Going international versus going global.  
The Case of the European Steel Pipe SMES

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Abstract
In a world where competitiveness has become the second nature of the business environment, an insight on the organizations’ endeavour to go international seems natural. And yet, most of the times, under the lens of the worldwide researchers and practitioners, corporations have been settled as milestones. In this context, focusing on the small and medium enterprises (SMEs), on the managerial and entrepreneurial micro-universe may generate an alternative perspective on their approach on the international markets versus the global market.

Starting from this premise, the paper intends to analyze the business internationalization versus business globalization perspectives assumed by managers of SMEs at present. The distinction between the two approaches is based on a step-by-step touch of the specialized markets versus a straightforward venture into far-away markets with a view to obtain higher profits. The emphasis was laid on 107 European steel pipe SMEs, whose managers responded to a 15-item questionnaire regarding their market strategies and experiences. As the results show, the socio-demographic characteristics of respondents have a considerable impact on their approaches on the issue, the choice for going international or going global relying on the subjects’ age, number of foreign partners, experience on the foreign markets and education field.

Keywords: business internationalization, globalization, SMEs, European steel pipe industry.

JEL classification: F2, F5, F6

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Introduction

Globalization and the new social and economic patterns have profoundly influenced the way managers and leaders approach their businesses. Staying and thinking locally have become a menace for the organization survival in a dynamic global arena. The economic drivers and the profit goals have pushed the organization out of its domestic environment and placed it in the middle of the global trends.

In this light, thinking and acting globally is no longer seen as an imperative for the development of corporations or large enterprises, but as an adaptive exigency for small and medium organizations which have to become more competitive and as a main condition for their management which has to assume a global mindset. Going beyond the national borders and beyond the cultural differences is a prerequisite of staying in the game, in the business arena.

The global shift brought about by post-modernism, the changes in our working environment, the penetration of new media and technology in our natural ambiance, the multiculturalism as an inherent challenge, the unprecedented mobility stand for more than a future promise, they are nowadays realities. A rapid increasing number of transnational corporations surpass boundaries and defy the national border constraints, following their own logic and dynamics and bringing together people from all over the world.

Mattelart (2007, p.26) notices that deterritorialization and transnational circulation (mobility) have become for the most researchers the cornerstones used to interpret the contemporary world while Tomlinson previously assumed that deterritorialization defines the experience of living in a new context where the citizen may recognize certain realities in his/her origin environment (1999, p.82).

The mobilities paradigm explains that all places are tied into different-sized networks of connections. But mobility nowadays is different from what migration used to be a century ago. This is why Sheller and Urry (2006, pp.225-226) claim a new mobilities paradigm, experienced by international students, migrant workers, expats, European officials, businessmen, showbiz professionals.

Despite the pressure of the global trends, managers have the power to decide what is the fittest way to approach the internationalization of their businesses. Unlike large corporations which possess the necessary resources to go worldwide, SMEs are prone to adjust their strategies and approaches to their financial, economic and social potential. Their choices are constrained by the required expertise associated with going international and by the managers’ acumen in what cross-border experience is concerned. Still, there are cases where managers are more open to the globalization of their businesses, venturing into far-away markets without sounding out familiar regional markets. They act with a view to obtain higher profits and to develop their businesses faster.

Starting from this point, the paper intends to investigate the approaches of managers from European steel pipe SMEs on the “right way” to do things, to address foreign markets, in relation to their socio-demographic characteristics.
1. Literature overview

1.1. Globalization and the new socio-economic patterns

A core concept which is liable to define the overall context is globalization, a process which gathers the attention and research interests of numerous analysts, researchers and practitioners. This accounts for the fact that multiple perspectives and theoretical directions have been elaborated during the past years, stressing on the multidimensionality and plurality of the phenomenon. In the following table (Table 1), several recent key definitions of “globalization” have been systematized.

Table 1. Recent perspectives and definitions of globalization

<table>
<thead>
<tr>
<th>No.</th>
<th>Authors / Organizations</th>
<th>Definitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>UNCTAD (2012)</td>
<td>“closer integration of national economies through trade and financial flows as well as cross-border migration of people”</td>
</tr>
<tr>
<td>2.</td>
<td>International Monetary Fund (2013)</td>
<td>“a historical process, the result of human innovation and technological progress [...] of the increasing integration of economies around the world, particularly through the movement of goods, services, and capital across borders”</td>
</tr>
<tr>
<td>3.</td>
<td>Sahay (2013)</td>
<td>“a ceaseless flow of goods and services, concepts, and ideas across the globe commensurate with the technological and economic advancement by mankind”</td>
</tr>
<tr>
<td>4.</td>
<td>Ocfo et al. (2014)</td>
<td>“the efforts of the International Monetary Fund (IMF), the World Bank and others to create a global free market for goods and services”</td>
</tr>
<tr>
<td>5.</td>
<td>Gurgul and Lach (2014)</td>
<td>“the process of integration of economies and societies all over the world permitting international flow of people, culture, knowledge, technology, finance and physical resources as well as evolution of the communication system and political relations among the nations that facilitate such flow”</td>
</tr>
<tr>
<td>6.</td>
<td>Tue (2014)</td>
<td>“trade liberalization between countries, foreign direct investment (FDI), official development assistance (ODA), immigration and migrant remittances, international products, brands, and factories appeared worldwide”</td>
</tr>
</tbody>
</table>

If we analyze the main ideas provided by the aforementioned definitions, Fischer’s (2014, p.2) two-fold perspective is very relevant – globalization can be observed “first, in form of a country's economic integration into global markets ('economic globalization'), and second, in form of worldwide information exchange between people through tourism and the internet ('informational globalization')”. In other words, a simple approach on globalization would focus on the inexorable integration of markets, nation-states and technologies to a degree without precedent, in a way that gives individuals, businesses and national states the opportunity to go further, faster, deeper and cheaper than ever before and in a
manner that, on the other hand produces a strong reaction from those assaulted or left behind by the new system (Friedman, 2008, p.30). This perspective, underlined by Th. Friedman, marks that an indispensable condition of globalization is given by the existence of open economies, free trade and competition that favours free market capitalism expansion. In this context, one of the leading actors and beneficiaries of globalization is the corporation, which, due to the opening of markets, has exceeded the state limits in which they were legally registered to carry out their work all over the world, becoming a multinational company.

Sharing this idea, Crane, Matten and Moon (2008, p.170) believe that globalization is not to be seen as a historical given, but as a constructed phenomenon, which gives scale to corporations. Corporations not only affect globalization, but determine or indirectly transform citizenship in a global era. Also, they deem that another crucial factor of globalization has been technology and especially accessibility which allow rapid communication of information in a short time and movements of capital, labour resources and products. A similar opinion is brought to light by Tuca (2013, p.645), whose research highlights that “globalization has different consequences on businesses worldwide. Although states around the world have tried to remain as independent as possible, without a doubt there is no aspect of human life not affected by globalization”.

Moderate approaches on globalization propose a thorough reading of the reality that stresses on the rapid changes of the modern society, insisting that the related processes of globalization induce a “massive restructuring” of societies, of the government institutions, of the world order. Thus, globalization generates “new patterns of social stratification” within states and between states, stimulating the emergence of new forms of interaction and socialization that overcome the political boundaries – the territorial boundaries of the national cultures and social spaces are limited by the emergence of the latest technologies based on the modern values as velocity, instantaneity and universality (Dobrescu, 2007, p.18). Consistent with this perspective, Ocloo et al. (2014, p. 2) remark: “with increased economic interconnection has come a deep-seated world change to the extent that poorer nations have become even more dependent on activities of the developed nations of the world. To this extent, there has also been a shift in power away from the nation state and towards multinational corporations”.

At this point, the concept of “complex interdependence” proposed by Nye and Keohane (1989), defines nowadays the use of multiple channels of action in the interstate, the trans-governamental and the transnational relations and the hierarchy of problems based on their overall, global impact. The drivers of the new types of international or global relations are the emergence and the permanent reconfiguration of the global contemporary issues: terrorism, imperialist and domineering tendencies of some world powers, environmental issues, organized crime etc. The complexity and extent of these international issues lead to the increasing openness to cooperation, to effective collaboration supported by states in general, and by people, in particular, putting into practice the principle of the unique voice on the international stage.
According to Sklair (2007, p. 98), the artisans of globalization are part of the transnational capitalist class (TCC). This trans-nationality has two meanings: its members have a global rather than local perspective and they are people operating trans-nationally as an ordinary part of their professional activity. TCC has four dimensions: corporate size (those who own or control MNCs and their subsidiary companies), the state dimension which consists of bureaucrats and global or supra-state politicians, the technocratic dimension formed of professionals of globalization and the consumerist dimension (consisting of media and traders). People migrate among these four dimensions, but together they make up the elite power (the power elite). As an overview, the transnational character of the capitalist class is determined by the economic interests of its members who are becoming more globally interconnected than within their nation state. The property and shares of the corporations they own or control also become globalized, following the directives of obtaining profit growth for shareholders (Amaeshi & Olufemi, 2009, p. 225). The achievement of these goals is catalyzed by “the activity of national agents and of the organizations connected in a complex network of junctions” (Sklair, 2007, p. 100).

In Stiglitz’s (2008) vision, the transnational corporations are not only rich, but they even hold political power. The weapon used against governments is relocating and yet they occupy a main place in spreading the benefits of globalization in the developing countries, through trade, technology transfer, direct investment, better product quality and price, and hence increase the standard of living, a lower inflation and lower interest rates. The question is what can be done to minimize damage and maximize their net contribution to society, especially when the meaning of globalization is leading to development, not only within the rich countries but within all countries.

The author believes that a number of measures can be taken especially in the countries of origin of corporations, in the industrialized and advanced countries, in order to not allow corporations to escape easily after committing abuses: reduce the level of corruption by laws adopted at the national level which sanctions this practice also in the international operations of the corporation; the eradication of banking secrecy, which provides a safe haven for the dishonest gains, the need to improve corporate law - the heads of the company should be held responsible for more of their actions so that they no longer hide beyond their corporate name and so on (Stiglitz, 2008).

### 1.2 From transnational to international businesses

Since the early 1990s, “the transnational turn has provided a new analytic optic which makes visible the increasing intensity and scope of circular flows of persons, goods, information and symbols triggered by international labour migration” (Vertovec, 2009, p.14). One can involve in transnational activities, such as consuming global media, Internet-mediated transnational communication, joining transnational networks of professionals, starting transnational business,
working for transnational organizations, attending regular societal interactions, watching news on the TV channels in the country of origin in the case of the immigrants and expats, trans-border cooperation between unions and organizations, the emergence of a trans-border social capital, international work relations, social relations. These transnational activities can happen regularly or occasionally, but they are important as long as they lead to significant transformation, defined as cultural and social change of all those involved in transnationalism, whether immigrants or locals or even communities and nations (Pulignano, 2009, pp. 187-188).

In the recent literature, transnationalism is defined in terms of every day specific activities, cross-border business and flow of capital, networks of relations, subjective perspective, (re)construction of place and identity beyond the nation-state (Brüggemann & Kleinen-von Königslöw, 2009, pp. 36-38). The public consumption of transnationalism beyond the elites’ perspective and implication can be studied with the help of two concepts: the transnational social field and the transnational social space. They are both based on the concept of social field seen as a set of multiple, multi-dimensional interlocking networks of social relationships through which ideas, practices, and resources are unequally exchanged, organized, and transformed (Levitt & Glick Schiller, 2004). In the context of the migration flows, national boundaries are not necessarily contiguous with the boundaries of social fields. Therefore, social and communication sciences need to define the transnational social field which connects actors through direct and indirect relations across borders in a wide range of economic, political, social processes.

Portes, Guarnizo and Landolt (1999, pp. 223-226) and Vertovec (Vertovec, 2009, p. 16) classify different forms of transnationalism which include a wide range of levels, starting from economic factors to social and cultural factors. All these forms of transnationalism are mapped binary: transnationalism from below (ordinary people’s routine activities) and transnationalism from above (the statal and non-statol agents).

Although the transnationalism of big corporations is often seen as a key point of globalization, during the past years a paradigm shift occurred as the small and medium enterprises (SMEs) have become more and more constrained to meet the challenges of an unprecedented dynamic globalizing economy. The dichotomy between globalization and the internationalization of businesses is no longer seen as a static delimitation, but as a dyad of dynamic processes within a holistic framework. From a conceptual approach, both globalization and internationalization stand for multidimensional constructs objectivized in multiple forms of expression at the organizational and business levels. Even in 1996, Julien (1996, p.62) observed that 85% of small firms operated in a certain manner with a strategy that conformed to the market globalization. In this respect, the researcher provided evidence from different studies he conducted which highlighted the purchase or sales of goods or services from or to foreign countries, the investments in foreign countries, the cross-border collaborations between organizations. Julien supported the idea that the organizations’ internationalization strategies are an inherent part of the globalization logic.
Nowadays, SMEs are becoming a common figure when discussing international relationships, the imperative for international action being based on survival or progress. The versatile business contexts call for adaptive measures in order to maintain competitiveness – decreasing costs or increasing markets (Cannon & Perreault, 1999, p. 452). The global marketplace preserves its unique function for the emergence and growth of international business relationships as it challenges different organizations to act in the transnational arena. An insight on the extant literature suggests that there is a wide spectrum of incentives for an organization to become an international business.

At this point, Majocci and Zucchela (2003, p. 249) insist on the fact that the approach on SMEs as smaller clones of larger enterprises should be avoided. Moreover, the authors believe that SMEs focus on target markets which are understood and served easier being somehow similar or having geographical proximity. The managers who run small and medium businesses have to deal with different pressures as the required degree of control, market selection, adjustments of goods and policies, dynamic operational flows, management contingencies. Thus, the expressions of the international businesses can be traced through B2B, B2C, collaborations, international joint ventures, distribution agencies, franchises, networks and so on.

All in all, SMEs are prone to deal with similar challenges as the large organizations although they do not rely on the same resources. In this respect, Hampton and Rowell (2010, p. 26) analyzed the grounds of small businesses internationalization, stressing upon the fact that they have to be simultaneously aware of the opportunities and risks of the competitive international business environment.

2. Business internationalization from the management standpoint

Globalization has led to the change of the management model. Managers can no longer be limited to the current problems of organization and to the knowledge requirements of doing business locally. The manager is more and more constrained to keep pace with the worldwide innovations in his field of interest, with the market trends and even with development tendencies of the global competitors. In transnational companies, the managers are trained in accordance with the company’s strategic guidelines and strategies through long-term training programs that stimulate the innovative international entrepreneurship. Globalization is assumed through the multidisciplinary solutions adopted by managers, the global managers taking into consideration the implications of their decisions on the company's environment.

This perspective is supported by the current elaborations on the leadership and management topics are very much concentrated on the leader’s position, role and functionality within a cross-cultural or international environment. The patterns of a globalised economy and of worldwide connections have altered significantly the way organizations are led and, at the same time, have reconfigured the business
and managers’ practices. In order to make things more clear, the table below presents some of the main trends in the study of management which have sprung in the context of the international paradigm.

Table 2. Main trends in the study of intercultural leadership / management for the near future

<table>
<thead>
<tr>
<th>No.</th>
<th>Authors</th>
<th>Main trends in the recent studies on leadership</th>
</tr>
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<tbody>
<tr>
<td>2.</td>
<td>P. Caligiuri and I. Tarique (2012)</td>
<td>The role of globally competent corporate leaders for the corporate ability to compete and succeed internationally</td>
</tr>
<tr>
<td>5.</td>
<td>J. Collins (2011)</td>
<td>The level 5 Leadership</td>
</tr>
</tbody>
</table>

As the data in the table shows, the most important component of these studies is represented by the international issues and relationships in a globalized economy where international, transnational, multicultural and cross-cultural trends and realities are imperative.

Studying the differences in choices between SMEs and large multinationals or transnationals, Hutchinson and Quintas (2008, p. 137), deem that the superior resources of the latter facilitate the development of executives through well specialized programs and training. This is not the case in what SMEs are concerned as they are based on limited learning resources. Though, as Ocloo et al. (2014, p. 2) underline “it is widely recognized that Small and Medium Scale Enterprises (SMEs) form the backbone of the private sector at all levels of developing countries”, a fact which requires the researchers’ consistent attention.

Gabrielsson et al. (2008, p. 46) started studying the resource differences in small and medium firms needed in order to develop skills for managing the business. They believe that businesses have the potential to become international based on the emergence and growth of international networks among managers from different countries. Accordingly, assuming the importance of the relationship-focused businesses, Wong et al. (2010, p. 727) showed interest for the management actions that support the international vocation of leaders.

At this level, Frazier et al. (2009, p. 38) underlined the fact that the relationships development involve considerable costs, but the outcomes of establishing bonds between managers and, implicitly, between businesses are liable to be treated as benefits. The cross-border openness of a manager and the availability to share resources, events or knowledge with others may be considered as a long-term investment in the well-being of the firm. By acknowledging the importance attached to social activities in business is a first step towards an international perspective on businesses.
The concept of “global mindset” was meant to describe the imperative for managers to analyze their businesses from a global perspective, even when it comes to small businesses. This perspective is based on Cohen’s (2010, p. 6) definition which highlights the key understanding of the global mindset – “the ability to influence individuals, groups, organizations, and systems that have different intellectual, social, and psychological knowledge or intelligence from your own”. In other words, the new paradigm on international businesses is open to the process of organizational change which ensures that business people become aware of the environment dynamics and act accordingly. It is obvious that modern enterprises confront with dramatic changes and the innovation flows may influence or even determine the progress of the business environment. In this sense, the management model of small and medium organizations has consistently evolved. The rapid logic of both local and global markets have mainly potentiated the pressure forces of competitive management. Along with the evolution of the business environment should come the evolution of the business model approached by modern managers. At this level, the ability and the art of managing and adapting to organizational change is no longer a challenge, but a menacing imperative for the business survival. SMEs are at the crossroad of external forces and of internal shifts. This is why the proactive attitude and the harmonization with the global rhythm of businesses are decisive for creating competitive advantage for themselves.

3. Scope, purpose and hypotheses of the study

The purpose of the present research is to investigate the managers’ approach on the internationalization projects of their firms, on the internationalization versus global perspective of going beyond the national borders. As the questionnaire items referred both to past experiences and to strategic thinking, the study laid emphasis on the logic and dynamics of such endeavors which are very deeply grounded in the specificity of the European steel pipe market.

The great importance of the steel pipe market resides in its outputs which are major components processed by multiple industries and applications like building, construction, energy etc. The global export market of the steel pipes is „stated to be close to $27 billion a year with the US, Western Europe, Australia and Japan being the biggest importers” (Agrawal, 2011). As far as Europe is concerned, the level of global steel consumption and usage is placed at 18%, the steel markets in Southern European countries being stimulated by the demand for construction steel and the Northern European states being driven by a considerable demand for industrial steel products. Agrawal also underlines the fact that the future of the steel pipe industry is liable to maintain its robustness, relying on solid forecasts – 72% of oil and gas reserves are in Middle East and Eurasia. This situation triggers the opportunity of oil and gas transportation to Asia and Europe, stimulating a considerable demand of steel pipes. At this level, the steel pipe market has a great
opportunity to develop in terms of production and distribution as it follows the major projects of industrialization investing in infrastructure, airports and ports, real estate, entertainment zones etc. Taking into consideration all these facts and figures, the research is focused on the European steel pipe business, mainly on SMEs which have many things in common and whose thorough assessment would provide a qualitative insight into the specialized market.

Thus, the main hypotheses of the research are:

H1: The younger the managers, the bigger the openness towards the business globalization approach.

H2: The more foreign partners, the more oriented towards business globalization are the questioned managers.

H3: Managers from the higher experienced firms on the foreign markets are more in favor of the business internationalization approach.

H4: Managers who graduated economic (management / business administration) studies are more in favor of the business globalization approach.

4. Method

4.1. Sample / Participants

A total of 109 subjects from European steel pipe firms were invited to take part in a survey about facts and representations associated with the business internationalization versus globalization strategies, approaches, projects, insights etc. Only managers who had an international experience on the steel pipe market participated in this study, but almost all of them conformed to this condition. 107 of them completed the full instrument - two participants were excluded from the investigation as they did not fill in the personal information section.

Table 3. Socio-demographic characteristics of respondents (N = 107)

<table>
<thead>
<tr>
<th>Variable</th>
<th>% of questioned managers</th>
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<tbody>
<tr>
<td><strong>Age</strong></td>
<td></td>
</tr>
<tr>
<td>under 35</td>
<td>51.4</td>
</tr>
<tr>
<td>between 35 and 55</td>
<td>36.4</td>
</tr>
<tr>
<td>over 55</td>
<td>12.2</td>
</tr>
<tr>
<td><strong>Estimated number of foreign partners</strong></td>
<td></td>
</tr>
<tr>
<td>Between 1 and 10</td>
<td>8.4</td>
</tr>
<tr>
<td>Between 11 and 20</td>
<td>19.6</td>
</tr>
<tr>
<td>Between 21 and 30</td>
<td>15</td>
</tr>
<tr>
<td>Between 31 and 40</td>
<td>9.3</td>
</tr>
<tr>
<td>Over 40</td>
<td>47.7</td>
</tr>
<tr>
<td><strong>Education field</strong></td>
<td></td>
</tr>
<tr>
<td>Economic studies</td>
<td>81.3</td>
</tr>
<tr>
<td>Technical studies</td>
<td>18.7</td>
</tr>
<tr>
<td><strong>Education level</strong></td>
<td></td>
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</tbody>
</table>
4.2. Procedure and Materials

The survey was fielded between May 20 and June 9, 2014. After agreeing to participate in this study, the selected managers were asked to complete a self-administered questionnaire. In this respect, they had two different options – either to fill in a form on Google Drive or to mark the corresponding answers on a sheet sent by e-mail. Participants were assured that all identifying information would be kept anonymous.

The convenient time for filling out the questionnaire was established in a pre-test conducted with four volunteers and it was settled at seven minutes. The questionnaire is a 15-item questionnaire developed by the authors. The response alternatives were constructed as five-point scales (Likert scales), which vary from 1 (Not true) to 5 (Very true). The questionnaire comprised only closed-ended questions (with the exception of the personal information section) in order to have a higher degree of objectivity in categorizing the answers and with the view to keep its filling as short as possible. The data was processed with the help of IBM SPSS software version 20 which facilitated the investigation of the research problems through descriptive and inferential statistics (non-parametric tests for ordinal variables).

4.3. Measures

The questionnaire consists of four categories of items which mainly refer both to facts, opinions and attitudes related to the subjects’ business internationalization versus globalization experiences and strategies. The items were conceived so that they bring to the fore the subjects’ approach on the step-by-step business internationalization versus sudden globalization in the sense of sounding out majorly different markets, from other corners of the world, before touching the more similar markets.

The first category addressed issues regarding the managers’ interests and experiences in: a) approaching the global market whenever the economic and financial outcomes seem profitable; b) establishing partnerships with companies from far-away countries; c) dealing with majorly different cultures and mentalities; d) closing global deals based only on the potential partner’s word; e) maintaining
global interconnectivity through multiple channels and connections (virtual professional communities, e-mailing, online forums etc).

The second category included several statements which referred to: a) the preference for the nearer markets and business environments which have several things in common with the well-known markets; b) the openness towards collaborating with similar socio-cultural partners before going global; c) the step-by-step approach on venturing into foreign business markets; d) the relevance of the market familiarity; e) the prominence of important business competitors on the regional / close markets.

The third category consisted of neutral items which were not assigned to either of the two dimensions (internationalization versus globalization), but which served as control variables for the key items of the previous dimensions. The addressed measures regarded: a) placing common professional and business interests above cultural and national differences; b) attaching importance to the partner’s psychological, social and professional characteristics; c) the settlement of an agreement often depends on the intercultural negotiation skills; d) considering intercultural concessions as an important step towards strong partnerships; e) having important financial results due to cross-border collaboration.

The fourth category included the respondents’ personal information which consisted of age and nationality, the origin of the firm, the managers’ education level and field, the estimated number of international partners and the managers’ experience in the field. All these data were used to trace relevant correlations between the main analyzed variables and the social and professional profiles of the questioned subjects.

5. Findings

The questionnaire answers were analyzed using IBM SPSS software (Statistical Package for the Social Sciences), version 20. At this level, given the fact that the questionnaire is a self-conceived instrument, first of all, a reliability analysis was performed. The value of the Cronbach Alpha coefficient for the research scale was 0.826=82.6%, the result reflecting a very good value for the internal consequence of the conceptual construction of the investigated scale, as it exceeds 80% (Anastasiadou, 2006, p. 342).

In order to provide a preliminary exploration of the answers, several cross-tabulations were performed. Thus, the cumulated scores of the business internationalization dimension, respectively of the business globalization dimension were cross-tabulated with the relevant personal information of the respondents, namely the “Age”, “Experience of the firm on the foreign markets”, “Estimated number of foreign partners” and “Education field” variables. The cross-tabulations highlight the distribution of answers on the negative, neutral and positive categories, according to the aforementioned criteria.
H1: The younger the managers, the bigger the openness towards the business globalization approach.

With a view to explore the first hypothesis, the following cross-tabulation marks out the subjects’ approaches on the two dimensions in terms of age intervals.

As shown in the figure, the distribution of answers on the two dimensions is quite similar, both internationalization and globalization of business summing up the largest scores in the positive categories (“Mostly true” and “Very true”). Still, several cogent differences should be underlined.

On the one hand, the subjects aged between 35 and 55 attach greater importance to the items referring to the business internationalization approach than to the ones associated with the globalization approach (78.46% versus 62.56%). The distribution points out the preference of this age category for a gradual perspective on business internationalization, a situation rather different from the case of the under 35-year old subjects. The latter embrace the globalization more than the internationalization of businesses (88.36% versus 79.27%), proving a more prominent global mindset. Moreover, there is a significant proportion of subjects from this age interval (35.38%) who have a neutral attitude towards the business globalization perspective.

On the other hand, the respondents aged over 55 bring to the fore another distinctive pattern. For example, 13.74% of them have a negative approach towards the option for a straight business globalization approach while none of them refuse a step-by-step business internationalization process. The results are supported by the Pearson correlation coefficients which address the bivariate correlations analysis of the globalization approach items and age. Hereby, one strong correlation regards the importance attached to being part of global business and professional networks and age, namely the more younger the respondents, the bigger their openness to the business globalization perspective (ρ=-.500,
Moreover, as two moderate correlations highlight, the younger the managers, the more importance they attach to approaching the global market with a view to obtain a higher profit rate ($\rho=-.381$, Sig.(2-tailed)<.01) and the more younger the managers, the more they venture into far-away markets ($\rho=-.349$, Sig.(2-tailed)<.01).

All in all, the evidences support the first hypothesis, stressing out that younger managers are more interested in the globalization of their business, namely in venturing directly into the global market without experiencing a step-by-step approach.

H2: The more foreign partners, the more oriented towards business globalization are the questioned managers.

In order to investigate the second hypothesis of the study, the following cross-tabulation marks out the subjects’ approaches on the two dimensions in relation to “Estimated number of foreign partners” variable.

![Cross-tabulation](image)

**Figure 2.** The cross-tabulation of the summed up scores of the internationalization items, respectively of the globalization items with the “Estimated number of foreign partners” variable

The cross-tabulation of the two approaches with the “Estimated number of foreign partners” variable underlines several relevant aspects.

To start with, the results show that the subjects category with the lowest number of foreign partners (1-10) is much more in favor of the business globalization approach (62.22% versus 40%), a fact which is confirmed by the extant negative answers on the internationalization approach (20% versus 0%). A similar percentage from this category (40% - 37.7%) has a neutral perspective on the items regarding business internationalization, respectively globalization.

Consistent with the previously described situation, more subjects from the “Over 40” category sustain the prevalence of the business globalization approach.
on the internationalization approach (83.14% versus 72.54%). This result is consistent with the moderate correlation between a key item of the business globalization approach and the estimated number of foreign partners. Thus, the more foreign business partners, the more interested are managers in venturing into far-away markets ($r = .410$, Sig.(2-tailed)<.01).

A balanced distribution is attributed to “31-40” category which sums up 70% of the positive answers on both dimensions. The middle category (in terms of estimated number of foreign partners) is the only one mainly oriented towards the business internationalization approach (95% versus 70%).

All these evidences prove that there is not a well-defined pattern when discussing the subjects’ attitudes towards the two dimensions in relation to the estimated number of foreign partners, a fact which does not confirm the second hypothesis.

H3: Managers from the higher experienced firms on the foreign markets are more in favor of the business internationalization approach.

In order to explore the third hypothesis, the cross-tabulation of the summed up scores of the internationalization items, respectively of the globalization items with the “Experience of the firm on the foreign markets” variable was performed.

As the results illustrate, the managers of the most experienced firms on the foreign agree more with the business internationalization approach (77.71% versus 56.57%), a fact which support the idea that with greater experience comes a more gradual perspective on approaching the foreign business arenas. The situation is in inverse ratio to the distribution of answers on the “1-3 years” category where there are more in favor of the globalization approach than of the business internationalization approach (89.70% versus 81.82%). The distribution is

![Figure 3. The cross-tabulation of the summed up scores of the internationalization items, respectively of the globalization items with the “Experience of the firm on the foreign markets” variable](image-url)
supported by two moderate correlations according to which the more inexperienced the firms on the foreign markets, the more interest show their managers towards being part of global business and professional networks ($\rho = -0.467$, Sig.(2-tailed)<.01), respectively the more inexperienced the firms on the foreign markets, the more interest show their managers towards approaching the global market with a view to obtain a higher profit rate ($\rho = -0.342$, Sig.(2-tailed)<.01).

Moreover, the most skeptical managers about the business internationalization approach are the ones in the “4-7 years” segment, 15.45% of respondents positing that the items referring to this dimension are slightly true for their way of thinking or acting on the business market.

These findings corroborated with the balanced scores on the two dimensions gathered by the middle categories, greatly confirm the third hypothesis.

H4: Managers who graduated economic (management / business administration) studies are more in favor of the business globalization approach.

With a view to investigate the fourth hypothesis, the cross-tabulation of the summed up scores of the internationalization items, respectively of the globalization items with the “Education field” variable was carried out.

![Figure 4. The cross-tabulation of the summed up scores of the internationalization items, respectively of the globalization items with the “Education field” variable](image)

The findings suggest the education field is not a relevant criterion for discriminating between managers’ predisposition or preference for an internationalization versus a globalization approach. As the responses posit, the positive categories are very balanced on the two dimensions (58% versus 57%, respectively 79.31% versus 83.30%). The only difference resides in the distributions of the answers in the “Very true” category in what concerns the managers with technical studies. At this level, almost twice the number of respondents pleads for a prominent openness towards the business internationalization approach (29% versus 14%).
Still, all things considered, the results do not confirm the fourth hypothesis as there is no cogent difference between managers in terms of education field.

Discussion, conclusions and limitations of the study

The investigation of the two approaches on business internationalization, respectively globalization has brought to the fore several main issues.

Firstly, as the findings posit, not all the socio-demographic characteristics play a relevant role in the managerial preference for one of the two proposed dimensions. The evidences support the first hypothesis, stressing out age stands for an important factor when choosing an internationalization strategy. In this point, younger managers are more interested in the globalization of their business, namely in venturing directly into the global market without experiencing a step-by-step approach.

Secondly, in what the number of foreign partners is concerned, the results prove that there is not a well-defined pattern when discussing the subjects’ attitudes towards the two dimensions, a fact which does not confirm the second hypothesis. In other words, having more foreign partners does not imply the managers’ eagerness to sound out structurally and functionally different marketplaces.

Thirdly, the managers of the most experienced firms on the foreign agree more with the business internationalization approach, a fact which support the idea that with greater experience comes a more gradual perspective on approaching the foreign business arenas. Conversely, the distribution of answers on the “1-3 years” category show that these participants in the study are more in favor of the globalization approach than of the business internationalization approach. These findings greatly confirm the third hypothesis, supporting the important role of cross-border experience within the managerial strategic choice.

Lastly, the findings do not confirm the fourth hypothesis as there is no cogent difference between managers in terms of education field. When it comes to whether embracing a step-by-step approach or a straight forward strategy, the educational background of the managers is not of the essence and plays a marginal role in relation to the other socio-demographic characteristics of the questioned managers from the steel pipe SMEs.

Still, several limitations of the study are o be mentioned. On the one hand, the analysis is focused on the economic and financial drivers which determine organizations to go international or global. Although mentioned in several variables, the socio-cultural and professional components are left aside as the purpose of this research is to explore the profit incentives and organizational growth when choosing the foreign markets.

On the other hand, the study refers to the convenience sampling which only addresses businessmen from the steel pipe industry. As a consequence, the results cannot be generalized to the entire population as it lacks statistical representativeness. The sample consists of 107 subjects are exclusively from European organizations, implicitly reflecting European mentalities and attitudes.
Furthermore, the scarce availability of the targeted respondents hampered the classification of the selected entities as producers versus distributors. This grouping would have been relevant for the analysis of similarities and differences between the steel pipe factories and the firms involved in the distribution chain – the traders.

Taking into consideration the forenamed limitations of the study, several future perspectives may be fruitfully explored. Firstly, the research is liable to be extended to include references to the non-financial incentives of business internationalization, respectively globalization. Secondly, other types of surveys may be conducted, relying on representative samples which comprise more subjects or worldwide managers from the steel pipe industry or from other fields. Thirdly, by stimulating the subjects’ availability, the division between mills and stockholders would support the significance and accuracy of the research.

References


