Abstract

Purpose: Strategy determines the patterns of internationalization. The speed, scale, and scope of internationalization are important dimensions from the perspective of firms' behaviors and activities. The aim of the article is to identify and verify the relationship between the international strategy and its impact on three dimensions of the studied phenomenon.

Methodology: The article uses a quantitative approach. The survey was conducted on a sample of 355 internationalized firms from Poland, varying in size.

Findings: The analysis with t test and U test (ANOVA) shows a correlation between a company's international strategy as a planning instrument and the speed and scope of internationalization.

Research limitations/implications: While considering a firm's development, especially its international growth, one should plan the activities related to entering into foreign markets. The results presented in this article are just a starting point for further analyses. In an attempt to eliminate its limitations, further research should focus on building a comprehensive model that includes the remaining components of international strategy and other categories that stimulate internationalization processes.

Originality: The originality of this article lies in three elements: (i) the article comprehensively captures the scale, scope, and speed of internationalization at the same time, (ii) the strategy is introduced as a determining factor of the scale, scope, and speed of internationalization, and (iii) the article enriches empirical studies about emerging markets such as Poland.

Keywords: strategy, international strategy, international business, internationalization of firms.

JEL: F23, M16
Introduction

Internationalization as the subject of research has existed in science for more than sixty years now. The notion received analyses from the perspective of numerous scientific disciplines, based on various theoretical concepts and empirical models. One of the topics discussed most frequently refers to the internationalization strategy (the international strategy). In time, research indicated the variety and multidimensionality of this problem. The speed, scope, and scale are the three fundamental dimensions of internationalization exposed within entrepreneurship and international business. These dimensions of internationalization are topics eagerly undertaken by researchers (Sullivan, 1994; Yu, de Koning and Oviatt, 2005; Trudgen and Freeman, 2014; Ibeh, Jones and Kuivalainen, 2018). Zahra and George (2005) are the first to present in-depth systematics of these issues by indicating researchers who discuss the speed, scope, and scale of internationalization. Since then, there has been an impressive increase in publications in this field. However, the characteristic feature of previous studies is that scholars investigate the speed, scope, and scale of internationalization separately. In other words, there is evident lack of empirical studies that treat the three dimensions of internationalization jointly (Khavul, Pérez-Nordtvedt and Wood, 2010; Andersson, Evers and Kuivalainen, 2014). Our investigation of the most important international bibliographic resources revealed only a few items that combine the scale, scope, and speed of internationalization (Grandstrand, 1998; Kuivalainen, Kylaheiko and Pummalainen, 2001; Khavul, Pérez-Nordtvedt and Wood, 2010; Hilmersson, 2014).

This article seeks to fill this research gap, while its originality lies in three issues. First, the article comprehensively captures the scale, scope, and speed of internationalization. Second, we introduce strategy as the determining factor of the scale, scope, and speed of internationalization. Although researchers have offered many studies on internationalization strategies, few directly wondered how strategy can determine these dimensions. Third, the article studies the case of Poland, which is known as an emerging market. It means that the study enriches empirical research about emerging markets, so desired by many experts (Andersson, Evers and Kuivalainen, 2014, Terjesen, Hessels and Li, 2013; Perényi and Losoncz, 2018; Wach, Glodowska and Maciejewski, 2018; Glodowska, Maciejewski and Wach, 2019). We will first seek answers to the general question what are previous findings in the field of combining strategy with the scope, scale, and speed of internationalization? Furthermore, we will address the abovementioned knowledge gap by asking the following research questions:
**RQ1:** How does strategy determine the speed of internationalization?

**RQ2:** How does strategy determine the scope of internationalization?

**RQ3:** How does strategy determine the scale of internationalization?

The aim of this article is to empirically identify and verify whether having an international strategy influences the speed, scope, and scale of investigated firms’ internationalization. Among detailed objectives, we should mention the discussion on the essence of international strategy, but also the studied dimensions of internationalization based on a literature review and existing studies.

This paper applies the analysis and synthesis of secondary literature as research methods along with quantitative research based on a survey. Primary research was done on a sample of 355 internationalized firms from Poland. The article is divided into three sections that present (i) the conceptual framework of international strategy and an overview of existing research results, (ii) the applied research methods and assumptions of the empirical part, and (iii) the summary of research findings and discussion.

**Literature Review and Hypotheses Development**

**Theoretical Framework for International Strategy**

There are different terms for defining international strategy in the literature, among other terms: international business strategy, internationalization strategy, strategy of multinational corporations, and global strategy. International strategy constitutes a part of strategy that refers to the firm’s relationships with foreign countries. Moreover, scholars regard international strategy to be a comprehensive master plan for determining how the firm should implement its mission, accomplish its goals, and increase its competitive advantages on the market (Wheelen and Hunger, 2010). Nevertheless, modern companies more frequently utilize a business model rather than a strategy (Bonnet and Yip, 2009). A strategy comprehensively approaches the package of planned activities that lead to the achievement of long-term goals in business. Thus, a strategy should consider both adopted patterns and decisions of possibly temporary character (Glowik, 2016). In the classical approach, strategy impacts the firm’s behaviors and activities, but it also evokes changes in the firm’s organizational structure (Chandler, 1962). Strategic decisions have a specific long-term perspective of intended goals’ accomplishment (Lorange, 2005). Decisions related to internationalization most often concern such issues as (i) the object of internationalization (a product/service), (ii) the choice of the internationalization mode (exporting, contractual, or investment modes), (iii) the target market(s), (iv) the time and speed of internationalization, (v) the development
or progress of the internationalization process. Important factors that determine the choice of strategy are, among others, the size of the firm, generated and expected financial performance (sales volume, profitability/returns) as a result of conducted activities and undertaken operations (Ruzzier, Hisrich and Antoncic, 2006; Hagen, Zucchella, Cerchiello and De Giovanni, 2012), the possibility of the manifestation of the economies of scale, marketing opportunities, and the opportunities for research and development that often determine the competitive advantage (Oh and Rugman, 2012). Furthermore, a significant determinant of international strategy is the business environment, in which – besides individual elements – special attention is paid to its turbulence and asymmetry of information (Brønn and Brønn, 2018). In turn, Campbell and Faulkner (2003) emphasize the significance of the aspect of competition and rivalry in international strategy. According to them, the international strategy is, on the one hand, a part of the firm’s strategy, and on the other hand, the strategy of competing (Campbell and Faulkner, 2003). International strategy can emerge from the strategy of ownership, in which, on the one hand, general international experience occurs by enabling the accumulation of knowledge, and on the other hand, it becomes necessary to choose a local partner who functions on a specific foreign market, on whose engagement can depend the profitability and stability of the joint venture (Li and Meyer, 2009).

The numerous perspectives on international strategies impact their variation and typologies (Lin, 2014). As for the scope of the international strategy, it refers to the firm’s levels isolated in strategic management, which allows treating them as a complex system of hierarchical structure or a network of firms (Glowik, 2016). Strategies at the level of a network of firms refer to relationships both among cooperating organizations and among entities isolated in them (Hittmar and Jankal, 2015). At the corporate level, decisions mostly refer to establishing the firm’s orientation and developmental strategy. The former conveys ethnocentric, polycentric, regiocentric, and geocentric orientations, whereas the latter comprise a change of the position in the environment and the way of allocating resources. A change in the firm’s position in the environment can happen through the strategy of market or product development, but also through diversification or defensive strategy. On the other hand, the allocation of resources may refer to the concentration and dispersion of markets. Strategies at the business (strategic units) level most often consider foreign market entry modes – the ways of achieving and maintaining a competitive advantage – while the functional level includes detailed tasks for individual departments.

Most conduct the analysis of international strategy in two dimensions, namely its integration and responsiveness (Barlett and Ghoshal, 1989; Harzing, 2000; Haughland, 2010; Lin and Hsieh, 2010; Grøgaard, 2012; Swoboda, Elsner and Morschett, 2014; Swoboda,
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Morbe and Hirschmann, 2018). Moreover, the literature offers a division into – occurring side by side – global, semi-global, and regional strategy, increasingly often implemented in business practice (Segal-Horn, 1996; Rugman and Verbeke, 2004; Rugman and Verbeke, 2005; Ghemawat, 2001; Oh and Rugman, 2012). The latter is especially popular among small and medium-sized enterprises (Johanson and Vahlne, 2009).

The marketing perspective of international strategy mostly focuses on product standardization – related to the reduction of costs – that gives a recognizable image to the brand and an advantage over competitors on the global market. On the other hand, product adaptation considers local differences between buyers from different countries and regions (Oezsomer and Prussia, 2000; Fastoso and Whitelock, 2007, Solberg and Durrieu, 2008).

Strategies in the product-market arrangement are included in the developmental groups and – in the long term – their goal is to increase sales revenues on the same markets; for instance, via marketing activities, market segments development, market extension, or diversification (Georinger, Beamish and Dacosta, 1989; Riahi-Belkaoui, 1996; Meyer and Tran, 2006; Hitt, Li and Xu, 2016; Chandola and Huifen, 2017). Strategies for limiting the areas of activity may engender opposite activities, which mostly means the withdrawal of firms from less profitable markets and less attractive areas of activity (Buckley and Ghauri, 2004).

In the case of large firms, the parent company assigns different strategic roles to its subsidiaries, considering not only the configuration of activity – that is, the markets of location such as dispersion and concentration – but also the coordination dimension that refers to the adjustment of activities in the geographical dimension. Moreover, the operational capabilities of subsidiaries and their results are taken into consideration (Lin and Hsieh, 2010). From the point of view of small and medium-sized enterprises, one of the most important decisions in international strategy is the choice of foreign market entry mode, since it depends on the capability of engaging resources, the level of control, and its implementation in the partner’s country (Nisar, Boateng and Wu, 2018; Gancarczyk and Gancarczyk, 2018).

International strategies are crucial decisions from the viewpoint of the firm’s development. Therefore, scholars often analyze them in the dimension of global integration and local reaction (Swoboda, Elsner and Morschett, 2014). Moreover, international strategies consider firm-specific advantages (FSA) and country-specific advantages (CSA), which enable success on a market (Harzing, 2000; Verbeke, 2009). International strategies can contribute to an improvement in the condition and configuration of
global activities, thus a firm’s position on the market. They are of special significance in the case of activities undertaken by international firms, which effectively integrate their activity in the home region under conditions of international economic integration that enable the minimization of differences specific for a given country, such as cultural, geographical, or institutional distance toward other partners in the region (Oh and Rugman, 2012). International strategies also consider the dimensions of foreign expansion, often constituting significant elements that influence their shape and undertaken activities.

Overview of Prior Research and Hypothesis Development

Based on the existing IB theory and various empirical studies, we can conclude that international strategy may impact the three dimensions of internationalization, that is, its scope, scale, and speed.

First research into the internationalization of firms appeared at the turn of the 1950s and 1960s. Initially prevailed the papers that approach the internationalization process in a unitary way (Horst, 1972; Buckley, Dunning and Pearce, 1978; Kumar, 1984; Siddharthan and Lall, 1982). Later, stronger differentiation emerged in scholarship, showing different dimensions of the internationalization of firms (Sullivan, 1994; Kwon and Hu, 1995; Contractor, Kundu and Hsu, 2003; Christophe and Lee, 2005; Ietto-Gillies, 2005).

A broad spectrum of attitudes and dimensions in the analysis of the internationalization of firms is quite often determined by the perspective of the analyzing discipline, such as international business, management, entrepreneurship, or economics. The analysis of internationalization in the context of its speed, scope, and scale is the domain of international entrepreneurship and international business. The systematization of research in this respect is presented by Zahra and George (2005). The authors compare contemporary researchers of internationalization by assigning them according to thematic dimensions. Since then, the number of publications on the speed, scope, and scale of internationalization has risen considerably. Figure 1 shows a demonstrative list of the number of publications on individual dimensions of internationalization over the last four decades, based on the most important international scientific databases.
The speed of internationalization as the subject of research deliberations appears in numerous studies that consider its diverse aspects. Chetty, Jahanson, and Martin (2014) pay attention to the fact that the conceptualization and operationalization of internationalization speed do not undergo unanimous discussion in scientific publications. The groundbreaking work in the matter is the article by Oviatt and McDougall (2005), in which the authors explain how the speed of internationalization should be defined and measured. Moreover, Oviatt and McDougall present a model of forces that determine the speed of internationalization, among which they mention four groups: inclusion (technology), motivation (competition), intermediation (perception of entrepreneur actors), moderation (knowledge, network relationships). The supplement to this strand of research appears in the works by Casillas and Acedo (2013) along with Chetty, Jahanson, and Martin (2014). However, a great majority of papers on the speed of internationalization is empirical. Many authors attempt to develop and verify hypotheses on the role of the speed of internationalization in the development of firms or factors that influence fast internationalization (Knight and Cavusgil, 2004; Sapienza, Autio, George and Zahra, 2006; Chang, 2007; Acedo and Jones, 2007; Mohr and Batsakis, 2014; Knight and Liesch, 2016).
However, the results of the research are not unanimous. Thus, it is important to search for an answer to question **RQ1**, whether a strategy or its lack influences the speed of internationalization and how.

Vermeulen and Barkema (2002) prove that firms should develop slowly and gradually when gaining resources and international experience. In a similar vein argues Chang (2007), but also Zeng, Shenkar, Lee and Song (2013). Sapienza, Autio, George and Zahra (2006) focus on the fact that early and fast internationalization can contribute to the improvement in the firm’s performance, but it simultaneously raises the probability of failure. On the other hand, slow internationalization can lead to the consolidation of the routine acquired on domestic markets, which can turn out devastating on foreign markets. Moreover, many papers analyze cases of born globals, which prove the effectiveness of fast internationalization (Knight and Cavusgil, 2005; Jantunem, Nummela, Puumalainen and Saarenketo, 2008; Li, Qian and Qian, 2012; Zhou and Wu, 2014). There is quite a rich body of scientific articles that confront alternative approaches to internationalization speed (Øystein and Servais, 2002; Chetty and Campbell – Hunt, 2004; Wach, 2015). Chetty, Jahanson and Martin (2014) foreground the fact that internationalization speed is a significant managerial challenge in the process of making decisions about foreign market entry. Freeman, Edwards and Schroder (2006) identify and describe five strategies that enable effective early and fast internationalization: extensive personal network, partnerships with large foreign firms, client followership, advanced technology use, and multiple modes of entry. Zucchella, Palamara and Denicolai (2007) indicate on the example of 144 small and medium-sized enterprises that strategy is of key significance that determines early international orientation. Particularly important here is the existing international experience of the entrepreneur, since proper strategic decisions enable one to effectively focus and position business on the international market. Based on the analysis of firms from New Zealand, Chetty and Campbell-Hunt (2004) study to what extent differ the strategies of born globals and the firms with traditional internationalization path. Their research shows that the strategy of operation on the basic level in both types of firms is similar in principle. A radical dichotomy emerges in the process of achieving the global scope as a result of fast internationalization. Johanson and Vahlne (2009) along with Neubert (2016; 2017) show that effectiveness is crucial for internationalization. Nummela’s, Saarenketo’s, Jokela’s and Loane’s (2014) study of the ineffective internationalization of Finnish and Irish firms confirms the significance of strategy along with capabilities, managerial experience, and business competencies in the fast internationalization process. The analysis and synthesis of international literature on the speed of internationalization allows us to formulate a hypothesis that refers to firms located in Poland as an emerging market:
**H1:** Firms with an internationalization strategy internationalize faster than those that do not have such a strategy.

**The International Strategy and the Scope of Internationalization**

Another important internationalization dimension is its scope (Zahra and George, 2005). The scope of internationalization – indicating the concentration and diversification of undertaken activities – is an important element that affects international strategy. Many actions influence the scope of internationalization. They can limit or accelerate the level of the firm’s engagement in its activity on foreign markets, but also determine the structure of the scale of its relationships. The choice of host market and the forms of presence on it are related to the distance that divides it from the home market in the approach of psychic (Johanson and Vahlne, 1977), cultural, administrative, geographic, and economic distance (Ghemawat, 2001).

The simplest, traditional exporting modes that influence the sphere of exchange are related both to internal and external barriers. Internal barriers occur on the firm level and may be informative, financial, marketing, and functional, whereas external barriers may be procedures, legal and administrative regulations, customs, or remaining elements of the business environment. The barriers obstruct access to a foreign market (Leonidas, 2004; Volpe Martincus et al., 2010; Vila López, 2013; Narayanan, 2015). Non-capital foreign market entry modes require much less control from firms engaged in international ventures. Their implementation enables a firm to achieve experience by the possibility to remain on the foreign market after finishing cooperation, which often leads to an increase in the level of engagement on foreign markets (e.g. Pan and Tse, 2000; Yiu and Makino, 2002; Ang, Benischke and Doh 2015). Firms that decide on contractual foreign market entry modes transfer activities to their partners, in which the latter have an advantage in comparison with the employer (Duniach-Smith, 2004).

Considering the size of the firm in the context of the scope of the internationalization process, we can claim that in – the traditional approach – small and medium-sized enterprises often choose neighboring countries, thus limiting psychic distance (Johanson and Vahlne, 1977). On the other hand, conducting activity on the market with a much wider and dispersed scope occurs among transnational firms (Vahlne and Ivarsson, 2014). In the European Union, member states often become initial expansion markets (Wach, 2014). At present, the scope of internationalization is mostly based on knowledge, learning, and interactions that dynamically happen between partners, but also on trust necessary for further relations (Stoian, Rialp, Rialp and Jarvis, 2016).
Khavul, Pérez-Nordtvedt, and Wood (2010) rightly observe that linking the activity of firms to the scope of internationalization and geographical diversity has a long history in the literature on the subject. The prevailing amount of international research into internationalization confirms the positive relationship between market diversification and a firm’s performance (Teece, 1986; Tallman and Li, 1996; Kim, Hwang and Burgers, 1993; Zahra, Ireland and Hit, 2000; Contractor, Kundu and Ksu, 2003), conditioned by many factors. According to Hamel and Prahalad (1985), these conditions are primarily cost, qualitative, competitive, and financial determinants. Kim, Hwang and Burgers (1993) focus on the fact that the scope of internationalization influences the growth of market force. On the other hand, Zahra, Ireland and Hit (2000) discover that an increase in the scope of activities on foreign markets enables the relocation of general costs, but also costs related to research and development. The literature on the subject also provides evidence that the internationalization scope is not related to the firm’s performance at all (Morck and Yeung, 1991) or there is a negative relationship between these variables (Collins, 1990). Hitt, Tihanyi, Miller and Connelly (2006) highlight the fact that the discrepancy in research findings may be caused, among others, by adopted theoretical assumptions. It is true that a high number of empirical research often practically verifies the assumptions of resource-based internationalization theories (Boehe, 2013), the contingency theory (Buckley and Hashai, 2009), the Uppsala model (Forsgren, Hogstrom, 2004; Lakomaa, 2009), or the network approach (Hollensen, 2008, Căescu and Dumitru, 2011; He and Wei, 2013). In this context, it is studied what factors determine the scope of internationalization. On the example of internationalized Australian firms, Fletcher (2007) explains how network relationships determine the strategic thinking of a firm. On the other hand, Zimmerman, Barsky and Brouthers (2009) study how network relationships influence market diversification of small and medium-sized enterprises. The authors prove that the force of relationships with foreign entities is more significant in the scope of internationalization than the scale of those relationships. On the other hand, Jiménez (2010) examines the dependence between the institutional environment and the scope of internationalization of Spanish international corporations. Jiménez proves that the Uppsala model only partly explains the internationalization scope of Spanish firms, for which the political environment is crucial. Furthermore, the appropriate resources of a firm are quite important, because only their proper compilation can limit threats, while a firm may utilize the chances that arise from the institutional environment of target markets. Domingues (2018) draws similar conclusions, as he claims that the internationalization scope arises from the combination of the properties of target countries environment and the set of specific features of a firm. Likewise – more in the context of the competitive environment – Khavul, Pérez-Nordtvedt and Wood (2010) prove that geographical diversity happens only if there is synchronization between the operations and activities of the firm and the
needs of its most important international customers; it is to be so, because geographical diversity contributes to the improvement of the firm’s performance.

In the context of the scope of internationalization, an interesting example of firms is born globals. There is a common agreement that the internationalization scope of these firms is directly proportional to their internationalization level (Zahra, Ireland and Hitt, 2000; Stray, Bridgewater and Murray, 2001; Dib, Rocha and Silva, 2010). However, when addressing this issue, Hashai (2011) claims that it is not necessarily the case, and he continues to question the precision of the term “born globals.” Hashai concludes that born globals are in fact not born to the global scale but, instead, they internationalize fast – or faster than other firms – from their inception to extending their geographical scope and the framework of foreign operations. On this basis, Hashai attempts to decide whether these two dimensions are simultaneously effectuated by born globals. In other words, Hashai examines the links between the internationalization scope and level. Finally, Hashai (2011) proves that born globals keep to the prevailing internationalization path over the next few periods. In such case, internationalization is dictated by the adopted strategy that seeks risk limitation, but also by the development and use of opportunities specific for a given internationalization path. Hashai indicates the existence of the systematic relationship between these areas that, nevertheless, do not develop simultaneously. Hashai draws attention to the role of the adopted strategy with regard to the geographical diversification of firms. A similar theory is proven by Lopez, Kundu and Ciravegna (2009) along with Taylor and Jack (2013), who claim that firms that internationalize fast and intensely may first focus on few markets, so they may actually be “born regionals” and not “born globals.” Therefore, we may add that a delimitation between these two categories is a result of a compromise between individual dimensions of internationalization – its speed, scope, and intensity – which also confirms the significance of the adopted strategy for the scope of internationalization (Lopez, Kundu and Ciravegna, 2009).

As mentioned above, concentration and dispersion strategies may refer to the internationalization speed, but they more often refer to the spatial, geographical scope (Solberg and Durrieu, 2008). Concentration strategy limits the activity of a firm to a small number of foreign markets that playing a significant role in the building of its international position, whereas – owing to the inclusion of a big number of markets in foreign activity – dispersion strategy leads to risk reduction (Ayal and Zif, 1979; Lee and Young, 1990).

Felzensztein et al. (2015) indicate that the literature concerning the scope of internationalization is dominated by studies on large firms and born globals. According to
these authors, the scholarship pays much less attention to cases of small and medium-sized enterprises. Felzensztein et al. verify the hypotheses that claim these are network relationships and entrepreneurial orientation that are the most important factors to determine the effective geographical diversification of small and medium-sized enterprises. Felzensztein et al.’s research findings confirm that a bigger number of formal and informal international connections contributes to market diversification of small and medium-sized enterprises. Ciszewska-Mlinarič (2018) observes that a great influence on the scope of internationalization of European firms is exerted by public assistance, both financial and non-financial.

The above examples of papers show that the scope of internationalization can be conditioned by a number of problems, which have the nature of stimulants or inhibitors. The above outline the role of strategy in the process of geographical diversification of internationalized firms. On this basis, we formulate the following hypothesis in the paper:

**H2**: Firms with an internationalization strategy operate on a larger number of foreign markets than those that do not have such a strategy.

**The International Strategy and the Scale of Internationalization**

The third dimension of internationalization is its scale, mentioned by Zahra and George (2002). Various authors also use such terms as the “extent” of internationalization, the “degree” of internationalization, or the level of internationalization.

Figure 1 shows that the scale is the most discussed subject in research papers from among all the three dimensions of internationalization. One of the more important studies is the one by Sullivan (1994), who proposes the measurement method of the internationalization scale. Many studies emphasize the significance of the economies of scale for firm activities as an effect that raises the scale of internationalization (Delios and Beamish, 1999; Xie and Liu, 2011; Dittfeld, 2017). Bloodgood, Sapienza and Almeida (1996) discover that firms have to conduct international activities to maintain a competitive advantage on the market because internationalization enables access to international knowledge, technology, and innovation. Owing to that, firms can develop their capabilities and consequently increase revenues. McDougall and Oviat (1996) observe that the growth of international sales is directly proportional to the firms’ financial performance. Some authors indicate that the degree of internationalization is determined by the form of presence on foreign markets. According to Zacharakis (1997), cooperation with foreign partners and strategic alliances enable internationalized firms to overcome numerous limitations and contribute to interna-
tional growth. A more advanced form of market presence enables firms to divide risk and gives them a possibility of complementary activities. Moreover, according to Gulati, Nohria, and Zaheer (2000), access to information is very important, as it is crucial to the effectiveness of operations on foreign markets. On the other hand, according to Beamish and Lu (2001), the impact of strategic alliances on the profitability of foreign operations is positive only when cooperating with a foreign partner. Chatterjee and Lim (2000) prove that external and internal factors that determine the internationalization scale are positively correlated with firms’ effectiveness. According to the research by Burpitt and Rondinelli (2000), financial success in the first years of activity motivates firms to further internationalization in the periods to follow. Hence, the deepening scale of internationalization is the function of time and achievements in the first years of international activity. Hajela and Akbar (2013) present empirical evidence on the existence of a positive linear relationship between internalization and firms’ performance. These authors prove that benefits arising from internalization outweigh the costs incurred.

On the basis of the above literature overview, we discover that the internationalization scale concentrates on conditions and stimulants of this process. Moreover, a significant contribution to this research is the indication of relationships between strategy and the scale of internationalization. Studies emphasize both positive (Tallman and Li, 1996; Hitt, Hoskisson, Kim, 1997; Kim, 2010; Das, 2014), and negative relationships (Bhardwaj, 2000; Fang, 2005; Luo and Tung, 2007) between these two. Having a strategy can prove business experience in the development of markets and various specific activities of the firm, e.g. in research and development. Knowledge leads to a higher propensity to risk-taking. Strategy can determine competitive advantage, lead to better adaptation in international or global market, and also allows for more effective competitive struggle. A lack of strategy depreciates crucial factors of the firm’s success, thus decreasing the firm’s performance on the international market (Xue and Zhou, 2007; Huo and Hung, 2016). A thorough analysis of the literature on the scale of internationalization allows us to formulate the third hypothesis verified in the study:

\[ H_3: \text{Firms with an internationalization strategy sell more outside of Poland than firms that do not have such a strategy.} \]

2. Research Design and Methodology

As mentioned above, this study applied a quantitative approach based on computer-assisted telephone interviewing (CATI) technique. The research sample was selected on the basis of companies registered in Poland with a REGON number, out of which 7,100
companies were randomly selected for the questionnaire. Stratified random sampling was applied according to the following criteria:

1. The sample contains only internationalized enterprises (at least exporters),
2. The sample includes firms of various sizes but with a reflection of research needs, i.e. (a) with a small share of microenterprises as the least internationalized, although they constitute the largest group in the surveyed population; (b) with a relatively small share of big companies, which are the smallest group in the population, though these are the most typical firms in terms of internationalization, with the assumption that each of these groups should constitute about 10–15% of the research sample; (c) with a relatively large share of both small and medium-sized enterprises, which according to the assumptions, it should be 25–45% of the sample.

The response rate was 10.7% and a total of 355 questionnaires were collected. The results of telephone interviews were subject to adequate statistical calculations with the use of specialist computer software, Statistica PL v. 10.0. The following statistical measures and methods were used to verify the formulated research hypotheses: chi-squared test and chi-squared test of the highest reliability, Cramér’s V contingency coefficient, Pearson correlation coefficient, Mann-Whitney U test, Student’s t-test, and analysis of variance (ANOVA).

For the needs of the survey, the following variables describing internationalization were applied, which were subject to statistical calculations:

1) internationalization speed (INT_SPEED), that is the number of years from the firm’s inception to its first internationalization,
2) internationalization scope (INT_SCOPE), that is the number of countries in which activity is conducted,
3) internationalization degree (INT_SCALE), that is the share of sales to foreign markets,
4) international experience (INT_EXP), that is the number of years of the firm’s presence on foreign markets,
5) internationalization index (internationalization index, II) as an established measure of internationalization in the literature on the subject (as the number of foreign subsidiaries divided by the number of all subsidiaries),
6) transnationality index (transnationality index, TNI) as an established measure of internationalization in the literature on the subject, and its three components
(as an arithmetic mean), namely the share of foreign assets (F_ASSETS), the share of foreign sales (F_SALES), and the share of foreign employment (F_EMPLOY).

**Research Findings and Discussion**

**Empirical results**

Only every fifth studied firm declares having a formalized internationalization strategy, and more than a half do not have any strategy, be it formalized and not formalized (Figure 2). Based on the chi-squared statistics ($26.47618, df = 3, p = 0.0001$) and chi-squared test of the highest reliability ($27.19671, df = 3, p = 0.00001$), the difference in the percentage of having a strategy among the firms of different sizes is statistically significant. The larger the firms are, the more frequently they have an internationalization strategy. Such a strategy is present among 26.0% of micro-, 39.9% of small-, 55.7% of medium-, and 71.7% large-sized enterprises. Both the value of Cramér’s $V$ coefficient ($V = 0.27$), and Pearson correlation coefficient ($C = 0.26$), but also Yule’s $Phi$ contingency coefficient ($0.27$) proves the moderate force of the relationship between the firm’s size and having an internationalization strategy.

**Figure 2.** Having an internationalization strategy by the studied firms

![Chart showing the percentage of firms with and without internationalization strategies](chart.png)

Source: own calculations based on the survey ($n = 355$).

To assess the differentiation of the average level of variables (quantitative predictors) that describe internationalization between firms’ having or not having internationalization strategy, the study applied nonparametric Mann-Whitney $U$ test and Student’s $t$-test.
In three cases, the value of the probability of the tested $p$ confirms that the differentiation of average levels of internationalization scope, internationalization index, and the share of foreign employment in firms having and not having an internationalization strategy is statistically significantly different (Table 1). When assessing the differentiation of those values, the difference of medians was considered with the use of ANOVA analysis. An average difference in the levels of discussed variables is obviously in favor of the firms who think strategically:

- internationalization scope (9.4 against 12.8 markets),
- internationalization index (1.35 against 8.05 subsidiaries),
- share of foreign employment (1.50 against 4.34 people).

Table 1. The results of Mann Whitney $U$ test for selected predictors that describe the internationalization of studied firms by their use of a strategy as a grouping variable

| Predictor   | Sum of ranges | U  | Z     | $p$   | Z adjusted | $p$   |
|-------------|---------------|----|-------|-------|------------|-------|
|             | Gr. 1   | Gr. 2 |       |       |            |       |
| INT_SPEED   | 27756   | 31584 | 14715 | -0.0173 | 0.9861     | -0.0180 | 0.9856 |
| INT_SCOPE   | 31988   | 29436 | 11670 | 3.7686  | 0.0001     | 3.7829 | 0.0001 |
| INT_SCALE   | 30812   | 32377 | 14422 | 1.3101  | 0.1901     | 1.3714 | 0.1702 |
| INT_EXP     | 28366   | 31319 | 14438 | 0.3672  | 0.7134     | 0.3677 | 0.7130 |
| II          | 28600   | 29369 | 12533 | 2.0269  | 0.0426     | 3.4420 | 0.0005 |
| TNI         | 28109   | 29860 | 13207 | 1.2943  | 0.1955     | 1.2953 | 0.1951 |
| F_ASSETS    | 24346   | 28628 | 13052 | 0.0699  | 0.9442     | 0.0846 | 0.9325 |
| F_SALES     | 28328   | 29983 | 12963 | 1.6316  | 0.1027     | 1.6350 | 0.1020 |
| F_EMPLOY    | 29531   | 30847 | 13456 | 1.6273  | 0.1036     | 2.6000 | 0.0093 |

Source: own calculations based on the survey ($n = 355$).

The values of $t$ statistic are statistically significant in four cases (Table 2), including three analogous ones with the $U$ statistics discussed above. An average difference in the discussed predictors is as follows:

- with regard to the internationalization scope, 12.8 markets among firms that have a strategy and 9.4 markets among firms that do not have a strategy,
with regard to the internationalization index, 4.4 foreign subsidiaries among firms that have a strategy and 0.5 subsidiaries among firms that do not have a strategy,

- with regard to foreign employment, 4.3 foreign workers among firms that have a strategy and 1.5 foreign workers among firms that do not have a strategy.

Moreover, there is a statistically significant difference in the internationalization speed among firms with and without an internationalization strategy, although not at a typical but at acceptable significance level. An average internationalization speed of firms that have an internationalization strategy is lower and exceeds five years, whereas in the remaining firms it is almost eight years.

**Table 2.** Results of Student's $t$ test for selected dependent variables that describe the internationalization of studied firms by their use of a strategy as a grouping variable.

| Dependent variables | Mean | $T$  | $df$ | $p$  | Standard deviation |
|---------------------|------|------|------|------|--------------------|
|                     | Gr. 1 | Gr. 2 |      |      | Gr. 1 | Gr. 2 |
| INT_SPEED           | 7.9875 | 5.349 | 1.6855 | 342 | 0.092 | 19.02 | 8.71 |
| INT_SCOPE           | 12.833 | 9.420 | 3.1259 | 348 | 0.001 | 11.00 | 9.41 |
| INT_SCALE           | 1.319 | 1.158 | 1.2589 | 353 | 0.208 | 1.18 | 1.21 |
| INT_EXP             | 29.055 | 16.027 | 1.1166 | 343 | 0.264 | 157.45 | 10.68 |
| II                  | 4.4450 | 0.4676 | 4.5062 | 693 | 0.000 | 16.62 | 0.49 |
| TNI                 | 24.956 | 23.007 | 0.9239 | 338 | 0.356 | 19.00 | 19.731 |
| F_ASSETS            | 22.234 | 23.193 | -0.2237 | 323 | 0.823 | 37.47 | 39.304 |
| F_SALES             | 49.694 | 44.565 | 1.4971 | 339 | 0.135 | 30.43 | 32.435 |
| F_EMPLOY           | 4.342 | 1.505 | 2.2589 | 345 | 0.024 | 13.74 | 9.514 |

Source: own calculations based on the survey ($n = 355$).

The internationalization speed is closely related to firms defined as born globals, while the threshold value is – in accordance with the literature – three years (Gabrielsson and Kirpalani 2012). Two-dimensional distribution (Figure 3) considering two variables, namely internationalization and born globals, reveals the lack of any differentiation that would be statistically significant, as the distributions of observations are almost equal which, by the way, is confirmed by nonparametric chi-squared test (chi-squared = 0.10, df = 1, $p = 0.75$).
Based on the conducted research, we conclude that the presence of a formal internationalization strategy can have great value for the effectiveness of operations on the international market. According to our analysis, companies with a strategy internationalize faster, which confirms the H1 hypothesis. To answer the RQ1 question: the presence of a strategy has a significant and positive impact on the speed of internationalization. A similar conclusion follows from the verification of hypothesis H2 and answering the RQ1 question: companies with a strategy operate on a larger number of foreign markets. This means that the presence of a strategy has a significant and positive impact on the firm’s scope of internationalization. However, our research does not confirm the positive relationship between the presence of a strategy and the volume of generated sales abroad. What follows is that strategy does not affect sales volume, thus our empirical results disprove the H3 hypothesis. Therefore, the answer to RQ3 question must indicate a lack of relations between strategy and the scale of internationalization.
3.2. Scientific Discussion

The case of Polish firms in terms of their speed of internationalization ascertains the general prevailing tendency mentioned by other authors, that is, the positive impact of strategy on the speed of internationalization (Johanson and Vahle, 2009; Neubert, 2016, 2017). Regarding the scope of internationalization, Felzensztein, Ciravegna, Robson and Amorós (2015) or Hashai (2011) focus on different and very detailed determinants that affect the number of acquired markets in the internationalization process. In terms of the scale of internationalization, the results of our research contradict the conclusions of Kim (2010) and Das (2014). In our opinion, it seems that many Polish small and medium-sized enterprises are very successful in international markets, although they are very flexible and internationalize in an organic way, without a formal international strategy.

Hilmersson (2014) examines and confirms the existence of a significant and positive dependence in the relationship between the strategy of small and medium-sized enterprises in terms of the speed, scope, and scale of internationalization and firms’ effectiveness during market turbulence. Keeping a formal strategy regarding the speed of internationalization and geographic diversification positively impacts company operations during market turbulence, which makes our findings coherent with Hilmersson’s (2014). In turn, this impact has not been demonstrated in the case of strategy regarding the scale of internationalization. Kuivalainen, Kylaheiko and Pummalain (2001) propose a similar conclusion in their research into a Finish telecom software supplier and the impact of determinants related to knowledge on the speed, scale, and scope of internationalization. Andersson, Evers and Kuivalainen (2014) define a conceptual framework to identify key industry factors that affect individual dimensions of internationalization only to notice that new business models are one of the emerging factors. These authors’ observations agree with our research findings.

Conclusion

An efficient and effective manner of conducting business activity abroad requires the application of adequate planning instruments, and then internationalization strategy management. For years, the literature on the subject attempted a theoretical modelling of the internationalization process from the perspective of the strategic approach. Undoubtedly, it is a very interesting and promising research strand, one marked by economists’ interest in this issue in the last decade and extending the economic base of international business onto strategic issues typical so far for management studies.
Summary of Empirical Results

The results of conducted statistical calculations presented in this article verify the research hypotheses formulated in the introduction:

| No | The Subject of the Hypothesis          | Result          | Method                  |
|----|---------------------------------------|-----------------|-------------------------|
| H1 | internationalization speed             | Confirmed       | t test U test ANOVA     |
| H2 | internationalization scope             | Confirmed       | t test                  |
| H3 | internationalization scale             | not confirmed   | t test U test           |

The conclusions from the conducted survey and applied statistical analyses are in the synthetic approach:

- Only half of the investigated internationalized firms have any strategy in this respect, neither formalized nor informal, which is a rather low percentage.
- The greatest strategic awareness and business practice in this respect are among the largest firms, while the lowest among the smallest entities.
- Firms with internationalization strategies usually operate on a bigger number of markets, that is, their internationalization scope is larger than that of firms without a strategy.
- As a rule, firms that think strategically have many more foreign subsidiaries, while firms without a strategy only rarely have foreign subsidiaries.
- Firms with an internationalization strategy internationalize faster than those without such a strategy, considering the average number of years passing from the firm’s inception to its first internationalization, yet in the dichotomous approach, considering born globals (up to three years) with early and accelerated internationalization, we cannot talk about such a relationship based on the obtained empirical results.

Business Implications

The obtained research results can be extrapolated to business practice. The skills of strategic thinking and acting according to an assumed scheme, particularly on the international market, should be developed at the teaching stage. Managers, entrepreneurs, owners, and decision-makers should be aware of the importance of strategies for the effectiveness of operations on the international market, especially in the context of obtained results, as the minority of investigated firms have formal
international strategies. In view of the growing interest of Polish companies to enter foreign markets and seek funds to support their activities, decision-makers should also consider the internationalization strategy as an option for subsidies.

Research Limitations

The article is not without limitations. Above all, due to the telephone questionnaire, the category of strategy was not precisely defined, without indicating its content and scope. It would be much more valuable to discuss specific strategic actions on the dimensions of internationalization or to make a typology of strategies in relation to the speed, scope, and scale of internationalization. Undoubtedly, strategy is not the only determinant of individual internationalization dimensions. Therefore, the weakness of this study is that it does not apply control variables to these dimensions, which would give a fuller picture of reality. It is worthwhile to continue the research with a deeper disaggregation both in the area of strategy and internationalization dimensions. Obtained results cannot be generalized to the whole population. Moreover, this research cannot be generalized to individual categories of firms, though the size of the company may be of great importance in this case.

Suggestions for Further Studies

Future work should attempt to build a comprehensive model that accounts for the components of strategy along with categories of firms and other stimulants of the internationalization process. Therefore, we may say that the results presented in the current article are only a starting point for further detailed analyses. The topic should be analyzed from the viewpoint of both management studies and economics. In the field of management, we should continue research into areas and contents of strategy along with decision-making processes in strategic management in international business, which will create further practical recommendations for internationalized firms. On the other hand, it is undoubtedly worth observing the economic effects of strategic management in the field of economics and making theoretical generalizations within that scope; that is, considering the economic performance of firms and the economic effects of internationalization. Further research could also attempt a qualitative approach. Finally, specific Polish patterns case studies of success stories and special analyses of outliers could provide a better understanding of the relations between the scale, scope, and speed of internationalization.
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