THE INFLUENCE OF LEADERSHIP BEHAVIOURS IN THE INTERNATIONALISATION PROCESS OF MNCs

BACHELOR THESIS WITHIN Business Administration
NUMBER OF CREDITS 15
PROGRAMME OF STUDY International Management
AUTHOR Sonia Bergman 19950410-1503
Hanna Dackland 19940320-2824
GROUP No. 57
TUTOR Imran Nazir
JÖNKÖPING May 2018
Acknowledgements

The authors of this thesis would like to express sincerest thanks towards all the participants of the study who provided valuable information and contributed to the results of the study.

Also, we would like to express gratitude towards our thesis advisor Imran Nazir and his insightful guidance during the process.

Lastly, we would like to thank Anders Melander, PhD at Jönköping University for the beneficial instructions and information during the Bachelor Thesis course.

________________________________________

Sonia Bergman  
Hanna Dackland

Jönköping International Business School

20th of May 2018
Bachelor Thesis in Business Administration

Title: The influence of leadership behaviours in the internationalisation process of MNCs

Authors: H.K. Dackland and S. Bergman
Tutor: Imran Nazir
Date: 2018-05-20

Key terms: Internationalisation, Multinational Corporations, Authentic Leadership, Sustainable Leadership, and Relational Leadership.

Background - Today's international business environment has facilitated the internationalisation process for firms all around the world by the reduced barriers to international trade (Efrat and Shoham, 2012). An expansion across borders is desirable since it offers the possibility of future business activities and it can aid a company to reach superior performance (Cotae, 2013). There are numerous strategies to an internationalisation process and the decisions made by the top management demonstrates the relationship between leadership behaviour and internationalisation (Cotae, 2013; Schweizer, Vahlne and Johanson, 2010). Therefore, this study will investigate leaders in multiple firms during the various stages of the internationalisation process in order to discover both how and to what degree they influence the internationalisation within their organisations.

Purpose - The purpose of this study is to explore what types of leadership behaviour influence the internationalisation process in MNCs and to examine specifically influential types of leadership behaviours in order to analyse the relationship between the behavioural and strategic differences in MNCs throughout the internationalisation process.

Method - This study will use an exploratory approach by combining existing theoretical frameworks and empirical data. Empirical data was collected through a qualitative research method consisting of nine semi-structured interviews, then qualitative content analysis was applied.

Conclusion – The results show that a medium influence through authentic leadership can be demonstrated and can also be revealed as successful based on the MNCs current international activities.
# Table of Contents

1. **INTRODUCTION** .................................................................................................................. 6  
   1.1 BACKGROUND .................................................................................................................. 6  
   1.2 PROBLEM ......................................................................................................................... 7  
   1.3 PURPOSE .......................................................................................................................... 9  
   1.4 DELIMITATION .............................................................................................................. 9  
   1.5 DEFINITIONS .................................................................................................................. 9  

2. **FRAME OF REFERENCE** ...................................................................................................... 11  
   2.1 INTERNATIONALISATION PROCESS .............................................................................. 11  
   2.2 INTERNATIONALISATION AND IMPORTANCE FOR MNC’S ............................................. 13  
   2.3 LEADERSHIP INFLUENCE ON INTERNATIONALISATION ............................................... 14  
   2.4 LEADERSHIP BEHAVIOURS .......................................................................................... 16  
      2.4.1 Sustainable Leadership ............................................................................................. 16  
      2.4.2 Relational Leadership ............................................................................................... 17  
      2.4.3 Authentic Leadership ............................................................................................... 18  
   2.5 IMPORTANCE OF LEADERSHIP FOR THE INTERNATIONALISATION PROCESS .......... 19  
   2.6 FRAME OF REFERENCE SUMMARY ............................................................................. 19  

3. **METHODOLOGY** .................................................................................................................. 21  
   3.1 RESEARCH PHILOSOPHY ............................................................................................... 21  
   3.2 RESEARCH APPROACH ................................................................................................. 22  
   3.3 RESEARCH STRATEGY .................................................................................................... 23  
   3.4 METHOD FOR DATA COLLECTION .............................................................................. 24  
      3.4.1 Semi Structured Interviews ..................................................................................... 24  
      3.4.2 Interview Preparation ............................................................................................... 25  
   3.5 SAMPLING METHOD ...................................................................................................... 26  
      3.5.1 Non- Probability Sampling ..................................................................................... 26  
      3.5.2 Purposeful Sampling ............................................................................................... 26  
      3.5.3 Choice of Participants ............................................................................................. 27  
   3.6 INTERVIEW DESIGN ....................................................................................................... 29  
   3.7 DATA COLLECTION ....................................................................................................... 30  
      3.7.1 Secondary Data Collection ..................................................................................... 30  
      3.7.2 Literature Review ..................................................................................................... 31  
      3.7.3 Ethical Considerations ............................................................................................. 31  
   3.8 DATA ANALYSIS ........................................................................................................... 32  
   3.9 METHODOLOGY SUMMARY ......................................................................................... 32  

4. **EMPIRICAL FINDINGS** ....................................................................................................... 34  
   4.1 OVERVIEW ..................................................................................................................... 34  
   4.2 INTERNAL FACTORS ....................................................................................................... 34  
      4.2.1 Entry Modes ............................................................................................................ 35  
      4.2.2 Motivational Factors for Internationalisation ............................................................ 36  
      4.2.3 Managerial Handling ............................................................................................... 37  
      4.2.4 Leadership Factors .................................................................................................. 39  
   4.3 EXTERNAL FACTORS ..................................................................................................... 40  
      4.3.1 Challenges .............................................................................................................. 40  
      4.3.2 Stakeholders Expectations ..................................................................................... 42  
   4.4 EMPIRICAL FINDINGS SUMMARY ............................................................................... 43  

5. **ANALYSIS** ........................................................................................................................... 44  
   5.1 OVERVIEW ..................................................................................................................... 44  
   5.2 INTERNAL FACTORS ....................................................................................................... 44  
      5.2.1 Entry Modes ............................................................................................................ 44  

-----------------------------------------------

4
5.2.2 Motivational Factors for Internationalisation ................................................................. 46
5.2.3 Managerial Factors ........................................................................................................... 48
5.2.4 Leadership Factors .......................................................................................................... 50
5.3 External Factors .................................................................................................................. 51
   5.3.1 Analysis of Challenges ................................................................................................. 51
   5.3.2 Stakeholders Expectations ........................................................................................... 53
5.4 Identification of Behaviour ............................................................................................... 54
5.5 Analysis Summary ............................................................................................................. 56

6. CONCLUSION ......................................................................................................................... 58

7. DISCUSSION ......................................................................................................................... 60
   7.1 Contributions .................................................................................................................. 60
   7.2 Limitations ..................................................................................................................... 61
   7.3 Suggestions for Future Research .................................................................................. 62

8. REFERENCES .......................................................................................................................... 64
1. Introduction

In this section the background of topics internationalisation, leadership and the internationalisation process are presented. The problem will be illustrated along with the purpose, delimitations and definitions.

1.1 Background

“The creation of a global, web-enabled playing field that allows for multiple forms of collaboration - the sharing of knowledge and work - in real time, without regard to geography, distance, or, in the near future, even language” (Friedman, 2005). Today, the international business environment has significantly reduced barriers to international trade and has facilitated the internationalisation process for all firms. Changes in the global environment has affected the way businesses operate and forced them to adapt in order to grasp business opportunities, but most importantly to survive (Efrat and Shoham, 2012). Based on the complexity of the internationalisation process, companies are forced to adjust their boundaries and have to re-evaluate and create new ways to operate internationally. Consequently, leaders must find new ways to inspire global interdependence (Pla-Barber and Alegre, 2010).

The internationalisation process can be defined as: “when firms cross borders” and “the process of increasing involvement in international markets”. Firms are expanding internationally and diversifying geographic locations to achieve a competitive advantage in today’s increasingly competitive business environment. However, pursuing a successful internationalisation does not come without certain challenges and if these challenges are not conceptualised, it can affect the performance of a firm and their extent of internationalisation as well. Previous research on the internationalisation process has shown that there are numerous strategies on how the process itself can be executed (Schweizer, Vahlne and Johanson, 2010).

The internationalisation process has been a widespread discussion and there are numerous reasons for a company to implement an internationalisation strategy. An expansion across borders may offer the possibility of future business activities, increased amount of global partners, and help a company to reach a superior performance (Cotae, 2013). According to Lu
and Beamish (2004), the initial incentive for a firm to internationalise is to exploit opportunities in foreign markets and their imperfections, by doing this a company will benefit from geographic diversification. However, there are several other reasons for businesses to decide to become international, and the most prominent one may be to counter the internationalisation of rivalling firms.

As competitors start operating internationally, they reduce their costs, gain a higher market power and obtain a competitive advantage against domestic businesses. Therefore, the longer the international firms are left unchallenged, the harder it becomes for other companies to enter the international market. This means that the internationalisation of one firm may cause other organisations to follow (MacDonald, Lucchetti and Taylor, 2006). Another reason for internationalisation could be trade barriers; although they have decreased over the years it may still cause many firms to set up business in another country since trade barriers might make it too expensive to export to that country instead (Hille, 2011).

1.2 Problem

The subject of leadership influence in internationalisation was chosen since it is highly relevant in today’s globalised business environment. Felício, Caldeirinha and Rodrigues (2012) agree that a global mind-set is of great importance, despite it being a relatively new concept. Other authors state that there is a lack of knowledge about motivations for internationalisation and how the motivations influence the internationalisation process for the firm (Zahra, Korri and Yu, 2005). The importance and relevance of internationalisation is further reinforced by the fact that the Swedish Agency for Statistics are currently performing a study to find out how many Swedish enterprises have affiliates abroad. Since the study is currently ongoing, the results are not yet available but the fact that a national government agency is willing to allocate resources in conducting this research shows the importance and relevance of the subject (Statistiska Centralbyrån, 2018).

The existing literature further identifies that the internationalisation process is highly complex and relevant in the competitive business world. There is an interest to find a link between leadership behaviour and internationalisation, although little research has been done which
leaves scope for further studies and research. Some research has been executed in the different leadership behaviours and the effect they have on the internationalisation process. However, there has been fewer studies on the linkage between the degree of internationalisation and leadership behaviour and the few studies that have been conducted will be used to support this study. Subsequently, this thesis will use empirical and existing data in order to gain further knowledge and understanding both in the leadership field but also within the internationalisation process.

This study will investigate firms during the various stages of the internationalisation process. The reason for this particular specification is the importance of leadership behaviour and how it may affect the MNCs performance throughout the process of growth beyond the national borders. An objective throughout the research is to narrow the leadership field and focus primarily on leaders that are in top management positions. As both authors of this thesis have leadership ambitions and international backgrounds this is a topic that captured attention and the aspiration is to use the gained knowledge as a tool in future careers. Leadership behaviours can bring out human potential in followers and McCann and Sweet (2013) argues that modern leaders do not meet the demand of their followers. This issue is based on the lack of understanding and knowledge within the leadership field which leads to the inability to improvement for the leaders (McCann and Sweet, 2013). Therefore, this topic is highly relevant and this thesis will contribute to the issue by collecting data in order to gain necessary knowledge.

This research paper will aim to guide leaders that are looking to broaden their knowledge and improve their leadership behaviour to benefit the organisation throughout the internationalisation process. The perspective taken in this investigation could be beneficial knowledge for individuals in a leadership position that is hoping to influence a internationalisation within the business. Internationalisation is not only referring to a firm that is expanding across the domestic borders for the first time, it is a process that can be initiated at anytime and anywhere by the firm to increase the international expansion (Larimo and Vissak, 2009).
1.3 Purpose

The purpose of this study is to explore what types of leadership behaviour influence the internationalisation process in MNCs and to examine specifically influential types of leadership behaviours in order to analyse the relationship between the behavioural and strategic differences in MNCs throughout the internationalisation process.

In order to fulfil the purpose, the key research question that will be investigated is: how different types of leadership behaviours influence the internationalisation process in MNCs?

1.4 Delimitation

This research paper has excluded leaders that are engaged in organisations that only operate domestically, and have only included leaders that are or have been engaged in MNCs. Also, this study focuses on three leadership behaviours and has not considered any other leadership behaviours from other theories and models. The researchers chose to include the three leadership behaviours in order to fulfil the purpose of the study and to answer the research question to the best of their abilities. The researchers also chose to base this research on a newly developed framework and to have chosen a more well-known and established framework could potentially strengthen the results of the study. Lastly, since the purposeful sampling technique was used for the choice of participants, the researchers are aware that there can be a pitfall in this choice that the sample may not be diverse enough and that the choice of participants do not speak for the entire industry that they represent.

1.5 Definitions

Multinational corporations which can also be called multinational enterprises play a large part in today's economy. The Organisation for Economic Co-Operation and Development (OECD) is a group of 30 democracies which work together to discuss the different types of social,
economic and environmental challenges that occur due to internationalisation. They also provide an environment where different governments can compare policies, solve common problems, and allow for coordination between domestic and international policies. The OECD have created guidelines for multinational enterprises including a definition for these firms. A multinational enterprise is defined as “These usually comprise companies or other entities established in more than one country and so linked that they may co-ordinate their operations in various ways. While one or more of these entities may be able to exercise a significant influence over the activities of others, their degree of autonomy within the enterprise may vary widely from one multinational enterprise to another. Ownership may be private, state or mixed” (OECD, 2008).

An internationalisation process can be seen as the degree of internationalisation at any point time. To discuss this process it is important to mention that there is not one single factor of measurement that may capture the entirety of internationalisation. Since this process can be seen as complex and widespread, the influence that internationalisation has on a specific firm’s performance, in this study an MNC, will progress and develop over time (Glaum and Oesterle, 2007). The geographic expansion of a company has often been linked with performance in previous research. In these studies, the internationalisation process was examined at every point in time to find different types of relationships between different variables and factors. The discovery was that the process often has a start and an end and that the internationalisation process takes costs and benefits into consideration before and during the expansion (Lu and Beamish, 2004).
2. Frame of Reference

In this section, theories, concepts and definitions that are central to the study will be presented. The empirical study will be supported by these and this section will allow the reader to better understand the conducted study and its results.

2.1 Internationalisation Process

There are several motivations behind the decision to internationalise, it offers long-term growth opportunities and an increased population of potential customers (Weaver et al., 2014). There are also cost benefits to internationalisation which motivates some firms to expand into new markets. By internationalising a company can achieve cheaper production factors, higher profits and tax incentives in the host country. The limitations of the domestic market is something that might motivate companies to internationalise as well, companies that seek to grow quickly realise that growth will be limited as long as they stay in the domestic market. By entering new markets companies gain access to growth potentials through an increased customer base which increases sales and in turn, increases the company’s economic growth (Braga et al., 2017).

There are different ways a company can internationalise, the two most common equity-entry modes are internationalisation through acquisitions and internationalisation through greenfield venture. Expanding through acquisitions means that the company acquires an existing local firm with the benefit of less set-up costs and an already established local network. When a company grows through a greenfield venture, it means that the company grow themselves from the start by setting up a new headquarter or building a factory. Through a greenfield venture the company has more control over the subsidiary and can easily keep the organisational culture in all countries (Harzing, 2002). The choice between acquisition and greenfield is based on the company’s competitive advantage, Dikova and Brouthers (2009) argues that companies in R&D-intensive industries who attempt to overcome technological barriers often use acquisitions while companies who wants to exploit their already acquired technology in new markets do it by starting a greenfield outlet. Furthermore, acquisitions is a faster way of establishing a local presence while greenfields take longer both to set up and to efficiently transfer knowledge. Therefore, companies need to balance their competitive advantages with
industry-specific characteristics as well as country-specific contingencies during the decision of entry mode (Dikova and Brouthers, 2009).

Although there are considerable exploitation benefits of internationalisation, the initial incentive to a firm's internationalization comes from the opportunity to exploit market imperfections internationally and this can lead to lower production costs. Not only does it help decrease costs such as average costs or cost per units and allows for an MNC to increase their revenue with greater margins and it also spreads the investment risks over a wider geographic dispersion. Internationalising also establishes good connections and a strong market power with suppliers and buyers, but also with their stakeholders (Lu and Beamish, 2004). A firm can also gain above-normal returns by exploiting its firm-specific assets, especially intangible ones, in international markets (Amal et al., 2010).

Scholars have put emphasis and focused on the exploration benefits of internationalization using an organizational learning perspective (Lu and Beamish, 2004). Despite the MNC having numerous subsidiaries abroad, this learning perspective enables the organisation as a whole gain a greater knowledge base and it can also increase the MNCs capabilities. What this beneficial internationalisation learning perspective can also accomplish, it to aid MNCs increase their competitive advantage by learning through experience (Scott-Kennel and Von Batenburg, 2012). Another benefit from internationalisation is that each foreign country has its own unique resources they can offer or advantages based on their geographic location. These benefits might not be available in the domestic country and therefore can utilise them by expanding globally. By investigating these foreign country specific advantages can stimulate an organisation to establish subsidiaries abroad to explore these advantages and enhance its internal and external resources in order to be able to compete across both local and global markets (Pla-Barber, Villar and León-Darder, 2014).

Although operating across multiple geographic areas has many benefits, there are also many challenges along the way. The two major ones are the difference in location such as time zones and travel distances and the difference in culture such as norms and languages. The difference in culture creates communication issues since time zones will delay interactions and language barriers might lead to misunderstandings (Haas and Cummings, 2014). Hennart (2007) agrees by stating that cultural difference and geographical distance causes communication issues that increases costs, therefore, MNCs often expand to markets that are close and similar in culture.
Another challenge for MNCs is to keep up with differences in customers’ demands over multiple countries and cultures. A big part of internationalisation is to customise the company to each market in order to gain customers in other markets than the domestic one. In order to become successful internationally, it is important to adjust the company’s image, product and distribution according to market demands such as local tastes and special needs. This is something many MNCs struggle with since they are operating in many different markets and that adds a complexity to the changing customer demands (Vignali, 2001).

2.2 Internationalisation and Importance for MNC’s

An MNC can be defined as an organisation that transfer knowledge from one country to another country while simultaneously preserving the cash flow as well as control rights. By expanding overseas, shareholders can retain profit from utilising its organisational knowledge in foreign countries. However, overseas operations has a cost, and therefore the MNC need to have capabilities that allow them to effectively compete against domestic companies in order to justify the global expansion (Kogut and Reuben, 2015).

Compared to domestic firms, MNCs has an advantage since they can profit from arbitrage across markets and the modern technology has enabled MNCs to operate more effectively globally (Kogut and Reuben, 2015). Furthermore, it is argued that other firms has a difficulty with replacing or matching the competitive advantages a successful MNC can generate (Berry, 2013). The reason for internationalisation is that MNCs are trying to achieve diversification and growth. It is argued that once a company has internationalised, it will lead to improved revenue, competition, market share, diversification and the reduction of risk (Cotae, 2013).

Internationalisation is an important factor when it comes to MNCs since a strong presence in the foreign markets is a vital mechanism for growth. Internationalisation allows for an MNC to become a global player in the market, which would not be possible in the domestic country. In most cases, the domestic market is too limited for MNCs and therefore creates a wider range of opportunities internationally. However, international expansion does not come without its challenges, factors such as political barriers, new competitors, different demands and differences in laws and regulations plays a large role in the internationalisation process (Amal
et al., 2013). As MNCs choose to internationalise it will offer the possibility of future activities, increased global partners, as well as aiding the MNC to reach a superior performance (Cotae, 2013).

As MNCs increase their international presence, it also results in the increase of stakeholders and therefore it is important for MNCs to adapt to the diverse stakeholders. It is argued that it is beneficial for MNCs to balance both economic and social aspects in order to maintain and grow sustainable operations (Zhao, Park and Zhou, 2014). Stakeholder theory is a way of including all the different interests of the stakeholders in a business and as the business grows it also broadens the level of responsibility of a company (Law, 2015). The stakeholder theory states that businesses are constantly developing and improving the way that companies are being managed. Companies that operate today are currently creating value for stakeholders, these include customers, shareholders, suppliers, financiers and even employees. Creating beneficial value for stakeholders can be interpreted as continuous growth. Growth can include many factors such as return on investment, entertaining the market with new products and allowing stakeholders to benefit from a company's performance (Phillips, 2011).

2.3 Leadership Influence on Internationalisation

It is proved that the decisions and a global mind-set of the leader influences part of the internationalisation process, such as the degree or stage of internationalisation (De Chiara and Minguzzi, 2002). A study by Cotae (2013) analysed the relationship between leadership and internationalisation. He argues that depending on certain traits and qualities the different types of leaders within MNCs possess, will directly affect the performance and degree of internationalisation. There are many important decisions to be made at any point during the internationalisation process. In order to address organizational issues, it is important for the decision-maker to have the correct information. In turn, the leader must have the ability to decide how certain actions should be completed by being able to understand the information, analyse it and then take action. So, in order for a company to pursue further growth internationally it is argued that these companies need certain types of leaders with certain abilities such as adaptability, social capabilities or enough experience to solve complex problems (Cotae, 2013).
A manager's attitude and mind-set play a role in a company's international strategic capabilities (Bartlett and Ghoshal, 2000). The fact that managers influence MNCs growth and development is often overlooked and neglected. Managers matter on an individual level since they are highly involved in strategic decisions and a firm's performance (Maitland and Sammartino, 2015). According to Bilkey (1978) the international experience of the manager will affect how likely a company is to export. Reid (1981) supports this in his study suggesting that the manager’s attitude, experience, motivation and preferences for foreign markets entry in addition to his perception and expectations will be major determinants of the ensuring international activity. This also indicates that the experience the manager accumulates in an international context will affect the internationalisation process, and that formulation and implementation of international strategies are linked to manager’s international experience (Maitland and Sammartino, 2015).

As MNCs continuously grow internationally and strive for a sustainable performance in global markets, it is important to describe the relationship between a firm’s degree of internationalisation, its actual leadership style and the firm’s goals (De Hoogh and Den Hartog, 2008). Based on these factors, it can be argued that once leaders make the decision to enter new markets and assess if they have the necessary resources, these types of decisions will lead to increased internationalisation (Cotae, 2013). A leader plays such a large part in the internationalisation decision making process such as what time to enter a market, what resources to allocate to different sectors or even simply which market to enter. These types of decisions directly influence the success or degree of internationalisation (Hill and McKaig, 2012).

According to Cotae (2013) there is a clear indication that leadership has an influence on the decisions surrounding internationalisation. Table 1 briefly contains the predicted effects that three different types of leadership behaviour will have on the global expansion process and the decisions that come along with it. The table below table is part of a larger model which includes multiple other leadership behaviours as well as a visual description of Cotae’s findings. However, due to the multitude of leadership behaviours that are presented, it was determined to only include three of them. The reason for discussing these particular three is because these three styles have a medium or high influence on internationalisation and were deemed to be the most relevant for this study.
TABLE I: LEADERSHIP BEHAVIOUR INFLUENCE

<table>
<thead>
<tr>
<th>Behaviour</th>
<th>Traits</th>
<th>Influence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainable</td>
<td>Values and norms based economic actions</td>
<td>High</td>
</tr>
<tr>
<td>Relational</td>
<td>Collective activities, builds on social networks and alliances</td>
<td>Medium/High</td>
</tr>
<tr>
<td>Authentic</td>
<td>Enforces transparency and positive core values in operational model</td>
<td>Medium</td>
</tr>
</tbody>
</table>

2.4 Leadership Behaviours

Different leadership behaviours have varied levels of influence depending on the different characteristics they possess or the behaviours they display (Anderson and Sun, 2015). As leadership plays a large part in this study, it may be valuable to define a few types of leadership behaviours in order to gain perspective and adequately determine how to categorise leaders depending on the results of the study. The three leadership styles introduced in Table 1 are sustainable, authentic and relational.

2.4.1 Sustainable Leadership

A sustainable leader often shows the ability to be in favour of corporate social responsibility and to be pragmatic and effective during complicated situations. They are also able to motivate employees to be flexible when experiencing change within the internal or external environment. Possessing this type of leadership style is an extraordinarily demanding behaviour to have since they can envision, analyse and handle complex situations. These types of leaders can also operate efficiently when difficult and complicated situations arise within the organisation such as, integrating the company into wider systems in which sustainable leadership is valued (Metcalf and Benn, 2013). Sustainable leaders possess integrity and this style describes that leaders are dedicated to their own moral and ethical decisions. The reason that sustainable leaders have the highest influence on internationalisation is because they possess all the adaptive pragmatic traits which are highly valued when it comes to questions that revolve around internationalisation (Cotae, 2013). Sustainable leaders excel at dealing with organisation change, however, established globally operating companies rarely experience
drastic organizational or operational change. Due to existing established operations and processes in MNCs, sustainable leaders may find it difficult to comply with the restricted autonomy and regulations (McCann and Sweet, 2015).

Sustainable leadership includes organisational sustainability, ecological sustainability and sociological sustainability. Organisational sustainability refers to the organisations purpose, values and actions, such as taking good care of the employees and recognise their individual contributions. The ecological sustainability involves industry awareness by trying to reduce the firm's carbon footprint in the way the organisation interacts with the industry. Finally, the sociological sustainability is the influence on the community and the good association the community has to the firm. This could be achieved through for example, local internships or help to fund local projects. The purpose for this is to become a part of the community and share their values in order to create a positive relationship (Sustainable Leadership, 2011).

2.4.2 Relational Leadership

In relational leadership, the leader and organisation is viewed as human social constructions that arise from day-to day connections between the organisation and its members. Leadership is viewed as relationally dynamic, it regards the entire organisation and puts emphasis on the relationships that are formed (Cunliffe and Eriksen, 2011). This type of leadership focuses mainly on human processes based on how individuals make decisions, act upon them and how they interact with each other. Relationships are not simply constructed from commanding and controlling hierarchies but rather stem from nurturing and supporting roles which leads to social change outside the norms. Relational leaders consider leadership as interactions and negotiations of socialisation among the members of the organisation rather than traditional working roles. The relational leader will use the socialisation process through which social order is evolved. Values, attitudes and behaviours can be built and results in a positive outcome (Uhl-Bein, 2006). Building these social networks and alliances can prove to be useful when influencing the internationalisation process and saturating certain markets (Cotae, 2013).
2.4.3 Authentic Leadership

The authentic leadership style seeks to use self-awareness, self-acceptance, authentic behaviour and open relationships in order to reach authenticity. This concept views the leader and the follower in the context in which they interact using self-awareness, relational transparency, internalised moral behaviour and balanced processing (Anderson and Sun, 2015). The purpose is to draw from positive psychological capacities to reach a higher level of self-awareness and self-regulated behaviours to achieve a positive self-development. These types of leaders often aim to achieve authenticity through open, honest and transparent relationships and the followers of these types of leaders often reciprocates these qualities (Avolio and Mhatre, 2012). Authentic leadership has gained the interest of both practitioners and researchers because of the increased interest of genuine leadership qualities. This leadership style is proving to be more sustainable and leads to desired outcomes for individuals, teams and companies. It has also been proven to be positively related to social exchanges (Gardner and Carlson, 2015). Authentic leaders are also often able to perform logical and genuine social interactions with people around them, which leads to a stronger and broader network (Kernis, 2003).

Authentic leaders make individualised decisions based on the situation, they ensure that the evaluations of the situation are transparent and that the intention is to always act authentically. Authentic leaders create a positive working environment in which transparency plays a key role when developing relationships, this leads to an increased motivation to achieve goals. They are also unprejudiced and equal in all their methods of dealing with their followers and acknowledging their views as well. This attitude leads to a transparent relationship between authentic leaders and their followers. The mutual trust between the leaders and the followers is also generated as a result of a leader’s experience. This in turn creates an increased level of authenticity and respect for the leader. Authentic leaders have achieved respect, credibility and trust from their followers. Therefore, these achievements motivate followers by encouraging different viewpoints and collaborations in order to solve issues or implementing ideas (Avolio and Mhatre, 2012). Authentic leaders therefore enforce and apply their own values and attitudes in to the company’s operational model and this can often lead MNCs to achieve goals internationally (Yukl, 2013). This application of a leader’s culture in their attitudes and decisions is in accordance with Hennart (2007), who states that being ethnocentric in their
management role is something that all leaders should strive to accomplish in order to achieve successful performance internationally.

2.5 Importance of Leadership for the Internationalisation Process

Leadership complexity has intensified through internationalisation and these international challenges require leadership abilities in cross-cultural and diversity management (Sheppard, Sarros and Santora, 2013). Individuals positioned in leadership positions such as CEO’s or senior management play a highly important role to companies that are operating internationally. Whether being a risk-taker or preferring standardised routines, these behaviours and attitudes may or may not lead to successful internationalisation (George, Wiklund and Zahra, 2005). Leadership behaviour is vital in the process of building a successful organisation and the effectiveness of an organisation is significantly influenced by it (Larsson and Vinberg, 2010).

There is a need for managers to improve their leadership skills, although there is already an abundance of advisory papers within the field, one of the biggest challenges of the modern day is successfully operating internationally (Cutler, 2014). Internationalisation is important for firms since it leads to improved financial results, competitive advantages, increased market share, reduced business risk and diversified operations. Leadership connects to internationalisation since it deals with solutions for changing environments, both regarding economic, business and global issues. Therefore, Cotae (2013) argues that successful internationalisation is a result of leadership activities. Hennart (2007) agrees with how the managerial strategies and decisions that leaders implement is a reason for superior performance abroad. These leadership skills that top managers possess may allow MNCs to achieve an increased revenue or monopolistic advantages as well.

2.6 Frame of Reference Summary

During this chapter it was made clear that the internationalisation process is the stage of internationalisation at any point in time, it is the way an organisation expands to other countries.
The importance of internationalisation for MNCs was also determined, the leadership influence on internationalisation was elaborated on as well to gain a better understanding of what role a leader may have on the internationalisation process. A table was introduced and explained in order to prove the influence of leadership during the internationalisation process. Different leadership behaviours were explained in this chapter including sustainable, relational and authentic leadership. Following, the importance of leadership was further emphasised through the literature review of several articles that stated that leadership is a vital ingredient to a successful internationalisation. Conclusively, the importance of leadership in the internationalisation is vital and the subject is highly relevant in the globalised modern world which then generated a research question.
3. Methodology

In this section, the chosen methodology for carrying out the study will be presented. An explanation of the chosen approach, sample, method and type of analysis will be presented. Moreover, the data collection process will be explained along with how questions were composed.

3.1 Research Philosophy

Saunders, Lewis and Thornhill (2016) describe research philosophy as the development and nature of knowledge based on a system of beliefs and assumptions. There are five major business and management research philosophies: positivism, critical realism, interpretivism, postmodernism and pragmatism. Although they are all valuable and beneficial philosophies, there is not one superior philosophy that can be used, it all depends on the author's beliefs and assumptions on the topic (Saunders, Lewis and Thornhill 2016).

Positivism considers that the assumptions made in a study are not only logically justifiable but mathematically justifiable as well, and this research philosophy was initially considered for this research paper. However, after further research into the philosophy it was discovered that experiences and perspectives of the empirical data collected in this paper could not be measured mathematically and therefore would not be appropriate to adopt (Collis and Hussey, 2014). It is beneficial to use an interpretivist research philosophy when the sample size is restricted but the information gathered is extensive and valuable. Therefore, with regard to the purpose and the research question, the interpretivism research philosophy will be applied (Collins and Hussey, 2014).

Interpretivism can be seen as a subjectivist philosophy which is not singularly based on a scientific method, but it could be seen as the study of interpretations based on experience. This leads to different understandings from these interpreted experiences because the field of management and business is complex. Because of the complexity within the field, individuals
have different perspectives and viewpoints, which consequently leads to different individual realities. The focus in this philosophy is based on individual experiences from both the author and the participants. Through empirical work such as interviews, the participant’s experience or cultural standpoints will then be used to interpret the findings (Saunders, Lewis and Thornhill, 2016).

Since the aim of this study is to explore the internationalisation process and how leadership behaviour can influence it, factors such as perception, opinion, culture, roles and countries will be taken into consideration. This will ultimately affect the outcome of the results and therefore an interpretivist philosophy approach is appropriate.

### 3.2 Research Approach

There are three major research approaches; inductive, deductive and abductive. An inductive approach collects data and builds a model or theory from that data while a deductive approach tests an already existing model or theory. Furthermore, an abductive approach combines both the inductive and deductive approach and therefore, it will be used in this thesis (Saunders, Lewis and Thornhill, 2016). Dubois and Gadde (2002) describe the abductive approach as a simultaneous systematic combination of theoretical framework, empirical fieldwork and case analysis. The process of this systematic combining can be divided into two stages; firstly, theory and reality and secondly direction and redirection.

An abductive approach could be seen as useful since the objective of this thesis is to explore new relationships and variables. The aim of both the abductive approach and this research paper is to refine existing theories rather than build new ones. This approach uses a mixture between existing theories and concepts in new combinations which are discovered through application to the complex reality (Dubois and Gadde, 2002). The abductive approach moves back and forth in between theory and empirical data, which is something that many business and management researchers do. In an abduction approach, data collection is applied so that one may explore a phenomenon and identify themes and patterns. When identified, these themes and patterns are then located in the conceptual framework (Saunders, Lewis and Thornhill, 2016).
3.3 Research Strategy

There are two different types of research strategies; quantitative and qualitative. A quantitative strategy was not suitable for this research since this scientific approach is mainly used for hypothesis testing by using large, generalised sample sizes (Collins and Hussey, 2014). According to Bryman and Bell (2011), the qualitative research can be accumulated through non-numeric methods such as questionnaires and interviews. These types of qualitative studies may be seen as more flexible and allows for a more in-depth understanding of the reasons, opinions and motivations. Within the field of international business, it is argued that there should be more qualitative research to help understand intricate conditions and issues. Furthermore, the results from qualitative studies are seen as more valuable in comparison to quantitative data (Birkinshaw, Brannen and Tung 2011). Another reason for using a qualitative research approach is to allow for the inclusion of thoughts and interpretation into the collected data (Byrne, 2001). Since the nature of this study is to determine a linkage between internationalisation and leadership behaviour, this study will use a qualitative approach when conducting the research to help fulfil the purpose of this study and contribute to answering the research question.

According to Saunders et al. (2012), when there is little knowledge in regards to the topic of the study, an exploratory research strategy is often best suited. An exploratory research strategy could also be applied if the topic itself needs to be thoroughly understood. A qualitative study can be seen as best suited when using a exploratory approach, which is the case in this study. Exploratory research has more focus skewed towards questions revolving around how to do things and why they are done and exploratory research often focuses on elaborating on research that has been previously done about the topic. This study will use an exploratory approach by combining existing theoretical frameworks and empirical data found through qualitative methods to then achieve an increased understanding of the topic. This research intends to further explore the leadership influences on the internationalisation process for MNCs and this is something previous literature has failed to completely cover.
3.4 Method for Data Collection

This research paper was constructed to explore the influence of different leadership behaviours on the internationalisation process. The researcher’s intent is to gain a better understanding of the level of influence different leaders have by analysing the experiences and perspectives of the selected leaders. Therefore, the chosen research strategy is to conduct interviews.

3.4.1 Semi Structured Interviews

The three ways an interview can be conducted are structured, semi-structured and an unstructured (Collis and Hussey, 2014). If an interview is conducted in a structural way, questions are often pre-arranged. Although this can be a useful manner to structure an interview, this technique is more often used when applying a positivist research philosophy. An unstructured interview can be described as an informal conversation and this method is to get a general idea of a topic of interest, there are also no pre-arranged questions. A semi-structured interview can be described as a more general approach to answering predetermined questions, however, these questions are often seen as guidelines and the topics that are brought up can be discussed freely. (Arksey and Knight, 1999).

A semi-structured technique will be used during interviews since they are suited for interviews with open-ended questions where follow-up questions often are needed. It is argued that when successfully conducted, semi-structured interviews gain insights and information that make it worth the intensive labour (Wholey, Hatry and Newcomer, 2015). Furthermore, a semi-structured interview grants objectivity and trustworthiness to a qualitative study and contributes to a more plausible result. The technique is flexible, versatile and it allow the interviewee to freely express themselves while simultaneously leaving room for follow-up questions. The questions are based on previous knowledge, determined before the interview and provides a gentle guide on subjects to cover. However, there is still a focused structure and the goal is to collect similar information from the participants (Kallio, Pietilä and Johnson, 2016).

Since this research paper uses a qualitative method and mainly open-ended questions, a semi-structured technique is appropriate. Since this research paper will use an interpretivist research philosophy, semi-structured techniques to conduct interviews are often applied (Arksey and
Knight, 1999). The interviewers allow the interviewee to speak freely by asking an open-ended question and keeping the dialogue focused by asking relevant follow-up questions, guiding the interviewee but not dominating the meeting. It is important for the trustworthiness of the study that the questions are formulated in a way so that the interviewee does not feel obligated to one specific answer. If the questions are formed in a way that forces all participants to answer in the same way, the similarities and patterns found are not viable. Therefore, the semi-structured technique is helpful in collecting reliable data and it also helps the interviewee to feel at ease since it becomes more of a conversation rather than an interrogation. By asking follow-up questions the interviewers show that they are listening, understanding and that they want to know more about aspects the interviewee spoke about. Therefore, it creates a sense of trust between the involved participants which leads to more honest conversations and thereby a more reliable result.

**3.4.2 Interview Preparation**

Before making initial contact, research about the company will be conducted to make sure that can be categorised as an MNC and so that the appropriate and relevant senior managers to contact are correctly targeted. Once this information has been established, an email will be sent as a first form of contact and will have a content of these four basic questions: Is the company involved in business operations internationally? Then, were you employed at the company during the time of the internationalisation process? And lastly, how many are employed and what is your position MNC? These questions were asked to ensure that the information that was researched is reliable and more importantly, correct. If the answers to all four questions are yes, they will advance and qualify to be part of the chosen sample of participants. It is important to establish this in the beginning so that no time is wasted and so that the interviewing process can be as efficient as possible. Another vital reason for this initial cut is so that the information gathered during the interview process is relevant and directly correlated to the purpose and to aid in answering the research question. Once the appropriate candidates have qualified for the criteria constructed in the initial contact, the chosen participants will be drafted for this study. The next phase will involve further contact to initialise the interview process. This will be done by a phone call or email, determining a time and place for the actual interview. As soon as a convenient meeting has been set up, the chosen questions for the interview will be sent in advance to enable the interviewee to prepare adequately and provide sufficient answers that will be beneficial for this study.
3.5 Sampling Method

3.5.1 Non-Probability Sampling

There are numerous approaches as to how to determine which individuals will be participating in a study. The initial step to take is to decide how much of an equal chance the participants will have in being part of the study. To determine this, the researcher must choose if the samples will be chosen through probability sampling or non-probability sampling. To give an overview, probability sampling is being able to estimate accurately how many samples will be collected, but that all samples or participants will have an equal chance of being chosen (Vogt, 2005). On the other hand, there is also non-probability sampling where the sampling method is to find a target population, and then selecting the participants non-randomly. With this in mind, this study will make use of non-probability sampling (El-Masri, 2017). A few examples of non-probability sampling techniques can be purposeful, convenience or theoretical sampling.

3.5.2 Purposeful Sampling

Convenience sampling can be seen as a time-efficient method since the samples that are considered for a research paper are easily accessible, convenient and can be located without much difficulty. Convenience sampling would have been not have been an appropriate option for this study because of the exclusivity and specificity of the participants (Koerber and McMichael, 2008). Therefore, for the purpose of this study, purposeful sampling will be used as it may be the most appropriate approach which coordinates best with the chosen participants. Purposeful sampling can be defined as determining the participants based on their traits or qualities that they possess and thereby, selecting certain samples based on the intent of the research. So, when choosing the participants of the study, it is important that the samples are chosen in order to fulfil the specific purpose of this study (Koerber and McMichael, 2008). A disadvantage of purposeful sampling is that it could lead to misrepresentations of the respective field or industry. Nevertheless, despite this disadvantage, relevant information can still be accumulated (Brewerton and Millward, 2001). For the best and most varied results, the researchers should choose participants who represent the widest different types of perspectives as possible, but still manage to fulfil the purpose of the study.
The reason for using purposeful sampling is because the main participants will be found through the use of personal connections currently possessed by the researchers. This will allow for the arrangement of interviews and to be able to conduct interviews with leaders of corporations both in Sweden and abroad. What is meant by personal connections is that the interviewees will be found through the authors’ extensive social, personal and business networks. This means that the chance of actually getting a response and an interview time will be increased since there is already a pre-existing relationship.

The extension of these networks will be investigated through exploration of acquaintances which will lead to the potential candidates being recognized. This is one of the main reasons why purposeful sampling best suits the research paper. The personal relations will be best maintained through physical interviews, which is why much time will be spent in meetings. Email and phone-contact will be useful when any of the parties does not have the possibility to attend a physical meeting, however, this will be avoided as much as possible to steer clear from the loss of credibility when conducting the empirical field work.

Information will be compared and gathered on the conducted interviews between different employees, corporations and countries in order to be able to research, analyse and finally see whether this has led to a common thread. Contact through purposeful sampling has been made with managers within multinational corporations such as Coca-Cola, Volvo and BNP Paribas in order to conduct interviews and thereby gathering beneficial primary data. The objective is to cross-reference the differences and similarities between the different companies, leadership behaviours and internationalisation processes in order to determine clear homogenous factors.

3.5.3 Choice of Participants

In order to collect relevant and valuable data to fulfil the purpose of this study, the participants that were chosen for the interviews had to possess multiple prerequisites in order to be selected as part of the research. An essential homogenous factor was that all participants were working at a multinational corporation, in order to make sure that the interviewees fulfilled this requirement, thorough background research was conducted. Furthermore, the participants had to have at least 20 years of experience in the management field, this requirement narrowed down the search drastically. The fundamental reason for the interviewees to be in top
management positions was so that a leadership role was a part of their regular business operations, and this lead to relevant, credible and factual knowledge.

Another common attribute the interviewees had to possess was to be or have been an active part of the internationalisation process of an MNC. Based on the participants previous or current work experience, they have displayed at least a medium or high influence on the internationalisation. This participation is the reason for the three chosen leadership behaviours presented in the frame of reference in section 2.4. In accordance with the purposeful sampling method, top managers in leadership positions were chosen purposefully and the samples were seen as the best choices of representatives of their respective industries. Although this could lead to misrepresentations, the information gathered will be considered useful for this specific study.

**TABLE II: PARTICIPANTS**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Company</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bernard Durcos</td>
<td>Vice-President Europe</td>
<td>Danone</td>
<td>Food</td>
</tr>
<tr>
<td>Pia</td>
<td>Procurement</td>
<td>The Coca-Cola Company</td>
<td>Beverage</td>
</tr>
<tr>
<td>Johan Bergman</td>
<td>Business Developer</td>
<td>Greatview</td>
<td>Packaging</td>
</tr>
<tr>
<td>Björn Andersson</td>
<td>Founder and Owner</td>
<td>Prevas</td>
<td>High Technology</td>
</tr>
<tr>
<td>Helen Fasth Gillstedt</td>
<td>Vice-President</td>
<td>SAS/Statoil</td>
<td>Airline/Oil</td>
</tr>
<tr>
<td>Bengt Kohlin</td>
<td>Vice-President Brand Management</td>
<td>Volvo</td>
<td>Automobile</td>
</tr>
<tr>
<td>Örn Greif</td>
<td>Head of Debt Business Development</td>
<td>BNP Paribas</td>
<td>Banking</td>
</tr>
</tbody>
</table>
3.6 Interview Design

As the interview began, a background discussion occurred in order to get a better idea of the interviewee and it was also made sure that the environment in which the interview was conducted was friendly and that the set up was informal. The casual atmosphere plays an important role by ensuring that the interviewee felt comfortable in sharing their experiences. Following this casual discussion and having established a confidential relationship, the topic of the thesis was introduced. The next step taken was to ask for permission to record the conversation. Another vital step was to determine whether the interviewee would have preferred to remain anonymous or if the interviewers were given permission to name them in the study. It was ensured that the interview process was a dialogue and not an interrogation.

The first half of the interview was dedicated to gathering information in regard to the internationalisation process of their company, but also how the individual had an influence on this process. From there, different motivations, challenges and expectations were discussed in order to gain a further understanding of the expansionary procedures. The second half of the interview focused on the interviewees as individuals and what their greatest strengths and weaknesses were. Furthermore, the interview focused on how these individual leaders dealt with employees. This latter part of the interview asked these questions in order to determine leadership behaviours and identify common qualities and attributes. Lastly, the interviewees were asked if they wanted to add information on the subject. During this whole process, the conversation remained controlled but continuous and follow up questions were frequently asked to deepen the discussion and get a thorough understanding their answers. The interviews all lasted between 20 and 40 minutes.
## TABLE III: INTERVIEW QUESTIONS

<table>
<thead>
<tr>
<th>Interview Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 How does your company internationalise?</td>
</tr>
<tr>
<td>2 How did you partake in the internationalisation process and what influence did your participation have?</td>
</tr>
<tr>
<td>3 What are some main reasons that you think would be a motivation to internationalise?</td>
</tr>
<tr>
<td>4 Leading up to the internationalisation, what did your stakeholders expect from it?</td>
</tr>
<tr>
<td>5 Can you tell us some of the challenges during the internationalisation process?</td>
</tr>
<tr>
<td>6 What were the motivations behind the specific countries you chose to internationalise in, were you involved in these decisions?</td>
</tr>
<tr>
<td>7 What is your greatest strength?</td>
</tr>
<tr>
<td>8 What is your greatest weakness?</td>
</tr>
<tr>
<td>9 What tools do you use to motivate your employees?</td>
</tr>
<tr>
<td>10 How do you identify employees’ strengths and weaknesses to assign duties?</td>
</tr>
<tr>
<td>11 How do you face employees that voice concerns or express ideas?</td>
</tr>
</tbody>
</table>

### 3.7 Data Collection

#### 3.7.1 Secondary Data Collection

Secondary data can be characterised as data that is collected by another party and used by the researcher as an information source for the purpose of the study. The secondary data that can be collected is documentary data since it consists of journals, books, government publications and research papers (Saunders, Lewis and Thornhill, 2016). Despite the surely relevant information that can be gathered through this method, secondary data has been not collected...
during this research paper since Statistiska Centrabyråns (2018) had not yet completed their study on the number of Swedish companies with affiliations abroad.

### 3.7.2 Literature Review

To be able to find accurate literature that best suited the purpose, firstly, a general search was made through the university library database to grasp an overall idea of the chosen field of study and if this direction had already been touched upon. All literature was found through the Jonkoping University library database, Google scholar and hard copy books. Then, key words such as: “leadership behaviour”, “MNC”, “internationalisation”, “management”, “multinational” and “international” were used to specify the literature search. Articles and book titles were revised in order to see if they were relevant to the chosen field of study. The first insight to the article was through the abstract and key terms. Once the abstract was read it could be determined if both the title and the content was relevant, if it wasn’t, the search continued. Once the article was validated and shown as a trustworthy source by the verification of the number of citations and if it was peer reviewed, the read content was then applied, analysed and finally discussed.

When searching the keywords “MNC”, “leadership” and “Internationalisation”, it generated over 23,000 matches. While taking a closer look at the results, several articles stated that although much research has been done within the leadership field in the last century, it is far from fully exploited. However, something that is not as common is to investigate how leadership relates to the internationalisation process. Although much research within the two fields; internationalisation process and leadership behaviour has been conducted, the majority of the research is focused to one single country or industry. The intent is to find a link between the fields that is applicable throughout multiple international platforms and environments.

### 3.7.3 Ethical Considerations

In all aspects of the conducted research, it is vital to take ethics into consideration to solidify the empirical data. There must be an appropriateness of the methods which are chosen since the
trust of the participants is vital but more importantly for the reliability of the research (Sutrisna, 2008). All participants were given the choice to remain anonymous and were asked beforehand if the researchers were permitted to record the interview.

### 3.8 Data Analysis

The primary data collected was solely from the semi-structured interviews. Once the participants were determined for the interviews, a qualitative content analysis was applied. A content analysis is applied in a qualitative research in order to achieve reliable and replicable assumptions to distinguish a systematic approach to analyse written data. A further step in a qualitative content analysis is to determine how the information will be accurately produced, gathered and reported, interviews were conducted in the case of this study. All of the interviews were transcribed, analysed and discussed between the researchers.

When transcribing the data, it is important to convert the tone, nods, or the setting of the interview (Saunders, Lewis and Thornhill, 2016). Thereafter comes the data coding stage, where the relevant data was sifted through and categorised into groups in order to determine what was relevant or irrelevant for the purpose of answering the research question. Categories were determined based on multiple homogenous factors and recurring patterns in the content analysis. Lastly, a data analysis was performed in accordance with the theoretical framework in order to examine if the discovered commonalities were applicable and connected to the existing research discussed in the frame of reference (Cohen, Manion and Morrison, 2011).

### 3.9 Methodology Summary

To briefly summarise, an interpretivist research philosophy will be used, the chosen research approach for this study will be abductive and the strategy implemented will be qualitative. The empirical primary data collected will be conducted through semi-structured interviews, and the samples have been purposefully selected through a non-probability sampling technique. All participants had to fulfil certain requirements and possess homogenous factors. Then, the design
and questions of the interviews are presented. Throughout the empirical data collection, ethical
d behaviour will be consistent throughout the study and a thorough data analysis will be
performed in order to correctly answer the research question and fulfill the purpose.
4. Empirical Findings

In this section, the results from the semi-structured interviews will be presented in two separate sections; internal and external. This will give the reader an understanding of what the commonalities were discovered during the data collection process.

4.1 Overview

For this research the empirical data was conducted through 9 semi-structured interviews with different leaders within MNCs across different countries and industries. All interviews that were conducted consisted of eleven questions. The sample of participants consisted of leaders in top management positions and were conducted between the 4th of April 2018 and the 23rd of April 2018. The semi-structured interviews ranged between 20 and 40 minutes. Some took place via cellular communication and some interviews were conducted in person. All empirical data was conducted in the English and Swedish language. In accordance with the purposeful sampling method, top managers in leadership positions were chosen purposefully and the samples were seen as proper representatives of their respective industries. The outline of the semi-structured interview allowed the interviewee to speak more freely but still conduct the interview in a controlled environment. The interviews were divided into two subject areas, the first being the external and internal factors of internationalisation.

4.2 Internal Factors

After conducting the data coding stage, the empirical data was categorised based on commonalities. The information presented below are prevalent internal factors which were discovered from the empirical field work. The internal environment can determine the success of a business and it is therefore important for leaders to be able to successfully implement management strategies (Rizak, Suhadak and Kholid, 2017).
4.2.1 Entry Modes

When starting off the interviews questions revolving around the internationalisation process were asked. Once the decision to expand globally has been established, the internationalisation process starts with selecting and entry mode.

The selected companies are in different stages of the internationalisation processes. Three of the businesses started their internationalisation process by expanding to neighbouring countries with similar cultures and values. However, the majority of the companies are truly global and operates all over the world. Therefore, their internationalisation method is currently to acquire a higher market share in the countries they are presently operating in. All participants agreed that it was important to stay close to the local market and adapt to the local demands. They all had locals involved in projects and spent a lot of time and resources on discovering and understanding the different countries and cultures in order to stay relevant in all markets. This was seen as the primary strategy to continuously be successful in the foreign markets since close contact with the customers and suppliers leads to higher efficiency and can be highly responsive in certain environments.

4.2.1.1 Organic Growth

Five of the participants stated that their companies grew organically. These five participants said that they would often travel to the country, meet the locals, assess the risks and then move on with the development of their company, product or service. All of their companies have in some way organically grown to be able to imprint in all the areas and markets that they want to be a part of. In accordance with Hille (2011), Johan answered that one of the reasons behind organic growth is also to avoid or overcome trade barriers.

4.2.1.2 Acquisition

Although Bengt and Örn expressed that their companies has in part grown organically, they have also grown through acquisition. The four resting participants shared common factors in regard to how their company grew, and they achieved this through acquisition rather than
organic growth during their involvement of the internationalisation process. Berit said that they started their internationalisation from Denmark when they acquired a Swedish bank, and Volvo has acquired the majority of their current brands.

4.2.2 Motivational Factors for Internationalisation

To get a deeper understanding of the internationalisation, it was important for the purpose of the research to examine the motivations behind the process. Therefore, questions regarding motivation and what their companies believed to be important factors to consider when expanding to new markets were asked. The question revolving around motivation also discussed the ambitions behind a global expansion for the top managers as individuals but also the existing motivations to further internationalise the entire company.

4.2.2.1 Growth Factor

All participants had a commonality by all leaning towards the goal to continue the growth of their companies, however, they valued different things in the growth process. Two major factors were found, firstly, the participants put importance on the motivation that they needed to grow the customer base. The second factor was shown through the recurring answer that their aspirations to grow was based on the creation of increased margins and to grow the share value.

4.2.2.2 Customer Base Factor

Four of the participants, Berit, Björn, Johan and Mårten, expressed how they want their company to grow by increasing their customer base, which in turn increases their sales. Increased sales leads to higher revenue and thereby a larger company. They all agreed that every country has a limitation when it comes to customers and in order to grow, an expansion across borders is inevitable. By entering other markets, the company has access to millions of new customers as opposed to if they would have stayed in the domestic country. For example, Berit explains that instead of staying in Sweden with 10 million potential customers, they expand to all the Nordic countries and as a result of this, 27 million customers can be available.
Internationalisation is therefore an efficient way of acquiring more customers and thereby grow the business.

4.2.2.3 Economic Factor

Johan, Berit, Helen and Mårten also expressed the importance of financial and economic benefits when internationalising. By entering new markets with higher price levels, they can increase their prices and therefore earn more profit. Another way of increasing margins is to build a factory in a new market in order to lower costs. These costs are production and wage related but also include transportation costs. The participants highlight the importance of shareholder value and that it is increased as a result of internationalisation. If the global expansion is not financially beneficial it would not be approved by the board. Furthermore, higher margins lead to higher profits and thereby a higher shareholder value.

4.2.3 Managerial Handling

In order to answer the research question and fulfil the purpose of this paper it was important to determine a suitable leadership behaviour. Therefore, questions regarding how they handle situations when they are presented with concerns from their employees, co-workers or supervisors were asked. The participants showed a common trait of transparency when answering this question. They were also asked how they handle employees that come forward with ideas, from this the most common answer was the discussion of the actual possibility of implementing the idea, and yet again transparency was brought up. Furthermore, participants were asked how they motivate their employees in order for the authors to see how the leaders encourage and inspire the people in their environment. This conversation based around motivation often circled back to transparency as a key motivational tool. They all agreed that employees need to understand the consequences and the effect their work has on the entire company.
4.2.3.1 Concerns and Ideas

The way six of the participants handled both concerns and ideas were mainly to make sure that their employees were acknowledged. Through listening, discussing and making decisions based on their concerns and ideas, they were able to come to a common solution. They expressed how important it was that employees feel like their opinions matter and that their ideas or concerns get implemented or solved. In a situation where a concern or idea does not get implemented or solved the participants said that it was vital to be transparent with the employee and explain why it was not possible. The employee will be more satisfied if they understand why their suggestion was not implemented. However, these five participants all said that it was important that the employees were constructive in the way they brought their concerns forward and that their ideas were reasonable. For example, Helen states that a concern is only constructive if the employee presents her with a solution.

4.2.3.2 Motivation

Transparency was the factor that all of the interviewees had in common. They felt that being completely honest, open and straightforward is the most important way to motivate employees. All of the participants agreed upon the fact that being open about their plans and not having hidden agendas is an effective tool when encouraging employees. They also explained that it is important that the employees understand the reason behind why they do things and thereby understand what influence their work has on the entire company. If an employee feels like they matter to the company and that their work is valued, they will work harder. Therefore, through being a transparent leader, there is a build of trust between the employees and the managers which further allows them to complete objectives and goals as a team. Bjorn for example stresses this factor when motivating employees and explains that if an employee does not understand why they are executing something, they will most likely be discouraged to perform to the best of their ability in the workplace.
4.2.4 Leadership Factors

To find out what leadership traits the participants had, they were asked questions about what their strengths were as leaders. The common strengths amongst the leaders was their social capabilities. This shows that the leaders value the maintenance and creation of relationships in the workplace but also with other stakeholders. This question also generated another common trait; the extensive experience they all possess in their respective industries. This experience built a sense of trust which lead to the opportunity to present even greater capabilities and results.

4.2.4.1 Social Skills

Common attributes allowed the researchers to identify which leadership behaviour the interviewees best corresponded to. Eight of the nine participants all expressed a repeated answer; that social skills are a vital strength in their fields of work. Johan believed that his best strength is his large network and Pia also believes that her best qualities is the fact that she is good at building relationships. Mårten focused on the social aspect and stated that he is good at creating strong relationships with the people he works with.

Bengt values his social skills when build a strong team and network around him. Björn said that his social skills are his biggest strength as a leader and he stated that many of his customers are now his friends. Helen states that it is all about the people, and the knowledge and understanding of what motivates her social network is what is going to make it successful. Finally, Örn says that his vast network in the financial industry is highly valued within his company and therefore one of his greatest strengths. Having an ease for expanding and maintaining their social network is a highly valued skill in their respective companies and it is also a useful strength to have during an internationalisation process.

4.2.4.2 Industry Experience

Industry experience was a prerequisite for the choice of participants, therefore it comes as no surprise that the topic of experience was discussed, and it was also one of the prominent
characteristics which was revealed as an important factor. Örn, Johan, Helen and Bengt all said that their experience was their greatest strength. They have all worked within their respective fields for decades which has gained them both respect and knowledge useful in complex situations and decisions. People trust them to make a good job since they have already proven their competence and capability. Due to all their many years working within the industry, their knowledge and vast experience has had a great influence on the internationalisation of their company.

For example, Johan expressed that in the recruitment process at Greatview, experience is more valued than certain skills such as personal characteristics. Furthermore, Örn from BNP Paribas stated that his experience within the financial industry is the reason behind his extensive social network. This shows that experience is the key to acquiring a relevant and wide-spread network. Helen mentions that thanks to her experience she is aware of how to operate in an international setting but also handle colleagues, employees and complex situations. Bengt agrees with Johan, Helen and Örn, and expresses that his experience within the branding industry has allowed him to gain a valuable and broadened knowledge within the working environment.

4.3 External Factors

After conducting the data coding stage, the empirical data was categorised based on commonalities. The information presented below are prevalent external factors which were discovered from the empirical field work. It can be difficult for companies to control external factors and this can in turn affect company performance, therefore it is relevant to identify even external factors. The managers cannot control these external environmental factors; however, they can exercise appropriate strategies in order to handle them (Rizak, Suhadak and Kholid, 2017).

4.3.1 Challenges

It is of relevance to find out how the leaders handle the external challenges as it shows what type of leadership behaviour they possess. It is important to know about the main challenges with regard to the purpose to identify how the companies handle them since they play a
substantial role in their internationalisation process and can influence the success of the internationalisation. The way they overcome these challenges has a direct impact of the company’s success which means that the influence of the leadership behaviour on the business can be indicated.

4.3.1.1 Communication Challenges

Five of the participants expressed cultural differences as their major challenge during the internationalisation process and claimed that cultural clashes can appear even in the Nordic countries. Cultural differences like body language, manners and norms can cause misunderstandings and conflict in international projects which may lead to delays and quality issues. Differences in time-zones were also discussed since that is something that delays the efficiency of projects since colleagues around the globe finish work at different times and therefore have to wait for answers until it is office hours in another part of the world.

Pia argues that collaboration with colleagues across the world is challenging, not only does the different time-zones slow down the process and create planning problems, but the cultural differences also increase the communication issues. Bengt from Volvo agrees with Pia that cultural differences are difficult challenges to face. When Volvo operates abroad, it is challenging to make sure that the Volvo brand is perceived in the same way across markets and they need to ensure consistency and flexibility. Berit from Danske Bank also concurs with the fact that culture can be seen as a challenge, even if they only operate in Nordic countries there are still noticeable differences and Danske Bank takes these into consideration. Björn and Helen also agrees that cultural differences are the biggest challenge for their companies. These participants all point out prevalent patterns by discussing culture as being a main challenge when operating in multiple geographic areas.

4.3.1.2 Demand Challenges

The resisting participants were focused on the challenge of rapidly changing demands and to keep up with customer needs in order to retain their customer base. They express that it is vital to be close to the customers and to know the local markets, which gives MNCs a disadvantage against small domestic brands. Closeness to the market means that they can promptly adapt to customer demands and thereby stay relevant. The customer demands were also described as a
challenge since they not always comply with the most profitable operations for the company. Customers might want a new shape of packaging or a factory in their own country to receive products quicker, however, that might not be the best decisions for the company. The new type of packaging or the new factory might not be economically viable for the company but if they do not keep up with customer demands they risk losing them. This is a common dilemma and the company need to analyse their options carefully before making a viable and strategic decision.

4.3.2 Stakeholders Expectations

Since it is difficult to handle external factors, questions regarding external stakeholders’ expectations were asked. This is beneficial for the purpose of the paper since it aids the authors in understanding how the managerial strategies are developed to uphold stakeholder values and how they are executed by the interviewed leaders. This also allowed the researchers to see what the participants valued in their day-to-day business operations and strategies.

4.3.2.1 Growth

Although all the participants agreed that the main motivation to internationalise was to grow, only six of the participants agreed that the progression and development of the business was an important aspect to fulfil the stakeholder expectations. Helen said that stakeholders usually appreciate the global growth since that includes more opportunities for the organisation, and that is often seen at beneficial. Pia emphasises on growth as well, she expects Coca-Cola to seize opportunities of structural and operational expansion.

Björn believed that the main expectation from stakeholders was that the company would grow, both in revenue and in profit. Johan agrees with Björn and he states that Greatviews’ shareholders would expect a growth in value from increased margins and that would increase their share value. Bengt from Volvo thought that stakeholders would expect him to nurture the global brand and to both maintain and continuously grow the existing and new brands. Örn emphasises that growth of his institution is important and does this by encouraging and
advocating it in all aspects of the business. These results prove that growth is a common theme and can be seen as a recurring pattern throughout the participant’s answers.

### 4.4 Empirical Findings Summary

Two entry modes were found, and two degrees of internationalisation were identified; the companies either internationalised through acquisitions or organic growth and they are either in the process of internationalising or they are truly global. The respondents all thought that the main motivation for internationalisation was growth, however, they focused on two different factors of growth. It was also discovered how the different leaders manage their employees, both how they face concerns and ideas and how they motivate their employees. The common theme was found to be transparency by having an open and honest discussion between the manager and employee. Furthermore, the leaders' strengths were expressed and found to be social skills and an extensive industry experience. The biggest challenges facing the company were also discussed and found to be the cultural differences within MNCs as well as the ability to keep up with customers’ demands. Finally, it was found that stakeholders share the value for internationalisation with the interviewees as they too think that growth is the most important factor in the internationalisation.
5. Analysis

This section takes the empirical findings from semi-structured interviews and presents an integrated analysis. It will give the reader a deeper understanding of how the empirical findings are linked to the information presented in the frame of reference and answer the research questions.

5.1 Overview

In the empirical data, patterns and linkages were discovered throughout the information provided on internationalisation, motivations and the challenges. The researchers also discovered that there were correlations between leadership behaviours and how this could influence the internationalisation process. This analysis section will be based on all the empirical data that was collected but also consistently linked to the existing research that was presented during the frame of reference in order to answer the research question.

5.2 Internal Factors

5.2.1 Entry Modes

All represented companies internationalised through equity entry modes. Harzing (2002) states that there are two major ways to enter a new market in an equity-based entry; through acquisitions and through organic growth. The study had companies that practised both types of equity entries, sometimes simultaneously and this decision is according to Dikova and Brouthers (2009) based on their specific competitive advantages.
5.2.1.1 Organic Growth

Organic growth is referring to the greenfield type of entry mode where the company build their new headquarter or factory from the start, which according to Dikova and Brouthers (2009) give the company more control over their new subsidiary and aid the company in keeping the organisational culture. Two of the companies that preferred organic growth was manufacturing companies, which can be explained by looking at their competitive advantages. The manufacturing companies often set up their factories in other countries in order to lower production related costs and it is important for the quality that they have full control over the new factory. The participants explained that the control was kept through multiple visits, expatriate assignments and handpicked local decision makers.

Harzing (2002) argues that that this type of growth is highly effective, obtains more control and maintain the organisational culture. This might be the reason why the two interviewed banks chose Greenfield ventures, safety is vital in their industry and therefore, control is needed throughout the expansion. The leader’s social skills were highly valued in the business, these skills can be utilised during a greenfield venture since relationships and networks must be accumulated for the enabling of a successful integration into the foreign market. In this process of building new networks, the leader’s social skills are vital, and without them the MNCs internationalisation goals can be delayed due to insufficient relationships. Therefore, this positive influence from the leaders' skills on the networking process in a greenfield venture can directly influence the internationalisation process.

5.2.1.2 Acquisition

Based on the empirical results, more than half of the companies in the study internationalised through acquisitions. Acquisitions are a faster way to internationalise, however, they might face an organisational culture clash in the beginning since the acquired organisation already has set norms and values (Dikova and Brouthers, 2009). It might also be the cheaper way to internationalise since the start-up costs are lower and operations can start quicker. This entry mode facilitates the MNCs expansion since the acquired companies already have pre-existing and established networks that they can use (Harzing, 2002).
This may be why it was mainly the global companies that used acquisitions, they have established routines and have gone through acquisitions before which help them in the process of taking over an already established business. These acquisition methods can lead to MNCs taking advantage of the acquired business’ networks and more importantly build upon the existing trust in order to further progress the relationship with the foreign market. Since the organisation has less control during acquisition process, it is important for leaders imprint their own organisation's culture into the wider systems to be able successfully operate. Therefore, the leadership behaviour has an influence on the global expansion through acquisitions.

5.2.2 Motivational Factors for Internationalisation

5.2.2.1 Growth Factor

Throughout the research, the empirical findings showed that the main motivation for internationalisation was growth. This is in accordance to the findings of Cotae (2013), that stated that the reason for MNCs to internationalise is growth. However, growth can be achieved in multiple ways and from the interviews, two major growth factors were identified; the increased customer base and the increased margins.

5.2.2.2 Customer Base Factor

Weaver et.al (2014) argued that companies internationalise because of the growth opportunities as well as the increase in potential new customers and this is supported by the empirical findings. The interviews showed that growth was the major motivation to internationalise and that many of the respondents achieved growth through an increased customer base. Amal et al (2013) explained that MNCs often internationalise since the domestic market is too small and these limitations were discovered in the empirical study as well. By internationalising to new markets, a company can overcome these limitations and acquire an increased customer base. This issue was mentioned by several interviewees and they stated that at a certain point, when they had grasped as many customers as they could in a market they needed to internationalise in order to grow further.
The majority of the interviewees who agreed that increasing the customer base was the main reason to internationalise originated from small domestic markets such as Sweden and Denmark. This might be why they focused on an increased customer base, they come from a small country and the domestic consumer base in the country is limited. The reason behind why Prevas, Danske Bank and Eriksson internationalised was to take advantage of markets with more opportunities by tapping into the customer base of other countries where there is more potential for growth. A company that originates from a more densely populated country may not have the same motivation for growth but might be more interested in markets with higher price levels. Leaders that value the customer base will influence the internationalisation process by entering markets with large population rather than those with potentially higher price levels.

5.2.2.3 Economic Factor

The second growth motivational factor was the economic benefits that come from internationalisation, Braga et al (2017) states that a global expansion may lead to cheaper production costs, higher profits and tax benefits. The empirical findings support this statement and increased margins and share value was found to be a main motivator to internationalise. The interviewees mentioned the importance of increased shareholder value since that is the only reason an international expansion would be approved in the first place. Profit margins were also described as vital and there is only two ways of increasing them; either lower production costs or increased prices. The interviewees explained that both of these ways are made easier by internationalisation since a new factory can reduce production cost and a new market can mean higher price levels.

A reason for Greatview, Danske Bank, Eriksson, Statoil and SAS to all include the economic factors such as margins and shareholder value, might be due to the fact that they are all publicly traded companies. Since they have shareholders and publicly share their financial results, it could provide the incentive to strive for better economic returns. Considering that they have various shareholders to answer to, they are expected to increase the return on investment. Zhao, Park and Zhou (2014) agrees that as the company spreads across markets, the number of stakeholders that they are accountable to increases as well. In comparison to private companies, publicly traded organisations have a responsibility and an accountability to an increased amount
and variety of stakeholders, which might pressure them to consider more economic and financial motivations rather than an increased customer base. This influences the internationalisation process since leaders who consider economic benefits will prefer to expand into markets with higher price levels rather than those with a larger customer base.

5.2.3 Managerial Factors

5.2.3.1 Concerns and Ideas

The majority of the interviewees agreed that openness and honesty is an important ingredient in the relationship between manager and employee. They felt that it is important that employees feel comfortable approaching them with ideas or concerns since they most likely would be unhappy and dissatisfied with their workplace if they do not. This is in accordance to how Anderson and Sun (2015) described how an authentic leader would handle the situation since authentic leaders often focus on transparency and openness. Many of the respondents also brought up the fact that it is important that the criticism is constructive; they expressed that if the employee present solutions to the issue they are most likely bringing it up with best intentions and a goal to solve it. Kernis (2003) stated that authentic leaders engage in logical and genuine discussions before making a decision and this can be shown by the fact that the interviewees only want constructive criticism that is brought forward in a logical manner.

Once the issue or idea is vocalised the respondents highlighted that it is vital to ensure that the employee felt heard and acknowledged and to show the employee that they take the matter seriously. It is common for authentic leaders to strive for this type of transparency and openness in order to achieve self-awareness and self-development (Anderson and Sun, 2015). The interviewees also said that it is important to have an honest and open discussion with the employee about the issue or idea in order to find ways of implementing the change. In the cases where an implementation is not possible due to either financial or practical reasons, the interviewees stated that it is vital to make the employee understand the reason for not using their ideas. If the manager does not take the time to explain the reasoning properly the employee will feel neglected and unappreciated which leads to destructive tension and a decreased job
satisfaction. The transparency and openness displayed by the participants indicates that they share the same behaviour as an authentic leader.

5.2.3.2 Motivation

Avolio and Mhatre (2012) argue that transparency leads to an increased incentive for followers of authentic leaders to reach their goals. A point that was brought up by Avolio and Mhatre (2012) and indicated in the empirical research is that the mutual trust that is built upon transparency generates respect between the authentic leader and follower and thereby leading to achieving greater results. The results from the interviews conducted shows that there was a clear consensus that transparency was key to motivating employees and aiding them to reach goals. All nine participants agree that by being open, having no hidden agendas and being honest was the most effective way to ensuring a transparent working environment.

These interviewees argued that a leader must elaborate to employees why things are conducted in a certain manner. Once an employee feels that the leaders were being transparent, they comprehended the influence that they have on the company’s activities and this motivated the employees. According to some of the participants, the benefits of being transparent were much greater than keeping their colleagues and teams misinformed, which would most likely lead to a decreased performance. Through the findings of this study, the research agrees with Anderson and Sun (2015) that an authentic leader has authentic behaviour towards their followers, an open relationship and relational transparency. The sustainable leadership style could also reflect on this answer since they are highly committed to making moral and ethical decisions and therefore, they do not have an issue about being transparent with their reasoning (Cotae, 2013). However, ethics and morals are individual, and the employee might not share the exact same viewpoint as the manager.
5.2.4 Leadership Factors

5.2.4.1 Social Skills

Close to all participants mentioned their social skills as a highly valued strength in their position. Cotae (2013) states that one of the reasons an authentic leader is successful in the internationalisation process is because of their personal attitudes that they apply to their business. Social skills are always important for a manager, however, for an international manager it is even more vital since they are constantly working with new people from different countries and cultures. In order to successfully integrate the company into other cultures it is important to be able to create relationships with people that might be different from themselves and managers will be more successful in this if they have the right attitude towards new people.

A relational leader puts emphasis on the social constructions and uses the social ties in order to successfully internationalise. They also use their social interactions in order to establish organisational values, attitudes and behaviours (Uhl-Bein, 2006). The interviewees were all convinced that their social interactions made them better leaders and they all highly valued their business relationships. Therefore, the participants answer to this question could indicate that they are relational leaders since they all value their social network and relationships. However, the answer also complies with the authentic leadership behaviour and therefore other parts of the interviews will have to be considered when determining a leadership behaviour.

5.2.4.2 Industry Experience

The dominant view in the existing research is that there is a positive relationship between experience and successful growth internationally. Maitland and Sammartino (2015) argue that the experience that a leader will gain over time can have an effect on the internationalisation process. They also argue that the strategic decisions and actions made by managers to be implemented abroad are highly correlated with the level of experience. Reid (1981) and Bilkey (1978), both support the idea that experience leads to more successful international activity and this include factors such as performance, attitude, motivation, and preferences. Cotae (2013)
also argues that the trust followers have in leaders is an outcome based on experience and this points towards the trait of an authentic leader.

Four of the nine interviewees stressed the importance of their experience and this trait is considered highly valued. Although these participants worked in different industries, they believed that the decades they had worked in their respective fields has helped them gain respect and but also relevant knowledge when complex decision-making skills are required. The leaders that were interviewed agreed that by being experienced, not only can they gain trust from followers, but also their suppliers or customers. Thanks to their experience, their competence and capabilities lead to mutual trust and belief that they can make the right decisions. The interviewees argue that their knowledge has had a positive influence on the internationalisation process.

5.3 External Factors

5.3.1 Analysis of Challenges

5.3.1.1 Communication Challenges

A common challenge for the interviewed companies were communication issues, since they operate in different countries with different time zones it is hard to communicate efficiently around the globe. The issue with time zones is that they slow down the process since they all start and finish their workdays at different times and it can also make it hard to plan meetings where all parties can attend (Haas and Cummings, 2014). The language barrier is part of the communication issues as well, there are bound to be misunderstandings and misinterpretations when the people in a project or company speak in a second or third language that they might not be familiar with. Cultural differences can also be a part of the communication issues, the different body language, norms and how they communicate varies across the world. Some countries are more direct in their communication which might be perceived as blunt or even rude by other cultures. It is not surprising that these issues were apparent in all the companies, it is a common challenge of being an international organisation.
The inefficiency of operating in different time zones were discussed by the managers for the two largest brands involved in this study, Volvo and Coca Cola. The reason for this is probably because they operate all over the world and can have as much as a whole day’s time difference between their employees’ locations. However, the smaller companies that operate mainly in the Nordic countries will not be affected by differences in time zones in the same way and does therefore not see it as a major challenge yet. An interesting fact that arises from the interviews were that all companies, even the ones that only operate in the Nordic countries experience culture clashes.

These culture clashes indicate that physical distance might not have a major influence on cultural differences, however, since the truly global companies operate in a higher number of countries, they have even more cultures to adapt to and communicate with. The companies try to aid this issue by including local team members in all projects. The inclusion of local team members could be an indication of relational leadership since relational leaders often use networks and alliances during the internationalisation process (Cotae, 2013). However, authentic leaders also value relationships and the transparency they emphasise is also key to building cultural bridges. Therefore, the answers could be interpreted as the interviewees possessing authentic leadership traits as well.

5.3.1.2 Demands Challenges

Another challenge frequently mentioned is the struggle to keep up with customer demands and changing trends (Amal et al., 2013). There are two major issues involved in this specific challenge; firstly, that the customers might demand something that is not profitable or beneficial for the business and secondly, that the demands from customers changes rapidly and varies throughout the world. The first issue proposes a dilemma for the business since an unprofitable or strategically harmful change might be damaging to the company. However, dismissing the customers’ needs will most likely lead to a loss of customers and thereby be just as damaging to the business. In these cases, a firm would need to evaluate the possible losses for each change and determine the least harmful or risky procedure. The second issue has two aspects, both that modern technology has changed customer demand even more rapidly nowadays than it used to and that different countries may have varied needs.
To manage the issue concerning rapidly changing customer demands, many of the asked companies have invested extensively in order to have employees that are working closely with the local markets. A reason why the interviewees have been so successful internationally is because they respect the origin and values that accompanies the brands they work with. The brands are therefore marketed differently in various countries in order to be perceived in a way the local market demands. Thereby, it is shown that regardless of where an organisation is in the internationalisation process, no matter if it is looking to expand to new markets or to stay relevant in already existing ones, it is always important to stay connected to the local markets. It is important to understand that the company needs to adapt and adjust to different countries and cultures. This local adaptation enables companies to stay successful globally (Vignali, 2001).

It can be concluded from the answers that customer demands are a challenge for all organisations, and to overcome it, the companies need to thoroughly understand the different markets they operate in. It can be presumed that wherever the company operates, the customer satisfaction is a major success factor and the strategic decisions made by the leader always need to consider the end consumer. It was found that both in the empirical data and in the literature review that a company’s international success is based on how well they can adapt to the different markets (Vignali, 2001). Sustainable leaders often encourage employees to be flexible during external changes and since the interviewees put emphasis on adaptation to markets it could be an indication that they practice sustainable leadership. However, since authentic leaders often make individualised decisions based on the specific situation, the answers could also be interpreted to indicate the demonstration of authentic leadership qualities.

5.3.2 Stakeholders Expectations

5.3.2.1 Growth

According to existing research about stakeholder expectation, the more a company internationalize an increased pool of stakeholders are acquired (Zhao, Park and Zhou, 2014).
Furthermore, it is important to understand that stakeholders become more diverse and that MNCs have a certain responsibility to these stakeholders across borders (Law, 2015).

Since it is clear that stakeholders are a large part of an organisation’s international success, it was relevant to ask about the expectations they had on the company’s internationalisation process. The research found that the main stakeholder expectation was growth, both in value and physical size. Company expansion leads to increased revenue and that means that the shareholder value also grows. For shareholders it represents a financial growth and for employees this means that they have more opportunities within the company. The customers also benefit from internationalisation since the products and services will be available in more countries and due to an increased production or lower production costs they can enjoy lower prices. Therefore, it is in all parties’ interests to make the company increase and grow. These findings were in accordance to the findings of Phillips (2011), who stated that it is important for companies to create value since growth is beneficial for all stakeholders.

The reason this topic was investigated is that external factors such as stakeholders are difficult to control, and by understanding how the leaders manage the external expectations the researchers discover what the leaders value and focus on (Rizak, Suhadak and Kholid, 2017). This will be apparent on the internationalisation process since the leaders will adapt the process to suit the stakeholder expectations. For example, sustainable leaders would be focused on CSR and therefore have a different internationalisation process than a relational leader who will focus on the firm’s relationships. However, it was discovered that merely one interviewee discussed that their company valued ecological sustainability in their business model. The participants may have imprinted their own principles on their stakeholders since they mainly valued economic growth. This is in accordance to authentic leaders who often express their own values and beliefs into their environment (Hennart, 2007; Yukl, 2013).

### 5.4 Identification of Behaviour

In Table 1, the different leadership behaviours in question are introduced, and in section 2.3 the leadership influence on the internationalisation process are discussed. To categorise the
participants into the most appropriate leadership type, they were asked questions based on their behaviours and leadership capabilities. For the purpose of this study, the researchers determined the leadership behaviour that was the most fitting for the participants and how this matched their influence on the internationalisation and successful performance abroad. All participants tended to show traits of an authentic leader, which according to Cotae (2013) has a medium influence on the internationalisation of an MNC.

The role of the leader is to still continue to grow internationally whilst still maintaining efficient sustainability. Since both internationalisation and leadership is proving to have a close correlation, it is important to assign or identify the appropriate individual for the leadership role. Leaders are a vital part of the decision-making process, and these decisions lead to more or less of a degree of internationalisation. These decisions can consist of strategic operational tactics, if a certain market should be entered and if the company has enough resources to do so. The current leadership behaviours involved in the MNCs strategic goals for global expansion play an essential role. Therefore, these current leaders have a great responsibility in their management roles. In order for an MNC to continuously grow, an able and fitting leader is needed to pursue an even higher level of internationalisation than they already have achieved. Therefore, it is important for an MNC to have a competent leader to avoid the decline of growth (Hennart, 2007).

When the leaders in question answered that transparency was the best option to handle concerns, ideas as well as being the most dominant employee motivation technique, the research revealed support for the association between authentic leaders and transparent behaviour. Although leadership factors such as social skills lean towards a relational leader, this type of leaders focus solely on the importance of connections and relationships. However, the participants in this study did not only emphasise social skills but brought up a wider spectrum of skills and traits, which resulted in the information collected in the empirical fieldwork making authentic leadership more suiting. Therefore, the interviewees could not be identified as relational leaders.

It can be argued that based on the common pattern in the empirical findings and the research on authentic leadership that experience can be seen as the most appropriate strength to have for successful internationalisation. According to the participant’s answers on the questions regarding motivating employees and reasons for going international, they best suited the
authentic leadership style. The importance the interviewees put on transparency and accountability with followers such as employees and colleagues correlate with the leadership traits of an authentic leader. Authentic qualities can be transparency, open and honest communication, accountability, optimism, beliefs and values (Yukl, 2013).

It is worth mentioning that very few, but certain traits of a relational leader were found at times based on the empirical data. However, the researchers found that the relational leadership behaviour focuses too specifically on social interactions within the organisation, collective action and human social constructions and does not take broader aspects of leadership into consideration. Traits of a sustainable leader was also found throughout the research; however, the interviewees did not have the same focus on CSR as a sustainable leader was described to have. Morality and ethics was not mentioned throughout the interviews and although the leaders showed integrity and the ability to solve complex problems there was still not enough data to qualify the participants as sustainable leaders. Authentic leadership behaviour on the other hand, does not only value relationships, but also takes more of the behaviours, traits and attitudes that the interviewees portrayed into consideration such as positive core values, openness, transparency, accountability, self-sacrifice, fairness, guidance to a shared objective and trust.

5.5 Analysis Summary

During the analysis the empirical data was compared to the literature review and explanations and reasoning behind the answers were presented. The entry modes were analysed, and it was discovered that the truly global companies often expand through acquisitions while the manufacturing companies often expand through greenfield ventures. The major motivation for companies to internationalise was found to be growth. In order to identify a collective leadership style, the interviewees were asked about managerial matter as well as their strengths as a leader. It was found that transparency was highly valued both in how they motivate their employees and how they manage employee suggestions which is in accordance to what an authentic leader would value.
Two major strengths were found; social skills and industry experience. Social skills are a valued quality both for relational leadership and authentic leadership. However, the industry knowledge indicates that the participants are authentic leaders since they often acquire respect and trust from followers by having superior industry experience. Furthermore, the challenges were analysed since they play a large part of the success factor in the internationalisation process. In order to keep up with customer demands the companies work close to the local markets and the communication issues are avoided by using local workers in projects. The main stakeholder expectation was growth since it could be concluded that all stakeholders benefit from company growth. Finally, an identification of leadership behaviour was presented, and the analysis showed that the common leadership behaviour matched the authentic leadership the most.
6. Conclusion

In this section, a conclusion will be drawn from the findings of both the empirical data and the analysis. The purpose of the study will be fulfilled by answering the proposed research question and concluding the findings from the empirical data collection and analysis.

The purpose of this qualitative study was the exploration of how leadership behaviour will influence the internationalisation process in MNCs. Based on the empirical findings and the existing literature, it showed that the interviewed leaders best fit into the description of the authentic leadership style. These leaders possessed a high level of integrity and this style describes that leaders are dedicated to their own values and beliefs in their decisions. The evidence showed that the reason authentic leaders have a medium influence on internationalisation is because they possess all the self-awareness, transparent relationships and behaviours that are highly valued when it comes to decisions revolving around internationalisation.

While different types of leadership behaviours have a different degree of influence on the internationalisation process, based on the reviews of the leadership but also the level of influence a certain behaviour can have on the internationalisation process of a company, findings showed that authentic leadership behaviours recurred the most often. The abilities that were expressed by the empirical results throughout the conducted interviews correlates with the medium influence they have on the maintenance and performance the companies which continue to achieve considerable performances internationally.

For this study, it is clear that authentic leaders actually have an influence on the internationalisation process of the companies that they are a part of. The top managers that were interviewed are not the sole reason for internationalisation to new markets, the decisions to move to new markets were not determined by the interviewees but rather by board members, researcher analysts or team-based decisions. However, the demonstration of a medium influence is shown through how they follow through and implement a predetermined decision to move to different countries and markets. Since the participants implemented international strategies, helped move operations overseas or even ensured local implementations of the global
company it could be argued that this level of influence is fitting in their respective MNC internationalisation processes. To conclude, a medium influence through authentic leadership can be demonstrated and can also be revealed as successful based on the MNCs current international activities.
7. Discussion

This chapter will discuss the possible contributions and limitations of the findings. This section will present suggestions for further research within the researched field.

7.1 Contributions

Leadership behaviours have different levels of influence on the internationalisation process. Previous research on the topic of leadership and internationalisation has suggested that sustainable leadership is the leadership style with the highest influence on the degree and performance of an MNC internationally. However, the top managers in leadership positions that were interviewed frequently showed more traits of authentic leadership in comparison to other behaviours. It could be argued that certain attributes of sustainable leadership are better suited for smaller, more entrepreneurial firms since MNCs often have established routines and procedures that restrict the ambitions and innovative attitudes of sustainable leaders. The research findings in this paper contribute with evidence that top managers in MNCs are often authentic leaders and they can be described as having only a medium influence. For a leader to have a higher influence, the company may need to be less established since it offers the ability to be more flexible and easily adaptable in comparison to well established MNCs.

Research and literature on leadership or internationalisation is continuously developing and changing, and this study has contributed with empirical data from interviewing influential and remarkable leaders across various industries. By aiming this study towards the relevant correlation between leadership influence on internationalisation, the researchers’ goals were to encourage and stimulate the development of research in today’s internationalised and modern environment. This research paper contributes with actual and current perspectives from managers in leadership positions at world-leading multinational corporations and how they influence the internationalisation process. It also provides data on what leadership style may have the most advantageous and desirable leadership behaviour for MNCs and their continued global expansion.
The findings and results of this study may be useful for future recruitment methods or leadership development in MNCs at an organisational level. The findings may guide leaders during the internationalisation process and assists them in understanding exactly how important and influential their participation is. Furthermore, it can be used as a learning tool for top managers in order to actively develop their leadership skills and in turn, develop the whole organisation.

7.2 Limitations

The main limitation to this thesis was the time limit, the controlled time period meant that it was written during five months which constrained the ability to conduct extensive research. With an extended period of time more interviews could have been conducted, more research questions could have been answered and both a deeper analysis and literature review could have been executed. The time limitation also made physical interviews difficult to accomplish since the majority of the interviewees were located in several different countries around the world and therefore many interviews were conducted over video calls. Physical interviews are preferred since they make it easier for the interviewer to notice subtle details during the conversation which means that more information can be gathered. Due to the time restriction, the number of interviews were limited and if a larger sample size would have been possible, the findings would have been more trustworthy. The research was conducted over a multitude of industries and countries which means that the findings are generalizable, however, not all industries or countries were included and as mentioned before, the size of the research influences the trustworthiness. There is also a limitation with only having interviewed the top managers and not their employees as well. With more time, another perspective could have been examined to find out if the manager’s self-perception matches how employees view them.

The number of investigated leadership behaviours were also restricted due to the time limit. With more time at hand, the analysis of more behaviours could have been presented and that might have made a remarkable impact on the findings. However, since it was not possible to include an unlimited number of leadership behaviours, only three were presented. These three were chosen because they had a substantial influence on the internationalisation process. These three leadership behaviours were found in a theory made by Cotae (2013) and this further imposes a limitation since it is beneficial to have multiple sources. The theory made by Cotae
is recent and does therefore not have the same reliability as other more established theories and models. However, Cotae was one of the very few researchers that built theories about how leadership behaviours influence internationalisation at MNCs and therefore the most relevant source for this particular research paper.

Furthermore, this is the authors premier research paper, which meant that a large portion of the time was used to understand and learn the different parts it contains such as structure, new terminology and correctly interpreting collected findings. However, conducting a research study is a learning experience and the knowledge is highly valuable in future projects. For example; looking back at the process, the authors believe that a case study might have been beneficial for the research. However, in the beginning interviews seemed like the superior method and case studies only focus on one single company while the interviewees in this paper came from a wide range of industries and organisations.

### 7.3 Suggestions for Future Research

As a suggestion for future research, a much larger sample could be considered. By increasing the number of participants, it may increase the understanding and illuminate on other beneficial elements to consider which may not have been apparent from the data in this research. By increasing the sample, it will be possible to determine new perspectives, assumptions and conclusions. On the one hand, it may be possible to more accurately determine if there are other behaviours that influence the internationalisation even more positively, and on the other hand it will allow for more common assumptions to be made in general based on leadership behaviour influences on internationalisation. Another suggestion would be an increased selection of leadership behaviours. In this study three leadership behaviours were initially considered and later on narrowed down to one. However, there are numerous leadership behaviours that can be switched out and further analysed. Therefore, the hope is to inspire other researchers since a more extensive study could provide both support for this paper but also more in-depth findings about several leadership behaviours. By adding these variables to the research, it may lead to different results depending on the empirical data that was conducted for this study.
The leadership behaviour that the participants showed the most recurring traits of was authentic leadership. Since this research paper focused on leadership behaviours as top managers it would be of interest to further analyse and examine if the results of this study is the case for SMEs, International New Ventures or entrepreneurial firms with a lower degree of internationalisation than MNCs. Finally, since this research was conducted as a qualitative study; a suggestion for future research may include a quantitative study on this topic to add further depth to the empirical findings. This could be done through measuring output or financial results of a company.
8. References


