

THE ROLE OF MANAGEMENT/MANAGER PRACTICES IN THE PROCESS OF INTERNATIONALIZATION OF SMEs³

Managerial orientation has become a key concept regarding SMEs internationalization even if not all companies have enough experience in this complex process. During the last decades, traditional internationalization practices (exporting), broadened and developed into a multi-faceted and more differentiated activity that enhances the competitiveness of a business. This paper's objective is to present how and if the international activity of a business and its environment are influenced by management strategic decisions. By analyzing the successful internationalization of Romanian cases, this paper aims to establish a connection between certain managerial approaches and the success of the business (risks taken, capabilities, and process in general). The study was conducted over three months, where we collected data using a combination of instruments and methods (such as. surveys, interviews, analysis of data, and online research about the companies). Effective management practices are crucial for the success of SMEs seeking to internationalize. The role of high-quality management and a manager's education can contribute to the company's overall success and its benefits.

Keywords: internationalization; SMEs; managerial practices; business environment; competitiveness.

JEL: F23; G32; L23

Introduction

Nowadays globalization is considered a real phenomenon of the contemporary business world, especially as the economic ties between countries become stronger and more resistant. The internationalization of a company's operations holds the key to its potential for economic development in the context of international trade, considering internationalization not only a key driver of economic progress but for some businesses even essential to their continuance and existence. Irrespective of the firm's size and age, the extent of its activities, or the industry in which it conducts business, internationalization has emerged as a fundamental pillar of the modern economy. They are essential to Europe's competitiveness and prosperity, as well as

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economic and technological sovereignty' while representing 50% of Europe's GDP and consisting of 25 million SMEs in Europe.

Member of the EU since 2007, in Romania, the business environment has undergone significant changes in recent years, nowadays is focused on recovering from the effects of the COVID-19 pandemic, and its business sector becoming more integrated into the global economy. As a result of this, the process of internationalization has become increasingly important for Romanian businesses, leading to the Romanian government implementing several policies and initiatives to support the internationalization of businesses. These include programs to promote exports, support investment and entrepreneurship, and improve access to finance (SMEs Growth; IMM Invest; UpGradeSME). The government has also worked to improve the country's business environment by reducing bureaucracy, simplifying regulations, and promoting transparency and competitiveness. For instance, according to the National Institute of Statistics, Romanian exports increased significantly in 2021 compared to 2020. Also, as per the NIS, Romania exports mostly machinery and transport equipment, raw materials, and other manufactured articles like for example footwear. According to the European Commission, many of the programs created to help and stimulate the internationalization of SMEs are not so well known across the business sector, unfortunately leading to few SMEs taking advantage of these opportunities granted by the EU.

It is a reasonable assumption that the efficiency of both SMEs and MNEs in terms of internationalization is influenced by the managers' foreign perspective, keeping in mind that the CEOs or managers in SMEs are usually the centres of attention during the decision-making process, leading to the influence of managers' international engagement being substantially larger for SMEs. The process of internationalization has been understood from several perspectives, it is not a new phenomenon, and it has been researched using many different approaches, being linked to multinational companies, but also to medium-sized and small enterprises, taking into consideration several cultural or demographic factors, and different methods of joining new markets amongst additional concepts (Coviello, McAuley, 1999; Acedo, Jones, 2007; Dominguez, Mayrhofer, 2017).

Despite the various views on internationalization, enterprises are composed of multiple kinds of management teams with varying characteristics and ways of operating. Effective management techniques can be incredibly beneficial in allowing SMEs to overcome the difficulties of internationalization and seize new possibilities in global markets. This entails having a thorough awareness of the global market, creating strategic plans, and having the ability to create and uphold reliable connections with partners and clients. Therefore, it is crucial to understand the characteristics and actions of managers that influence a firm's decision to join a new market. This understanding can help companies develop towards international expansion while increasing performance and making effective decisions to achieve global success (Herrmann, Datta, 2005; Hutchinson, Quinn, 2006).

To better understand the influence of management on the internationalization process of SMEs, it is important to conduct research and analysis on the subject. This can provide valuable insights and help to identify best practices and potential areas for improvement. The research questions for this study are the following:

1. Which factors influence a Romanian SME's internationalization process and performance?
2. Does managers' international orientation positively influence the internationalization performance of a firm?

These will be tested through a case study analysis of specific SMEs that have internationalized, to understand the role of the manager's characteristics in their success in international markets. The purpose of this paper is to establish a connection between the managers' international perspective and a firm's success in going global. This paper includes a revision of the internationalization process, followed by a presentation of the main concepts regarding the managers' international inclination. Secondly, a case study will be conducted through a qualitative research method to understand how Romanian managers influence the selection of a new market in the internationalization process of a firm. This study was carried out at the end of 2022 and the beginning of 2023, considering a wide range of literature from previous years, interviews, and data collection during the period of September 2022 and March 2023.

Literature Review

Nowadays SMEs are considered extremely important means for the creation of growth and wealth across businesses through employment opportunities and innovation. They play a significant part in the establishment of jobs, being dynamic and adaptable. An SME can have around 250 employees, as in the European Union, even if in the United States the number is 500 employees. The number of employees is only one of the possible criteria to define small and medium enterprises. For example, looking at the financial assets of a business, 'the turnover of medium-sized enterprises (50-249 employees) should not exceed EUR 50 million; that of small enterprises (10-49 employees) should not exceed EUR 10 million while that of micro firms (less than 10 employees) should not exceed EUR 2 million'. Additionally, the third criteria introduced by the OECD are the balance sheets, as 'for medium, small and micro enterprises should not exceed EUR 43 million, EUR 10 million and EUR 2 million, respectively' (OECD, 2005). When it comes to the internationalization of SMEs and how businesses evolve towards an international position, it is a topic of great interest for researchers and the business world as well, being considered a challenging process that requires a great level of commitment. Besides, because of the quickening of the globalization processes, an increasing number of SMEs have been attempting to capitalize on the new environmental conditions, or the opportunities for internationalization that have arisen (Daszkiewicz, Wach, 2012: 5). Therefore, internationalization is a topic that has been around for several years and can hardly be considered recent. A firm's internationalization can be perceived in a range of ways depending on the perspectives and concepts used to examine it. As stated in the SME Observatory issued by the European Commission, as mentioned by Daszkiewicz & Wach (2012: 14), the main reason for small and medium enterprise internationalization is the aim to boost the competitiveness level of the business and to access different, vast markets.

To comprehend how a business can develop in terms of international growth, enhance productivity, and effectively make decisions to achieve success, it is essential to comprehend what features and how management affects the selection of a new market in the internationalization process of a firm (Carvalho-Correia, 2015, p. 7). The importance of reliable mechanisms that can help SME managers make the most of expertise processes and methods, approaches, standards, and best practices has been reiterated over the past few years by academic studies as well as practical examples, particularly considering the internationalization process. What these theories have in common is that *management teams*, although having different traits and modes of behaviour, adhere to these strategies.

Although the internationalization process gives companies a chance and opportunity for development and growth, it also exposes them to high risks that can negatively impact their performance. There are several challenges that SMEs must overcome to be successful in the internationalization process. These include the need to adapt to different cultures and business environments, navigate complex legal and regulatory frameworks, and compete with larger, established international firms. To address these challenges and succeed in international markets, SMEs need to have effective management practices in place. As per Eduardsen & Marinova (2020), risk management is an important consideration for businesses that operate internationally, given the uncertainty and unpredictability of entering and operating in foreign markets. The actions of managers regarding the risks involved can affect the strategies chosen by organizations (Virglerova et al., 2020), making it crucial to analyze the role of managers in examining risk in the process of international expansion for companies. How a company enters international markets can have a significant impact on the risks it faces. ‘The risks will also vary with each form of foreign market entry. For example, the risk associated with indirect exports is different than with direct investments in foreign markets (Kubicková, Toullová, 2013, p. 2386). Choosing the right mode of entry is a critical decision for organizations and their managers, as it can involve significant investments in financial and human resources that may be difficult to reverse.

As cited by Maccali et al. (N/A, p. 4), Yenyurt et al. (2005) suggest that managers may be expected to accept global ideals because of external forces such as competitive pressures, sensitivity to manufacturing costs, government involvement, and opponents, and authors Weerawardena et al. (2007) further support this idea by including that in the case of managers/owners, this inclination can be a result of previous international background, a creative mindset, an entrepreneurial attitude, or an interest in learning. As per Mitan & Vătămănescu (2019, p. 486), to succeed in a highly dynamic environment, handling all organizational procedures with a greater level of professionalism and proactiveness is a prerequisite.

In agreement with Van Bulck (1979), the manager’s international or global orientation is named Global Business Orientation, a construct that illustrates the manager’s approach concerning internationalization and the capacity to adjust to new business circumstances. For other authors, factors such as education, level of management, number of languages spoken or business trips abroad may contribute to the development of a global orientation and mindset (Story et al., 2014, pp. 137-152). ‘Complexity of the role of a leader was shown to directly impact the global mindset. Leaders who have more challenging and complex assignments were found to have a stronger relationship with global mindset’ (2014, p. 152),

suggesting this could have an impact on the manager's openness to the process of internationalization in general and their willingness to develop outside the national borders of their business, meaning that if the manager refuses to begin the strategy of internationalization, it will be visible at a business level (Freeman, Cavusgil, 2007; Lloyd-Reason, Mughan, 2002).

According to Tretyak (2017, p. 13), a manager with a high level of international orientation is educated, multilingual, versatile, has a high degree of tolerance for risk and psychic distance and possesses favourable attitudes concerning internationalization. For example, a relevant study by Knight and Cavusgil (1996) found that younger executives were more likely to advocate for international expansion and were more willing to take risks to pursue international opportunities. To further support this idea, we identified a study by Andersson et al. (2004, p. 13), that considers that another important factor that could influence the process of internationalization is the age of the manager/CEO, arguing that 'the age of a CEO could explain why smaller firms continue to grow their international activities, also indicates that the younger generation of CEOs see the world as their marketplace and push for increased international activities'. Ultimately, the age of a CEO is just one factor that may influence a company's decision to engage in international activities, and there are likely to be many other factors at play as well.

As stated by Herrman & Datta (2002), another factor that can influence the manager's decision is their educational level, as well as their background and international experience, including the time lived abroad/travelled abroad. 'They suggest that international experience and associated learning provide CEOs with the mindset, knowledge, and confidence to select full-control entry modes, involving higher levels of information processing along with greater resource commitments and risks' (2002, p. 565). This view is also supported by Stoian and Rialp-Criado (2010), as cited by Lihoussou et al. (2021), 'skills are the result of experience gained through travel, an experience that provides a positive view of internationalisation' (2021, p. 122).

An additional factor that can intervene in this process is the manager's ability to speak foreign languages. In Romania for example, since a significant part of the Romanian SMEs trade with nations that are not Romanian speaking, it becomes obvious that foreign language proficiency has been regarded as essential to a business' successful internationalization, these abilities being often considered necessary in international operations. As per Knowles et al. (2006), 'skill in foreign languages is usually achieved following a great deal of hard work. Decision-makers with such skills have demonstrated a conscientious, well-motivated commitment to enhancing communication with foreigners and understanding of things foreign' (2006, p. 623), emphasizing the idea that having strong language skills can be an important asset in a globalized world as it can facilitate communication and facilitate cross-cultural understanding.

Further, as indicated by Knowles et al. (2006), another concept that analyzes the characteristics of the manager is 'the internationalization web', as introduced by Lloyd-Reason and Mughan (2002, p. 127). The authors, therefore, use this concept to illustrate the connections between the demographic and psychological features of the managers/CEOs and to further develop the concept of 'cultural orientation' viewed as a mix of both demographic

and psychological features such as ‘language skills and also education, knowledge of overseas competitors, experience of foreign cultures, foreign networks of friends and colleagues, attitudes to visits abroad and willingness to welcome foreign visitors’ (Knowles et al., 2006: 623). Finally, we conclude that the primary factors that influence a manager's levels of international engagement are their knowledge and involvement in foreign operations, which encompasses previous leadership experience, strategy and business expertise, and cultural and linguistic competency.

Methodology

The study was conducted over a period of three months, during which time we collected data using a combination of methods, including interviews with the managers of the selected companies, analysis of company documents and financial data, and online research on the companies and their industries. Additionally, the firms that have taken part in this study represent different business sectors: *beauty and cosmetics, construction, manufacturing* etc. The above discussion leads to a few research questions:

- Which factors influence the internationalization process and performance of a Romanian SME?
- Does managers’ international orientation positively influence the internationalization performance of a firm?

The use of a multiple case study design allowed us to gain a rich and detailed understanding of the internationalization processes and performance of SMEs in various industries in Romania. This research method also allowed us to examine the relationship between the role of managers, and success in international markets, and to identify the factors that may contribute to this relationship. Conducting a more qualitative analysis of the interviews, permitted us to look at the nuances and complexities of the data and consider the experiences and perspectives of the managers in more depth.

We collected the data using semi-structured interviews with the managers of the selected SMEs. The interviews were conducted in person, over the phone, or via videoconference, depending on the availability of the managers. The interviews lasted approximately one hour/one hour and a half and covered a range of topics related to the organizational structure, internationalization strategies, and the role of managers in the internationalization process of the companies, as well as their performance in international markets.

Results and Findings

According to the European Commission (2022), ‘in 2021, SMEs in Romania grew by 13.3% in value-added and 2.6% in employment, outperforming large enterprises, which grew by 9.8% and 0.9 %, respectively’ (2022). The report also mentions that according to the National Institute of Statistics, the exports in Romania have experienced a growth in 2021 compared to 2020. As per the Observatory of Economic Complexity Index in 2020 (the most recent

data available), our country was number 41 in total exports and 36 in total imports, exporting significantly to Germany, Italy, France, Hungary, and Bulgaria, and importing from Germany, Italy, Hungary, China, and Poland. Also, regarding access to finances, the Commission mentions that there have been both developments as limitations. For example, there was an increase ‘in the number of SMEs that did not apply for loans (77% in the first part of 2021), thus limiting themselves to internal resources, which can limit company growth’. However, in terms of funding for Romanian start-ups, it is considered to have become ‘more sustainable and diversified’ (EC, 2022). Unfortunately, in terms of innovation and skills, Romania continues to perform poorly, being situated under the European average.

A manager's international view affects their decision-making about the internationalization of their company to a higher extent than other factors. Although it plays a less significant role in MNEs than in SMEs, managers' international orientation nevertheless has an impact on how well a company can expand internationally. This study primarily examines managers' global perspectives of 5 Romanian SMEs of different sizes:

Table 1. Companies’ information

Company name	Industry	Turnover (RON)	Net profit (RON)	Number of employees	Funding year	1 st year of internationalization
Company A	Manufacturing	1.216.380	63.491	4	2010	2010
Company B	Cosmetics/Beauty	16.227.499	4.810.144	11	2005	2005
Company C	Chemical	20.167.944	2.375.817	72	2005	2011
Company D	Cosmetics/ Beauty	4.004.091	43.064	5	2014	2020
Company E	Constructions	1.321.611	347.802	1	2014	2016

Source: Author’s own creation based on company data

The interviews were developed based on a timeline, using a chronological sequence, as this helped us provide more detailed responses and answers evidence-based. Based on the REM model for internationalization developed by Liuhto & Jumponnen (2002, p. 22) the model is comprised of three components: (1) the R factor – a reason to internationalize, (2) the E factor – environmental selection and (3) the M factor – the modal choice. This was useful for our study to create a structured approach, as it provided a framework for internationalization considering the three different dimensions of the process. As a result, the motivation/reason for internationalization will contrast and compare internal and external drivers and obstacles for the selected Romanian SMEs. Further, the environment selection will consist of a comparison of the main factors which determine this selection, and finally, this study will examine the choice of entry modes, including a comparison of the operational modes.

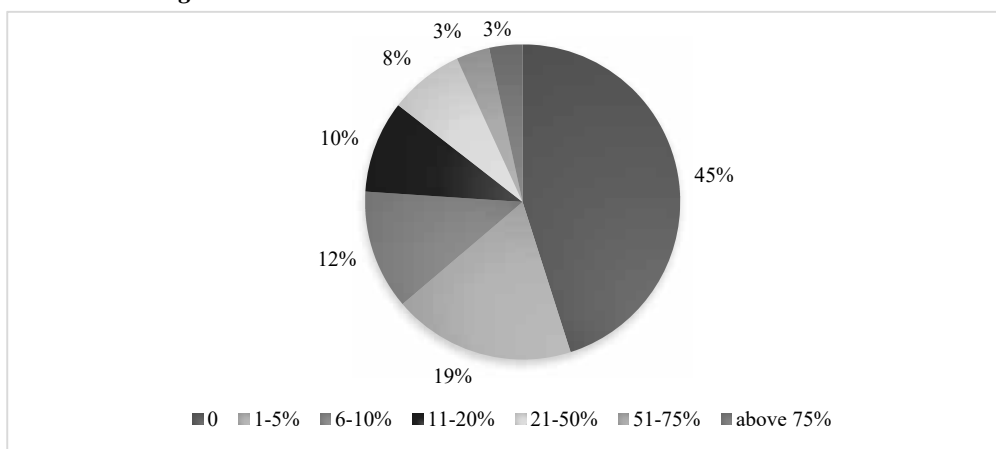
To clarify the first question of the study, we focused on four dimensions during the interviews:

- (a) the external and internal reasons for internationalization as identified by the managers,
- (b) the external and internal barriers to internationalization,
- (c) the main criteria which determine environment selection,
- (d) and the operational mode selected.

Regarding the first dimension approached during the interviews: the external and internal reasons for internationalization, there were no major differences between the mindsets of the managers interviewed. The most prominent external and internal reasons impacting the internationalization of the selected SMEs are the small domestic market and the motivation to increase profits, but also the competitive pressure and the unstable business environment in Romania, leading to a desire to avoid the risk. Risk avoidance was one of the most frequent reasons mentioned by the respondents to our research. In respect of profit goals, it was identified by most managers as the most stimulating internal reason for foreign markets' internationalization.

However, all managers mentioned that the barriers have impacted the strategic decisions of the companies to become more competitive in the markets/industry and more innovative. In all five small and medium-sized enterprises, it was found that the manager played a crucial role in the process of internationalization. In each case, it was the manager who came up with the idea and initiated the necessary steps to expand the business into foreign markets, while also consolidating the process, ensuring that all aspects of the expansion were well-coordinated and efficiently executed. Regarding the level of innovation in their businesses, most of the managers acknowledged that it is still a challenge nowadays and a concern that is currently on their list of priorities. This view is confirmed by the European Commission (2022), mentioning that in terms of innovation and skills, Romania continues to perform poorly, being situated under the European average.

Figure 2. Investments in innovation at the SMEs level in Romania

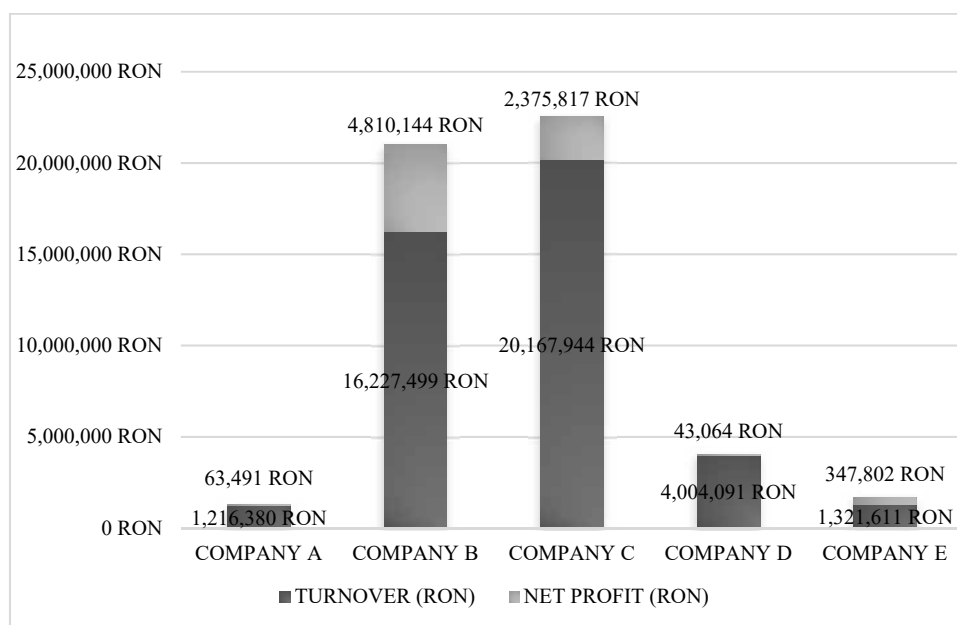


Source: CNIPMMR, 2021, p. 322.

Regarding the SMEs we analyzed, all the respondents have declared that there is still room for improvement when it comes to the innovation capabilities of their businesses – however, all the companies have mentioned they are currently making efforts to digitalize their business and mentioned using ERP systems for better coordination between the different departments of their business.

As for the second dimension of our analysis, the results of the interviews allow us to conclude that the most frequent external barriers are the intense competition abroad and the bureaucracy. Further, regarding the internal barriers, the managers identified the following: limited managerial skills, mostly limited financial resources (for example compared to MNEs which have greater financial power), but also a lack of marketing capabilities. It became clear during the interviews that the scarcity of resources is hindering the opportunity for a firm to start doing business abroad. To overcome these barriers of limited financial resources, the interviewed managers referenced more than once the need to be creative and resourceful in finding ways to access the necessary funds, these involving loans or grants, finding investors or partners, or looking for ways to reduce costs and increase efficiency.

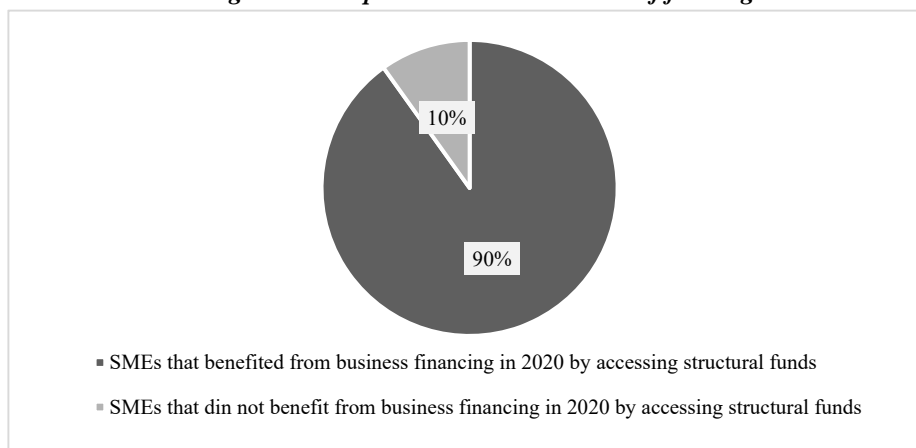
Figure 3. Turnover (RON) & net profit (RON/SME)



Source: Author's own creation

For example, in 2022, according to an official proposal, private companies in Romania should have been able to access minimis aid worth a total of 15 million RON (approx. 3 million euros) from the state budget to attend international trade shows and exhibitions or to participate in paid online events through the Program for Supporting the Internationalization of Romanian Economic Operators. It is hoped that this support will help businesses to expand their reach and improve their competitiveness in global markets (Romanian Government). Out of the five SMEs examined, none of them received governmental or European funds for internationalization. All the managers expressed the belief that they do not receive sufficient support from the government in their efforts to internationalize and consider this lack of financial and institutional support as hindering their ability to succeed in foreign markets.

Figure 4. Companies' external sources of funding



Source: CNIPMMR, 2021, p. 197.

Respecting the third dimension of the analysis, the environment selection, 5 out of 5 respondents mentioned the entrepreneur's accumulated expertise and diverse experience. The responses we got allow deducing that Romanian SMEs observe criteria such as geographic proximity, potential growth of markets or informal relationships with family members or friends, as well as the established partnerships or formal connections with other stakeholders in the industry. Interestingly enough, the managers did not highlight the *psychic distance* as a major factor when it comes to the environment selection, which is further proof that it is becoming less admissible, as markets become more uniform and communication and infrastructure advance, becoming easier for businesses to operate and compete in a global context.

Also, another important aspect acknowledged during the interviews was that most of the managers (4 out of 5) mentioned preferring entering new markets through connections, networks, and even personal acquaintances, normally following a step-by-step, unrushed, and prudent process, characteristics of the Uppsala model. The responses during the interviews allowed concluding that the Romanian SMEs normally prefer internationalizing in the Eastern or Central part of Europe, apart from Iceland. For example, in the case of Company B of our study, this market was selected (Iceland), according to the manager's declarations, based on their relationships in the market and the country in general.

If we look further and analyze how many Romanian SMEs have received training focused on international expansion, according to the data provided by the White Paper of SMEs in Romania, the results are not encouraging, only 9% of the SMEs have benefited from specialized training. This is also valid in the case of the 5 SMEs from our study, with 100% of the respondents revealing that none of them or any members of the firm have benefited from this kind of learning experience. It was edifying to observe that out of the five companies analyzed, the two (Company A & Company B) that internationalized directly in their first year of operation, had managers who had previous experience working and

studying abroad, as well as a network of international contacts. This can be an indicator of the fact that having an international background and connections may have given them the knowledge and resources necessary to successfully navigate the challenges of entering foreign markets.

Figure 5. Training inside the companies

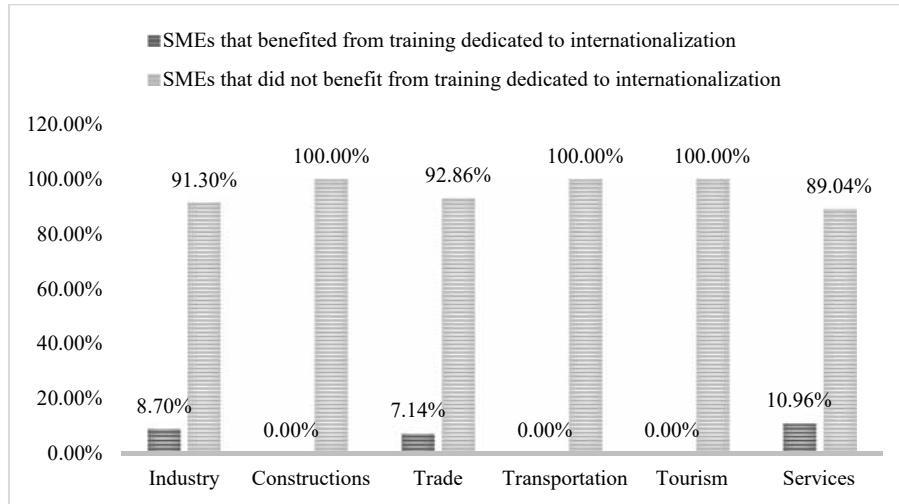


Source: CNIPMMR, 2021, p. 159.

According to the White Paper on SMEs in Romania, 2021 (2021:161) and their analysis of data to the field of activity shows that the highest proportion of firms that have benefited from training dedicated to internationalization is in the service sector (10.96%), followed by those in the industry (8.70%) and trade (7.14%). The highest proportion of SMEs that have not benefited from training dedicated to internationalization is in the construction, transportation, and tourism sectors, as also confirmed during the interviews with managers of companies in the construction sector.

Finally, moving further to the last dimension of our analysis: the selection of the operational mode, we concluded that the most common operational mode is exporting, especially considering the businesses interviewed and considered for this research are still at the beginning of their internationalization process. Another common operational mode can be the creation of own representatives, or subcontracting. The responses obtained agree with the Uppsala model, considering that exporting is the first and most popular operational mode selected to achieve international experience, as it tends to be less risky and more cost-effective (with the manufacturing of the products in the home country and selling them to customers in other countries).

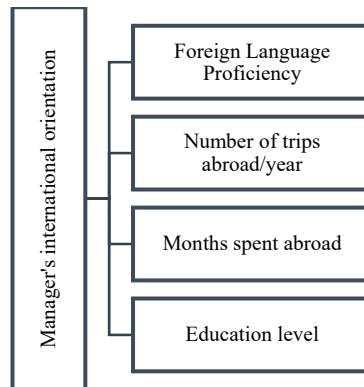
Figure 6. Percentage of companies that benefited or not from training dedicated to internationalization



Source: CNIPMMR, 2021, p. 161.

To respond to the second research question, which focused specifically on the manager’s role in the process, we decided to analyze the following points based on the literature review presented above (a) the education level of a manager; (b) the number of trips for a year; (c) the experience of living abroad; (d) and the foreign language proficiency.

Figure 7. Elements of the second research question



Source: Author's own creation

As per the education level of the manager, it is generally accepted that a higher level of education is not necessarily a guarantee of business success. It is interesting to note that, out of the five managers interviewed, four of them have higher levels of education, with two of

them holding a PhD. This can be an indicator of the fact that higher levels of education can be an asset for managers, as it can provide them with a stronger foundation of knowledge and skills in business and leadership. Higher education can also indicate a certain level of dedication and motivation, as earning a degree typically requires a significant investment of time and effort.

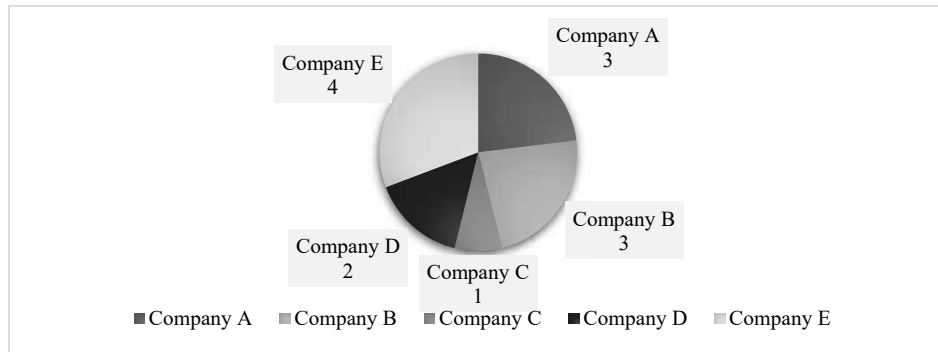
While conducting interviews with the five managers, however, it was curious to note that one of them, responsible for the most profitable business of the group and the business with the highest number of employees (72 employees, Company C), does not have a formal higher education. Considering also the following (Company A – master's degree, Company B – bachelor's degree, Company C – high school, Company D – PhD, Company E – PhD). This suggests that a manager's educational level is not the only factor that determines their ability to achieve business success. It is not necessarily the case that a manager with higher levels of education will automatically be more successful than one who does not have such education.

Regarding the number of trips abroad that a manager has taken or the experience of living abroad, it can be a useful indicator of their level of international experience and cross-cultural awareness. Based on the responses obtained during the interviews, it was possible to conclude that the number of trips abroad can be particularly valuable in the internationalization process as a useful indicator of the level of cross-cultural knowledge. All managers mentioned that these skills proved to be extremely useful when it comes to forming stronger connections with foreign partners and ways of doing business. The interviewed general managers have a range of international experience, with some having travelled abroad more frequently than others. Based on the data provided by the documents offered to us by the SMEs, considering the year 2022, the first manager travelled abroad three times, the second manager six times, the third one five times, the fourth one ten times, and finally the fifth manager only two times. Two of them, have not only travelled abroad frequently but have also studied and worked abroad for an extended period before starting their business and initializing the internationalization process. By them, this additional level of international experience and immersion in different cultures provided them with several advantages in the process.

Finally, regarding the number of foreign languages spoken/the level of proficiency, out of the five general managers interviewed, all of them speak at least one foreign language, and recognize the importance of using a foreign language in international business.

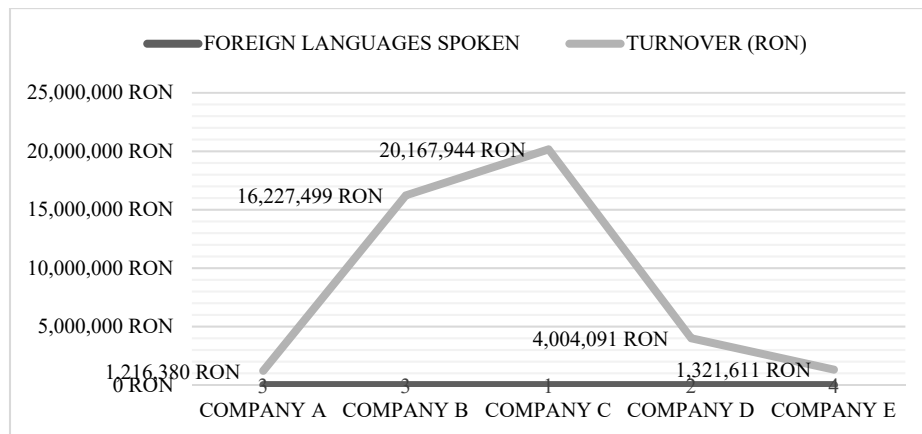
It is worth noting that the foreign languages spoken by the managers do not always align with the countries where the SMEs have internationalized. For example, the managers discussed internationalization in the Republic of Moldova due to cultural similarities, proximity, and the language spoken. In addition to the Republic of Moldova, the other countries chosen for internationalization were for Company A: Republic of Moldova and Hungary, for Company B: Hungary and Iceland, for Company C: Austria, Hungary, Republic of Moldova and Poland, for Company D: Poland and Republic of Moldova, and for company E: France. This mismatch between the languages spoken and the target countries highlights that language proficiency is not the only factor that determines the success of internationalization efforts.

Figure 8. Number of foreign languages spoken



Source: Author's own creation.

Figure 9. Foreign languages are spoken vs. net turnover (RON)



Source: Author's own creation based on company documents.

It was possible to note that the company with the highest profits among those analysed, has a manager who speaks only a single foreign language (English), and only at a conversational level according to their confession. On the other hand, company E, which has a manager who speaks four foreign languages (English, French, Spanish and Serbian), did not experience as much success and encountered various challenges in foreign markets. The manager of company E pointed out the importance of properly selecting the market and noted that speaking multiple languages does not guarantee success. The SMEs are typically internationalized in Eastern and Central Europe (apart from Company B – Iceland, where the general manager admits to not speaking the local language but using English during business visits). There is currently also a debate about the necessity of speaking a foreign language beyond English. Most of the respondents believe that English is sufficient because it is widely spoken, and they are willing to use interpretation services if communication in English is not possible.

In conclusion, it appears that none of the four characteristics that were investigated in this study (i.e. education level, foreign languages spoken, number of trips abroad, and experience of living abroad) can be solely considered essential for the success of the internationalization process. While each characteristic may influence the internationalization process and contribute to success in certain cases, it is not possible to identify a characteristic as definitively determinative of internationalization success based on the interviews conducted with the general managers.

Conclusions

Effective management practices are crucial for the success of SMEs seeking to internationalize. Our article has various advantages as it describes the current research on the topic, such as understanding the idea behind internationalization and its connection to the manager/management team. However, there were several potential limitations of the current study, as it was based on only five interviews with small and medium-sized enterprises (SMEs). With only five interviews, the sample size of the study was quite small, making it difficult to generalize the findings to a larger population, as the perspectives of the managers interviewed may not be illustrative of the larger population of SMEs.

Overall, based on the findings of this study, our recommendations would be for managers to continue learning and improving their skills (at a national level, the level of internationalization training was very low), while developing efficient strategies for their companies (e.g. innovation and digitalization of the business). Additionally, we support the idea that governments and different other institutions/NGOs can learn from this type of research and show greater support towards initiatives that include internationalization.

Finally, based on our study we identified that there are very few studies focused on Romanian SMEs and the importance of their general managers, and we encourage further research on this topic, hoping that the current paper will continue to be developed in multiple directions. It is also our intention to improve the validity and generalizability of our findings by increasing the sample size of the study. We support the idea that interviewing more SMEs can lead to more representative results of the larger population of small and medium-sized enterprises.

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