific components of the

concept of the company internationalisation maturity. The reports were subsequently used to reach further conclusions.

**Table 1. Characteristics of the companies participating in the study**

Company	Industry	Company size	Capital	Main forms of internationalisation	Main foreign markets where the company is present	Position of the person interviewed
A	equipment production	large	Polish	export, FDI	CEE, EU, Ethiopia	Export Sales Director
MN	accounting	large	foreign	FDI	Europe	Employer Branding Specialist
MX	food	large	Polish	acquisitions	Hungary, Czech Republic, Romania, Slovakia, Bulgaria, Russia, Turkey	International Sales Manager
N	IT	medium-sized	Polish	export of services	Western Europe, USA	CEO
P	specialist translation	small	Polish	export of services	Germany, Austria	Chairman
R	logistics, transport, shipment	large	foreign	FDI	Czech Republic, Estonia, Lithuania, Latvia, Germany, Slovakia, Ukraine, Hungary, Netherlands	Marketing Manager
S	food	medium	foreign	export, import	Lithuania, Latvia, Estonia, Ukraine, Russia	Board Member
T	machine production	large	foreign	export	Europe, USA	Chairman
V	manufacturing and construction	medium	Polish	export	Czech Republic, Germany, Russia	Financial Director
W	sales and construction	large	foreign	export	European Union	Managing Director

The in-depth interviews covered all areas important for the realisation of the research concept. The questions asked about components of the concept of company internationalisation maturity. Each time, respondents were asked to interpret the meaning of the components studied and to determine the effect of a given component on competitive advantage in the internationalisation process. This was done to ensure that the concepts used are understood and operationalised for the purposes of subsequent extensive quantitative research.

### **3.2 A case-study analysis of the components of company maturity in the internationalisation process**

The question about the influence which the time advancement of the internationalisation process has on a company's competitive advantage was answered by eight out of ten respondents. All of them agreed that this is an important feature of the internationalisation process, one that has a significant impact on performance, especially at the initial stage of international expansion. At the same time, they pointed to four causes that make the time advancement of internationalising one's operations so important.

The first one is the time necessary to build business relationships in overseas markets (indicated by six respondents). According to the respondents, operating effectively in the market requires having strong relationships with key players. The development of these relationships, in turn, takes time. The respondents pointed to the great importance of references in international activity. At the same time, they stressed that in the case of international expansion, references from the company's domestic market are far less important than those from foreign entities, from local subsidiaries of multinational corporations, and from the foreign target market. The most difficult thing for companies to do is finding the first foreign customer, that is, building the initial relationships with foreign buyers. It should also be noted that one of the companies indicated that each business relationship is developed separately, and that the development of each one takes a similar period of time. The company, however, has only one significant international relationship with a key buyer. Other respondents, who maintain more international relationships, pointed to the possibility of using the experience of building some relationships in establishing other foreign links.

Another cause of the great importance of internationalisation's time advancement is the development of knowledge (indicated by five respondents). The respondents highlighted two areas of knowledge developed in companies, areas which contribute to their better performance. The first one is the knowledge of the internationalisation process itself. Generating it allows the company to improve the process of expanding into new markets and to avoid repeating mistakes made during the internationalisation process. This area of knowledge also helps to select more favourable – from the viewpoint of performance – directions of international expansion, and better to match these directions to the objectives set. According to the respondents, this knowledge also includes experience associated with the development of international business relationships. The second area of knowledge developed in the internationalisation process is that of each foreign market. It includes information about

buyers' unique requirements and preferences, as well as local operating standards. In this way, albeit unconsciously, respondents referred to the Uppsala model in its basic [Johanson, Vahlne 1977] and revised [Johanson, Vahlne 2009] versions.

The third cause – indicated by four respondents – of the great significance of internationalisation's time advancement is executives' changing attitude to operating abroad. In the companies analysed, the beginnings of foreign expansion were often accidental and spontaneous. Additionally, in the initial period, companies experienced many difficulties caused by the lack of knowledge and experience. For these reasons, in the early stages of internationalisation, company executives did not perceive overseas markets as important, and were not inclined to allocate substantial resources to operate in them. With time, the situation evolved in all companies. As executives' attitude changed, also companies experienced organisational and "mental" changes, which led to an improvement in their competitive advantage in foreign markets.

The last, fourth cause (indicated by two respondents) of the significant impact of internationalisation's time advancement on performance in foreign markets is the time needed to build a brand image. According to the respondents, this is particularly important for companies whose products are offered in the B2C market owing to potential buyers' dispersion and a more emotional attitude to the products purchased than in the case of buyers in the B2B market.

In conclusion, it would be advisable to point to three comments made by respondents who assessed the influence of internationalisation's time advancement on performance in overseas markets. Firstly, respondents emphasised that the influence is clearly visible in the first years of international expansion, when, with the initial difficulties having been overcome, performance in foreign markets is clearly improved. Subsequently, the influence is imperceptible, which indicates that the relationship between the time of internationalisation and performance is non-linear, and confirms the results of research carried out by Sharma and Blomstermo [2003], among others. Secondly, a company's industry, size and character did not have an influence on this component's assessment by the companies surveyed. Finally, the answers strongly depended on the respondent's company's internationalisation stage. Companies in the early stages of expansion did not see any benefits in the development of general knowledge about internationalisation and building international relationships. However, these elements are highlighted by companies that are more experienced in conducting business abroad.

Questions about the impact of the employed forms of expansion on performance in foreign markets were answered by eight out of ten respondents. Although there were some differences in the assessment of the impact, all respondents agreed about two issues. Firstly, the form of entry should be adjusted to the purpose of expansion. If the purpose of the expansion is to sell production surpluses from the local market, then the form of entry should assume a small capital commitment. When trying to build a stable position in a foreign market, which involves creating a desired brand image, companies should strive to make foreign direct investments. Secondly, more important than the forms employed are executives' attitude as well as information gathered from the markets which are expansion targets. With the right approach to internationalisation, and thanks to established strong business relationships, even forms that require only a little involvement, such as export, help to achieve good results.

In addition to these two issues, in terms of their assessment of the impact that forms of expansion have on performance, the respondents were divided into two groups. Representatives of companies using advanced forms of entry (in all cases it was a selected form of FDI) pointed out that these forms lead to improved performance in foreign markets. They justified this with an opportunity to have greater control over the sales process and provision of after-sales services [thereby maintaining high standards of these services], and an opportunity to plan, in the long term, activities related to promotion, brand-image development, and an improved use of the local human-resource potential. On the other hand, representatives of companies using less advanced forms of expansion observed that these are dependent on the specificity of the industry and the company. As they operate in market niches, work on a small scale, or face capital constraints, some companies are forced to use the simplest form of expansion, which is export, while achieving satisfactory results in overseas markets. In the case of these companies, it is more important to strengthen business relationships, in particular those related to the sales process and gaining knowledge about foreign markets.

The nature of formalisation of the internationalisation process was commented on by eight out of ten respondents. Having analysed their answers, it can be concluded that formalisation of a company's foreign operations increases with the scale of the activity and with the size of the company itself. Respondents point to two causes of this phenomenon. The first one is the need to put in order and to control the increasing number of foreign operations. This need gains additional significance if the development of international activities is accompanied by the organisation's growth, which usually results in an increased formalisation

level of all procedures. The second cause given is the changed perception of foreign expansion, a change that accompanies its development. According to the respondents, selling to foreign markets initially consists in taking advantage of emerging opportunities and reacting to them appropriately. Because of the growing scale of international operations, foreign markets are perceived as a potential source of stable revenues. A guarantee of stable revenues from international operations would be to stop seeing them in terms of opportunity and include formalised internationalisation-related objectives in strategic plans. Thus, as a rule, formalisation of company internationalisation involves determining the directions of expansion and setting sales- and/or image-related targets.

It is also worth emphasising that, in practice, it is possible to distinguish all formalisation levels of the internationalisation process identified in the theoretical considerations above. At companies conducting small-scale international operations, the internationalisation process develops spontaneously. It is based on occasional orders or a small number of foreign buyers, often supported by informal interpersonal relationships. At some companies, we can identify a spontaneous internationalisation process with elements of formalisation. In practice, this means that foreign expansion is not included in a formal document, but company executives declare that they know the directions and goals of expansion. In the group of companies which are the largest and most experienced in terms of internationalisation, foreign activity is often an element of these firms' strategy, part of their vision and mission.

One of the issues raised by respondents in the context of formalisation of the internationalisation process is the importance of informal relationships in business relations. It is commonly believed that such relationships support formal contracts, helping to repeat transactions and enforce agreements. The respondents point to the special importance of these relationships in the early stages of the transaction process, as they often determine whether to start cooperation, and prove useful in negotiating contract details and in long-term relationships based on established relational standards. And it is primarily in these terms that we can speak of the impact of informal contracts in the internationalisation process on company performance. This is confirmed by research into interpersonal relationships' significance for the occurrence of opportunity in the process of internationalisation [Zahra et al., 2005; Chandra et al., 2009; Johanson, Vahlne, 2009; Ellis, 2011; Ratajczak-Mrozek, 2014]. An example of an increased formalisation of business relationships is the selection of partners based on predefined detailed criteria (eg, concerning market experience or possible technical support).

The second of the identified main components of company internationalisation maturity is the nature of cooperation in the internationalisation process, a component that encompasses openness to cooperation, the atmosphere of cooperation, the level of trust as part of cooperation, the scope [scale] of conflicts as part of cooperation, and psychological distance.

Openness to cooperation was divided by all ten respondents into two areas. The first one concerns openness to cooperation with buyers in foreign markets (in the case of one company, owing to the specificity of its activity, they were internal customers of a capital group). The respondents agreed that no company should close itself to cooperation with this group of entities. In their view, openness in a relationship with buyers involves being ready to cooperate and test each other, being flexible, able and willing to understand differences (including cultural ones) and special needs, as well as being ready to introduce changes and innovations. According to the respondents, this means that openness to relationships with buyers has a positive effect on company performance in the process of internationalisation.

The second area of openness to cooperation may concern other entities in overseas markets (eg, commercial intermediaries or suppliers of complementary goods). According to the respondents, companies can quite deliberately decide to open or close themselves to such groups of partners. At the same time, they pointed out that since both approaches have their advantages and disadvantages, it is difficult to ascertain the superiority of one or the other solution in the context of company performance. On the one hand, doing business independently requires major investments. On the other, however, this approach involves less risk thanks to greater control and the absence of the risk of our partner's opportunistic behaviour. It cannot be clearly demonstrated that one of these approaches is more likely to improve performance in foreign markets. Openness or closedness to cooperation with entities other than the buyers is, to a large extent, dependent on the company's specific situation: the industry (including industry customs and professional groups' mentality), the company size (mainly because of the expenses involved in conducting all activities by oneself), and past experiences (eg, losing confidence in an important partner in the past may reduce our willingness to cooperate with other entities).

Questions about the atmosphere of cooperation were answered by nine respondents. All of them agree that the atmosphere of cooperation with foreign partners has an impact on building a competitive advantage in overseas markets. The respondents point out that a good atmosphere encourages business cooperation and, in particular, helps to resolve conflict situations. At the same time, four respondents stressed that a positive atmosphere is not a sufficient reason for cooperation if the partners do not derive business benefits from it.

However, the study results suggest that the respondents find it difficult to clarify what the atmosphere of cooperation actually is and what it depends on. It seems to be a complex concept, largely dependent on the indefinable interpersonal skills of particular employees. The respondents pointed to the influence exerted on the atmosphere of cooperation by the trust that unites the partners, the styles and methods of communication used, the values (including ethical ones) shared by the partners, understanding and similar mutual expectations, cultural differences, as well as the duration of the relationship and the business benefits gained. At the same time, only one respondent mentioned monitoring the atmosphere of cooperation by means of satisfaction surveys conducted among foreign buyers.

All respondents answered the questions about trust in a relationship between companies. The respondents tended to agree in their assessment of its significance for performance, believing that trust is a basis for doing business. At the same time, they observed that both aspects of trust – trust in kindness and in reliability – are very important, although, depending on the national culture, in some markets one of them may be more significant than the other. Only one company indicated that its behaviour in business relationships is characterised by limited trust in partners and a greater focus on controlling activities.

In the context of trust, respondents pointed to three phenomena important from a practical point of view. Firstly, building a high level of trust takes time and requires business experience. However, a company can have an acceptable level of trust in partners with whom it has not cooperated before if the partners can provide evidence that they are trustworthy. This is related to another phenomenon indicated by the respondents, namely trust certification. In business practice, it is possible to obtain certificates of kindness and reliability. The third phenomenon is a widespread bilateral trust. Respondents could not point to a situation where one party's great trust was not reciprocated.

Eight respondents raised the issue of conflict in cooperation. It should be stressed that in this respect they were exceptionally unanimous. All respondents observed that, in the long term, it is not possible to avoid conflict situations. Such situations, however, do not have to have negative consequences if they are addressed properly. Indeed, conflicts may produce positive results if they stimulate a constructive discussion. In this context, the respondents emphasised the need to develop in advance, and agree with business partners, detailed procedures for conflict resolution. An analysis of the responses received additionally suggests that these procedures should be adapted to the sector and mentality of the stakeholder groups involved (eg, IT companies can use teleconferencing to solve difficult situations, while in more traditional industries personal meetings are often needed). Given that, on the one hand,

conflict situations are inevitable and, on the other, they may be radically different in nature, intensity and effects, it is difficult to make clear generalisations about their impact on company performance in the internationalisation process.

The question about psychological distance was answered by eight out of ten respondents. In terms of this component, companies were clearly divided into three groups. The first one consisted of companies with Polish roots. They commented that cultural similarity definitely makes it easier to do business, in particular establish and strengthen relationships (including informal ones) with business partners. For this reason, some of these companies deliberately restrict their expansion area to Central and Eastern European markets. The second group consisted of Polish subsidiaries of multinational corporations. Respondents belonging to this group observed that, although a large psychological distance really is a challenge and as such can impede cooperation, it is still possible to effectively prevent such situations. What is required above all is cultural awareness at the organisational level, an appropriate development of this awareness among staff, and tasks which require cross-cultural competence being assigned to relevant employees or business units. It is worth emphasising that, at the corporate level, companies belonging to the second group have more international experience and conduct business abroad on a larger scale than companies from the first group. The third group consists of one company which in cultural differences sees mainly benefits related to learning opportunities. The company, however, operates in the IT industry, which constitutes a subculture of sorts, independent of psychological distance; in this case we can speak of cultural proximity at the industry level, regardless of the location. The conclusion is, therefore, that it cannot be clearly established when psychological distance (the presence or the absence thereof) has a greater impact on company performance.

The third main component of maturity is the scope of cooperation in the internationalisation process. Six respondents answered the questions concerning cooperation with key entities from the external international environment. All of them commented that their main focus is on buyers in overseas markets. At the same time, each respondent pointed to other entities of importance from the viewpoint of internationalisation. Their choices were dependent on the specificity of each company's industry and situation. The entities included suppliers of means of production, providers of services, subcontractors, opinion-forming entities giving references, and other influential entities (government agencies, certification organisations, etc). It seems, therefore, that from the viewpoint of performance each company

finds it important to work with buyers in foreign markets and with other entities, whose list varies depending on the specificity of the company and the industry.

The significance of cooperation with internal entities for the internationalisation process, which was commented on by six respondents, seems to be strongly determined by the company's specificity. The respondents observed that cooperation may involve sales in overseas markets through the structures of associated companies, after-sales service, knowledge sharing, etc. The possibility of such co-operation is determined by the presence of extensive internal international structures. Therefore, it usually concerns larger organizations. The nature of internal cooperation is also highly influenced by the centralization. In the case of high centralization cooperation with internal entities often amounts to forms and directions of expansion being imposed by the headquarters (parent company). It should be noted that the headquarters imposing an internationalisation strategy may have a positive or negative effect on performance in the internationalisation process, although it seems that, in most cases, cooperation with internal entities produces positive results.

Table 2. synthetically presents the respondents' views on the influence of the components analysed.

**Table 2. The impact of specific components of the concept of internationalisation maturity on company performance.**

Components	Number of respondents who commented on the component	Influence on company performance	Comments
Time advancement of the internationalisation process	8	positive (especially in the first years of expansion – influence on performance non-linear)	Component important because of the time required to: <ul style="list-style-type: none"> <li>• build strong business relationships in overseas markets,</li> <li>• develop knowledge of the internationalisation process and overseas markets,</li> <li>• change executives' attitude to operating abroad,</li> <li>• build a brand image.</li> </ul>
Advancement level of internationalisation forms	8	differences in opinions	<ul style="list-style-type: none"> <li>• form of internationalisation should be adjusted to the purpose,</li> <li>• more important than the form of internationalisation is the firm's ability to gather information from the markets</li> </ul>
Formalisation level of internationalisation process	8	positive	<ul style="list-style-type: none"> <li>• increases with the scale of activity and with the company size,</li> <li>• informal relationships support formal contracts</li> </ul>

Openness to cooperation	10	positive with purchasers; difficult to ascertain with other entities	<ul style="list-style-type: none"> <li>no company should close itself to cooperation with purchasers,</li> <li>companies can quite deliberately decide to open or close themselves to cooperation with other entities (eg, commercial intermediaries or suppliers of complementary goods)</li> </ul>
Atmosphere of cooperation	10	positive	<ul style="list-style-type: none"> <li>atmosphere is not a sufficient reason for cooperation if the partners do not derive business benefits from it,</li> <li>atmosphere largely dependent on the indefinable interpersonal skills of particular employees,</li> <li>atmosphere in fact encompasses openness, trust, the scale of conflicts and psychological distance</li> </ul>
Level of trust as part of cooperation	10	positive	<ul style="list-style-type: none"> <li>trust is a basis for doing business,</li> <li>building a high level of trust takes time and requires business experience,</li> <li>trust is bilateral</li> </ul>
Scope [scale] of conflicts as part of cooperation	8	no influence (influence dependent on the way conflicts are resolved)	<ul style="list-style-type: none"> <li>in the long term, it is not possible to avoid conflict situations,</li> <li>conflicts may produce positive results if they stimulate a constructive discussion</li> </ul>
Psychological distance	8	differences in opinions	<ul style="list-style-type: none"> <li>cultural awareness at the organisational level, and appropriate development of this awareness among staff is required</li> </ul>
Cooperation with external entities	6	positive	<ul style="list-style-type: none"> <li>main focus is on buyers in overseas markets</li> <li>other entities dependent on the specificity of each company's industry and situation</li> </ul>
Cooperation with internal entities	6	positive	<ul style="list-style-type: none"> <li>strongly determined by the company's specificity</li> </ul>

To recapitulate, it could be stated that empirical verification has confirmed the significance of all the components for the company performance achieved in the internationalisation process. It should be emphasised, however, that the nature of the impact and the significance of particular components may vary, depending on a company's unique situation (eg, its experience and scale of overseas operations) and the industry in which it operates (including the scope of the industry's internationalisation).

One of the identified components, namely the atmosphere of cooperation, requires an additional comment. This study has demonstrated that the atmosphere of cooperation has a considerable influence on the course of the internationalisation process itself and on company performance. Respondents observed, however, that the atmosphere can actually be analysed from the viewpoints of openness, trust, conflict and psychological distance, that is, the other components of the nature of cooperation in the internationalisation process. For this reason, the decision was made to discontinue in further research a detailed analysis of the "atmosphere of cooperation" component.

## **Conclusion**

An inspiration for the concept of company internationalisation maturity proposed in this paper was the present authors' earlier research conducted to identify the mechanism of a company's competitive-advantage development in the process of internationalisation. The concept, based on the assumption of the significant role of relational resources in achieving an advantage over the closest competitors, is designed to evaluate the process of a company's internationalisation in the context of its market and financial performance. Components of company internationalisation maturity (concerning the nature and scope of cooperation in the process of internationalisation) are assumed to be related to relational resources and, in accordance with the network approach, cover the entirety of a company's relationships in the internationalisation process.

Ascertaining the influence of a company's relational resources (in the network approach referred to as business relationships) on its performance is a complex task. As mentioned earlier, researchers usually adopt different variables associated with the relational resources under consideration and indirectly attempt to determine the extent of their impact on company operation. A similar solution is adopted in the concept of company internationalisation maturity presented in this paper. The concept consists of set of components related mainly to relational resources which have a clear impact on company performance (a finding that was also confirmed by the aforementioned empirical studies). The components can be used to analyse the mechanism of competitive-advantage development from the angle of a company's level of internationalisation maturity.

The case studies that were conducted confirmed the existence of a relationship between the adopted specific components of a company's internationalisation maturity and its performance. It should be emphasised at the same time that, although the research confirmed the significance of the analysed components of the concept, we cannot make clear generalisations about the impact of particular components of companies' performance and thus on their competitive advantage. The components identified may have a various impact on company performance. This depends, among other things, on the company size, organisational factors and industry specificity. For instance, in the case of smaller companies, the "cooperation with internal entities" component may not exist. The duration of participating in the internationalisation process, in turn, may not be of such great importance for multinational corporations' subsidiaries because the corporation's experience and capabilities compensate for a subsidiary's short presence in overseas markets. On the other hand, industry specifications may determine the choice of the internationalisation form; eg, in

the case of services it will often be foreign direct investment, in which situation it is impossible to consider shifting gradually from a less to a more advanced form of the company's involvement in the internationalisation process.

The analysis presented in this paper indicates directions for further studies that its authors intend to carry out. Firstly, extensive quantitative research should be conducted. This will help to demonstrate the actual relationship between the level of the identified specific components and company performance in the process of internationalisation. The present authors' extensive quantitative research scheduled for 2016 should also allow them more precisely and objectively to determine the relative significance of particular components in competitive-advantage development. This may provide a basis for creating a consolidated maturity aggregate that will take into account the varying impact of particular components on company performance, which should be helpful in studying and understanding the company internationalisation process.

The concept of company internationalisation maturity presented in this paper is based, to some extent, on an arbitrary selection of specific components and their division into three main components. Some of the specific components (eg, the atmosphere of cooperation and trust as part of cooperation) are closely intertwined and linked. In practice, therefore, it is often difficult to consider them separately. It is assumed that the proposed concept of maturity is open in nature. This means that in the course of further research (eg, as part of the aforementioned extensive quantitative research) it may be subject to certain modifications intended, among other things, to establish a set of components which most often play an important part in competitive-advantage development.

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