International Strategic Management: A Conceptual Model with Top Managers' Emotional Intelligence, Cultural Intelligence, and Networking

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Abstract: The conceptual approach in this article follows and analyzes the holistic model of Kuivalainen, Sundqvist, Saarenketo, and McNaughton in 2012, making it analytically fitting to the SMEs' international strategic groups concerning their international scale and scope. That model, according to our conceptual proposal, needs a methodological readjustment to an effective conformity towards the cross-sectional research. Accordingly, we presented two main considerations. First, we put together a conceptual model, fitted towards the field of top managers’ psychological characteristics as major antecedent of the firms’ international strategy. Second, the proposed conceptual model is methodologically oriented for cross-sectional studies. In relation to the antecedents, we took top managers’ emotional intelligence and cultural intelligence as distinctive capabilities of the firms’ international strategy and as major antecedents of top managers’ networking behaviors. Regarding firms’ international performance as the major conceptual model outcome, a multidimensional approach is taken with financial, strategic, and overall performance. These elements of the international firms are regarded as of major importance within the international firms’ enterprise architecture. Methodologically, we performed a bibliographic review on the fundamental concepts that we present in the model. Concerning the results, we provided a research model that raised a whole set of new leads for research with some proposals for future investigations.

Keywords: strategic management; internationalization; emotional intelligence; cultural intelligence; networking; international performance

1. Introduction

The conceptual framework developed is grounded in international business, psychology, and networks fields. It addresses firms’ international strategic groups, their international strategic decisions concerning the scale and scope of internationalization, and international performance. It also addresses the psychological characteristics of the international top managers in charge of the firms’ international activities as distinctive capabilities that characterize the intensity and scope of firms’ international strategy, as well as significant precursors of their networking behavior.

The methodological approach in this article follows and analyzes the holistic model of Kuivalainen, Sundqvist, et al. [1], which calls for research into international patterns of small and medium-sized enterprises (SMEs), their identification, and explanation, with due consideration to their dimensions, antecedents, and performance. According to the model, the main dimensions for the internationalization patterns are the time, scale, and scope of internationalization. Regarding their antecedents, the model
emphasize the managerial, firm, and environmental levels. In relation to performance, the model highlights, among others, the international financial performance, international growth performance, and performance relative to firm goals. Then, this paper focuses on the managerial level, specifically on the international top managers’ psychological characteristics, namely, on emotional intelligence and cultural intelligence as major antecedents of the firms’ international decisions concerning the scale and scope of internationalization. Regarding the international performance, our approach reflected the emphasized performance relative to firm goals concerning the international financial and strategic spectrum as well as the overall international performance.

Therefore, the present theoretical proposal follows the conceptual overview of the internationalization patterns of Kuivalainen, Sundqvist, et al. [1], making it analytically fitting to the SMEs’ international strategic groups concerning their international scale and scope. Within the international business field the bulk of research is controlled by cross-sectional studies. The longitudinal ones are a minority. Hence, the presented model (Figure 1), according to our proposal, needs a methodological readjustment to an effective conformity towards the cross-sectional research. Therefore, taking into account the dynamic nature of the top managers’ emotional and cultural intelligences, since these are learnable and can be improved over time [2,3], and the fact that the top managers may not be the same of those at the beginning of the firm’s internationalization process, we must avoid studying their influence on the past decision to internationalize. Thus, we took as non-methodologically adequate studying the influence of the current top managers’ intelligence levels over the time dimension that reflects the time span between the founding of a firm and the beginning of the internationalization process. In line with this, and also due to the dynamic nature of internationalization [4], we emphasize the methodological adequacy of the longitudinal analysis. It contributes to a deeper understanding of the internationalization causal relationships between antecedents and outcomes [5]. Therefore, for that purpose, laboratories of firms should be set up, and there should be built laboratories information systems to collect and monitor all the information of interest for the respective phenomena under study.

Figure 1. Kuivalainen, Sundqvist et al.’s [1] model of internationalization patterns, antecedents, and outcomes. **Note:** # (number). **Source:** Kuivalainen, Sundqvist, Saarenketo, and McNaughton, “Internationalization patterns of small and medium-sized enterprises”, published in the journal International Marketing Review in 2012, page 452.

Through our bibliographic review, we present a model with a cross-sectional methodological character. Our conceptual proposal consists of a research model with two new considerations. In the first place, the conceptual model is fitted towards the field of the top managers’ psychological dimension, specially, emotional intelligence and cultural intelligence as antecedents of the firms’ international strategy. Secondly, the proposed conceptual model contains a
fundamental methodological signature for cross-sectional studies. Moreover, through our bibliographic review of the different concepts and theories, the proposed model takes those two types of top managers’ intelligences as distinctive capabilities of the firms’ international strategy and as major antecedents of their networking behaviors. Due to the relevance and scientific interest regarding firms’ performance, the international performance as major consequence of the firms’ international strategy is considered in a multidimensional approach with different types of outcomes.

Taking the above into consideration, the next Figure 1 exhibits the referred model that supports the conceptual line of our theoretical approach.

With regard to top managers characteristics in business internationalization, those embody an important, recent, and necessary line of research [6-10]. Organizations do not tread their paths alone [11,12] and top managers are central decision-makers [13]. Their personal characteristics are relevant to SMEs’ international performance and can be decisive to overcome weaknesses concerning resource availability [14]. Hambrick and Mason’s [11] theory argued precisely this important connection between managers’ characteristics, strategic decisions, and performance. In international strategy, the vast body of literature that focuses on the relationship between internationalization and performance is short on the influence of top managers’ characteristics [7]. Their characteristics should also not be neglected concerning international decisions [6,9,15]. Furthermore, research on managers’ psychological characteristics and a firm’s degree of internationalization is a current and relevant subject [9,15]. Several studies support the claim that certain of these characteristics are promoters of early, fast, and larger scale and scope internationalization [1]. Given the relevant role of international top managers’ psychological characteristics on firms internationalization, and having in mind the existing research gap [6], the present paper emphasizes their intelligence by combining emotional intelligence (EI) and cultural intelligence (CQ). We argue in this article that top managers’ cultural and emotional intelligences are distinctive capabilities to deal with the emotional and cultural challenges of the firms’ international expansion. EI is taken as significant to deal with the emotional vicissitudes from the diverse international environments, contacts, and realities. In this context, cultural diversity also demands accordingly a set of capabilities to deal with its differences and challenges [16]. To that end, we took cultural intelligence as a major intelligence to top managers’ actions within the international context. These are two of the most relevant intelligences within intercultural contexts [17] that despite being different are related to each other [18]. In fact, and according to Gundling et al. [19], the complexity and multiplicity of the world business reality requires from the leaders different ways of thinking and acting. In this sense, they should hold a different set of capabilities to deal with less boundaries across the world, but at the same time with a lot of boundaries concerning differences across cultures and business practices [19]. Therefore, to an effective contemporary leadership in this context, multiple forms of intelligence appear to be of utmost importance to an effective global leadership [19].

The firms’ international context calls for managers’ international decisions and for managers’ networking behaviors. In this model, networks will also be addressed due to their relevant role in internationalization [20]. To SMEs, the networks and the networking activity embody an important dimension to firms’ internationalization and success, allowing, among other aspects, an answer to some resource constraints and the recognition of opportunities [21-23]. Therefore, relationships by networks play a relevant role in internationalization [24].

Internationalization is one of the main contemporary business strategies [25]. It enhances entrepreneurial performance [7,26] and embodies a set of challenges and strategic opportunities to SMEs [25] that allow them to compensate for domestic market weaknesses and saturation [27] by promoting knowledge and access to other markets, stakeholders, resources, and institutions [28]. Globalization and technological advances have contributed to international expansion by reducing firms’ internationalization costs and pushing new firms to start rapid and early internationalization processes [29,30]. The internationalization processes, from both theoretical and empirical points of view, needs further research within the refereed conceptual framework [1,4]. Nevertheless, several recent investigations in the field of SMEs international business focus on their international processes
e.g., [31–34]. In this context, as an important feature of the firms’ international reality, the Uppsala internationalization process model, born globals and born-again globals will be addressed as prominent international patterns [1]. However, when the present article focuses on whether the top managers’ psychological characteristics influence firms’ internationalization, we should take into consideration the firms’ path dependence settings [35] and the realized strategy [36]. Consequently, our conceptual framework outlines an investigation approach towards, not the internationalization processes, but the firms’ international strategy. In this sense, our conceptual line considers the study of the influence of the present top managers’ intelligences on the present realized international strategy. The firms’ international strategy is taken as a multidimensional construct concerning the firms’ international scale and scope e.g., [37]. Accordingly, different strategic groups emerge with the respective degree of internationalization (DoI) combining the scale and scope of internationalization.

It is beyond question that SMEs are a central subject matter in international business field, as well as an essential component of the world economy [38,39]. This paper makes a theoretical contribution, within this strategic field, and seeks to improve future scientific research dealing with theories, models, and concepts that must be taken into account due to their relevance, adaptivity, and representativeness of the internationalization phenomenon. It should be emphasized that this area of investigation is embedded with conceptual and methodological complexities [1]. Within the international business field, and following the revision of Hennart [40] regarding the theoretical rationale that supports a positive relationship between international diversification and performance, this article performs a conceptual conjugation between that and the following theories: upper echelons (UE) theory, resource-based view (RBV), and network theory. The interdisciplinary approach is relevant, because, and according to Saeed and Ziaulhaq [10], a single theory cannot comprehensively explain the complexity of internationalization phenomenon while integrating top managers or entrepreneurs’ characteristics e.g., [7]. As stated above, this paper is located at the managerial level of the internationalization model in Figure 1. Applying the theory that internationalization is a positive contributor for the performance of firms within the Kuivalainen, Sundqvist et al.’s [1] model of internationalization, we then used the upper echelons theory to stress the relevance of the psychological characteristics of the top managers for the firms’ international decisions. Following this line, and according to the RBV, we took the top managers’ emotional intelligence and cultural intelligence as relevant intangible assets for firms’ sustained competitive advantage and performance [41]. Finally, regarding the network theory, given the relevant role of the networks for firms’ internationalization, within the model that is under consideration, at the managerial level, we took the top managers’ networking activities as another important characteristic. In fact, networking with partners facilitates firms’ internationalization [42].

Nowadays, the digital economy is a reality and new trends in information technology are verifiable [43]. Regarding the current digital era, and taking into consideration the enterprise architecture as “a practice and emerging field intended to improve the management and functioning of complex enterprises and their information systems” [44] (p. 103), the present paper makes its own contribution to that field. While an important way to describe an organization and its information system, the enterprise architecture plays an important role in establishing the alignment between the firms’ strategy and information system [45]. Enterprise architecture includes all enterprise artifacts like business, organization, applications, data, infrastructure, and their relationship [43,46]. Usually it is divided into business architecture, data architecture, applications architecture, and technology architecture [47]. It optimizes the firms’ information technology and translates business strategies into technology solutions [48]. Given the required alignment between business and information technologies and the mentioned four architecture domains, the main purpose of the enterprise architecture is to model the gathered information from business and information technologies in order to execute the firms’ strategies [47].

Therefore, within the architecture perspective, it is important to understand the components of the firm and their relationship [44]. Thus, taking into account the emphasized components of the presented model in this paper, and from a business architecture point of view, the consideration of the top managers’
psychological characteristics in the firms’ international strategy and international performance are of major relevance for firms’ international missions and firms’ enterprise architecture. In fact, within the current international business context, increasingly demanding and complex, we put emphasis on the international top managers’ psychological characteristics that should be diagnosed and monitored in order to better support the firms’ international expansion. Consequently, from this business architecture point of view, we emphasize the need and the important role of new developments in the firms’ information systems considering the international strategy components of the firms, their international performance dimensions, and the international top managers’ psychological characteristics. This allows the direction of information for the internationalization strategy, for instance, regarding the emotional and cultural intelligences level of the individuals acting internationally, as well as regarding the current level of the firms’ international performance in all of its dimensions. As a result, the consideration of the present model within the enterprise architecture allows the promotion of a better model for firms’ decision-making and further control regarding internationalization as well as the design and execution of the organizational structures and respective business and information and technological processes.

In this paper, we also stress the importance of developing information systems regarding the setup of business laboratories for longitudinal research. The development of new applications to monitoring firms’ data regarding the international business spectrum and regarding the international top managers’ emotional and cultural intelligences level as they change over time are of major relevance to firms as this paper emphasized.

This article makes five major contributions. First, it emphasizes the role of the international top managers’ psychological characteristics (EI and CQ) to the firms’ international strategy and to networks. Second, the value of the international strategy to firms’ performance is stressed. Third, it expands UE theory and RBV by considering the value of the mentioned psychological characteristics in SMEs’ internationalization. Fourth, it also contributes to the body of knowledge of networks linking the emotional and cultural intelligences to the networking behaviors. Finally, it contributes to research with a reflexive approach of the multidimensional nature of the constructs.

Concerning the structure of the present paper, Section 2 is composed of the model theoretical bases. The theoretical foundations are explained: the upper echelons theory, the resource-based view, and the network theory. In Section 3, the internationalization framework is addressed. We approach the internationalization processes, their constitutive dimensions, the international strategy, and strategic groups. In Section 4, we present the international performance approach and the conceptual model overview. In Section 5, we address the conceptual model antecedents, namely, emotional intelligence, cultural intelligence, and networks. In Section 6, we present a brief discussion regarding our propositions. In Section 7, we present the conclusion and future research avenues.

2. Conceptual Model Theoretical Bases

The major theoretical foundations of the present conceptual approach are the theoretical rationale that, according to the revision of Hennart [40], supports the firms’ internationalization as a positive contributor to their performance, the upper echelons theory, the resource-based view, and the network theory.

The literature concerning the rationale of the positive influence of internationalization over the firms’ performance suggests that the higher the firm’s international diversification, the lower its risks and the higher its profitability. Therefore, as Hennart [40] mentioned, according to international diversification and performance scholars, the more internationalized a firm is, the lower its risks, the greater are its possibilities to exploit economies of scale, the better the access to resources, and the more possibilities for learning it has. This is the internationalization theory under which the other theories are applied. This paper takes EI and CQ as major psychological capabilities in top managers’ intercultural assignments, leading to a better ability to adapt and deal with the emotional and cultural vicissitudes emerging from intercultural contacts and to a better discovering and exploitation of opportunities. The focus on the psychological dimension of the top managers as antecedent
of the firms’ internationalization contribute to the body of knowledge of the UE theory and RBV. When stressing firms’ resources as the base of sustained competitive advantage and performance, RBV reinforces the argument that managers’ intelligence, knowledge, and relationships are important elements [41]. In this domain, intangible resources play an important role in internationalization [49], and unique and valuable assets promote firms’ entries in international markets [50]. In this sense, we took EI and CQ as important intangible assets with influence within the firms’ decisions on international expansion. Therefore, the top managers’ EI and CQ are major intangible assets throughout the firms’ international decisions, a fact that is also in accordance with the UE theory. This paper also invokes the value of networks in the field of international business. Because internationalization is a relational process, the present approach assumes that the managerial psychological characteristics may have an important role in their networking activity and this activity may play an important role in the firms’ internationalization. Then, we used network theory to show how the networking relationships promote the necessary dynamics to internationalization [42].

Global leadership is a relevant topic, and the recent economic trends that firms are going through imply that leaders have to attend to those changes. The mental models of the leaders must be updated to deal with the complexity of the widely boundaryless world, but at the same time with a lot of boundaries concerning business practices and culture [19].

At this point, within the scope of our conceptual framework, we cannot miss the consideration of the theoretical categorization of Gundling et al. [19] concerning the global leaders’ behaviors to success. Gundling et al. [19] categorized several behaviors into five major stages integrating the “SCOPE model”. This is constituted of ten behaviors considered crucial to succeed in the global context. The five behavioral stages are S (seeing differences), C (closing the gap), O (opening the system), P (preserving balance), and E (establishing solutions). An important step to act internationally is the ability to see the differences and similarities in the global markets. The cultural self-awareness and the capability to discover unfamiliar aspects of the local cultural environments play an important role in business [19]. In this context, reading nonverbal reactions is another relevant aspect. The other stages essentially refer to the following behaviors: building strong personal relationships, an important activity for doing business, and the flexibility in adapting to different cultures and business practices (C); the creation of a sense of engagement and supporting the development of future leaders (O); knowing when to adapt and when not to adapt in the global context (P); and driving collaboration across firm boundaries and creating new solutions through the acquired knowledge in cross-cultural exposures (E).

Taking the above into account, regarding the Gundling et al.’s [19] five stages, we suggest that the international top managers’ emotional intelligence and cultural intelligence play a relevant role towards the above mentioned behaviors. In fact, the authors refer to the fact that multiple forms of intelligence are an important topic within the contemporary leadership approaches, where emotional intelligence and attending to emotions are a current relevant issue to leadership. Within the intercultural field, the intercultural competence of the leaders is also a relevant issue that deserves attention. As discussed, leaders that interact in intercultural environments must be able to recognize and appreciate the differences and similarities and to adapt themselves to deal with the diagnosed differences. Therefore, we acknowledge the relevant role that cultural intelligence may play in the international context.

Regarding the cultural differences at stake, we also stress that the Hofstede model of six dimensions of national cultures [51] is an important intercultural approach to assessing cultural differences across countries and inherently helping leaders in their leadership [19].

2.1. Upper Echelons Theory

The widely recognized and cited UE theory [8,52] ascribes decisive significance to top managers’ characteristics in organizational reality, specifically regarding strategic choices and performance [11,12,52]. Strategic decisions are taken as a reflection of UE personal characteristics, top managers’ values, and cognitive basis that, by influencing their perception process, affect their
decisions and subsequent organizational performance [11,52]. Accordingly, the upper echelons theory stresses that the top managers make their strategic decisions on the basis of their idiosyncrasies, i.e., their observable, but also their psychological, characteristics, affecting the firms’ strategic outcomes [11,12,52]. Both the reflection of top managers’ characteristics in internationalization and performance, as well as this theory’s integration in these models, are not properly studied and interconnected [7]. The presented approach seeks to fill in this gap by establishing a modern and much needed basis in the field [53]. Like other studies in this area e.g., [8–10,13,54], the present proposal emphasizes the propellant value of top managers’ characteristics in the domain of internationalization processes: these emerge as decisive e.g., [6,9,15,55]. Thus, the significant influence of top managers’ psychological characteristics on SMEs’ internationalization is recognized as a relevant subject of research [6,15]. It should be noted that these characteristics are not easily observable to the naked eye: both the process of collecting data and measurement are difficult tasks to perform [12,52]. To this effect, the theory provides a focus on demographic characteristics as proxies e.g., [8,10,13,56]. However, Hambrick and Mason [11] have already warned us about some noise they might produce: they appear to generate inconsistencies in what they ought to measure and explain [52]. In this sense, to the detriment of demographics and in spite of these difficulties, research must strive to refine the use of substantial psychological characteristics e.g., [6,9,15,54]. In fact, top managers’ personal characteristics appear to be essential to the firms’ internationalization e.g., [57].

2.2. Resource-Based View

The resource-based view underpins the present conceptual approach. This theory is valuable to study the internationalization phenomenon, performance, and networks, respectively [58]. In international business, it is a theory commonly used e.g., [10,14,59]. Accordingly to its premises, firm resources, heterogeneously distributed across firms [41,60], are the backbone of sustained competitive advantage and performance. These must be valuable, rare, imperfectly imitable, and non-substitutable [41].

Oviatt and McDougall [50], regarding international new ventures (INV), emphasize that the possession of unique and valuable assets promotes the entry in international markets. Intangible resources play a relevant role in firms’ internationalization [49]. RBV classifies resources as physical, human, and organizational [41]. Human capital resources include managers and workers knowledge, intelligence, relationships, and experience [41]. For instance, in line with UE theory and RBV, entrepreneur’s capabilities in their international networks, especially CQ, play a relevant role in the relationship with foreign clients and partners, and subsequently in SMEs international performance [61]. Knight and Cavusgil [62] emphasize that “managers in young, internationally oriented firms should develop knowledge that is both relatively unique and inimitable, in order to maximize its utility for superior international performance” (p. 136). Thus, and according to Barney [41], managers are an important business actor that may have the power to produce sustained competitive advantage. Hence, the present conceptual approach takes decision-makers’ EI and CQ as important intangible resources.

2.3. Network Theory

The network approach is one of the most important explanatory contributions to SMEs internationalization [63]. The importance and advantages of networks in business internationalization and international performance is a current research topic e.g., [22,25,64,65]. In the present research, we recognize that in firms’ internationalization, the relationships play an important role, indicating the important subject of research that networks are within this environment [22,23,64]. It should be noted that a lack of consensus exists concerning network definition [58].

In the network approach of SMEs internationalization, Chetty and Holm [42] argue that firms operate in a business environment embedded with direct and indirect network relations. Thus, to firms, networking with partners promotes the necessary dynamics to internationalization [42]. The creation
and development of international networks is of great importance [65], stimulating solidarity and cooperation and enabling market penetration [49]. Networking relationships are an important social activity to business [66], a facilitator of internationalization, and a significant source of information [67].

3. Internationalization Framework

Globalization establishes internationalization as an important source of growth and survival, namely for firms in limited domestic markets [7]. According to a literature review by Hitt et al. [28], it provides organizations with access to new resources, the application of core competencies, and better performances. However, the development and implementation of such strategies, in addition to high costs [49] and inherent funding needs [68], brings leaders to a place of increasingly complex management [56] due to cultural diversity, high competitiveness, and the managing necessity of geographic dispersion, among others [69].

Theoretical and empirical developments are important and needed in the study of firms’ internationalization [1,28,38]. Specifically, research on the relationship between top managers’ characteristics and degree of internationalization is relevant and verifiable in SMEs e.g., [6,7,10], as well as between the degree of internationalization and performance e.g., [25,27].

Towards our conceptual model, we emphasize an important publication that Zahra and George [70] presented in the international entrepreneurship domain, where they integrated a model reflecting the extent, speed, and scope of international operations, antecedents, and financial and non-financial outcomes. Furthermore, as discussed from the outset, Kuivalainen, Sundqvist et al.’s [1] holistic model of SMEs’ internationalization considers international patterns, different antecedents, and different types of firms’ performance. In this domain, the internationalization processes, from both theoretical and empirical points of view, needs further research [1,4]. However, several studies focus on their international processes e.g., [31,32,34]. These processes may configure actions of a varied nature, e.g., rapid internationalization, progressive internationalization, consolidation, among others [1]. Therefore, internationalization “[…] is not a linear, incremental, unidirectional path” [68] (p. 186). In this line, and for instance, taking into account the limited character of small-economy markets, firms tend to embrace rapid internationalization processes and do not follow to the canons of the traditional model [68]. Thus, three major SMEs’ internationalization processes are distinguishable: the traditional internationalization models, the born globals (BG), and the born-again globals (BAG) [71]. We will consider these major types of international processes, as well as the dimensional conceptualization that promote the measurement and differentiation between them.

3.1. Internationalization Processes

Within established SMEs and international new ventures (INV) literature, there are currently two challenging models of traditional stages of internationalization e.g., [72]: BG and BAG models [32,33]. Therefore, there are currently three major approaches of international processes: traditional, BG, and BAG [1,4,31,32,68,71]. At this point, we should stress that, according to the literature, the dimensional approach to SMEs’ internationalization processes integrates the “[…] timing of entry, geographic range, and intensity of commitment to foreign markets” [1] (p. 448).

The Uppsala model of internationalization characterizes internationalization as an incremental process of international progressive market commitment [72]. Johanson and Vahlne’s [72] model is based on market selection taking into account market knowledge and psychic distance. It argues that firms tend to initially internationalize to psychologically closer countries, limiting resource allocation and, through experience and learning, progressively internationalize to more distant countries. Psychic distance consists on “[…] the sum of factors preventing the flow of information from and to the market. Examples are differences in language, education, business practices, culture, and industrial development ” [72] (p. 24). In the revisited model of Uppsala, Johanson and Vahlne [65] emphasize the relational side of internationalization. Business environment is seen as a network, that invoke managers cognitive and emotional capabilities [65].
Firms’ international decision-making does not always follow the progressive process described above, and very often goes beyond several stages, which consequently highlights some explanatory gaps of this model [68]. Despite traditional internationalization processes, or even non-internationalization, remaining the rule for most firms, early internationalization is being widely observed [29]. New ventures are becoming internationalized at an early age [73], and for many this process reflects a necessity [74]. Nowadays, firms face a reality that allows them to leapfrog some stages of the traditional process or completely bypass the stage process, which implies the development of rapid internationalization processes [50]. Next, we approach the BG and BAG models.

As an influential type of firms’ international processes [50], INV questioned traditional stage models of internationalization concerning their explanatory insufficiencies regarding different types of international processes, namely firms that internationalize shortly after inception [30]. This phenomenon of firms that internationalize from the beginning or soon after their inception [68], that is, the BG or INV phenomenon, is a challenge to traditional models of internationalization [29,75]. It should be pointed out that INV and BG terms are usually used as synonyms [76,77]. At this point, we also point out to the conceptual difficulty of BG [59], which gives rise to analytical complexity and inconsistent results [74]. Many of these BG are based on knowledge and technology, impacted by technological advances and globalization, and they do not properly follow a progressive internationalization process and may even internationalize before any domestic action [68]. Typically, these are small firms, characterized by a scarcity of resources [78], despite usually having differentiated intangible ones [29]. These are new companies to which networks play an important role in their activity [33], and if psychic distance is felt in SMEs that follow the traditional internationalization, the same does not happen in BG and BAG [31]. Following Kuivalainen, Sundqvist et al. [1], BG are “[…] organizations that from or near founding seek superior international business performance and sell their outputs in multiple countries […]” (p. 451). Cavusgil and Knight [29] stress that firms following this international process can be found in most industries. Typically they face three different types of liabilities: newness, smallness, and foreignness [79].

Despite its importance, BAG literature remains a poorly investigated one [32]. As a more recent phenomenon than BG, BAG are “[…] well-established firms that have previously focused on their domestic markets, but which suddenly embrace rapid and dedicated internationalization” [68] (p. 174). They do not follow a traditional process of internationalization nor reflect the behavior of BG. According to Baum et al. [34], BAG are a hybrid type of BG and traditional. Born-again global or reborn global firms, after a strategic change during their domestic existence, observe the defining criteria of BG [32]. As one of the two main challengers to traditional internationalization [33] BAG are firms that internationalize intensely, but later than BG, assuming a renaissance character in relation to their international facet [4]. Given their maturity, they are growth-oriented firms [4] and typically stem from traditional industries [71] and small domestic economies [32]. Similarly to BG, BAG make their approach to international markets without psychic distance [4], and a strong international network plays an important role [34].

3.2. Internationalization Processes Dimensions

As shown, firms may follow the traditional stages of the internationalization process; they may internationalize immediately after their creation, alongside domestic expansion; they might even internationalize before paying attention to the domestic market; or they can even internationalize only after a long period of stability in the domestic market [71]. To conceptualize and differentiate between internationalization processes, Kuivalainen, Sundqvist et al. [1] refer to the degree of internationalization (DOI), which highlights the importance of time, scale, and scope [70]. DOI is considered multidimensional and of substantial importance within internationalization literature [5,38]. However, performing this measurement is not a simple task and has given rise to manifest debate [27,80]. Zahra and George [70] emphasized the need for further research in international entrepreneurship to seriously consider these three dimensions. Conversely, the “[…] inconsistent and varied usage of
international diversification measures” [28] (p. 856) is identifiable in the literature e.g., [6,8,10,38,81]. In this context, a multidimensional approach to international business diversification is a more reliable and accurate portrayal of the complex reality it intends to represent [5,38]. Therefore, international expansion is seen and investigated as a process on when, how, and where international activities will be developed [57]. It should be pointed out that the empirical criteria to differentiate the internationalization models with regard to the concerned dimensions is not consistently defined [58] and is even considered “[...] somewhat arbitrary [...]” [33] (pp. 381–382).

Despite the observed diversity in literature, in this article, we took the time dimension as the moment of international market entry [1], consisting of the time period between the firm’s creation and its entry into foreign markets, measured in years [30,57]. When it comes to distinguishing between different internationalization processes, there is no consensus about this dimension [1]. Hence, to define the precocity of internationalization and differentiate the processes, some researchers consider that an early internationalization, BG, comprises the cases that begin internationalization two e.g., [30], three e.g., [59], or five years after a firm’s inception e.g., [54]. Yet, it must be underlined that, following Jones and Coviello [82], two distinct approaches are used in this dimension: the time lapse between the foundation of a firm and its internationalization, the most common, and the speed of the internationalization process, measured by the speed of its growth.

Despite some conceptual and measurement divergences, we took the scale of internationalization as the degree or intensity of international operations, commonly measured by foreign sales to total sales (FSTS) e.g., [4,83]. A value of 25% or more is indicative of intense internationalization e.g., [33].

Finally, scope refers to the number of countries where firms generate their international sales e.g., [57,84]. In this dimension, the economic regions where firms operate can also be considered [85]. Therefore, despite the lack of consensus surrounding the definition [33], scope is characteristically measured by the number of regions or countries where firms generate sales [1]. To establish a differentiation criterion between international processes, following Kuivalainen, Saarenketo et al. [33], the present proposal assumes the number of countries where a firm is present in relation to the number of neighboring countries. As a distinguishing criterion of the internationalization model of Uppsala, a BG will be present in at least one more country than the number of neighboring countries. Jointly with the number of countries, we also recognize the interest and validity of considering the regional criterion assessed by the number of regions where the firm operates [5].

3.3. International Strategy and Strategic Groups

Taking the above into account, and following the holistic model of Kuivalainen, Sundqvist, et al. [1], to distinguish between the different internationalization processes and measure the DoI, the three referred dimensions should be reflected, i.e., the time, scale, and scope of internationalization. However, the present conceptual approach addresses the relationship between the international top managers’ psychological characteristics, namely, emotional intelligence and cultural intelligence, and the SMEs’ degree of internationalization, as well as between the latter and firms’ current international performance. Within this conceptual framework, we must stress and take into consideration the firms’ path dependence settings [35]. Accordingly, the past decision of the time to internationalize is of major importance and affects the firms’ path evolution. Therefore, taking this path dependence scenario into account and given the main role of the realized strategy triggered by the deliberate and emergent ones [36], our conceptual framework addresses the influence of the current level of the top managers’ intelligences on the realized strategy, as well as the realized strategy on the firms’ present international performance. Consequently, we did not establish the link between the top managers’ intelligences and the time dimension of internationalization, and of the latter with the current international performance.

In order to further ground this context, we must refer that those managers’ characteristics are dynamic and evolve jointly with the human being. Cultural and emotional intelligences are learnable and can be improved over time [2,3]. Additionally, the top managers in charge of the firms’ international
activities today may not be the same as those at the beginning of the internationalization processes, and if the same, their intelligences levels at the time are not probably the same at the present time.

Therefore, taking into consideration the cross-sectional nature of most of the studies, we recognize the methodological non-adequacy of studying the influence of the current levels of top managers’ intelligences over the time dimension of internationalization. In the present article, we emphasized this line of research.

However, the longitudinal analyses, despite difficult to build in the business context, allow the study of the relationship between the dynamic nature of the variables in question. To go deeper on the comprehension of the internationalization phenomenon and its causal relationships concerning antecedents and outcomes, the longitudinal studies are methodologically adequate [5].

3.3.1. Strategic Groups

According to the industrial organization school, the characteristics of the industry are the ones that lead the competitive strategy development [86]. However, as already mentioned above in Section 2, we follow the resource-based school in our conceptual framework development. To this school, the competitive strategy development is guided by key resources [86].

Additionally, the international SMEs might be taken as a macro strategic group [87]. In fact, “… many strategic group researchers began to utilize approaches believed to be generalizable across industries” [86] (p. 19). Therefore, we might define international firms’ strategic groups concerning the SMEs’ international strategy [87], considering the similar strategy criterion within each strategic group [88].

Taking the above into account, we took the international top managers’ emotional intelligence and cultural intelligence as major intangible assets within the international business strategy development. Therefore, our conceptual approach does not focus on the industry structure, but instead, takes the firm’s unique resources as the main mechanisms through which a firm develops its competitive strategy and performance [89]. With this background, we support the definition of different international SMEs’ strategic groups that follow similar international strategies, although we do not focus on the industry structure, but, according to the RBV, on the firms’ unique resources as main drivers of the international strategy and international performance development.

3.3.2. International Strategy and the Degree of Internationalization

Due to the current globalized business world, the SMEs’ international strategy is an important decision with an important role in their development and in their own economies.

Following the established conceptual line in this section, the SMEs’ strategic groups should be defined according to the firms’ scale and scope of internationalization. These are two major dimensions of the firms’ international strategy: the international intensity, i.e., the scale of internationalization; and the number of countries and regions in which firms operate, i.e., the geographic scope [90,91]. To assess the scale of internationalization, the international strategic intensity [92], we take the widely used indicator of foreign sales to total sales (FSTS) [80]. Concerning the scope of internationalization, the international geographic diversity [92], we recognize the value of assessing the number of countries e.g., [7,57] jointly with the number of regions e.g., [25,93] in which firms perform their international sales.

Due to the inherent complexity within the internationalization context, a single variable does not allow its accurate assessment [38]. Therefore, we jointly took the scale and scope to classify the firms’ international strategy. To label the combination between these two dimensions and identify different international strategies, we applied the degree of internationalization (DoI) [1], a relevant and widely accepted multidimensional concept to measure firms’ internationalization e.g., [1,5,7]. However, it should be noted that measuring the DoI is not a simple task, and inconsistent results are observable across the literature [27].

Following the above, we propose the analysis of three different levels of the SMEs’ degree of internationalization, namely, firms with a high DoI (high levels of international intensity, FSTS, and a
high number of countries and a high number of regions), firms with a medium DoI (high levels of international sales and not fulfilling the high scope criteria) and finally firms with a low DoI (low levels of international sales). In this strategic context, and given the current course of the literature, there is a clear need for an integrated approach to antecedents and performance (financial and non-financial) [70] of SMEs’ internationalization [33]. Therefore, following the current course of the literature and the model of Kuivalainen, Sundqvist et al. [1], the effect of the international strategy over the international performance is a paramount relationship within the international business field and must be assessed. Therefore, in the following section, we provide the international performance approach and its relationship with the firms’ international strategy respectively.

4. International Performance

The importance and relevance of research on the relationship between internationalization and performance are manifest. This is a relevant and widely debated theme within the SMEs e.g., [94]. After all, besides being complex, literature has presented many investigations showing controversial results and insufficient consensus [5,53]. One of the possible reasons may be due to the use of a wide variety of performance measures [27,28]. Thus, in international business research, performance and international performance measurement and developments are an important subject [95,96]. Studying it is crucial for the understanding of what determines it and of its composition [97]. The selection of an adjusted measure to pursue research in the most diverse domains and contexts is a major issue [98]. In fact, difficulties persist concerning conceptualization, operationalization, and measurement [99]. Martineau and Pastoriza [53] even depict the need to distinguish between international performance, national performance, and total performance, while many studies present them together, making it difficult to assess the true impact of international expansion. Regarding the concept of international performance, the assumed philosophy in this investigation is based on the conceptual holism in the following international performance definitions. International performance to Knight and Cavusgil [62] “[. . .] is defined as the extent to which financial and other goals are achieved as a function of business strategies” (p. 129), to Knight and Cavusgil [77] “[. . .] as the extent to which firm objectives are attained in foreign markets as a function of specific orientations and strategies” (p. 18), and to Zou et al. [100], performance is taken as “[. . .] the financial and strategic performance of the export venture and the firm’s satisfaction with the export venture” (p. 41). Thus, in international management studies, performance measures are required to measure financial and non-financial outcomes [53], as well as the definition of goals and their level of satisfaction. Additionally to the definition of goals and their level of satisfaction, we acknowledge the relevance of considering the importance of the different objectives. Depending on the firm, some objectives may be more important than others [101]. Hence, to an accurate measure of firm’s international performance, we recognize the value of assessing the different objectives, their importance, and satisfaction [97].

Taking the above definitions together and following their conceptual philosophy, international performance should be taken as a multidimensional construct [76,78,95,99,102] concerning different objectives and their satisfaction levels, namely, through three dimensions: financial, strategic, and overall satisfaction. The relevance and application of these dimensions is observable in recent investigations e.g., [26,103,104]. In addition, Kuivalainen, Sundqvist et al. [1] in their holistic model, also suggested several types of international performance, of which we put emphasis on the performance relative to firm goals. In fact, the financial performance indicators, despite their importance, do not reflect a complete image of the firms’ reality and objectives; then, for a more precise analysis, we considered the financial, non-financial, and overall performance [96,99]. When firms attempt their international actions, they have multiple objectives [97,101].

The present article emphasizes the subjective measures of performance. They are widely used in SMEs’ internationalization literature [53] and managers support their use [101]. Indeed, due to the difficulties in collecting accurate objective data [102], the use of subjective performance measures in the international business research is widely observable e.g., [14,59,78]. Many managers are often not
predisposed to provide objective data [23]. Therefore, the use of subjective measures is accepted and advisable, given that they correlate with objective measures [23, 102] and allow to overcome the usual availability issues in objective information [96]. Katsikeas et al. [99] also stress the importance and applicability of the subjective measures, recognizing the difficulties of accessing updated secondary data. Thus, despite the importance and widely use of objective measures, we acknowledge the subjective ones as a reliable mode of performance assessment given their application and collection procedure’ advantages [105].

International Strategy and International Performance

The present conceptual framework focuses on the relationship between the SMEs’ international strategies and international performance. This is an important relationship in the international business field [1, 28, 92, 106], although with contradictory results [53, 56, 107]. Studying the impact of the firms’ international scale and scope, that is, the international strategy, on the international performance, is a critical relationship within this context and a significant line of research that requires further investigation [74, 94, 108].

In the present article we follow the rationale that internationalization is a positive contributor to firms’ performance. Despite the contradictory results across the literature, Contractor et al. [83] stress the positive role that the internationalization in general has for firms. Pangarkar [27] also indicates the positive influence of DoI on the SMEs’ performance. In fact, as a relevant strategic option, internationalization allows SMEs to develop and grow [108, 109], bringing to firms challenges, advantages, and opportunities [75, 110], especially for firms in limited domestic markets [7]. This strategy allows firms to access knowledge and resources [28], recoup R&D costs, and reach economies of scale [27]. It may even permit firms to reduce their risks across the different markets where they operate [111].

Following the rationale that internationalization is a strategy that promotes better performances to SMEs, that is, as internationalization increases the firm’s performance improves, we formulate proposition one as the following:

**Proposition 1.** The different international strategies influence firms’ international performance, so that the greater the scale and scope of internationalization is, the better the firms’ international performance.

According to our conceptual approach, we took the international top managers’ emotional intelligence and cultural intelligence as major antecedents of the firms’ international strategy and international performance. Networks, as discussed, also play an important role within firms’ internationalization, and the networking activity by the top managers is influenced by their individual characteristics. Hence, the model considers it as a mediator variable. Then, in the Section 5, the antecedents of the model were addressed.

5. Conceptual Model Antecedents

Within the present conceptual approach, researching the antecedents is a question of theoretical and empirical relevance [1, 28, 53, 70]. Understanding which factors affect the business strategic decisions concerning the scale and scope of internationalization is a central line of research [1, 57, 111]. Upper echelons’ characteristics, as antecedents of international strategy and international performance, are a scientifically relevant field [10, 11, 57, 70]. At the managerial level, we took the approached characteristics as a major intangible resource to firms [41]. Despite the fact that we rely on the managerial level, in this investigative context, we acknowledge that the firm level and the environmental level are the other determinants of the firms’ internationalization [1, 53].

Therefore, the characteristics of the firms’ decision-makers, and specifically the psychological ones, are of major importance to understand why firms take certain strategic decisions [11, 12]. In the firms’ internationalization research, top managers’ characteristics are on the table [1, 28, 39]. For instance,
Jones and Coviello [82] highlight the importance of the entrepreneurs’ role and characteristics, stressing that “[…] firm-specific internationalisation behaviour is potentially influenced by the entrepreneur’s unique combination of philosophic views, social capital, and human capital” (p. 295). Zahra [79] and Acedo and Jones [54] stress the influence of the decision-makers’ psychological characteristics on their decisions to internationalise. According to Hsu et al. [7] “[…] without taking into consideration the context of managerial competence in the internationalization–performance model, the findings remain incomplete” (p. 1). Hence, this article emphasizes the top managers’ psychological characteristics as significant antecedents of firms’ international strategic decisions. Because an international market entry strategic decision involves a complex and risky decision-making process, with a high level of uncertainty [7,28], managers’ expertise, network contacts, and cultural and strategic knowledge are fundamental [13]. It is expected that top managers’ characteristics associated to information processing capabilities [56] stand out as determinants in SMEs’ internationalization [7].

In an international complex context, top managers’ characteristics that allow them to pursue intercultural interactions are a valuable asset [9,17]. The present theoretical approach embraces top managers’ psychological characteristics as determinants of SMEs’ internationalization, networks, and international performance. Given the undeniable preponderance of globalization in business reality, the significance of interpersonal attitudes in multicultural settings calls attention to the role that top managers’ EI and CQ have on the required dynamics within their environments [112]; on a more global leadership approach [19,113]; and to overcome intercultural difficulties, uncertainties, and challenges [114].

5.1. Intelligence, Emotional Intelligence and Cultural Intelligence

Given the recognized value of managers’ information processing capabilities within the context of international expansion [7], this article emphasize decision-makers’ intelligence spectrum. Intelligence, a fundamental promoter of individuals’ performance, embodies a widely discussed concept that goes beyond cognitive competences [115]. To perform, individuals call upon their cognitive, motivational, and affective functioning [115]. Although the mind is composed of cognition, affect, and motivation, traditionally, intelligence reflects the effectiveness of cognitive functioning [116]. There is a widespread belief in the traditional psychometric model of general intelligence as the best predictor of success and performance, even though it leaves much to be explained. This approach conceptually limits our understanding of the distinct human mental abilities [117]. Intelligence has to be thought beyond the “[…] conventional analytic intelligence (IQ)” [118] (p. 294). In fact, creative and practical intelligence, in spite of being undervalued by traditional canons, are determinant within intelligence and for management [117]. Thus, the triarchic theory of intelligence intends to be the engine for a holistic intelligence [115].

Taking into consideration Gundling et al. [19] for an effective global leadership, leaders must be able to fit in diverse multicultural contexts not only regarding their own leadership styles, but also their business processes and strategies. In this leadership context, multiple forms of intelligence appear to be of utmost importance [19]. This article focuses on decision-makers’ EI and CQ. In the realm of individuals’ international activities and cultural adaptation, EI and CQ deserve further research [17]. Due to a need to interact with others, intelligence-related abilities play an important role to deal with emotions [119] and culture and its diversity [120]. Thus, managers emotional and cultural adjustment capabilities stand out in this context [121]. Their information processing capabilities are of major importance in international management e.g., [7], and the emotional and cultural information they will have to deal with immediately suggests the decisive role of EI and CQ abilities. Thus, EI and CQ are seen as complementary abilities that promote an individual’s competencies to deal with the complexity and diversity from international contexts [122]. According to Earley and Mosakowski [123], a manager in intercultural environments, being emotionally intelligent has the ability to manage more delicate situations by creating, for example, empathy and managing moods, but, if he lacks CQ, he will not adequately analyze cultural situations and soon fail at addressing them properly. Hence, the two
intelligences are taken as a significant set of capabilities to top managers dealing with the complexities of the international contexts.

5.1.1. Relationship between Cultural and Emotional Intelligences

These two intelligences deserve further research [17], as they are important capabilities of top managers within the international business management context [113,124]. Rockstuhl et al. [125] also appeal for more research within the intelligence spectrum of leadership, where the cultural and emotional intelligences should be considered in the domestic and international contexts. However, very few studies embrace EI and CQ simultaneously [126], and further research on the relationship between them is highly pertinent and required [18]. In fact, studies addressing the relationship between EI and CQ are scarce [112,114].

These are significant capabilities within cross-cultural contexts [17]. CQ complements other types of intelligence such as EI [127], and the two, despite being distinct intelligences, appear to be related [17,18]. As already stated, EI and CQ are seen as complementary, promoting individual’s competencies to deal with the complexity and diversity from international contexts [122]. Consequently, we formulate proposition two as the following:

Proposition 2. The international top managers’ emotional intelligence and cultural intelligence are related to each other.

5.1.2. Emotional Intelligence

IQ is not enough for managerial intelligence [117]. Because organizations are a space where emotions thrive, being human institutions, higher-level EI individuals will be better prepared to achieve higher levels of efficiency and effectiveness in their work [128]. The power of emotion in intellect has been widely recognized against the traditional rational component of the human being [129]. Although recent and wrapped in conceptual and measurement difficulties [130], EI embodies a popular and widely debated scientific construct [131]. According to Mayer and Salovey [116] EI is the “[…] ability to perceive accurately, appraise, and express emotion; the ability to access and/or generate feelings when they facilitate thought; the ability to understand emotion and emotional knowledge; and the ability to regulate emotions to promote emotional and intellectual growth” (p. 10). In the present article, EI is taken as a multidimensional construct. Following Wong and Law [119] the four constitutive dimensions are: self-emotions appraisal, others-emotions appraisal, use of emotion, and regulation of emotion. The predictive value that EI reveals is positive in widespread aspects of human life. These include well-being, mental health, personal growth, interpersonal relationships [132], personal and work success [116], job performance [128], entrepreneurial style and external networking behavior [66], individual ethics and ethics and success perceptions in international business context [133], creating win-win situations with others [134] organizational conflict management [135], and individuals’ creative performance [136].

Concerning the EI dimensions, top managers’ capabilities to appraise their own emotions and those of others and to better use and regulate emotions seem to improve their actions in international environments, given the inherent relational character of both business and international business. The uncertainty and complexity of the international context immediately invokes the necessity of emotional management abilities. Accordingly, following the emotional components described by Salovey and Mayer [132], self-emotions and others-emotions appraisal capabilities promote the emotional recognition, understanding, and expression in the self and in others, where the verbal and nonverbal channels are significant. Thus, this article assumes that those individuals are better prepared to respond to their own feelings that emerge in intercultural situations given the differences with which they will have to deal. If they are better prepared to read the emotions of others, they become more capable of choosing socially adaptive behaviors and creating empathy for a more satisfactory relationships. The ability to regulate emotions, their own and those of others, allows top
managers to meet the defined objectives through emotional management, e.g., motivating others [132]. Decision-makers with this ability are better prepared to keep normal psychological states and become less likely to lose their temper [128]. This suggests that they are more capable of managing emotions when facing emotional challenges arising from different intercultural settings and appears to make them more capable of attaining advantageous social interactions and achieving predefined objectives at certain negotiations. Decision-makers with higher levels of emotional intelligence can use emotions to facilitate performance towards positive and productive actions [128]. As a result, this article takes top managers with high EI to be more capable of interacting socially, including in diverse multicultural settings, when trying to achieve good results regarding firms’ internationalization. Due to these capabilities, top managers seem to be more capable of improving firms’ international performance [137] and dealing with networks e.g., [66].

Therefore, in this paper, we took EI as an important psychological characteristic of top managers within the international business context e.g., [138]. Firms’ internationalization is imbued with a relational character, a fact that immediately exalts the value of managers’ emotional abilities [65]. Having higher levels of EI empowers more effectively those who interact with different cultures, allowing more appropriate behaviors with others [114]. Top managers face social, psychological, and cultural challenges resulting from multicultural contact, where EI plays an important role for an effective cross-cultural adjustment [114]. In the international business domain, EI promotes creativity and stimulate SMEs’ internationalization [55]. Ingram et al. [137] highlight the fact that entrepreneurial decisions are affected by emotions. Their research demonstrates several referenced studies recognizing EI’s positive influence on firms’ performance. In conclusion, emotional management abilities should help capitalize top managers’ actions towards an intense and wider scope of internationalization. Consequently, we formulate proposition three as the following:

Proposition 3. Emotional intelligence is a significant predictor of a firm’s internationalization, so that the higher the top manager’s EI level, the more likely the firm is to exhibit an international strategy with higher scale and scope.

5.1.3. Cultural Intelligence

In international business management, the world, for both individuals and organizations, has become a geographically smaller place. However, this metaphor does not apply to cultural diversity, giving rise to increasingly important challenges [19,120]. Therefore, while the increasingly verifiable global village immediately implies a widespread tendency to operate across borders, this entails psychological and behavioral difficulties that oblige managers to deal with intercultural negotiation processes [16]. Many negotiations fail due to knowledge flaws of the different cultures [139]. Hence, knowledge about diverse national cultures is crucial for firms’ internationalization [79]. Not only has the importance for organizations to have highly emotionally intelligent staff become evident, but culturally intelligent individuals are also valuable assets [140]. Thus, following Earley and Ang [141] “cultural intelligence refers to a person’s capability to adapt effectively to new cultural contexts” (p. 59). In relation to the construct operationalization, the present article takes CQ as a multidimensional construct. Following Ang et al. [120] the four CQ dimensions are metacognitive, cognitive, motivational, and behavioral. On metacognition, top managers with higher levels of cultural consciousness are better at defining cognitive strategies and at being aware of the different cultural preferences [120]. According to our approach, they appear to be better prepared to arrange firms’ international approaches, gather the necessary knowledge setting the conditions to improve the firms’ international scale and scope, and improve network relationships. Regarding cognition, individuals with higher cultural cognition, i.e., with higher knowledge of institutions, norms, practices and conventions, and knowledge about cultural similarities and differences [120], appear to be more prepared to negotiate and improve their firms’ international scale and scope and to deal with networks in international contexts. The same is suggested for top
managers who exhibit higher levels of cultural motivation, i.e., those who are capable of directing attention and energy in intercultural settings dealing with the inherent cultural differences [120] and even enjoying the promotion of intercultural contacts [16]. Finally, managers who are more behaviorally flexible in intercultural settings and use proper verbal and nonverbal actions in the different cultural situations [120] show the same potential to promote firms internationalization and to deal with network’s relationships.

Cultural intelligence is a significant capability for those who interact in multicultural contexts [125]. Culturally intelligent individuals are better prepared for multicultural business realities [139] and better prepared for diverse cultural issues [127]. They are behaviorally more flexible and cooperative with multicultural contact contexts [139]. As a key competency with many effects on individual and organizational levels, CQ, for instance, supports the ability to work, create relationships of trust, and manage expectations in diverse cultural environments [120]. It is an influential ability in intercultural negotiation processes’ effectiveness and outcomes [16]. CQ individuals are more likely to be confident, motivated, and cooperative in intercultural relationships [16]. It promotes higher levels of cultural awareness, appropriate verbal and nonverbal behaviors, and eases individual acceptance [114]. CQ is important in managing conflicts [142] and for decision-makers’ international networks and quality of international contacts [61]. Darvishmotevali et al. [136] show how CQ has a positive impact on EI and employees’ creative performance relationship. It should be stressed that CQ is seen as a core competency within the firm’s success in international markets [61] and allows the recognition of international opportunities [143]. CQ suggests that top managers with these capabilities are more prepared to expand internationally. They also appear to improve firms’ international performance and to deal better with networks [61]. For these reasons, CQ abilities should help capitalize top managers’ actions towards an intense and wider scope of internationalization. Consequently, we formulate proposition four as the following:

**Proposition 4.** Cultural intelligence is a significant predictor of a firm’s internationalization, so that, the higher the top manager’s CQ level, the more likely the firm is to exhibit an international strategy with higher scale and scope.

5.2. Networks

As already discussed, networks and networking activity are crucial for firms’ international expansion. Therefore, studying the role of networks in the firms’ internationalization is a relevant and current line of research e.g., [24,144]. Networks relational perspective is crucial for internationalization [24]. It helps to access information and resources, and helps the recognition of opportunities and international expansion [13,49]. Indeed, internationalization, as emphasized by Johanson and Vahlne [65], “[… ] is pursued within a network” (p. 1424), and, as Masiello and Izzo [24] highlighted to small firms, “[… ] a ‘socially embedded’ process […]” (p. 682). Sedzieniauskiene et al. [58], in their systematic literature review, highlighted the important link between networking and entrepreneurial internationalization. Additionally to the significance of this domain, there is a current necessity for further research to a better understanding of the role of networks [58]. Zahra et al. [49] emphasize that “the specific contributions of networks to a firm’s internationalization efforts also deserve an examination in future studies” (p. 181).

Networks support access to knowledge, help to overcome liabilities of outsidership, and enhance international performance [21]. Their significance is felt within firms that follow internationalization stages models, born globals and born-again globals [31]. For instance, to born globals, networks play a key role in the identification of difficulties and problems, while helping to overcome liabilities of foreignness and newness [29]. Sapienza et al. [75] stress that managers’ international contacts are important to promote growth opportunities and to avoid survival-threatening situations. Jin and Jung [22] highlight that literature identifies decision-makers’ personal networks to have an important role in internationalization. However, further research is needed concerning the importance
of interpersonal social networks to internationalization [24]. It should be noted that contradictory results emerge from literature concerning the role of networks on internationalization [58].

Therefore, a firm’s international strategy is surrounded by a diversity of relationships. Accordingly, the networking activity is an important promotor to SMEs’ internationalization [67]. Networking is influenced by individual differences [145]. Consequently, we took the emotional and cultural intelligences as having an influent role in the top managers’ networking behaviors.

In this context, we suggest that networks may emerge as a mediator between top managers’ characteristics and firms’ international strategy. EI plays an important role in networks, in external networking behavior, and subsequently in SMEs’ performance e.g., [66]. EI promotes better interactions with others [146], better communications, and social bonds with international actors [138]. CQ individuals are better prepared for multicultural interaction [142] and are more likely to achieve beneficial business situations for all the involved parties [139]. They are also more disposed and prepared to have quality interactions with others [61]. As a result, individuals with higher levels of EI and CQ are more receptive and better able to adapt to international environments. Consequently, we formulate propositions five and six as the following:

**Proposition 5.** Networks mediate the relationship between top managers’ EI and firms’ internationalization.

**Proposition 6.** Networks mediate the relationship between top managers’ CQ and firms’ internationalization.

Taking all the above into consideration, the next figure reflects the conceptual framework of the present paper. Within the followed rationale of internationalization, the upper echelons theory, the resource-based view, and the network theory contexts, the resulting conceptual model in Figure 2 emerges following Kuivalainen, Sundqvist et al.’s [1] SMEs’ internationalization model.

**Figure 2.** Conceptual framework: firms’ international strategies, antecedents, and outcomes. *Source:* Authors’ own elaboration.

### 6. Discussion

In this section, we provided a final contextualization and a brief discussion regarding our propositions.

Proposition 1 stated that the different international strategies influence firms’ international performance, so that the greater the scale and scope of internationalization, the better the firms’ international performance. Researching this relationship is of major importance within the international business field [53,94]. Despite the many investigations in the literature showing controversial results and insufficient consensus concerning this relationship [5,53], we follow the theoretical rationale
that internationalization positively affects the firms’ performance e.g., [27,83]. In fact, international expansion allows SMEs to develop and grow [108,109], bringing to firms challenges, advantages, and opportunities [75,110]. Through internationalization, firms are able to access knowledge and resources [28], recoup of R&D costs, reach economies of scale [27], and reduce their risks across the different markets [111]. Higher levels of internationalization may even increase the firm’s competitiveness and performance [27]. Therefore, we suggest that the higher the scale and geographical scope of firms’ internationalization, the better their international performance.

Our proposition 2 stated that the international top managers’ emotional intelligence and cultural intelligence are related to each other. Within the international business environments, there is a general need to interact with others both from the same and from diverse cultural contexts. Therefore, as a result of this kind of environment, managers face a set of emotional and cultural vicissitudes and emotional and cultural information with which they have to deal. In this context, managers’ emotional and cultural adjustment capabilities are an important asset [121]. In fact, the emotional and cultural intelligences are complementary and allow individuals to deal with the complexity and diversity from international environments [122]. According to Earley and Mosakowski [123], managers not only need to be emotionally intelligent when dealing with intercultural contexts, for instance, to manage more delicate situations by creating empathy and managing moods, but also culturally intelligent to analyze cultural situations and address them properly. Therefore, CQ complements EI [127], and the two, despite being distinct, appear to be related [17,18].

Proposition 3 stated that emotional intelligence is a significant predictor of firm’s internationalization, so that the higher the top manager’s EI level, the more likely the firm is to exhibit an international strategy with higher scale and scope. Our proposition 4 similarly stated the same in relation to cultural intelligence. In fact, these are important capabilities to interact in cross-cultural contexts [17]. Regarding EI, we should emphasize that organizations are human institutions, and therefore are a space with emotions where emotionally intelligent individuals appear to be better prepared to accomplish their responsibilities [128]. Within the internationalization of firms, we should also highlight the relational character of this environment, exalting the value of managers’ emotional abilities [65]. Hence, when interacting with different cultures, several challenges emerge, but more appropriate behaviors with others are achieved by those who have higher levels of EI [114]. EI appears to be an important capability within intercultural interactions in the international business environments, promoting creativity and stimulating SMEs’ internationalization [55]. Taking the above into account, and the fact that EI allows the achievement of good interpersonal relationships [132] to create win-win situations with others [134] between other relevant aspects in Section 5.1.2, we took EI as an important top managers’ capability to negotiate and expand their firms’ international activities. Regarding CQ, we should highlight that culturally intelligent managers in intercultural interactions appear to be behaviorally more flexible and cooperative [139]. Being culturally intelligent also allows the creation of relationships of trust in the diverse intercultural interactions [120] to be more confident, motivated, and cooperative [16] and the recognition of international opportunities [143]. Taking the above into account and other relevant aspects in Section 5.1.3, we took CQ as an important top managers’ capability to negotiate and expand their firms’ international activities.

Finally, our propositions 5 and 6 stated that networks mediate the relationship between top managers’ EI and CQ and firms’ internationalization, respectively. In this respect, we emphasize that a diversity of relationships are surrounding the firms’ international activities. Therefore, in this context, networking is a relevant enabler of SMEs’ internationalization [67]. Networks allow the access to information and resources and help the recognition of opportunities [13,49]. As already referred, Sapienza et al. [75] stressed that the international contacts are important to promote growth opportunities and to avoid threatening situations. Taking this into account and due to the fact that networking relationships are influenced by individual differences [145], we took emotional intelligence and cultural intelligence as influential capabilities for the top managers’ networking behaviors due to the fact that EI facilitates better interactions [146], better communications, and social bonds with
international actors [138]; and CQ facilitates multicultural interactions [142], beneficial business situations [139], and quality interactions with others [61]. Hence, as discussed, we suggested networks as a mediator.

7. Conclusions and Future Research Avenues

As a major methodological observation, our conceptual framework reflects the firms’ path dependence settings and their realized strategy and raises a whole set of new leads for future research. Methodologically, we performed a bibliographic review on the fundamental concepts that we presented, and followed and analyzed the holistic model of Kuivalainen, Sundqvist et al. [1]. We also analytically fitted it to the SMEs’ international strategic groups concerning their international scale and scope. The conceptual proposal of this article presented two new considerations. Firstly, the conceptual approach is fitted towards the field of the top managers’ psychological characteristics as antecedent of the firms’ international strategy. Secondly, the proposed model is directed towards cross-sectional studies. Therefore, for those who want to research in this field, we leave several methodological cares that should be taken into account. We also formulated some propositions for future investigations. In relation to longitudinal studies, researchers need to collect panel data for their analyses or, due to the difficulties or even the impossibility of obtaining secondary data, they might start over time a laboratory monitoring of the variables of interest.

Under the stated theories and the SMEs’ internationalization holistic model of Kuivalainen, Sundqvist et al. [1], the value of top managers’ psychological characteristics in the context of international decisions and international performance was stressed. Top managers’ EI and CQ were taken as two influential characteristics on the SMEs’ international strategy and network relationships. The positive role of international expansion to international performance was another stressed relevant aspect to the international business management field. We took multidimensional constructs to assess the degree of internationalization and international performance. The degree of internationalization should be assessed through the scale and scope dimensions of internationalization, and international performance through the financial, strategic, and overall satisfaction dimensions. Emotional intelligence [119] and cultural intelligence [120] are also multidimensional constructs.

Leading in a global context is becoming a necessity for many firms that seek to grow internationally. Therefore, global leadership is a decisive capability within the context of the present approach and a strategic global mindset is crucial for this type of leadership [19].

According to our conceptual approach, emotional and cultural intelligences hold a set of valuable abilities to top managers’ international decisions and network relationships. Abilities in emotional appraisement and management have a relevant role in the emotional challenges that emerge when dealing with different cultural environments, their vicissitudes, and adaptations, together with the frequently needed ambitious and competitive posture of international contexts. Cultural intelligence abilities favor the capability of the international top managers to deal with new cultural contexts due to the cognitive strategies that they might have, cultural knowledge, managers’ attention and energy to intercultural settings, and cultural behavioral flexibility. These seem to be proper capabilities to guide, proceed, and improve firms’ internationalization and network relationships. When making these kind of decisions, having a solid knowledge about a certain host culture and the capabilities to motivate the process and to adjust behaviors, seems to improve the potential of international expansion and network management. In regard to international performance, our conceptual model suggests that the greater the scale and scope of internationalization, due to the resulting advantages and opportunities from that international expansion, the better are the firms’ international financial, strategic, and overall performances.

Future Avenues

Within the international realm, firms need to understand what kind of managerial characteristics are the best to pursue international activities effectively [10]. In this perspective, there is the need to consider
the psychological characteristics in detriment of demographics, while the last are overemphasized by 
extisting literature [6,15] and appear to produce several inconsistencies [52].

The managers’ big five personality traits and their influence on the firms’ degree of 
internationalization is an unusual but needed line of research [6].

The competencies for a global leadership are often not clearly distinguished [19]. As another 
valuable line of research, we suggest the consideration of Gundling et al.’s [19] referred model of 
behaviors within our conceptual framework as well as the Hofstede model of six dimensions 
of national cultures [51], as one of the most influential frameworks of cultural values [147], to assess 
cultural differences. Regarding the six dimensions, Hofstede developed power distance, uncertainty 
avoidance, individualism versus collectivism, masculinity versus femininity, long term versus short 
term orientation, and indulgence versus restraint [51].

We emphasize the importance of knowing and assessing the influence of relevant behaviors 
of leaders within their international responsibilities as well as the personal characteristics that may 
influence those behaviors.

Concerning the upper echelons domain and internationalization, further research is proposed in 
diverse cultural contexts, namely, using the present methodological approach. In this vein, the stated 
multidimensional vision of DoI and international performance is recommended. Given the present 
approach, subjective performance measures should be taken into consideration with different objectives, 
and in each it is suggested the consideration of their level of importance and satisfaction.

This investigation intends to encourage and stimulate future researchers to involve themselves in 
the investigation of top managers’ emotional and cultural intelligence on firms’ internationalization.

Furthermore, despite the scarcity of empirical studies, it is clear the importance of further research 
on how links between top managers’ character strengths and upper echelons theory might contribute 
to a better understanding and expansion of the psychological characteristics field on strategic decisions 
and performance [148]. In this domain, it is suggested that the character of top managers and their 
virtuous behavior play a positive role in executive performance and consequently in organizational 
performance [148].

Finally, we suggest the reinforcement of the laboratories of firms, where information systems should 
be applied to collect and monitor longitudinally all the information regarding the firms’ phenomena.

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