A CROSS-COUNTRY COMPARATIVE STUDY ON THE ROLE OF ATTITUDES OF ENTREPRENEURS INFLUENCING THE LIKELINESS OF A FIRM TO INTERNATIONALISE

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ABSTRACT

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This qualitative study, conducted as semi-structured interviews, studies the entrepreneur attitudes and their impact on internationalisation ambitions. The thesis investigates two main research questions. The first one is: how the attitudes of entrepreneurs in different countries are connected to the firm's likeliness for international orientation. The main internationalisation theories, including the Uppsala model, Network model and International New Ventures, are covered. Additionally, the leading social psychology theory regarding attitudes by Eagly and Chaiken is covered. The second research question is: what are the main social and cognitive biases influencing the likeliness to internationalise. Here the theory on cognitive biases by Tversky and Kahneman is used as a basis for analysis. As the study is conducted among Finnish and Estonian entrepreneurs, it also considers differences in the attitudes of entrepreneurs in these countries. The study was conducted among four entrepreneurs from Finland and Estonia. The study aims to provide indications about the main differences in attitudes that act as fundamental factors for and against the likeliness of internationalisation. Furthermore, the main similarities and differences between the countries in question are addressed. The study encourages entrepreneurs to pay attention to their possible social and cognitive biases and consider how to overcome them. The results indicate that a favourable attitude towards risk-taking and challenges and a high international orientation of an entrepreneur are connected to a likeliness for a firm to internationalise. Moreover, the results indicate that common biases among the entrepreneurs in Estonia are the overconfidence bias and the planning fallacy. In contrast, the most common bias in Finland is the status quo bias. The overconfidence bias may cause entrepreneurs to engage in hazardous decision-making behaviours, whereas the status quo bias may prevent progress by settling for the current state. Instead, the planning fallacy may cause us to underestimate the time or resources required to create something. No major social biases having a negative impact on internationalisation were recognised. The main limitation of the study is the limited number of interviews, and further research on the topic is needed. No generalised conclusions are presented based on this thesis but indications for future research.

TIIVISTELMÄ

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Maiden välinen vertaileva tutkimus yrittäjien asenteiden vaikutuksista yrityksen todennäköisyyteen kansainvälistyä

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Avainsanat: kansainvälistyminen, yritys, yrittäjä, asenne, kognitiivinen vinouma, sosiaalinen vinouma, Suomi, Viro

Tämä puolistrukturoituina teemahaastatteluina toteutettu laadullinen tutkimus tutkii yrittäjän asenteita ja niiden vaikutuksia kansainvälistymistavoitteisiin. Tutkielmassa tarkastellaan kahta päätutkimuskysymystä. Ensimmäinen on: kuinka yrittäjien asenteet eri maissa yhdistyvät yrityksen todennäköisyyteen kansainväliseen suuntautumiseen. Tärkeimmät kansainvälistymisteoriat, mukaan lukien Uppsalan malli, verkostomalli ja nopeasti kansainvälistyvien yritysten malli (International New Ventures, INV) käydään läpi. Lisäksi käsitellään Eaglyn ja Chaikenin johtavaa sosiaalipsykologian teoriaa asenteista. Toinen tutkimuskysymys on: mitkä ovat yrittäjien tärkeimmät sosiaaliset ja kognitiiviset vinoumat, jotka vaikuttavat yrityksen todennäköisyyteen kansainvälistyä. Tässä analyysin perustana käytetään Tverskyn ja Kahnemanin kognitiivisten vinoumien teoriaa. Koska tutkimus tehdään Suomessa ja Virossa toimivien yrittäjien parissa, se ottaa huomioon erot maiden välillä. Tutkimuksessa teemahaastateltiin neljää yrittäjää Suomesta ja Virosta. Tutkimuksen tavoitteena on antaa viitteitä tärkeimmistä eroista asenteissa, jotka toimivat perustekijöinä kansainvälistymisen todennäköisyyden puolesta ja sitä vastaan. Tutkimus rohkaisee yrittäjiä kiinnittämään huomiota mahdollisiin sosiaalisiin ja kognitiivisiin vinoumiin ajattelussaan ja pohtimaan, kuinka niiden vaikutuksen voisi tunnistaa ja ehkäistä. Tulokset osoittavat, että yrittäjän myönteinen asenne riskinottoa ja haasteita kohtaan sekä henkilökohtainen kansainvälinen suuntautuminen liittyvät yrityksen kansainvälistymisen todennäköisyyteen. Lisäksi tulokset osoittavat, että Virossa yrittäjien yleisimpiä ajatusvinoumia ovat yliluottamusharha sekä suunnitteluvinouma. Sen sijaan yleisin vinouma Suomessa on status quo -vinouma. Liiallinen yliluottamusharha voi edistää yrittäjien haitallista päätöksentekokäyttäytymistä, kun taas status quo -vinouma voi olla esteenä edistykselle nykytilaan tyytymisen vuoksi. Suunnitteluvinouma voi saada yrittäjät aliarvioimaan resursseja, jotka tarvitaan jonkin asian luomiseen. Merkittäviä kansainvälistymiseen negatiivisesti vaikuttavia sosiaalisia vinoumia tai ennakkoluuloja ei tunnistettu. Tutkimuksen merkittävin rajoitus on tutkitun haastatteluaineiston rajallinen määrä. Lisätutkimus on tarpeen. Tämän opinnäytetyön perusteella ei esitetä yleispäteviä johtopäätöksiä, vaan ainoastaan viitteitä tulevaa tutkimusta varten.

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ABBREVIATIONS

BG	Born Global
CIS	Commonwealth of Independent States
EURES	European Employment Services
IE	International Entrepreneurship
INV	International New Venture
MNE	Multinational enterprise
PBC	Perceived Behavioural Control
SMEs	Small and medium-sized enterprises
TBP	Theory of Planned Behaviour
TE Office	The Employment and Economic Development Office in Finland
TRA	Theory of Reasoned Action

1 Introduction

The introduction chapter discusses the background of the study. Furthermore, the research objective and significance of the study are rationalised. This section also introduces the research questions. Lastly, the thesis structure is presented before moving towards the literature review.

1.1 Background

As Patterson (2004, 19) mentions, seeking opportunities offshore can be considered a result of heated competition in the home market. When there is no demand in the home market, the companies are forced to turn their focus to other markets as well. Furthermore, the globalisation of business activities, in general, has had its impact. Many theories discuss the different perspectives of internationalisation. The most widely known theories include, for instance, the product life cycle theory, transaction cost theory, network perspective, Uppsala internationalisation model and the resource-based view. However, the dominant role of these traditional theories has been questioned and there has been a need for broader theories including different points of view around the theme of internationalisation. (Zahra, Korri and Yu, 2005, 135.) It has been mentioned that it is the several conventional international entrepreneurship (IE) theories that have created the idea about what IE is and what kind of actions it includes and that there is a time to refresh that.

Acedo and Florin (2006, 49) note that the focus on the Traditional Process Theory of Internationalisation is on the firm level. According to that theory, accessing international markets happens step by step. A defining factor in how successful the company will be in the international markets is its success in the home market. The resources and experiences that the company gathers in the home market define whether the firm should try expanding to other countries. As identified by Zahra and others (2005, 143), nonetheless, only little has been known about how entrepreneur motivation impacts international actions. It has been mentioned that the role of psycho-cognitive characteristics of individuals long received much less attention compared to other factors (Acedo and Florin, 2006, 49). It has been argued that in order to enrichen the research on internationalisation, a cognitive approach to the entrepreneurs as decision-makers should be deployed more often. The advantages of that approach could be to understand the aspects related to the speed of internationalisation as well as what are the factors in selecting the countries where to internationalise. The strength of this approach is that it considers both economic and non-economic factors. (Zahra et al., 2005, 130.)

In a study among a selection of Australian service enterprises, Patterson (2004, 21) combines three different theories and forms a model for explaining the likeliness of a firm to internationalise through exports. Those theories are the Resource-Based View (RBV), Theory of Reasoned Action (TRA) and the Stages of Internationalisation model. TRA suggests that behavioural intentions directly influence behaviour. The intentions instead are formed through subjective attitudes and norms. As the study presents, the beliefs of a manager regarding the costs, benefits and barriers have an important role in the likeliness to internationalise. Factors shaping the behaviour instead are mainly the earlier experiences. Moreover, beliefs and attitudes have an impact as well. Those impact their decisions concerning export or not-to-export decisions on behalf of the firm. (Patterson, 2004, 29.)

As Sommer (2010, 311) states, in understanding the patterns of firm internationalisation, the psycho-cognitive characteristics of entrepreneurs are important. The role of entrepreneurs as the decision-makers having an impact on the direction of a firm is a good topic to be studied. The traditional resource-based approaches should be enrichened by other aspects, such as the psycho-cognitive characteristics of the entrepreneur. The connection between firm internationalisation and the positive attitudes of a decision-maker has been proved. Additionally, the entrepreneur needs to have belief in their capabilities to succeed in the other markets. What has been proved to play a role is that earlier positive experiences also increase confidence in new internationalisation activities. (Sommer, 2010, 312.)

1.2 Research objective and significance of the study

As Zahra and others (2005, 132) mention, the cognitive approach to studying internationalisation can increase understanding of the internationalisation process. It is essential to understand how the entrepreneurs consider the international markets and the factors defining the decision of whether or not to internationalise. A significant aspect is how the entrepreneurs see the world around them and how they base their decisions. In general, the role of a decision-maker in a firm internationalisation is critical and the cognitive characteristics inevitably define how and what kind of decisions are reached (Zahra et al., 2005, 143).

In addition to studying the attitudes and social and cognitive biases related to internationalisation, the study compares two countries. The empirical part of the study is conducted in Finland and Estonia. These countries provide a market environment rather distinct from each other in many ways despite their close geographic and linguistic proximity. The history of entrepreneurship development and corporate taxation, for instance, strongly differ from each other. However, the countries collaborate and create economic synergies by sharing resources. (Velt, Torkkeli and Saarenketo, 2018a, 318.) At the same time, Finland and Estonia are close neighbours, but they are somewhat far away from each other as societies and cultures (Hofstede insights, 2022). It could be assumed that this might be reflected in attitudes as well. Therefore, the thesis aims to clarify whether there are differences and similarities between Estonia and Finland.

There is a vast amount of empirical research on internationalisation and entrepreneur characteristics. Still, there is somewhat lack of studies combining those two, especially in comparing the subject between countries (e.g. Zahra & George, 2017; Niittymies & Pajunen, 2020). A research gap on the topic is detected. Even though attitudes and internationalisation have been studied, additional cross-country studies have been recommended. Nevertheless, as small markets, both Finland and Estonia often require internationalisation activities from firms that are born in those countries, and there might be interest in understanding the phenomenon. The present study acts as a starting point to fill this gap. Furthermore, the topic might be interesting for business professionals in both countries, thinking about what can be learned from each other. Such understanding of attitudes defining actions can also be considered noteworthy for possible cooperation between the firms from these countries and in general.

The thesis seeks to answer the following questions:

1. How are the attitudes of entrepreneurs in different countries connected to the firm's likeliness of international orientation?
2. What are the main social and cognitive biases influencing the likeliness to internationalise in different countries?

1.3 Structure of the thesis

The thesis is divided into the following sections: the first part provides an overview of the firm internationalisation theories and presents the main differences between the known theories. It also discusses the concepts of attitudes and psycho-cognitive and social biases and how those of an entrepreneur may impact the internationalisation of a firm. Furthermore, the first part introduces the themes and discusses the main theories behind the phenomenon.

The second part of the thesis is devoted to the analysis conducted as qualitative research by interviewing a selection of entrepreneurs in Finland and Estonia. Here the author describes the reason for selecting the qualitative method, explains how the interviews were conducted, and provides some background information about the respondents. The trustworthiness of the study is discussed in the same context. After analysing the themes that emerged in the interviews, the findings are discussed and conclusions are presented. The conclusions additionally include limitations to the study and suggestions for future research.

2 Firm internationalisation, attitudes and biases

The globalisation of business activities has evolved, but the interpretations have also changed through how rapidly and in which ways the firms enter cross-border markets in general. As Ribau and others (2015, 529) mention, there are many strategies that the companies nowadays are deploying to grow global. Both small and medium-sized firms

(SMEs) and multinationals (MNEs) target the global markets. Firms nowadays are more rapid in accessing cross-border markets via exports or through other means, and it is more common for the firms to be operating in global or multi-domestic environments. The attitudes of SMEs' owner-managers in the firm's internationalisation have also been later acknowledged. It has been agreed that the owner-manager attitudes of SMEs play an essential role in the tendency of a firm to internationalise. The importance of the attitudes has also been connected with the selected entry mode (Calof and Beamish, 1995, 117). As Sommer (2010, 288) states, however, the exact way the attitudes lead to international entrepreneurial behaviour has not been investigated a lot. His study uses the TPB to explore how certain cognitive, psychological and demographic owner-manager factors impact how the firm considers its international surroundings and how good it can catch the international opportunities.

The study by Sommer (2010, 311) ensures that TPB is a good theory to be applied to the internationalisation field and it enrichens the approaches of those mainly focused on resources. It is mentioned that the power of attitudes of the owner-managers in defining the possible intentions of a firm to internationalise has proved to be significant. (Sommer, 2010, 312.) As Gudmundsson and Lechner (2013, 278) mention, the emphasis on the cognition of owner-managers has received more approval. Nowadays, it is considered one of the most defining factors in a firm international performance. Their study emphasises that people are not the same but all of us have a unique cognition. Therefore, the cognitive setup of entrepreneurs is never the same and can explain a lot in how they consider international business activities (Gudmundsson and Lechner, 2013, 290). Furthermore, it has been stated that individuals' cognitive biases strongly affect decision-making and perception of matters behind the decision-making. It is clear that also entrepreneurs suffer from the same biases (Zhang, Zhao, Gao and Xiao, 2020, 614).

2.1 Internationalisation of a firm

Internationalisation is an important issue for the firms and one of the most important aspects of keeping up with the competition (Hitt, Bierman, Shimizu and Kochlar, 2001, 13). Earlier, the companies targeting international markets were mainly bigger ones, whereas already during the last decades small and medium-sized companies have also been internationalising as eagerly (Ribau et al., 2015, 529). Different theories as patterns to access the international markets have been presented. As Ribau, Moreira and Raposo (2015, 547) mention, the success of a firm is about a unique composition of factors that cannot really be copied or duplicated by other firms. Therefore, they find it necessary to note that no one perspective can be applied to understanding the international success of a firm either. They state that it is not possible for one model to present all the needed explanations because the needs and markets are so unique and every firm approaches the opportunities and challenges in the evolving environment in their unique way.

Figure 1 below displays the main conventional internationalisation process theories. The main theories discussed in this paper include the Uppsala model, network model and fast internationalisation – born global – model. Moreover, the Welch and Luostarinen model is mentioned in the discussion. A common link between those theories is that they do not include assessing the factors that might impact the initial decision to internationalise. Furthermore, aspects impacting selecting the internationalisation mode are not included. The level of an entrepreneur as a decision-maker is missing. The following chapters introduce the mentioned main theories.

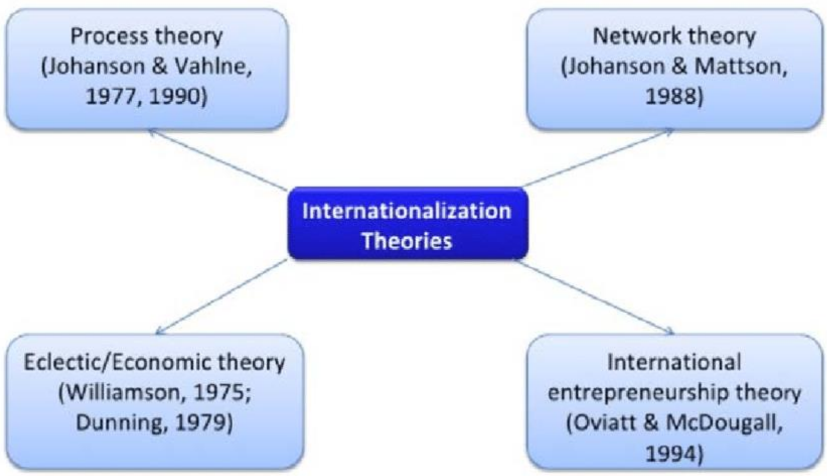

Figure 1. Main internationalisation process theories (Source: researchgate.net).

2.1.1 The Uppsala model

Vahlne and Johanson created the Uppsala model theory in Sweden in 1977. According to the Uppsala model, entering an international market starts with small steps. Significant investments are avoided in the beginning. The main principle is that the firm first concentrates on strengthening and ensuring its position in the home market. Additionally, it is assumed that the firm enters foreign countries where the location, culture, religion, language, regulations or economic situation are close to the conditions in the home country – the psychic distance is low. (Johanson and Vahlne, 1977, 24.) This approach mitigates the risks and helps gather knowledge to enter markets with more psychic distance (Johanson and Vahlne, 1977, 27).

The Uppsala model presents four phases following each other. According to the Uppsala model, the firm first concentrates on building its position in the home market and is not concentrating on foreign markets at all. The second phase is where the firm starts to sell its product or service in a foreign market through sales agents. Johanson and Vahlne (1977, 25) state that the idea is to gather information about the market. After that own sales department is took to the foreign market. Now the firm has an export channel of its own, which makes it possible to direct and manage the export activities. In the last phase, a production unit is established at a foreign location.

The idea in the model is that the phases follow each other and create a basis for the next steps. Those steps include gathering experience, gathering information for the foreign market and expanding resources. However, according to the target market size, some phases can also be dispensed. The idea of the Uppsala model is that it targets expanding information about the foreign market. The idea is to create a better connection to the foreign market as knowledge about the possibilities and threats is an essential basis for a firm’s strategic decision. (Johanson and Vahlne, 1977, 27-28.) All the information that the firm can gather helps it form an overview of the competition situation in the market. Based on that, the future needs are easier to be forecast. It is essential to understand what should be offered and what marketing channels should be used, among other things. Pandian (2002, 9) mentions that empirical research has shown that step-by-step entering countries where the psychic distance is low is an excellent way to manage the risks and achieve consistency

2.1.2 Welch and Luostarinen model

When some smaller-sized companies with scarcer resources started to enter foreign markets faster without following the step-by-step model, the discussion around the Uppsala model accelerated. It seemed that many steps of the Uppsala model were left aside, and the process did not follow the model. One of the first studies to consider the issue was the study by Welch and Luostarinen. They revealed that many firms they had observed in their research skipped some phases of the traditional internationalisation process. (Welch and Luostarinen, 1988, 52.)

As Welch and Luostarinen (1988, 36) define, internationalisation is "the process of increasing involvement in international operations". It is considered to have significant importance for firm growth. When considering how to evaluate the level of internationalisation activities in a firm, they emphasise comparing total sales and cross-border sales. Moreover, they emphasise both sides of cross-border activities and explain that firm inward and outward growth define the firm performance and are connected. One of the most critical factors affecting international growth they mention international subcontracting. (Welch and Luostarinen, 1988, 37.) They also emphasise that internationalisation cannot be labelled as a process that will go on after it is initiated. The process can turn back at any time and it can cease. As Chetty (1999, 124) mentions, Welch and Luostarinen use a combination of aspects in assessing the level of internationalisation of a firm. Such aspects are the markets the firm operates at, its sales objects, the organisational structure of a firm, its finances, the method of operating and the personnel.

2.1.3 The network model

The network model has also played a role in providing insight into the process of internationalisation. The network approach was mentioned in the original Uppsala model, but it was not thoroughly adjusted to the model until after 2009 (Johanson and Vahlne, 2009, 1423-1424). As the Figure 2 below demonstrates, the network theory emphasises the importance of relationships between the firms' networks and highlights the aspects of trust and commitment. It is characterised by the resources shared through the network, common activities and longstanding connections.

The network may consist of clients, partners, suppliers, subcontractors, consultants as well as agents. It has been mentioned that as a consequence of the networks, the firm can achieve a competitive advantage through gathering knowledge or sharing information (Chetty and Holm, 2000, 207). It can be derived that establishing networks, sharing information and finding cooperation partners in the foreign market helps make the internationalisation process more rapid. If not successful in networking, the company may suffer from outsidership. As said, the network model includes aspects such as the relationships between the customers and the suppliers. (Johanson and Vahlne, 2009, 1414-1415.)

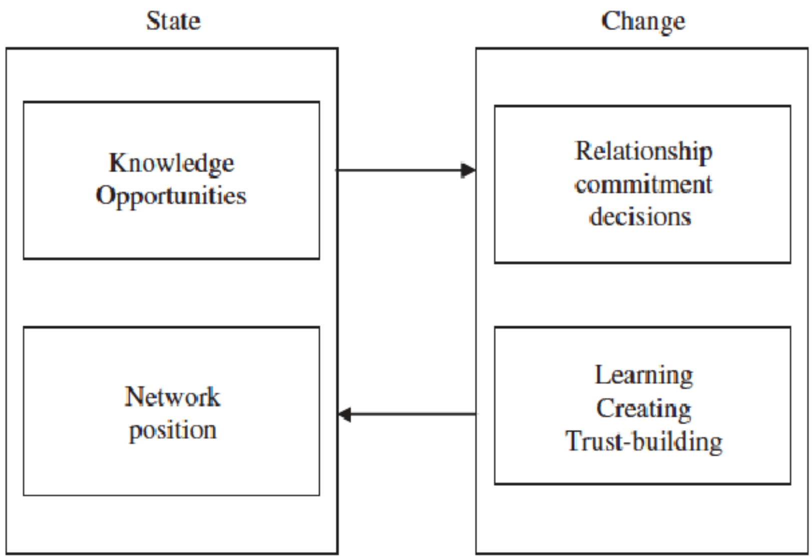

Figure 2. The Uppsala Model (Johanson & Vahlne, 2009).

2.1.4 International new ventures

During the 1990s, the focus also shifted to rapidly internationalised firms: international new ventures (INV). The international new ventures are divided into ‘born global’ (BG) or ‘born international firms’, and ‘born again globals’. Oviatt and McDougall (1994, 49) defined the born globals as:

> “A business organization that, from inception, seeks to derive significant competitive advantage from the use of resources and the sale of outputs in multiple countries.”

In other words, the main factor defining an international new venture is that it has either taken an international direction straight after it is born or is increasing its international activities soon after its establishment. Therefore, a certain degree of internationalisation is achieved already during the first three to six years of the firm's operations. (Kalinic and Forza, 2012, 696.) Oviatt and McDougall (1994, 49-50) explain that rapidly internationalising firms are the ones where the aim is to create an international firm straight from the beginning and to achieve a remarkable level of exports in many countries at the same time. When a firm chooses to take an international direction straight from the beginning, it has to be able to utilise its resources effectively. Generally speaking, operating in a niche market, for instance, can be considered a force to internationalise quickly (Torkkeli, Puumalainen, Saarenketo and Kuivalainen, 2012, 30).

As Gabrielsson and others (2008) explain, the concepts have been discussed further to distinguish the firms from other firms with international aspects in their business. It was noted that there could be confusion between rapidly internationalising firms and the firms that sell their products to one or two neighbour markets. Consequently, a condition for a BG firm was set, including a rule of exports to another continent making at least 50 per cent of the sales of the firm. (Gabrielsson, Kirpalani, Dimitratos, Solberg and Zucchella, 2008, 387.) As explained by Knight and Cavusgil (1996, 12), the born globals are firms that can be defined by investigating the number of firm employees and exports, for instance. A limitation of half a thousand workers and 25% of sales abroad have been set. Furthermore, they are mentioned to enter cross-border activities no later than three years from when they are founded. Born globals are also often characterised by pioneering new technological innovations that help create unique product lines or other items. Additionally, the annual sales are defined to be a maximum of 100 million dollars. However, the most unique aspect is that born globals are led by individuals with a comprehensive understanding of the world and therefore consider the world as one market. (Knight and Cavusgil, 1996, 12.)

Gabrielsson and others (2008, 388) state, however, that providing exact numbers for defining the BGs is not that simple. They mention that many firms are utterly different in some of their characteristics when matching with others. Therefore, it is impossible to provide exact figures to define a firm as a BG. Especially the details regarding product and exports vary a lot. They emphasise the role of the company founder and her global vision as an essential characteristic. It is also mentioned that, for instance, innovation and firm strategies in different fields play a critical role in defining BGs. (Gabrielsson et al., 2008, 400.) In addition to the previous, the born internationals are expected to start exporting to several different continents immediately after the company is established (Madsen and Servais, 1997, 579).

Kuivalainen and others (2012, 451) state that the nature of research has shifted from purely investigating the differences and similarities between BGs and traditionally internationalising SMEs. They mention that nowadays there are separate definitions for born regionals, born internationals and BGs. Furthermore, more variations to the types of firms have been added. The distinguishing factor here is whether a firm operates more regionally or internationally. BGs are considered to be operating in several regions, whereas the first two types of firms have limited their operations to limited regions. (Kuivalainen, Sundqvist, Saarenketo and McNaughton, 2012, 451.) 'Born-again global' firms instead are firms that start exporting from the beginning of their activity but then limit their operations back to a domestic market for a certain period. However, due to specific incentives, they may internationalise fast again. (Kalinic and Forza, 2012, 696.) Figure 3 below presents the dimensions of INVs.

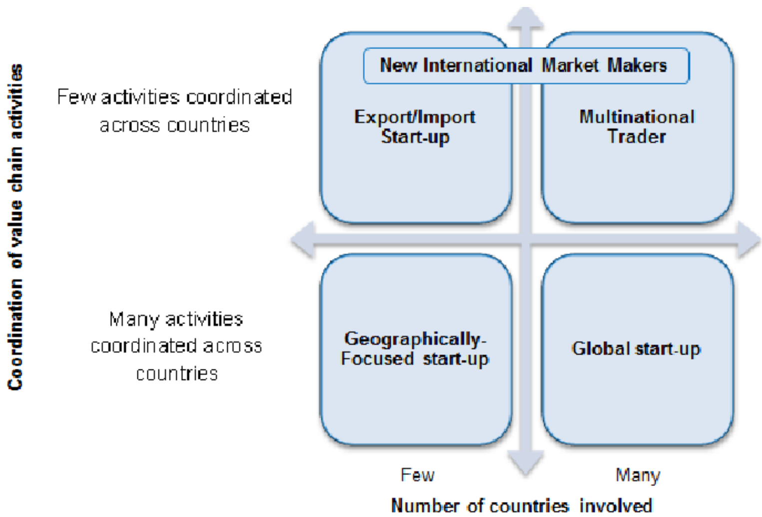

Figure 3. Types of International New Ventures (Oviatt & McDougall, 1994), in (Rasmussen & Madsen 2002).

2.2 Attitudes and biases

The following chapters discuss the formation of attitudes and how attitudes may impact behaviour. Additionally, the leading theory regarding psycho-cognitive and social biases is presented. As mentioned earlier, the attitudinal variables have proved their predictive power in prognosticating whether an entrepreneur will engage in international operations or not (Sommer, 2010, 310). Therefore, the attitudinal variables should be considered when studying the firm likeliness to internationalise. Moreover, the role of cognitive biases of the entrepreneurs has been acknowledged. It is considered an essential factor when the aim is to detect what kind of a role the decision-maker has in firm performance regarding internationalisation. (Gudmundsson and Lechner, 2013, 290.) After the chapters regarding attitudes and biases, the study moves towards the empirical part.

2.2.1 Formation of attitudes

We widely use *attitudes* to define a person’s perception of a specific matter. Social psychology has defined attitudes in many ways where different characteristics of attitudes have been highlighted. However, in the centre there has always been the nature of attitudes as well as the aspects related to measuring them. The traditional areas of research have been what the attitudes are based on, what is their strength and how they change, as well as what are the behavioural results of attitudes. (Petty, Wegener and Fabrigar, 1997, 610-611). Furthermore, the genetic basis of attitudes has interestingly been investigated (Petty et al., 1997, 615).

The concept of attitudes developed gradually. The first studies regarding attitudes proposed a more global approach, whereas the later studies paid more attention to more precise definitions. Progressively attitudes were named evaluative tendencies, and the more detailed evaluative processes were born. Concepts such as implicit attitudes were added. (Eagly and Chaiken, 1998, 270.) Later, attitudes have been defined as evaluative tendencies that are persistent in a system of positive or negative evaluations, emotional experiences, and techniques for acting for or against attitude objects that can be abstract or collective, for instance. Usually the studied attitude objects have a social aspect. (Eagly and Chaiken, 1998, 269).

One of the most famous definitions in the study of attitudes is Fishbein and Ajzen (1975), stating that attitudes are favourable or unfavourable ways to react to an object without a tangible link to actual behavioural action. What is common to the definitions is that attitude reflects an assessment of something or someone on a scale from positive to negative. (e.g. Eagly & Chaiken, 1998, 272; Ajzen, 2001, 28.) The factor that attitudes are learned and can change, even though resistance to change can also be expected, was emphasised (Albarracin and Shavitt, 2018, 302.) The most agreed definition nowadays is the one that Eagly and Chaiken presented in 1993. Their definition is that an attitude is a person’s tendency to evaluate the nature of objects in a somewhat favourable or unfavourable way. Objects can be persons, events or certain phenomenon, to name a few. (Ajzen, 2001, 28.) It has been mentioned that such assessment is usually expressed as a cognitive (cognitive), emotional (affective) or behavioural (conative) response (Eagly and Chaiken, 1998, 277). In this definition – as shown in Figure 4 below – attitude does not include the dimensions of cognitive, emotional or behavioural, but it is usually expressed as a cognitive, emotional or behavioural response. (Huskinson and Haddock, 2004, 82.) The cognitive component is based on the relevant knowledge about the subject. The emotional component is about emotional stimuli, such as overreacting. The behavioural component is about how to react. (Ajzen, 2001, 34.)

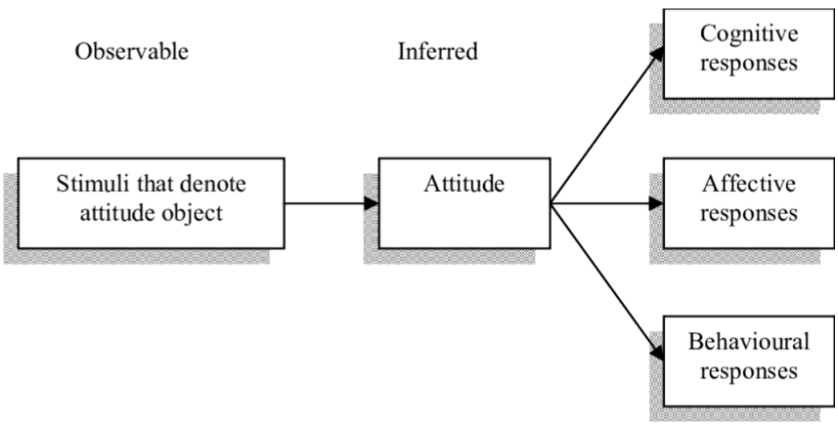

Figure 4. The multi-component model of attitudes (Eagly & Chaiken, 1993).

How we perceive the attitudes today summarises our life experiences and values, defining how we see different matters. In general, a prejudiced or biased person only uses a certain amount of information within the range of their attitudes and excludes or even condemns other alternatives. Certain motivational factors can define how we process the information subjectively and in a biased way. (Petty et al., 1997, 616.) However, people learn through life, which means our attitudes are constantly corrected and can change. The central aspect affecting our learning in the matter is the effectiveness of our behaviour and the motivation to change our behaviour. If we cannot achieve something we want or we feel discomfort, we may have to change our attitude to be able to behave differently. (Petty et al., 1997, 619.) Furthermore, the world around us forms our attitudes and our understanding constantly. We can learn and change our attitudes by learning from other people too – the society around us has a significant impact on how we perceive things. The laws and policies, among other aspects, form our thinking and have the potential to change it as well. (Ajzen, 2001, 38 & 41.)

2.2.2 Attitude and behaviour

As mentioned previously, studies have defined attitudes as not visible but inferred from reactions to the object of attitude: expressed thoughts, feelings, and actual behaviour (Eagly and Chaiken, 1998, 269). Huskinson and Haddock (2004, 83) explain the associations of the above-listed forms of reactions. They mention that there is a correlation between positive feelings and beliefs, for instance. Moreover, even though the factors are linked with each other, they are at the same time also distinguishable. (Huskinson and Haddock, 2004, 83.) Among other researchers, Katz and Stotland (1959) suggested that attitude includes cognitive (cognitive), affective (emotional) and conative (behavioural) components (Eagly and Chaiken, 1998, 271). Eagly and Chaiken (1993) instead argued that the components best represent the modes of response that allow researchers to diagnose attitudes (Eagly and Chaiken, 1998, 277). The defining factors are that the stimuli calls out an evaluative response which can present any of the three components. Those responses are something by which we create our attitudes and then express them. To sum up, the process always consists of a stimulus, response, reaction and behaviour. Furthermore, we have a choice whether we express that behaviour or not. (Eagly and Chaiken, 1998, 272.)

Attitude is related to behaviour in many ways. Such is, for instance, that the behaviour expresses an attitude and based on the attitude, we can predict behaviour. Behaviour can also change attitudes, and a change in attitude creates a resource for changing behaviour. (Ajzen, 1991, 179.) Huskinson and Haddock (2004, 89) mention there are many different results considering the investigation of the level of how our beliefs and feelings impact our opinions and attitudes. Some studies have indicated that based on the affective response it is easier to understand the attitude of the respondent compared to other forms of response. However, no consensus has been reached and also contrary results indicating that cognitive response would provide a better indication have been introduced. The role of acknowledging individual variation in attitude structures is essential as it makes it easier to see how different responses can be formed on a different basis. (Huskinson and Haddock, 2004, 89.)

Ajzen developed a cognitive theory called the theory of planned behaviour (TPB) in 1985. The theory suggests that intention to engage in a particular behaviour indicates the actual behaviour taking place. As Figure 5 below shows, according to the TPB, there are three separate levels in the intention to behaviour. The first one is the attitude towards a particular behaviour, which refers to a subjective consideration. The second one is the subjective norm connected to the behaviour and it is related to acceptance of the behaviour. The third one is the control factors – for instance, skills – connected to the behaviour. The role of the perceived control has been stated to be the strongest one and forms a basis for actual behaviour to occur. (Ajzen, 2020, 315.)

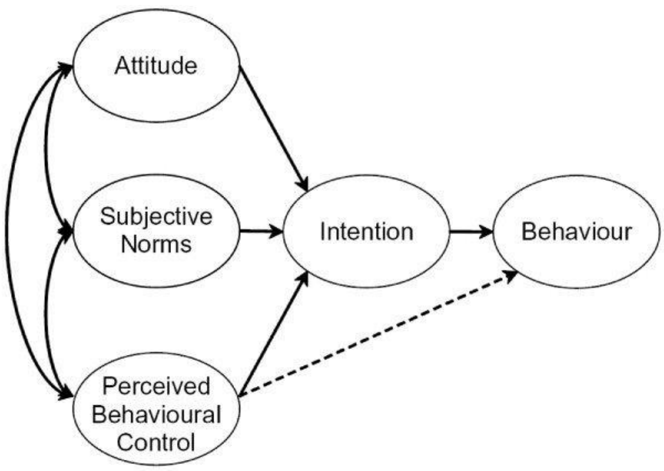

Figure 5. Theory of Planned Behaviour (Ajzen, 1991, 182).

The theory of Ajzen emphasises that indicating a willingness for a specific behaviour does not guarantee that the person would take any steps towards the actual behaviour in question. Ajzen argues that behavioural control could explain this. Furthermore, he explains that when an individual does not consider possessing the actual needed set of skills or other needed resources, it is more probable that no actual behaviour occurs. Here the subjective estimation of not succeeding in the behaviour may hinder starting the behaviour in the first place. (Ajzen, 2020, 317.)

> "Intentions are assumed to capture the motivational factors that influence a behaviour; they are indications of how hard people are willing to try, of how much of an effort they are planning to exert, in order to perform the behaviour. As a general rule, the stronger the intention to engage in a behaviour, the more likely should be its performance." (Ajzen, 1991, 181.)

There are ways to measure actual behavioural control. It has been mentioned that when the actual behavioural control is being assessed, one has to acknowledge all the behaviour promoting and inhibitory factors. There is naturally a different set of factors impacting different cases, and the aspects promoting or hindering and their extent are connected to an individual. The internal resources such as physical capability and skills and external resources such as money or cooperation with others inevitably have a unique extent for everyone. (Ajzen, 2020, 317.) As mentioned by Ajzen (2020, 317), studies usually tend to focus on perceived behavioural control because of its role in providing the strongest signal in indicating actual behaviour.

Studying the phenomenon of attitudes and behaviour connected to them is a topic with several opinions on how to perform the best. It has been mentioned that one way to gather understanding regarding attitudes is to ask the respondents to express their attitudes towards a specific topic. Another way would be to detect the attitudes indirectly from reactions that the respondents express. (Albarracin and Shavitt, 2018, 300.) As Albarracin and Shavitt (2018, 300) state, implicitly detecting the attitudes has the potential to help to evaluate the actual behaviour and is an accepted way of measuring the attitudes.

Renzi and Klobas (2008, 2) mention that traditionally using the TPB model in a study requires the use of quantitative methods. However, qualitative study as a method to gather initial understanding regarding a subject can be required based on the form of data accessible. In such cases, combining TPB with a qualitative study method is acceptable and justified. In this paper, a model based on TPB is used as a rough basis for the examination in qualitative research. However, this study mainly aims to infer the attitudes from the answers respondents provide in a free form. Special attention is paid to encouraging the respondents to express their feelings unconstrained way. (Albarracin and Shavitt, 2018, 300.)

2.2.3 Cognitive biases

The term ‘cognitive bias’ was introduced by Tversky and Kahneman in the early 1970s (Ellis, 2018, 3). It refers to human cognition, which is said to be operating by following simple heuristic actions. Even though those cognitive processes support us in many of our actions in a good way, they are not always flawless. The mind of a human often relies on subjective evaluations than a factual basis. That leads to the cognition being biased. Biases can cause us to overestimate or underestimate certain elements. In other words, the human mind and its thinking process may lead to behaviour that is not rational or may even be contrary to general logic and sense. Those thinking patterns are systematic but often affected by the factors that may hinder the way we should act or behave. (Haselton, Nettle and Murray, 2015, 968.)

The heuristic and biases research program by Tversky and Kahneman has been acknowledged widely in the research literature. The research was inspired by Herbert Simon and his presentation of bounded rationality. (Ellis, 2018, 3.) The primary outcome of the program was to share the understanding that individual decision-making is always at some extent hindered by our resources and capabilities (Haselton et al., 2015, 970). The heuristic and biases program aimed at identifying the aspects impacting how individuals make decisions and if there are certain common factors affecting those decision. The outcome of the program was an understanding of standard deviations from the behaviour that would be purely based on sound reasoning. The impact on decision-making and errors in judgment were clear and their role in hindering logic-based decision making was addressed. It was emphasised that a norm for human judgment is for it to be erroneous. (Ellis, 2018, 3-4.)

The importance of Tversky and Kahneman’s research program is inevitable. It has been acknowledged as fundamental research regarding human judgment. However, it has also been criticised for the laboratory surroundings and their impact on the results of the study in detecting the biases. Moreover, it has been argued that the vast amount of biases and heuristics is confusing and might cause confusion about which to apply and when. The role of the biases creating failures in judgment has in any case been confirmed and accepted. The focus in research has later shifted more towards the different aspects of decision-making, but in the centre is still the same aim of helping to understand human cognition further. (Ellis, 2018, 3-4.)

2.2.4 Cognitive biases and entrepreneurial ventures

It has been stated that studying the judgments and cognition of entrepreneurs provides valuable information regarding entrepreneurial decision-making and actions in general (Mitchell, Busenitz, Lant, McDougall, Morse, and Smith, 2002, 94). As biases are defined as affecting the cognitive mechanism and therefore impact decision-making, they are used as a subject in entrepreneurial cognition research (Hietschold and Voegtlin, 2021, 3). The complete list of cognitive biases is extensive and their classification is available. The Cognitive Bias Codex by Benson provides a list of 187 biases (Ellis, 2018, 2). The Codex shows biases and their linkings to both the cause and the strategy how to cope with the bias (Ellis, 2018, 15). This study discusses seven cognitive biases that the author considers most impacting entrepreneurial ventures and internationalisation. The selected biases are presented in Table 1 below. The established biases are relevant as they can be seen connected to activities related to internationalisation and entrepreneurial activities targeted to gain financial benefits. The study aims to analyse whether the given biases can be detected among the respondents or if they have possibly recognised and overcome them in decision-making.

Table 1. Common cognitive biases that were selected for the study based on their relevance for firm internationalisation

Bias	Description
Overconfidence	*"The tendency to overestimate one's abilities and the correctness of one's decision when facing non-trivial issues." (Hietschold and Voegtlin, 2021, 4.)*
Fundamental attribution error	*"Tendency to overestimate personality or dispositional cases of behaviour and to underestimate the influence of situational constraints on behaviour." (Tetlock, 1985, 227.)*
Confirmation bias	*"Tendency to favour ideas that confirm our existing beliefs and what we think we know. Justifying our current knowledge." (Psychology Today, 2018.)*
Sunk-cost fallacy	*"Refers to something lost that cannot be recovered. Makes us irrationally cling to the idea of 'regaining', even though we have already lost." (Psychology Today, 2018.)*
Planning fallacy	*"The tendency to hold a confident belief that one's own project will proceed as planned, even while knowing that the vast majority of similar projects have run late." (Buehler, Griffin and Ross, 1994, 366.)*
Status quo bias	*"The status quo bias is about doing nothing or maintaining one's current or previous decision, settling for a current state." (Samuelson and Zeckhauser, 1988, 8.)*
Hindsight bias	*"Understanding a new piece of information and that information becoming seemingly obvious. Not considering that for some this information is not known, but assuming that everyone has the same knowledge." (Psychology Today 2018.)*

The biases, in general, are defined as errors or deviations in our cognition affecting our judgment (Ellis, 2018, 1). To some degree, we are all impacted by our own cognitive biases. Cognitive biases drive us to create a subjective social reality, which may influence our situational perceptions. Suppose we are not paying attention to deploying conscious doubt in our thinking. In that case, our beliefs and information processing are inevitably affected by our life experiences, individual motivations, and persuasive messages that catch our emotions, for instance. (Kahneman, 2011, 81.) The role of the biases can be both beneficial and problematic for us. The optimism bias, for instance, can cause a kind of an "I can avoid that happening to me" mentality. It can be hazardous because it can lead to biased decision-making behaviours having negative impacts. This bias is said to be particularly widespread among entrepreneurs. (Kahneman, 2011, 257-258.) The following paragraph shortly discusses the threats that the common cognitive biases presented in the above table may cause for entrepreneurs.

The first one in the table is the overconfidence bias, which Hietschold and Voegtlin (2021, 4) name the most studied bias in the field of entrepreneurship. This bias boosts belief in innovative ideas and decision-making in circumstances where all the information needed to base a decision on logic are not available. The overconfidence bias is about greater subjective confidence than the objective accuracy judgements. Bandura (1977) has argued that individuals' beliefs about their self-efficacy play an essential role in remaining confident and trusting their abilities. In that sense, self-efficacy has a vital role in promoting actions. At the same time, overconfidence bias may cause entrepreneurs to engage in hazardous decision-making behaviours. That may cause too complex tasks where failure can be likely or when the lack of required skills will cause trouble. In his book *Thinking, fast and slow*, Daniel Kahneman (2011, 262) states that overconfidence is the most significant cognitive bias.

The fundamental attribution error instead is an error which refers to a situation where we attribute success to our own disposition in life and failure to being caused by external factors. However, when assessing other person's behaviour, we put the most weight on her personal attributes. (The Atlantic, 2018.) In the role of an entrepreneur, it is essential to take responsibility for the problems and not externalise them. Confirmation bias instead makes us tend to accept suggestions less critically. We also tend to prefer our preconceptions when considering new information that we receive. This can cause entrepreneurs to latch onto information confirming their beliefs and dismissing potential information differing from the pre-existing ones. This could cause to ignore some critically important information. (Kahneman, 2011, 81.) The sunk-cost fallacy may cause thinking patterns that lead to ignoring the signs when it would be good to turn back or cease the efforts. This is about not giving up even though all the aspects show that it would be a good decision. Sometimes no matter how much effort, things will not work. Wasting time and resources on things not worth the effort can be destructive in the worst case. (Kahneman, 2011, 345-346.)

The planning fallacy may cause us to underestimate the time or resources required to create something. This could cause making poor plans and forecasts and running out of resources that would be critical to achieving a target. It has been mentioned that when predicting their own input, people tend not to take into account relevant distributional information such as their previous experiences regarding similar tasks. (Kahneman, 2011, 250.) The status quo bias instead is about a will to settle for the current and not take steps to improve. This can prevent the entrepreneur from taking action when needed. This is about remaining in the present status and being afraid of taking action. Whereas rational decisions are good, settling to the status quo might cause lost opportunities and growth. (Kahneman, 2011, 304-305.) The last one of the selected biases is the hindsight bias, which causes us to consider events that happen as going to happen. This has been named the "I-knew-it-all-along" effect and can cause one not to analyse past events and rely only on one's interpretation. It also hinders learning from the past. (Kahneman, 2011, 202-203.)

2.2.5 Social biases

Biases are often based on stereotypes and prejudices that are systematically maintained. With social biases people tend to make judgments where biases have some level of the social dimension. Social biases seem to occur when socialisation is affected by general favouritism of a group or another (Calero Valdez, Ziefle and Sedlmair, 2018, 19.) According to Fiske (1998, 365) social biases are part of human cognitive biases, which can cause, for instance, discrimination against certain groups of people. Biases can be positive or negative in their nature, and they refer to being in favour or against individuals or groups based on their social identities. Such identities can be aspects like race, religion, age or gender. Rudinger, May and Van Durme (2017, 75) provide an example of gender bias in sports journalism. Via language modelling, it has been confirmed that sportsmen seem to be asked more about the sport itself than what sportswomen are asked.

Allport suggested in 1954 in *The Nature of Prejudice* that even if social biases would not be taught to children on purpose, they absorb the attitudes from their surroundings and might demonstrate biases against groups of people unconsciously (Skinner, Meltzoff and Olson, 2017, 216). Later the aspect of implicitly demonstrating social biases was studied. As Skinner and others (2017, 217) state, research has confirmed that children are very easily impacted by the prejudices that they see adults having. It has also been indicated that more significant racial prejudice, for instance, automatically stands for less nonverbal involvement and communication with people of a different ethnicity. As Albarracin and Shavitt (2018, 310) mention, childhood socialisation phase is the most influential phase for when the attitudes are formed.

One of the most common social biases is called the outgroup homogeneity bias. That bias is demonstrated in how a group of people that is not from the same surroundings is considered more similar than people in one's own surroundings. (Ellis, 2018, 19.) That is why prejudices and generalisation of groups of people occur, and no diversity is detected (Calero Valdez et al., 2018, 19-20). Furthermore, Eagly and Chaiken (1998, 269) explain that one can be considered holding a negative attitude towards a group of people when explicitly or nonverbally addressing prejudices or disparaging that group. Moreover, the curse of knowledge is a bias where possessing a specific knowledge affects the cognition in a way that one considers all the people having the same knowledge. The third common bias is the illusion of external agency. Here a gap between the optimised and non-optimised occurrences affects the outcome. Even when the only difference would be in communication. (Calero Valdez et al., 2018, 20.)

2.3 Entrepreneur attitudes and biases connected to internationalisation

Acedo and Florin (2006, 63) find a link between the firm commitment to international possibilities and the cognition of a decision-maker inside the firm. They mention that the commitment will be more substantial when the attitude towards risks is more positive. The individual cognitive factors impact whether the risk-taking is promoted or avoided. Furthermore, the research demonstrates that the international orientation of an owner-manager strongly affects the likeliness of a firm for international actions. (Acedo & Florin, 2006, 63.) There is a long history in psychology for the study of thoughts, feelings and behaviours that occur without conscious awareness. Posner and Snyder (1975) suggested that a mental event can be conscious or automatic, and an attitude can be considered as a mental event. This study explores the range of attitudes towards aspects of internationalisation among a selection of entrepreneurs. The Eagly and Chaiken (1993, 1) multicomponent model of attitudes defines *attitude* as "a psychological tendency that is expressed by evaluating a particular entity with some degree of favour or disfavour". This study uses the model of attitudes by Eagly and Chaiken as a framework.

By recognising the variation in attitudes that the entrepreneurs demonstrate, it is possible to analyse them further. As Eagly and Chaiken have mentioned, attitudes have affective, behavioural, and cognitive dimensions. Those dimensions are different in their importance depending on the topics that are investigated – affective stands for the emotions, behavioural for the actions and the cognitive for attitudes connected to knowledge. (Eagly & Chaiken, 1998, 277.) Ajzen (2001, 41) mentions that it has been generally hypothesised that attitudes bias information processing and memory in favour of attitude-consistent material. Kahneman (2011) provides an example of how biases can impact the beliefs and optimism of entrepreneurs. Kahneman (2011, 257) states that being optimistic is beneficial for an individual as it increases stamina to handle different circumstances without desponding. Nevertheless, he notes that persistence can also be costly. He provides an example of the entrepreneurs in the United States and mentions that people actually have a tendency to consider themselves as better and more robust than others in psychological means:

> "The chances that a small business will survive for five years in the United States are about 35%. But the individuals who open such businesses do not believe that the statistics apply to them. A survey found that American entrepreneurs tend to believe they are in a promising line of business: their average estimate of the chances of success for "any business like yours" was 60% – almost double the value. The bias was more glaring when people assessed the odds of their own venture. Fully 81% of the entrepreneurs put their personal odds of success at 7 out of 10 or higher, and 33% said their chance of failing was zero." (Kahneman, 2011, 258.)

As biases have an impact on decision-making, they are used in entrepreneurial cognition research (Hietschold and Voegtlin, 2021, 3). In this study, the author seeks to find out whether the applicable cognitive biases positively impact the decision-making or if they hinder it even in a destructive way, as mentioned by Kahneman (2011). The erroneous inferences or assumptions can have a strong impact on preventing sound and logical decision-making or even hinder the firm's internationalisation and growth. This is the key to why this study aims to recognise the possible biases that the entrepreneurs might have. There are theories aiming at explaining the biases that are more likely for the entrepreneurs to demonstrate than other groups of people. The research by Hietschold and Voegtlin (2021, 3) suggests that the cognition of social entrepreneurs contains a unique set of attitudes and beliefs that is different from others. The biases have uniquely impacted the decision-making compared to the biases of other groups of entrepreneurs who have their own particular features.

Mitchell and others (2002, 94) state that understanding cognition makes it possible to see the unique characteristics of entrepreneurs and acknowledge the differences in how they see the world. According to Fiske (1998, 360), the role of language in expressing possible social biases has been acknowledged. Such biases are projected in conscious wordings and expressions and in all the implied layers of meanings that define and influence peoples' judgments about others. The author considers the qualitative research method valid for detecting possible biases and tries to understand the biases with accurate underlying explanations.

3 Research methods and data

The following sub-chapters introduce the selected research method of qualitative research and ground the decision on why the given method was chosen. The data collection and analysis methods are presented, and the interview questions are reviewed. Furthermore, the interviewees are introduced, and the trustworthiness of the study is discussed.

3.1 Qualitative research

A qualitative method of semi-structured interviews was used for data collection and analysis. Whereas a quantitative study provides numeric data and emphasises a deductive approach, including the formulation of a hypothesis in order to understand the relationship between certain variables, the qualitative method is based on a philosophy where the idea is to understand and enter the phenomenon as profoundly as possible. This method provides a possibility to capture the interviewees' personal experiences, reflections and analyses. (e.g. Saunders et al., 2007; Charmaz 2004.) As Hirsjärvi and Hurme (2000, 27) mention, qualitative research is known for using, for instance, interviews and life experiences as data sources. It is mentioned that qualitative research aims at deep-diving into the feelings, emotions and views of life of the respondents having an impact on the phenomenon studied.

The theory presented in this paper has backed up the importance of understanding the attitudes and social and cognitive biases of the entrepreneurs and how they might affect the internationalisation tendencies. This study aimed to understand how the entrepreneurs consider and address the importance of international orientation and how those attitudes impact the likeliness of a firm to internationalise. A comparison between the entrepreneurs in Finland and Estonia was made. In this study, the qualitative method was selected mainly because of its capability to understand the feelings and thoughts behind the words. That was especially important to understand the possible biases that the interviewees may have. Semi-structured interviews helped to discover the perspective of entrepreneurs. Four semi-structured interviews were conducted with a selection of Finnish and Estonian entrepreneurs and firm owners. Theme interviews were selected as the researcher wanted to present the same questions to all the respondents but leave room for responses to determine how respondents understood the questions. Even though the questions were not presented in the same order to all the interviewees, every respondent covered all themes. Therefore, the data was comparable among the interviewees. (Tuomi and Sarajärvi, 2018, 75.)

The advantage of semi-structured interviews is that the interviewer can make focused questions and solve possible misunderstandings during the interview (Hirsjärvi and Hurme, 2000, 47). The interviews were transcribed and analysed in detail. Quotations from the transcribed material are presented in a generally understandable and clear written format that does not include pauses or expletives, as instructed by Hirsjärvi and Hurme (2000, 195) in their book on research interviews. Deleting expletives from the text keeps it reader-friendly and enables concentrating on the content of the material. As Tuomi and Sarajärvi (2018, 22) mention, presenting quotations as such does not improve the trustworthiness of the study, but they are merely examples that help to enliven the text.

There are different research approaches to the qualitative study. A deductive approach starts from the higher level, where a general rule is defined and moves towards an individual case. In contrast, the inductive approach aims at generating a new theory without being beholden to pre-existing theories. It has been mentioned that qualitative methods often use both deduction and induction iteratively. They go from the specific to generalisation and vice versa – from a theory to a specific claim and the other way around. (Eriksson and Kovalainen, 2008; Saunders et al. 2012.) The approach between deductive and inductive is called an abductive approach, which emphasises starting the study with a theoretical background and developing the theory further when the study progresses. Not all the ideas in the background have to be abandoned but they can be used as fuel for the study to improve the outcome and reliability. (Tuomi and Sarajärvi, 2018, 96-97.) This study relies on an abductive reasoning process because the analysis is descriptive and defining, but the theory on the background impacts how the interview questions and themes are formed.

In order to capture the fundamental meaning of the data, the author adopted the sententious approach to start processing the interviews. After that, she also studied sentences to determine what they said about the experience. This is how the author aimed to understand the common themes that are repeated in the interviews. Furthermore, the similarities between different themes were investigated and the idea was to detect the possible connections between those. The method described is called a sententious and selective thematic analysis. (Van Manen, 2016.) The first step in analysing the transcripts was colour-coding the key themes and forming a mind map. The relationship between the various themes was studied.

3.2 Data and analysis

There was a total of four entrepreneurs interviewed for this research. Two of the entrepreneurs were active in Estonia and two in Finland. All the entrepreneurs have businesses in different fields, and therefore this research indicates more general results than results connected to a specific field of business. However, here the low number of samples should be kept in mind. The emphasis of this study was to understand the personal characteristics and attitudes of the entrepreneurs and see if those have an impact on the likeliness of a firm to internationalise. As the author has proven language skills in Estonian and Finnish (Finnish as a mother tongue, Estonian as the official language: C1 level Estonian language proficiency examination), the interviews were conducted in Finnish and Estonian. The basis for using both languages was that people tend to express their inner feelings and thoughts better in their mother tongue. Conducting the interviews in the mother tongue can be considered to improve the reliability of this research.

The interview started with seven interview questions (1-7) related to entrepreneurship and personal attitudes in general. Here, the interviewees were asked to introduce their journey as an entrepreneur. The detailed questions that followed were targeted at understanding the personal characteristics of the interviewee and mapping the aspects that would reveal the underlying attitudes and possible biases. The next part of the interview questions consisted of 10 interview questions (8-18) and was connected to the firm’s internationalisation and to the overall international orientation of the entrepreneur. The interview questions were formed to enable an understanding of the internationalisation methods that firms have used and provide insight into the attitudes of entrepreneurs. Additionally, the questions seek to reveal possible underlying biases that impact the decisions of entrepreneurs. The classical theories related to firm internationalisation, attitudes and cognitive biases influenced in the background when forming the interview questions.

The semi-structured nature of the interviews provided flexibility for the interviews and improved the flow of discussions (Tuomi and Sarajärvi, 2018, 75). Many of the questions had touchpoints with each other, and therefore it was easy for the interviewer to specify several aspects by presenting additional questions in between. By using open-ended questions, the author aimed to acquire an in-depth understanding of the personal experiences and perspectives of the interviewees. The audio recordings of the interviews were transcribed verbatim, which means that also sighs and laughters were transcribed. This made it easier to pay attention to the underlying tone of the answers in the analysis phase. The author reviewed the transcripts for accuracy. The interviewees were assured of confidentiality during the process and they were given an overview of the purpose of the study. The interview questions are presented in the Table 2 below.

Table 2. Interview questions and themes.

Questions about the background and thoughts and attitudes	
1. Tell me about your journey as an entrepreneur and about your firm. When did you found it, and how many employees do you have?	• Background information
2. Why did you want to be an entrepreneur, and how important it was to acquire autonomy? 3. How do you set targets for yourself? What do you think about challenges? Are they a threat or an opportunity?	• Motivations behind the entrepreneurship – the importance of autonomy • Avoiding the usual or old way • Changes
4. Did it play some role that you did not want to do things in a usual way? How do you feel about the change in general? 5. Is it easy for you to take risks? Do you use a lot of time to make decisions?	• Challenges • Risks
6. Do you believe that time and place have a role in success? What do you think is the role of luck? 7. Has the support from other people played an important role in becoming an entrepreneur? What is the role of other people in general?	• Time and place • The role of luck • Support of other people
Internationalisation and international orientation	
8. Is it important for a firm to internationalise? Why or why not? 9. Was your firm international straight from the beginning? To which countries have you internationalised and when?	• The importance of internationalisation • The internationalisation strategies
10. How did you choose the countries where you wanted to internationalise/expand the operations? How did you leave out the countries where you did not want to internationalise in? 11. What are the challenges regarding internationalisation, and what are the main benefits?	• The internationalisation strategies • Challenges and benefits
12. How does your home country encourage in internationalisation? Is it important that the home country encourages or supports?	• The role of the state incentives
13. Do you feel that internationalisation improves the competitiveness of a firm in your field? 14. How does the internationalisation of the competitors has impacted or does impact the internationalisation of your firm? 15. Does internationalisation improve the interest of the investors?	• Impact on competitiveness • The role of the competitors • Impact on investors
16. How do you feel your own interests have affected the will to internationalise or the selection of the countries where to expand? 17. How do you feel, does internationality enrichen your own life? 18. How internationally oriented as a person do you feel? (Please provide a grade on a scale of 1-10, where 1 is very little and 10 is very much.)	• Personal international orientation

3.2.1 Interviewees

A selection of Finnish and Estonian entrepreneurs was interviewed between December 2020 and May 2021. Three of the interviews were conducted as long-distance interviews via Google Meet connection, and one was a face-to-face interview. Because of the pandemic and the familiarity with long-distance meeting methods, the quality of the interviews can be recognised as comparable to face-to-face interviews and is not believed to have influenced the quality of this research. The interviews took from 45 minutes to over 1.5 hours. The respondents were informed about recording and transcribing their interviews. Ethical considerations of the research included that all the interview material was stored securely, and no third parties had access to the materials. The anonymity of the respondents is guaranteed.

The interviewees were selected based on their role and experience as entrepreneurs. They all are active in different fields of business. Here it should be mentioned that the research did not aim to draw any general findings based on a specific field. Table 3 below introduces the interviewees and the Figure 6 their internationalisation pathway experiences. The respondents are entrepreneurs in IT and consulting, geology, furnishing, and restaurants and restaurant products. The age of the respondents is presented by using age groups. One of them is in the age group of 35-45-year olds, one in the group of 45-55-year olds and two in the group of 55-65-year olds. Three of the interviewees identify themselves as males and one as female. It also has to be mentioned that every interviewed entrepreneur had co-founders and other owners in their companies. The company form for all was a limited liability company.

Table 3. The interviewees.

Interviewee 1	Entrepreneur in Finland, male, age group 45-55, field of IT and consulting, number of employees approx. 80
Interviewee 2	Entrepreneur in Finland, male, age-group 55-65, field of interdisciplinary geology, number of employees N/A
Interviewee 3	Entrepreneur in Estonia, male, age-group 55-65, fields of furnishing and stone refining, number of employees approx. 200
Interviewee 4	Entrepreneur in Estonia, female, age group 35-45, fields of restaurant products and restaurants, number of employees N/A *experience from entrepreneurship in both Estonia and Finland

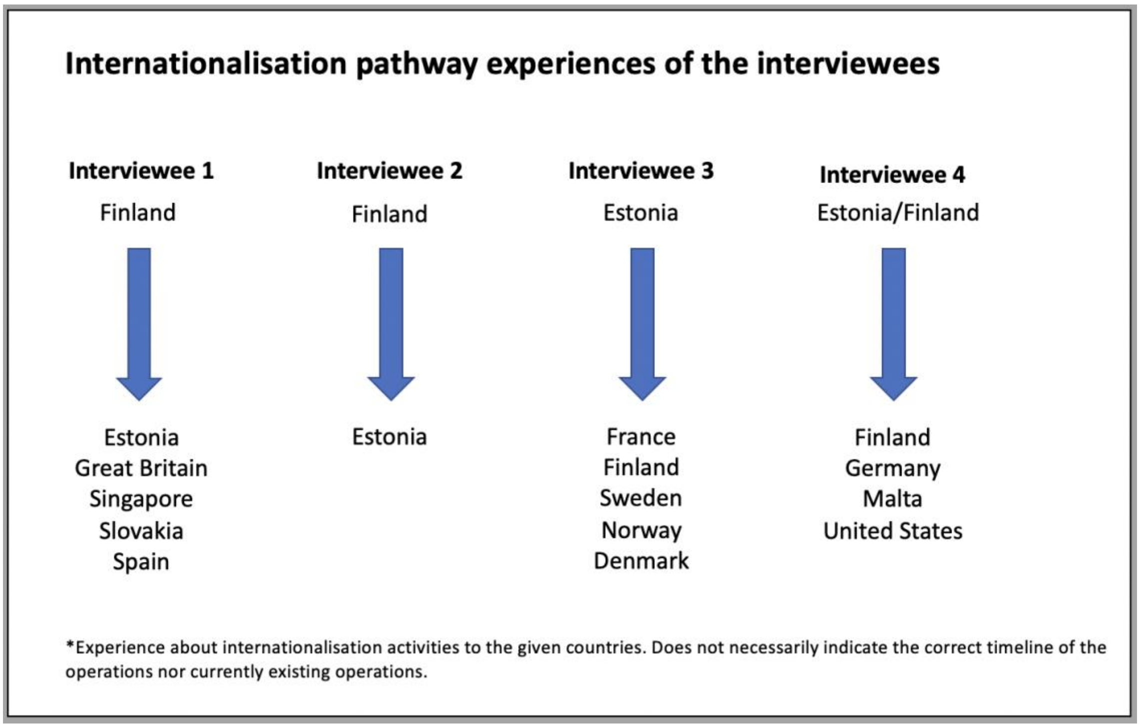

Figure 6. The internationalisation pathway experiences of the interviewees.

3.2.2 Trustworthiness of the study

Here, the author wants to acknowledge that the number of interviews is limited, and this research does not aim to present any general ideas about the topic. As capturing the thoughts and feelings of the respondents is a crucial part of a qualitative study, this research intents to understand and inspect the background and the cognitive processes of the interviewees and see behind the responses in the interview. When interviewing the respondents, the author aimed to create a situation where true genuine thoughts and feelings about the discussed topics could be safely revealed. This applied especially to the questions investigating the personal path, own international orientation and interests. All the respondents were somewhat active in answering the questions comprehensively, and the answers were rather long. Also, fairly personal topics were covered as the nature of entrepreneurship is where personal and work-life are strongly tied together.

The author of this study finds that she led the interviewees with the questions that she presented, and the flow of the interviews was good. Before the interviews, the author reminded herself about the good interview practices by revising chapters from the book *Tutkimushaastattelu* chapters by Hirsjärvi and Hurme (2000). In general, the replies from the interviewees were thorough, and the topics were covered in good cooperation with the interviewees. The author, as an interviewer, tried to avoid providing the interviewees with any allusions to what would be expected from them. In general, the author also finds that she could analyse the answers of the interviews without preconceived feelings or preferences. The author, notwithstanding, acknowledges that in discussions the interviewer may easily impact the respondents' responses. That is why it should be mentioned that asking additional questions or even an inadvertent facial gesture of the interviewer may have affected an interviewee's answer. Additionally, it should be noted that when the author has compiled the results based on the interviews, it can never be entirely avoided that even unconsciously the analysis may reflect the author's own experiences, beliefs, and biases inevitably influencing the results.

4 Findings and discussion

The interviews are analysed based on the themes that came up from the material. The interview questions were targeted at finding out what personal attitudes and possible social and psycho-cognitive biases the interviewed entrepreneurs might have and whether those impact the likeliness of a firm to internationalise. The key in the interviews was to understand how the interviewees see the concept and the overall importance of internationalisation and whether there are any links between their possible biases and the firm's development. Every entrepreneur discussed their own experiences and their perspective. The author presents the findings in the following chapters and discusses them in detail. The main themes are the background for entrepreneurship and personal characteristics, aspects defining firm internationalisation, and the overall international orientation and experience.

4.1 Background for entrepreneurship and personal characteristics

The following chapters discuss the common aspects that came up when the interviewees talked about their entrepreneurship backgrounds. The first theme is about the freedom to develop and catching opportunities. The second theme covers risk-taking and decisions, and the third part discusses the support from other people and the role of luck in success.

4.1.1 Freedom to develop and catching opportunities

When asked about the reasons behind starting a journey as an entrepreneur (interview question number 2) and about the attitude towards doing things in a new way (interview question number 4), even though there were different stories behind how the journey began, a common factor for all the interviewees was that they appreciate the *autonomy* and *freedom* that entrepreneurship provides them. Interviewee 1 mentioned that the *freedom to select what you want to do* is even more important than independence. Interviewee 3 mentioned that in entrepreneurship, independence and deciding about the things that impact your life by yourself are crucial. Interviewee 2 mentioned that there was also a practical aspect behind his journey as an entrepreneur: there were no firms that would have been doing the same thing back then, and he had to take the role of a forerunner. For all the respondents, it was fascinating to *do things your way*. All the interviewees also mentioned that freedom brings the responsibility that you have to be ready to carry. As an additional motivation behind entrepreneurship, interviewees 3 and 4 said that an entrepreneurial mindset also runs in the family:

> "It is in the genes somehow. My father and mother both have been entrepreneurs in their time. In a different field, though, they have not affected my entrepreneurship anyway in practice, but I guess it is in the genes. Freedom is, of course, that what is important, and deciding your own matters." (Interviewee 3)

> "Autonomy is important. You can decide for yourself and do what you like. You have the freedom to make decisions that you see are the best for your company. […] At the same time, I believe that it truly plays a role when you have many entrepreneurs in your family. When everyone else would be working for someone else, I think you would not think about starting as an entrepreneur." (Interviewee 4)

As Sommer (2010, 297) states, considering the family businesses, the role of parental expectations may impact how one acknowledges entrepreneurship as an option when it comes to the choice of career. Furthermore, there seems to exist a link between other social ties too and it can be stated that being surrounded by entrepreneurial and active innovators inevitably impact our choices. As De Jong (2009) mentions, however, it is not only the family ties but also the work surroundings having an impact. Other like-minded people met at workplaces can shape our thinking and encourage our entrepreneurial journey. This applies to how interviewees 1 and 2 described their starts as an entrepreneur. They mentioned that meeting other like-minded people in their previous workplaces affected their decision to start as entrepreneurs.

Related to freedom and the possibility to do things their own way (interview questions number 2 and 4), three interviewees mentioned the excess control they had experienced when working for someone else. Interviewees 1,2 and 4 mentioned words such as *micromanaging, poor leadership* and *unsatisfying work atmosphere* as aspects that encouraged them to start their journeys as an entrepreneur. The answer of interviewee 1 reflected an unfavourable attitude against being told the way that specific tasks should be completed. He told that he *has never had any trouble following work procedures,* but when *other people tell to act in a certain way,* his *inner anarchist raises its head*. He mentioned that he has always liked to figure out the best and the most beneficial way to work independently. Interviewee 4 stated that it would be impossible for her to start again as an employee because she would feel that everything is decided for her and she would lose her freedom. Interviewee 2 also described how he tried to get back and work as an employee for a certain time after selling his company. It was a shock for him when the employer did not appreciate the will to further develop things because that was the main point that he expected from his employees when recruiting people:

> "And when I tried to be an employee after selling the company. I noticed that I could not be a farmhand anymore. After leading the operations for 15 years, I had formed an understanding that stuck hard on me. When there was no possibility to do things in a way that I have verified are good, I could not continue with that. […] My philosophy in recruiting new people was their motivation and skills to develop the area. No routine ways of working. […] And I used to tell people that if this is not what you want, there are many other ways to do the same thing. and it is totally fine. I did not want anyone to waste their time. Life is too short." (Interviewee 2)

Interviewee 2 mentioned that by establishing a company of his own, he was able to bring new ways of working to the whole field of business. Those new ways were something that other companies copied to their operations too, and it actually changed the whole field. However, interviewee 2 also brought out how the companies who have copied their ideas or way of working have not been able to develop things further because they have not understood the underlying concept of doing things in a certain way. Interviewee 4 also mentioned that working for someone else provided her with a desire to do things differently.

> "So when you are working for someone else, you always see problems or mistakes; 'why is something like that and why they do things like that'. So when you establish your own company, you have hopefully learned something from the problems you have seen and at least try to avoid making those same mistakes in your own company." (Interviewee 4)

> "My idea was to change the way of working so that; when normally, people working in the laboratory only do the work in the lab, but I had the laboratory to discuss with the technical specialists of building operations. And they discuss and find out the solutions together. This turned out to be such a good change. […] well, in practice, our know-how about the process has been copied to other firms too. […] I have to say, though, that after plagiarising us, many of these consulting firms have not understood the philosophy of how to develop things further. Not that it is my business, but many seem to be off the track." (Interviewee 2)

Interviewee 2 used the word plagiarism and could not hide his slight frustration when describing that his ideas were copied and used by the facets he had developed a trust relationship quite early after founding his company. Being copied had changed the interviewee 2 attitudes towards revealing ideas openly. As Velt and others (2018b, 129) mention in their study conducted in Estonia, start-up founders often want to handle the core development processes themselves. When there is no official protection for the firm intellectual assets, there is always a risk of another person taking advantage of all the hard work and inventions. Therefore, the entrepreneurs tend to employ people outside not in the initial phase but later on when the firm is already more settled.

The aspect of not being heard, which interviewees 1,2 and 4 all mentioned, referred to situations where a person has suggested new ways of doing things or announced their opinion as an employee without being heard. Interviewee 1 mentioned that based on his experience, he pointed out the risks connected to a specific software. The employer would ignore his thoughts, but later on, the software caused several problems and difficulties for the company. Interviewee 2 had proposed to his employer some new ideas for further developing the business by expanding to new areas that he had researched and gathered information about. The employer did not see the potential in that, which acted as a catalyst to move forward and find new challenges – interviewee 2 saw that he would not have real possibilities to develop himself or the field further without entrepreneurship. The interviewee 2 also mentioned that the key aspects that make entrepreneurship enjoyable are diverse and challenging tasks:

> “The main question now is why I have put myself up for entrepreneurship is mainly about being able to develop myself. And then to expand that research sector and see the areas there to develop. The situation starts to open up, and then you can see the sector where there is most need and what should be developed. Most of all, that creates the diversity of the work.” (Interviewee 2)

Developing things further was essential to all the interviewees. They needed to be able to create something in the way they wished. It was mentioned that when one has many ideas and can recognise good opportunities, one has a burn to bring those ideas alive. Opportunities are an exciting topic indeed. For instance, Alvarez and Barney (2019, 3) discuss the “opportunities” as a central feature of entrepreneurial research. They introduce the core of entrepreneurship as being able to see the opportunities and exploit them and emphasise that the causes and consequences of opportunities should be the focal point of research. (Alvarez and Barney, 2019, 4.) As mentioned by Carter and Jones-Evans (2012, 120), opportunity captures the possibility for entrepreneurial action and at the same time a lack of opportunity will lead to entrepreneurial failure.

4.1.2 Risk-taking, challenges and decisions

In general, entrepreneurs have been defined as prone to taking risks. Risk-taking is indeed a crucial part of starting a journey as an entrepreneur. In the beginning, risk-taking is needed to establish the business and risk-taking continues when the business is, for instance, expanded and investments are made. The attitude towards risks and making decisions (interview question number 5) varied among the interviewees. Interviewee 1 had the most guarded attitude towards risks. He stated that risk-taking is not easy for him, but he has improved in it:

> “No, for sure, it is not easy. It can be seen in the company’s growth. We could have grown a lot bigger. If there was a different kind of person leading the company. I do not know if I could have slept the same way if I could have taken it all. […] Taking risks is difficult and has to be practised. On the other hand, there has been a situation when there was less money in the firm bank account than the costs per month were. Since that, it has not been that stressful. Has kind of seen that once already. Then you can take a bit more risk in future when you notice that nothing happened. But it requires – it kind of gets under the skin – you notice you cannot sleep. The risk causes worries. That is hard to take.” (Interviewee 1)

It has been mentioned that attitudes towards risks are the key to explaining the behaviour of entrepreneurs in cross-border activities. As Oviatt and McDougall (2005, 542) mention, both the experience and the psychological characteristics play a role in taking part in international activities as an entrepreneur. They mention that the attitude towards taking risks is one of the essential traits. Other studies have as well emphasised that an attitude towards risk in international activities is one of the most critical characteristics of an international entrepreneur. That refers to an entrepreneur being ready to initiate entrepreneurial actions in the international surroundings and accept the financial risk that comes along. (Liesch, Welch and Buckley, 2014, 853.) It has been mentioned that risk-taking has long been defined as the most critical entrepreneurial characteristic. One defining factor has also been that the entrepreneurs are willing to take part in activities that most people would not take. However, some research has defined entrepreneurs as more risk avoidant. Further, it has interestingly been stated that avoiding seeing the factual circumstances can sometimes protect the entrepreneur's decision-making. When the risks are not paid attention to and therefore not considered, they can be taking more brave steps in their entrepreneurial actions. (Liesch et al., 2014, 853.) Interviewee 2 emphasised thorough analysis and calculations in making decisions and taking risks. His approach is very systematic, and he also highlights the role of shared decision-making:

> "Well, it depends. I do pretty thorough calculations when we have some investment or such. At the time of the company, we had to take many risks: we were expanding the offices, and we took more people, and there was a certain risk when there was no guarantee of work. So, we just had to believe when we saw that different sectors grow and then decided. Of course, those were not only my decisions, but we made them together. […] We were very systematic. We did not take any crazy unplanned approach, but we calculated and understood that this sector is growing, and the result will be that."

Interviewees 3 and 4 from Estonia both had a brave attitude towards risk-taking. They both humoristically compared risk-taking to playing roulette. The interviewee 3 firm had been growing a lot during the last six years, and he emphasised the role of risk-taking in the company's growth. Interviewee 4 connected the risk a lot to being an entrepreneur in general. She mentioned that those who are not ready to take the risk are not entrepreneurs in the first place. She also highlighted motivation and belief.

> "All on red. If you play roulette, you understand what I mean. Taking risks, well, that was exaggerated a bit, but it has been our phrase for the last six years because we have been going on all on red all the time. So we have been able to take the risk. But the risks have to be managed, of course. […] But if you do not take risks, you will not get anything either. At least anything bigger." (Interviewee 3)

> "As an entrepreneur, you have to be able to take risks. That is why those who are ready to take the risk are entrepreneurs and start growing their business so that it can be bigger in future. […] You have to risk and believe in what you are doing. If you are not motivated, then do not do it. You have to believe in what you are doing. The thought in your head has to be strong. If you do not believe, no one else believes in your idea. […] Sometimes, it is like playing roulette. The risk feels kind of the same." (Interviewee 4)

Based on their wide international activities, the interviewee 3 firm can be considered as a born-international firm. It has been argued that the failure rate of fast-internationalising companies is close to 40% on average in the first year. A study of Swedish companies has shown that the risk of failure is lower in the regional, for instance, inside the Europe export actions, and the activities crossing regions are instead increasing the risk (Patel, Criaco, Naldi, 2016, 26). The attitude of interviewee 3 strongly reflects the will to take risks, and some kind of a connection to the company's growth can be detected as well. Regarding the risks, the attitude of interviewee 3 is the bravest one among the interviewees. Even though this study does not separately analyse all the different aspects connected to risk-taking, certain interesting factors could be investigated further in future. One of the exciting aspects is the level of education and its role in connection with risk-taking. A study by Grable (2000, 628) regarding the financial risk tolerance indicates that, for instance, men, older persons and married ones are more willing to take risks than younger, women and single ones. The study states that respondents who have acquired a higher education are more prone to take risks. Other studies mention that the predicted willingness to take risks gets higher with higher education (Sung and Hanna, 1996, 14). The connection could be investigated further in future studies connected to entrepreneurs and internationalisation.

Setting targets and the attitude towards challenges were discussed with interview question number 3. When it comes to challenges, the interviewees had a positive attitude towards them. Challenges were seen as a crucial part of entrepreneurship and mostly the challenges were seen as a catalyst for something good. The interviewee 3 stated he had seen the challenges as possibilities, and the interviewee 2 mentioned that challenges are crucial for his motivation:

> "Challenges were all possibilities, especially when I was younger. Now I am close to 60 years old and no longer need that many challenges. I have started to take it a bit easier. And we are searching for a new financial manager for us too, so my role will change to include only supervising board work." (Interviewee 3)

> "My area is about interesting, multi-dimensional, interdisciplinary and challenging cases. That is how it is in many cases when it comes to geology. And then you have to kind of take the responsibility and put yourself in. […] I have noticed that the more challenging tasks I have, the more motivated I am." (Interviewee 2)

Interviewees 1 and 4 emphasised the reasonable amount of challenges. They also mentioned that sometimes the number of challenges could be too much. Interviewee number 1 was the only interviewee mentioning the importance of physical exercise and the balance of body and mind. His answer included ways of handling the stress that excessive challenges may cause. Interviewee 4 brought up again that entrepreneurs are a group of people that are unique and different from others in their attitudes.

> "When thinking that I am currently completing a two-month project in 10 days, read between the lines. But yes, little challenges are always good and keep you developing yourself and what you are doing. But sometimes, it feels that there are too many or too big challenges. But there is nothing to do, and we have to play with the cards we are given, and we have to target the best outcome with those resources. […] I believe it is a specific group of people – not everyone can deal with the situations like that. Like the project that I currently have. Quite many people could say that it is not possible." (Interviewee 4)

> "As long as the number of the challenges is reasonable, they are all opportunities. But when too many of them, they turn into threats because you do not have enough time anymore. This morning I had a lot going on, and I felt that if something more appeared, I would have to go and scream and run somewhere outside for a while. […] I have noticed that when I do my physical exercise regularly, it helps cause the situations do not change, but it plays a huge role in whether your attitude is positive or negative. And your body has a big role in that." (Interviewee 1)

When it comes to optimism, the role of higher levels of optimism has been revealed to be connected with a higher tendency to fail in new ventures. There also is research where the aim has been to study the connection between optimism and the true performance of the firm. It has been revealed that decision-making can be impacted negatively when excessive optimism is demonstrated. (Hmieleski and Baron, 2009, 474.) Here the overconfidence bias also plays a role. The overconfidence bias is demonstrated in how a person trusts her judgement over an objective evaluation of the topic. It has been argued that when engaged with more complicated topics, the influence of the overconfidence bias is more significant. (Kahneman, 2011, 325.)

Furthermore, it has been argued that the overconfidence bias, as well as the illusion of control, strongly affect the decision-making in entrepreneurship especially in the initial phases of the firms (Zhang et al., 2020, 615). The best fix for this bias would be to understand one's limitations – to have a realistic view of the skills and knowledge. Another bias that could be discussed here is the planning fallacy that may cause to underestimate the time or resources required to create something. This could cause running out of resources that would be crucial for completing an important task. (Kahneman, 2011, 325.) It has also been stated that the objective evaluation skills of individuals weaken when they are connected to projects on a social or emotional level (Hietschold and Voegtlin, 2021, 5).

4.1.3 Support of other people and the role of luck in success

What comes to the support of other people and the role of luck in success (interview questions number 7 and 6), the interviewees all emphasised the role of support and mentioned that some kind of coincidences had defined their journey. However, whether to call it luck or just finding oneself in the right place at the right time differs. Interviewee 1 emphasised the role of own activity in finding luck. Being in many places and meeting new people as well as helping other people creates a good circle. Interviewee 2 found it natural that when people interested in the same topics start discussing the outcome can be something interesting. He said that he does not believe in luck as such. Both emphasised the role of people in their answers:

> "Yes. I think there is research about how successful people think they have gained success because of their actions, even though, in reality, a lot of that success can be explained by having been in a the right place at the right time. My own recipe is to be active in many places, and sometimes you just happen to be in the right place at the right time. It is about creating situations where you can be spontaneous in the right way and find the right things. I would say it is more my way of working than searching for success. I like to create good things around me. […] I feel that good things create more good things. […] I try to get into different places where good things happen. I mean, there is a possibility of regulating the luck too. By being active yourself." (Interviewee 1)

> "Well, what comes to time, it was actually a good time for us to establish the company. In the area, there was no consulting house like that and actually not in the whole of Finland either with the same concept […] I do not believe in luck, but it is more about when looking around and finding other people interested in the same topics and discussing with them, and that is how the actions are combined. So I would not say it has got nothing to do with luck as it is quite realistic what will happen. It is all arranged by people, not luck. There just happens to be right people in the right place." (Interviewee 2)

Interviewee 3 considered the role of luck defining a lot in human life. He also emphasised the role of people in creating coincidences that can lead to something good. His attitude was a mixture of luck and human actions, whereas interviewee 4 put a lot on luck and individual motivation:

> "Luck has a great role in all human life, but especially in entrepreneurship. Without luck, you cannot do anything. Of course, different times and places have a role, I can say from my own experience. I would not be an entrepreneur on that scale without some luck. […] I can say that in my life in general, there have been many coincidences impacting it. Things have settled, relationships with people. People, with people, there it comes. Mine has come." (Interviewee 3)

> "I think you have to find the thing that you believe in. I was asked in the middle of the covid-19 pandemic if I wanted to build a new restaurant. It was just a coincidence: they happened to search for a partner, and it could have been any other company. Or when I happened to take part in a tender that I found by chance five minutes before it was closing. And we won it." (Interviewee 4)

The support of other people (interview question number 7) was considered important by all the interviewees. Especially in the beginning, when establishing the firm, the support of other people has been crucial. Interviewees 2 and 3 mention that starting as an entrepreneur requires a sacrifice in family life to some extent. They mention that the support, in the beginning, is crucial, and without it, there would be no business whatsoever. Where interviewee 2 emphasises the sacrifice for family life at the beginning of entrepreneurship, interviewee 3 states that sacrifices are required during all the phases of entrepreneurship. It is a natural part of being an entrepreneur.

> “My family background has not supported me in my entrepreneurial journey meaning that it was born itself somehow, but my brother is also an entrepreneur. Nevertheless, of course, family support is important in entrepreneurship in general. In everyday life. If you want to succeed in being an entrepreneur, you must put 100% into the work and then your family may suffer a bit.” (Interviewee 3)

> “I had to use awfully much of my free time when kids were young, and well, I could not have done it if my partner had not taken more responsibility in her free time. […] People around play an important role naturally. When developing and starting a new path and executing, you may have to give up on many things, but if you select this path, you have got no choice.” (Interviewee 2)

Interviewee 1 emphasised peer support from his spouse, who also has her own business. He mentioned that if his spouse worked in a different field where the work schedule, for instance, would be built more predictably, it could be more challenging to get support and understanding from home. He also explained that it is good that his spouse works in a different field where trends and cycles are moving at a different pace. He mentioned that it would be problematic if both were dependent on all the same external factors:

> ”We have supported each other with my partner a lot. We have helped each other’s companies in practice too. It is easy to talk about practical issues because if my wife were a nurse or a teacher – all glory to them – but I mean, they are far from entrepreneurship. They know their work schedule, for example, for a more extended period of time in advance. […] But I mean, it is easier to talk when a person has the same experience. It is not seamless, and we do not read each other’s minds, but it is a great resource that my spouse is also an entrepreneur. And on a different sector.”

Interviewee 1 also mentioned that it is hard to go and search for support or find people to talk to within the company in his role. He said that sharing worries with the employees could cause anxiety. He mentioned that many times there are also consequences for opening up, which is why it is good to consider to whom to open up. His comments referred to a position of a lonely leader in a sense. Moreover, it was the second time when he raised the theme of general well-being. His answers reflected how his attitude towards well-being has possibly changed from what it was at some point in his life. Interviewee 4 emphasised the role of support outside the field but from the family surroundings.

> “As a CEO, owner and an entrepreneur, I have to think what is... I mean, I feel the responsibility on my shoulders. I have to consider. I cannot open up and tell that I am pissed off. It does not take us anywhere. Or anyone. But it is good to talk with someone sometimes, even though my wife is not a good target for that either. […] In general, like how much we give from our unique life to the firm. In the last moments, no one wishes to have worked more anyways.” (Interviewee 1)

> “Yes, this year, I have felt it has been a difficult year as my mother and grandmother both passed away, and they are not here to support me. It can be a little piece of advice that would be nice to receive if there was someone neutral giving some advice from the outside. And because they both were active people and entrepreneurs at some point too.” (Interviewee 4)

4.2 Aspects defining firm internationalisation

This part discusses how the interviewees find the field of business and competition affecting the desire to internationalise. The importance of networks is considered. Other themes are selecting the right markets and entry mode, challenges and the importance of cooperation, and the role of home country support. Furthermore, the entrepreneurs’ own international orientation and experience are discussed.

4.2.1 The field of business and competitors

Interviewees were asked why they think it would be necessary for a firm to internationalise (interview question number 8) and whether internationalisation would improve the competitiveness of the firm (interview question number 13). All the interviewees mentioned that it depends on the field of business whether internationalisation is needed or not. Interviewee 1 mentioned that when a company grows, internationalisation is inevitable. He also brought out the aspect of following the biggest trends in the given business area. Interviewee 2 instead stated that they were in a situation where they had so much work in their home country Finland that they did not see an actual urge to expand into foreign markets, even though they tried business in Estonia straight at the beginning of their journey. Interviewee 2 also brought up an important aspect of getting passive when there is no urge to internationalise because of a good market situation in the home country.

> “At one point, there was a trend in the IT field to internationalise. That was the trend that we followed too. We opened London and Tallinn and visited Singapore too. But our business is very local at the moment […] However, in general, when a company grows to a certain size I think internationalisation is inevitable. Because the market runs out” (Interviewee 1)

> “We were in a situation where we reviewed the market situation in Finland, and we had a lot of work all the time. As a matter of fact, we had a lack of employees. Our growth was about two-to-three –

> even five – new employees per year. […] We had such a good situation in Finland that we did not focus on conquering Scandinavia or other countries. […] I think the main reason is that if the work situation is good one kind of gets passive and stays in the home country. With the attitude that if something changes, we will consider foreign markets then again." (Interviewee 2)

The passivity that interviewee 2 refers to brings to mind the status quo bias, which is about willingness to retain the current state and rather fight to prevent losses than achieve gains (Kahneman, 2011, 305). This can indeed prevent the entrepreneur from acting when needed and being settled to the current situation. Whereas rational decisions are good, settling to the status quo might cause lost opportunities and growth. (Kahneman, 2011, 251.) Interviewee 3 had a bit different kind of experience about expanding compared to others because his firm has been international straight from the beginning of its journey. He stated that they had no other option than to internationalise because of their niche product. Even though the interviewee 2 firm can also be considered operating in the niche field, as described above, the situation was different as they created a new service, and the demand in the home country was enormous.

> "Depends on the field of business, but when talking something like us, with our niche product – if we want to be big, we cannot rely on only one market anywhere. We have to internationalise. That is how I would describe it. […] We were international straight from the beginning. Our first customer was in France, so in that sense, yes. Furthermore, 10% of our revenue comes from the home market, and 90% is exported. Straight from the beginning, we have (been international)." (Interviewee 3)

Operating in a niche market can indeed be considered a force to internationalise quickly (Torkkeli et al., 2012, 30). Another theory that could be seen applying in the case of interviewee 3 firm is the 'born international theory'. Born international is a firm that entered international markets within three years of establishment; it has a maximum of 500 employees, annual sales of up to 100 million dollars and exports of at least 25% of its total sales (Knight and Cavusgil, 1996, 12). A born international company also starts exporting to several different countries/continents immediately after the company is established. It has been stated that the difference between the born global is that the internationally born firms start the process of internationalisation from geographically closer markets. Those are the markets located on the same continent. (Kuivalainen et al., 2012, 454.) Interviewee 4 mentioned that all the companies she has been involved with as an entrepreneur has had some international actions, and in her experience, that seems to be expected in Estonia. Also the interviewee 3 from Estonia, mentioned that internationalisation is more of a rule than an exception in Estonia because the home market is so tiny:

> "It is just that there is not so much... So that you can expand, you want to get your product to other markets too. In old times it was good if you could make it to Finland. Almost all Estonian companies were at least in Finland." (Interviewee 4)

> "In Finland, there are big corporations. Some of the world's biggest ones, that is one thing. But in Estonia, internationalisation is more like. This is such a small country that you always have to internationalise here almost everything you do, anything. Even the smallest companies will at least try. If everyone succeeds in it is another story, of course." (Interviewee 3)

As Velt and others (2018a) mentioned, there has not been much choice for smaller economies when it comes to internationalisation. Whenever there has been a will to grow, one has to start gazing at least to the neighbouring countries. They refer to a study by Luostarinen and Gabrielsson (2006) and how the situation in Finland regarding internationalisation has evolved. In the 1960s in Finland, the mentality referred to a force to export to other countries. Later decades, it first meant a force to internationalise and then a force to get global. It is also mentioned how Estonia has been in the centre as a country whose capabilities of the entrepreneurs and the entrepreneurial spirit are widely acknowledged. (Velt et al., 2018a, 319.)

Regarding improving the firm's competitiveness (interview question number 13) and the advantages of internationalisation (interview question number 11), the interviewees stated that competitiveness could be improved via internationalisation depending on the field. Many aspects can come along the internationalisation. As mentioned by interviewee 1, the competitiveness can be enhanced by the brand image that the internationalisation improves. As noted by interviewee 3 and confirmed by Torkkeli and others (2012, 30), internationalisation can be the only option for some industries when they produce niche products. Interviewee 2 instead brought out how internationalisation could help to acquire more professional equipment and resources. He refers to his company where expensive laboratory equipment is used, and through cooperation abroad, they could acquire more such equipment in their use. One of the advantages could be able to cut the costs.

> "It does improve when it comes to recruiting by improving the reputation. Also, when we have told Finnish companies that we have worked in Great Britain, they have looked up to us. […] It is about achieving synergy that we want to target with the subsidiary in Great Britain." (Interviewee 1)

> "For the manufacturing industry, it is the most important thing to internationalise. For other fields too, why not. However, for the industry of a small country, internationalisation is needed for the firm to stay alive and be competitive. We are so successful because we made ourselves so big straight from the beginning, and we were not waiting to grow, but we made a big company first, and after that, we sold the firm full of work." (Interviewee 3)

> “The benefits that we would achieve, they would be enormous. Then we could direct the flow of the samples abroad and then get help from them. Moreover, all the (laboratory) equipment and such that they would have. It would be a beneficial combination for sure […] And naturally the aspect if the analytics is cheaper in the host country.” (Interviewee 2)

The interviewees also commented on whether the firm's internationalisation increases the interest of possible investors (interview question number 15). Interviewee 1 explained how the location in eastern or western Europe might affect a firm’s valuation. This cannot be necessarily considered a social bias of the interviewee as such, but the statement may indicate some general assumptions. Interviewee 2 mentioned that internationalisation might help give an impression and create an image of a bigger team and broader expertise. However, he also said that he had met those who had a negative attitude instead.

> “It does increase if done right. It is partially about the image. Suppose we are a Finnish company with offices in the Western European countries. We would create a feeling that we are a high-end firm, and we could have a certain valuation and ask for a certain amount of money from our customers. Nevertheless, suppose you have a similar company with the same number of offices in Eastern European countries. In that case, you are seen as a firm that targets to cut costs with a different valuation. Because the same amount of people brings you less profit and all.” (Interviewee 1)

> “Internationalisation may increase the firms’ profile. The wide expertise that can be achieved through internationalisation for sure does increase. Alternatively, at least it gives an impression that there is a bigger team, and in a bigger team, there is high expertise. It is about the image. […] I have an experience where some think it is good to operate in many countries. However, for some reason, others had a negative attitude towards it. I wondered why it was so. […] Some felt that the firm in question was not Finnish anymore.” (Interviewee 2)

Interviewee 4 gave an example about her previous company and how the investors were *actively asking whether there was a plan to expand abroad and when*. She also mentioned how the investors tend to keep the goal of expanding abroad self-evident because it brings along possibilities for growth and also improves the competitiveness. Interviewee 3 mentioned that even though their firm is not for sale, thanks to the international expansion of their firm, they have received some proposals from the interested buyers. Both interviewees 3 and 4 from Estonia mentioned several times that growing the company is the reason for working as an entrepreneur. Interviewee 1 raised an important topic by mentioning sustainability and social responsibility and how these may impact investor behaviour in future, not only the firm growth. There are indeed new forms of entrepreneurship that have arisen from the need for social or environmental missions, among other things. Sustainable entrepreneurship focuses on sustainable development, and it calls for responsibility in behaviour and decisions, which include a thought for future and global perspective (Hietschold and Voegtlin, 2021, 2).

> "Then the investors see that the firm is growing. Even if the sales abroad are not that big but just that you know that the product has been made available abroad. The firm is better when expanded and when there are more possibilities for growth. Expanding abroad also improves competitiveness. Furthermore, it also brings more variation to the target market. […] Before the pandemic, we were expanding to Malta. Malta would have been a perfect target because they are a small and isolated place, and there would be room for a new brand." (Interviewee 4)

> "Our firm is a not for sale. But actually, we have received offers, we have been tried to be bought. For sure our internationalisation has raised the interest." (Interviewee 3)

> "Emotions and feelings also play a role in investments. For instance, sustainability and social responsibility will be a big theme soon. For instance, the need to travel between the offices or how to do certain things. To originate from a country that has taken care of its matters and responsibilities. There might be a possibility for better profit in future. Many factors are having an impact." (Interviewee 1)

It was interesting that interviewee 4 additionally mentioned the benefit for the target market by bringing out new products or services to the market. The aspect was switched from the benefit to the firm to the more comprehensive benefit in the host country. Proudness of own product can be indicated. Interviewee 4 has experience in establishing a company both in Estonia and Finland. It was also interesting when she mentioned that she does not see a big difference in whether to target other markets from Estonia or Finland. She emphasised that the beginning is challenging in any case and it is important to stay positive – no quick wins can be expected. Interviewee 2 also emphasised the importance of having dedicated people working to access a new market. According to him, entering into a new market cannot be done by cutting corners or without a full focus.

> "I think it is the same everywhere, and you have to make a major effort no matter your home country. It does not matter in which state you are in. What I see important is that you have acquaintances there and there, and they help you search for opportunities. And they have to see the same effort wherever they are. […] But it is not a short process. You do not get anywhere in one day. It can take a year. You have to be active all the time, let others know about you, talk with people and so on. […] And you have to consider if seeing all the effort is beneficial or not in the first place." (Interviewee 4)

> "If there would be actual benefits for the firm in accessing the new market, there has to be a dedicated person taking things forward. So that it will all not end being pure verbiage. As a matter of fact, it is quite challenging anyways and also requires lots of travelling. It has to be taken seriously and have a clear plan." (Interviewee 2)

Interviewee 2 especially refers to a situation of having a local key person that is found through his own networks. That can be considered mitigating the risks at the beginning of the journey. Moreover, interviewee 4 mentioned how crucial it would be to have a local contact in the country you are targeting. She mentioned that contacting people in a new market requires a dedicated person who can purely focus on finding new opportunities in that country and meeting people there. That has to be continued from day to day because it is an *investment for the firm's future*, even though it can be *excruciating for a smaller company in the beginning*. The underlying positive attitude towards the actions of internationalisation can be seen from this statement. The interviewee 4 does not say that there is no guarantee about the result, but she states that you may have to wait for a long time. She also provides an example of her experiences, but she does not mention giving up as an option but one has to have a persistent attitude.

> "It is difficult, which is why companies try for a certain time and then give up. […] We had a contact in the United States, and we already made our investigation about the customs and discussed with the transport company. We saw a lot of effort, but the pandemic wiped out all the plans. But it is what it is. You just have to start over again." (Interviewee 4)

The importance of a local contact is clear. Network relationships have been emphasised in different studies. What is also important is to select the entry mode based on the product in hand. It has been argued that it has an important role in reducing the experienced psychic distance as well. Through indirect entry modes, the firms can access markets with smaller levels of risk. At the same time it is possible to learn about the market and plan the actual entry strategy. It has also been mentioned that even some basic knowledge about the international markets and different business cultures can help to internationalise faster to other countries too. (Kontinen and Ojala, 2010, 452.) Interviewee 4 also raises the importance of localisation in the case of products and mentions that it is one additional topic that may require some extra effort when entering a new market:

> "You also just cannot go there within a day or two. One thing is that when exporting something to, for instance, Germany or Russia, you have to have labels and other needed materials on the products, preferably in the local language. You cannot go there when all your labels are Estonian or Finnish. Then there are other official requirements from that state that you have to fulfil. The effort is multidimensional." (Interviewee 4)

Interviewee 3 stated that their firm has been in a unique position as they have not even marketed their product a lot. Their product is so unique that there is demand without marketing efforts from the firm side. Moreover, their strategy of focusing on cost-efficiency has been critical in their success. Also interviewee 4 brought up an essential view about how the customers can find the company and impact the firm internationalisation. She emphasised the importance of a story that the product has and that the company has to be able to present the story also online. Both interviewees have considered internationalisation from different angles.

> "This is a funny firm when it comes to its growth. Demand is created from the outside, and in practice, we do not have to make any marketing efforts. For us, the new customers basically come to us, and

> we are not searching for customers as such. In some cases, we are the ones selecting the customers instead. […] We selected the right strategy to be big enough, cost-efficient, and we can sell at a way different price level than our competitors. It is tough for anyone to compete with us without big efforts." (Interviewee 3)

> "We have done business in Germany. They had found us online because of our unique brand. They had a venue where our product fits perfectly. It seems to me that nowadays, it is even more important that your product has a story and brand that distinguish the product from others […] The company has to say something with its product and its label." (Interviewee 4)

4.2.2 Selecting the markets, entry mode and networks

The interviewees talked about their trials and errors in selecting countries to internationalise (interview question number 10). This question, in a sense, was especially aimed at identifying the possible social biases behind the internationalisation decisions. Connected to this question, the interviewees also described the internationalisation process of their firm (interview question number 9). Interviewee 3 told that their business has been international straight from the beginning. Their first customer was from France, and after that, they expanded to Finland, Sweden, Norway and Denmark. As Oviatt and McDougall (1994, 49) explain, the rapidly internationalising firms are the ones where the aim is to create an international firm straight from the beginning and to achieve a remarkable level of exports in many countries at the same time.

> "We sell our product with the service, in a way that customer orders, we ship the product and install it. This has set us some boundaries. Here the distance matters, and in the beginning, we mainly operated from Estonia. We used posted workers for installations. Now we have local guys in Norway and Sweden, and the next country we are going to is Switzerland. In a way, we started from closer and moved further step by step." (Interviewee 3)

Interviewee 3 mentions that they have hired local employees in Norway and Sweden. That can be seen as an essential step in firm internationalisation. A study regarding the internationalisation of family SMEs has shown that in order to succeed better in internationalisation, it is important to involve local professionals early in the journey (Kontinen and Ojala, 2010, 452). That can be called a distance-bridging factor that can help a firm overcome psychic distance. Interviewee 1 said that Estonia's familiar business culture was one defining factor when deciding where to expand. That refers to the psychic distance defined by the Uppsala model. According to the model, firms should start to internationalise from the markets where the psychic distance between the country of origin and the new target market is lowest. Among other aspects, the psychic distance stands for the distance related to business culture. (Johanson and Vahlne, 2009, 1412.) As reflected in the answer of Interviewee 1, a specific uncertainty avoidance was a critical aspect behind this internationalisation decision. Interviewee 4 mentioned that when planning internationalisation and selecting the countries where to expand, both the language and culture have played a significant role. This also refers to the psychic distance defined by the Uppsala model.

> "Estonia was our test case. We selected it based on the business culture close to Finland. You can, generally speaking, rely on what people promise to do. I was surprised by the speed of decisions, though. Sometimes the decisions are made with kind of insufficient information too. But well, it is a very vibrant economy […]. In a financial sense, it is not very advantageous. The prices that customers are willing to pay are low." (Interviewee 1)

> "I find it easier to expand to such countries where I have some kind of knowledge about the culture and language of the country. It is a great benefit when you can speak the language, or they are at least on the same level with the English language as you are. If you start using google translate to communicate in business, you are a 'dead duck'." (Interviewee 4)

Both interviewee 1 and interviewee 4 brought out an example regarding German markets. They had both come to the same conclusion, considering the importance of language and the local presence in the German market. They also emphasised the importance of a dedicated person from a German cultural background. Additionally, Interviewee 1 shared his thoughts about the importance of local networks helping internationalise new countries. Interviewee 2 also mentioned that local presence in Estonia would have been crucial for them to have functioning operations there.

> "I have heard many companies who want to access German markets hire a German employee and let him/her do the work searching for new contacts. When there is a German contacting people in Germany, the response is better compared to doing it in English." (Interviewee 4)

> "Finding new customers requires much effort. For instance, many have tried to conquer Germany, but none has really made it yet. Even if it would be a country where there is a lot to do, the systems require help in renewing. But they do not buy anyways […] It is a big investment to recruit a local salesperson and all. You have to be sure it is wise to invest." (Interviewee 1)

> "We checked on the Estonian market and tried some things there […] The idea was that if we would have seen potential there, we would have established a subsidiary in Estonia and employed people there. But I think if the firm does not have a motivated person there to lead the operations locally, it does not work." (Interviewee 2)

According to Sommer (2010, 312), certain psycho-cognitive elements are required to succeed in internationalisation. Sommer states that having a positive attitude towards internationalisation activities is needed, as well as faith in oneself and trust for own capabilities in the selected market. Moreover, it would be important that the initial trials for internationalisation would be somewhat successful and grow the confidence. Here, Interviewee 2 mentions that they *tried on the Estonian market*. Even though the work situation for the company was good in Finland, it can be said that the less-successful internationalisation attempt in Estonia as a first international attempt might have affected the will to try internationalisation in other countries. Interviewee 1 further discussed the trials and stated that some competitors had internationalised thanks to their customer firms with operations abroad. He also mentioned that the reason to stay in Estonia is the workforce.

> "We have not internationalised a lot. Some of our competitors have with the help of their customers. There is a company, for instance, that buys services from Finland, and they happen to have operations in China. Some have grown international because of such lucky coincidences. We have not happened to find such a company. We went to Tallinn and are there because of the workforce." (Interviewee 1)

When asking about the countries that were left out from the list of expansion (interview question 10), the main reason was the lack of overall market development, stability, or significant differences in business culture. For instance, none of the firms had experience in the Russian market. According to interviewee 3 the Russian market has not been tempting for them even though they have internationalised greatly and to many countries. Here the author must mention that interviews were conducted before the most recent aggression of Russia towards Ukraine, and the current situation is not considered in the answers nor the analysis. As the main reason for skipping Russia, Interviewee 3 mentioned that the trade practices – ways of doing business – are too far from the home country Estonia. This refers to the Uppsala model and the psychic distance which is considered too high. (Johanson and Vahlne, 2009, 1412.) Interviewee 1 instead refers to corruption. He states that it has acted as a clear basis for a no-go decision in some countries.

> "We do not want to go into countries that are not stable. It is clear. There are also some countries that, well, we do not have an apparent reason. But let us say Russia, even though it is our neighbouring country, we have not been interested in going there. Reasons for that are unclear legislation and their business practice. Basically, we do not have other limitations, but there has to be a reliable partner to do business with." (Interviewee 3)

> "Slovakia was corrupted, and we could not sell anything to the internal market, but we should have sold to Germany and Austria from there. But we did not want that. In Spain, it was almost the same […] The corruption in Slovakia was the factor why we did not want to go there." (Interviewee 1)

Here it can be noted that even though those acknowledgements of the given markets regarding corruption practices and acknowledging such issues may have helped the firm prevent significant losses, it would be essential to be open-minded about the possible changes in the business environment in different countries. Sometimes the economic and overall situations of the countries may change fast, and new opportunities may arise. Therefore, entrepreneurs must also be aware of the biases and prejudices that may be present in their minds. Interviewee 2 emphasised the importance of a systematic approach to expansion. He referred to the situation in their company, where they had operations in Estonia in the beginning. He mentioned that sometimes the market is young or raw for the given product, and then there is no point to start taking that any further:

> "In the beginning, we had cooperation in Estonia. But it did not really start to flow. We did not have a dedicated and motivated person there who would have been responsible for the area; it was difficult to establish from Finland […] And it seemed that the whole field was maybe a bit too much at the time; it was the beginning of the 2000s. It did not fit the milieu, and there was no money in Estonia either at the time; it was hard to find financing for the research. Well, it did not fly. It was too early for such in Estonia yet." (Interviewee 2)

Interviewee 2 also emphasised the importance of understanding the *overall economic conditions* in the country. He raised an important aspect when he mentioned that you have to actively scan the situation in the countries where you may be interested. Understanding the overall situation and society is needed. The respondent refers to the method of PESTEL-like in-depth analysis that would be needed about the market. Francis Aguilar (1967) is the creator of the PESTEL framework which consists of Political, Economic, Social, Technological, Environmental, and Legal aspects. The political factors indeed include aspects about how and to what degree a government intervenes in the economy. In contrast, the economic factors consider economic growth and unemployment rates, among other things. The PESTEL analysis aims to identify the key characteristics of the market and provide an understanding of the most critical factors in the market. (Johnson, Scholes & Whittington 2002, 68-69.) SWOT analysis is another tool widely used to help create the most suitable marketing and market entry strategies covering both the internal and external environments of the firm (Hollensen, 2015, 246).

Interviewee 2 additionally called the firms to define which part of the service would be needed in the particular country and mentioned that the demand and the readiness to pay for such service have to meet what you are offering. Interviewee 2 also mentions the importance of networking. The network approach was mentioned in the original Uppsala model, but it was not thoroughly adjusted to the model until after 2009. The network theory emphasises the importance of relationships between the firm's networks and highlights the aspects of trust and commitment. If not successful in networking, the company may suffer from outsidership. The network model includes aspects such as the relationships between the customers and the suppliers. (Johanson and Vahlne, 2009, 1423-1424.) Interviewee 2 also mentions that they were too early in Estonia back in the day, although the situation could be different now, which brings in mind the concept of 'again international firms'. Those are defined as firms that immediately start exporting in the early years of their activity and then limit themselves for a certain period to a domestic market. As a result of specific incentives, they may internationalise again at a remarkable speed. (Kalinic and Forza, 2012, 696.)

> "You have to leave out those that do not have liquidity automatically. But then pay extra attention to the countries where such (research) field is developing and when you have your networks, and you can see that the economic conditions are improving and such service could be needed. Then definitely those countries are interesting to you. […] We were too early for Estonia back in the day, but maybe the situation would be different today. The economies of our neighbouring countries have developed so fast." (Interviewee 2)

As said, the interviewees mentioned that it would be crucial to have local support in expanding into new countries. They also emphasise the importance of *own networks* that can be built throughout the years. As Velt and others (2018b, 129) mention in their study regarding born globals, the role of networks is critical in the discovery stage of a firm. They emphasise the importance of the social ties of an entrepreneur in the initial phases. Their study indicates that the social ties of an entrepreneur play a crucial role in the interaction. Furthermore, they add that the importance of inter-organisational networks increases in time. Therefore, it is recognised that in the initial phases the importance of social capital is higher than the one of network capital.

However, when a firm expands and the innovation becomes more important, the emphasis moves towards resources. In this phase the importance of inter-organisational networks is considered to grow as they play a role in finding the needed resources (Velt et al., 2018b, 129). The role of other people and connections is indeed essential in internationalisation too, and therefore the interviewees also discuss a lot about the cooperation between different firms. There are multiple entry strategy options for a company to choose from. Entry mode options can be divided into independent and partner entry modes. The independent entry mode options are direct exports to end customers or wholly-owned subsidiaries in the country. In contrast, entry modes conducted in cooperation with partners can be licensing, franchising, joint ventures, or other activities requiring cooperation. (Wheeler, McDonald and Greaves, 2003, 190.)

> "The best way is when you know some cooperation partners; let us say that you have worked with those people at some point of your life or participated in different training pieces and met people. But if there is no such option, then you need to have a local representative; it is an important role.

> Otherwise, I would say it can be almost impossible. Or then we can start talking about the luck you asked about before. But it is uncertain." (Interviewee 2)

4.2.3 Challenges and the importance of cooperation

The interviewees were also asked what they see as significant challenges when it comes to internationalising (interview question number 11). Interviewee 4 referred to the recent pandemic and how that has affected the internationalisation efforts. She mentions that transportation of the products can cause some extra pain and has been an issue, especially during the covid-19 pandemic:

> "At the moment, there are difficulties with transportation. It defines how far we can get our products and at what cost […] It is an extra pain that as a producer I am dependent on the transport company and what price they offer and can they transport in the first place. Transport can be difficult. I know a company that started to conquer Australia from Finland. They struggled with finding the channels for transportation."

Interviewee 4 also brought out the aspects hindering cooperation between the companies. She stated that cooperation creates more significant and better opportunities for all. However, there might be some legacy from the old times that does not support cooperation between the companies in Estonia. Interviewee 2 also expressed the same worry regarding cooperation between firms based on his experience. When the other companies in the field are not willing to cooperate with you at all, it can make entering a new market difficult. Interviewee 1 instead provided an example of how the model used to try the entry might hinder the internationalisation.

> "In old times, we tried to take part in public tenders in Great Britain. But there was a requirement that the company should have a lot higher revenue. Therefore, we could not make it there even though we fulfilled all the other requirements. So we did our business in Estonia mostly. But there were many other companies too. The most important thing was to know the people to get the work, and there was a lot of competition. It still seems to me that Estonian companies do not enjoy cooperation with other companies. They may say straight to your face that they do not want to help the competitor. Like in old times, you should not help the person in the same business because maybe he or she will end up earning more money than you do. Or steals your idea; who knows. […] And it was not a long time ago when I suggested cooperation to an Estonian company, but they refused by saying that you are our competitor." (Interviewee 4)

> "As a smaller company, to be able to establish some touchpoint to the target country can be difficult. There is an interest but how to find the cooperation partners. It is not easy to establish because certain companies can already operate in Scandinavia. And they will see us as a competitor entering the market. There are its own challenges." (Interviewee 2)

> "We selected Great Britain based on the evaluations we conducted. […] It was surprising, though, how freelance focused the operations were. We had a local guy there […] We selected the same model when entering into discussions in Slovakia, Spain and Sweden. It all ended that no person would have

> accepted the challenge there […] We saw that we had possibilities to succeed in Great Britain. We did not, but at least we tried. It was partially Brexit that messed up things." (Interviewee 1)

The interviewees were also asked how they see the role of the competitors influencing their will to internationalise (interview question number 14). Interviewee 1 mentioned that the active internationalisation of the competitors has an impact on how the firm sees its situation. He states that there has been a real fear of *being left behind* and not being able to find employees. The image of the firm might not be tempting for the employees, and they might be interested in working somewhere else in order *to get a possibility to have a bigger career in an international setting*. The firm then decided to widen its portfolio instead and have more selection in products and services. The diversity in tasks and skills now is a tempting factor for the employees. Interviewee 3 mentioned that most of their main competitors have not been internationalised, which is why they have different competitors in all the markets. He described their position in the market as pre-eminent:

> "Our main competitors have not internationalised. It is so that in every market we have the main competitor. Well, some French firms can operate in Sweden and Norway to some extent, but mainly in this field of business, the firms are small. We are the exception. We are the biggest in Northern Europe at the moment. […] It is just based on the fact that the other firms have not internationalised. We are not in a situation where our competitors would have internationalised. In that sense, we have not even paid too much attention to where our competitors are active. But of course, when talking about Estonian firms, they sell to Sweden and other parts of Scandinavia. And Finland. But well, they are like six to seven times smaller than we are. We do not have any main competitor in Northern Europe." (Interviewee 3)

4.2.4 Role of the home country and general mentality

The role of the home country encouraging in internationalisation was discussed with interview question number 12. From the answers, it became clear that both interviewees 1 and 2 from Finland agreed that more encouragement would be needed from the state. Interviewee 1 pointed out that some fields of business have taken care of the support by themselves. Interviewee 2 mentioned that there is no encouragement whatsoever in the sector they operated in – not in the home country, let alone in international endeavours.

> "Encouragement is important. Finland has not taken care of that too well. There are clusters like gaming, where the field has taken care of itself, so it is per se international. A good interest group. Smart people." (Interviewee 1)

> "In practice, there is no encouragement in this sector in the home country. Not mentioning internationalisation […] I feel there are fields where the firms should be encouraged because there is so much work to be done. To encourage in the home country first that more experts would join the

> field. And of course, when there is no encouraging in the home country, you cannot even mention encouraging the internationalisation efforts.” (Interviewee 2)

Interviewees 3 and 4 from Estonia were, in general, happy with the support and incentives that the state provides. The main motivation that they mentioned was the favourable *taxation* but also the *support systems and mechanisms* offered by the state. Interviewee 4 shared her experience in both countries as she has been an entrepreneur in both Estonia and Finland. She pointed out that Estonian companies are more aware of the benefits and funds that European Union offers. She provided a practical example where she compared the activeness of the state authorities in Estonia and Finland. She discussed a European Union program called ‘Your first EURES job’ (European Commission, 2021) and how the knowledge regarding the program was on entirely different levels in Estonia and Finland. Interviewee 2 compares the encouragement to a situation where a person tries to apply for work through the Finnish TE office (the Employment and Economic Development Office).

> “Well, Estonia has different support mechanisms for exports. But we have not used those a lot; we missed that train, and we have not received any support for the investments. If we had started a couple of years earlier, we would have had 50% of the investments from the government. But, taxation and stability in this country are the things that the state provides. There are some support mechanisms provided, especially for marketing and product development. That is how the state supports through its own systems.” (Interviewee 3)

> “Estonia supports more. They also take advantage of European Union support mechanisms. We wanted to offer work for young people from Estonia in our company in Finland by using European Union EURES program. The program provides possibilities for young people to work in other EU countries. […] In Finland’s Employment and Economic Development Office) did not know how the program functions. […] It feels to me also that such offices in Estonia are more active and more aware of the possibilities. Finland could learn from them a bit.” (Interviewee 4)

> “Encouragement, in general, is only words. It lacks concrete actions and what it means in practice. Almost—almost the same situation when the TE office offers a possibility to get work. They give you a pile of papers and say that try to survive with that when you go there. That is it. But in different sectors, the situation can be different, of course.” (Interviewee 2)

However, it was interesting that interviewee 3 very strictly mentioned that even though the support system in Estonia is on a high level, the firms should not expect the government to support them but they should find ways to succeed and internationalise by themselves. He raised an important topic regarding whether excessive support is keeping alive something that should not be alive:

> “The support is not important. This is capitalism, and the system should work by itself. If it does not work by itself, no one should do this. There is a lot of ‘resuscitation’ given to concepts that should not be done in the first place.”

Kahneman (2011, 257) also discusses government support and whether it should be delivered and with what limitations. He provides an example of a situation where a start-up firm that is clearly not going to succeed in business is asking for support from the state. According to Kahneman, no one answer states the role of the state incentives and whether they are needed. What comes to the overall state regulations for businesses, the interviewee 3 interestingly also mentioned that if they were in a situation where they had to change the home country of their (Estonian) firm, they found that the Finnish taxation and bureaucracy would prevent them from considering Finland as a new home country:

> "Finland is so bureaucratic still. And the tax system in Finland does not; Finland is not… If we had to switch the country, I say that it would be more probable for us to choose Norway. Sadly it is so. Finland seems to be, especially with the taxation and bureaucracy. Why make things so difficult. We have experience of that because we have been trying to open a subsidiary in Finland. In the end, everything is fine now. But it took weeks and weeks. Here it would have taken, if not minutes or hours, well, one-day maximum. Those are big differences between Finland and Estonia. I do not know if it will change." (Interviewee 3)

Because all the interviewees had some experience with businesses in both Finland and Estonia, it was interesting how they brought out the differences between these countries related to the entrepreneurial spirit in the countries too. Interviewee 3 mentioned that in Estonia, the active internationalisation of firms is caused not only by the country's small market but also by the difference in the mindset that people have. Interviewee 3 mentioned the young independence of the state after the end of the Soviet era. Estonia indeed is a transitional country with a relatively young open economy. As interviewee 4 also has experience being an entrepreneur in Finland, she reflected on her experiences in both countries.

> "For sure, the mindset of the entrepreneurs is such too that they are more eager to internationalise. I believe so. I would say that mostly it is the need. Somehow, what happened 30 years ago, acquiring freedom, and all those things have an impact. How here, how this country has moved forward within 30 years. It has not been possible without an entrepreneurial mindset; a lot has been done here. As a state and as companies, I guess it is contagious somehow. There is no reason why it would stop." (Interviewee 3)

> "I have noticed that in Finland the companies cooperate quite a lot and it is possible to place an order together or plan to expand abroad together. We had plans to start shipping our products to Malta together with another company. Unfortunately, the pandemic caused transportation problems, and it got too expensive." (Interviewee 4)

Interviewee 2 stated that the humble Finnish mentality, in general, may not be the most optimal for international expansion. He also refers to encouraging that could be done more. Interviewee 1 also gave a critical statement about Finnish people's sales skills and their suitability to operate background. Both interviewees clearly consider the Finnish mentality being an aspect that may hinder internationalisation. Here the biases in thinking consider the own culture of the interviewees and the people of one's own country. However, interviewee 1 also mentioned that he finds the sense of proportion and the practices of the Estonians to be different from the Finnish ones.

> "I find many Finnish having a point, a kind of mentality (in Finnish: "härmäläinen mentaliteetti") that I do not want, we are not interested, we can stay here as well. If we compare other countries, even the employees move a lot more between the countries. At least when observing certain things in the technical field. Or sectors. People are not encouraged to go and do […] But in different sectors, the encouragement can be different, of course. I just do not have experience with that." (Interviewee 2)

> "If you compare to Estonia, where the mode is such that the internal market is so small that there is no point to sell anything to anyone. There is no capital. There are no natural resources. They have many unicorns: Transferwise, Pipedrive, Skype and others. In Finland, we have the gaming enterprises and Wolt. […] The Estonians do not have the same problem and no sense of proportion either. They just are entrepreneurial. I have seen cases that would not fly in Finland at all but have found financing there. Does not make any sense. There is no such push in Finland because the market is big enough to establish a company here and serve Finnish customers. And from Finland, you maybe go and test the market in Sweden, but then you come back to Finland. There is no capacity to think so big and start deploying. Somehow. Smaller countries do it with more open minds. Many things make Finnish people good at taking care of the engine room, but others do sales – Estonians and Swedes. There are differences. The Dutch also like to make sales. It is easier to leap to foreign markets from there than from Finland; it is in the culture. There we expect the software to sell itself. I am also guilty of such. I notice I have mental locks in my thinking." (Interviewee 1)

The outgroup homogeneity bias is a social bias where the own group of people is considered less homogenous than the unknown outside group of people (Ellis, 2018, 19). This can be considered generalising one's attitude towards a group of people (Calero Valdez et al., 2018, 19-20). Here it is interesting that such bias is expressed towards both own peer group and the outside group. However, the generalisation of the comment towards the outside group is not straightforward and can also be interpreted differently.

As Velt and others (2018b) mention, Estonia is known for its strong start-up culture where also world-famous BGs, such as Skype and Transferwise were born. They also explain that compared to other countries in Eastern Europe, Estonia has had a completely different status in a socio-economic and political sense. (Velt et al., 2018b, 123.) As Interviewee 1 mentions, he sees the community in the sales skills of Estonians and Swedes. This might not be a coincidence. It is mentioned that the cultural influence of Sweden, Denmark and German is strong in Estonia and has played a significant role in separating Estonia from the other Eastern European as well as the Commonwealth of Independent States (CIS) countries with more Slavic backgrounds. (Velt et al., 2018b, 123.) When it comes to confidence in one's capabilities regarding the inborn mentality, Bandura (1977) has argued that one's personal beliefs about self-efficacy broadly define the action. Self-efficacy helps one remain confident in their abilities. Therefore, it can be argued that confidence in own mental suitability and capabilities supporting the internationalisation activities can be considered significant.

4.2.5 International orientation and experience

The interviewees were asked whether they consider their interests have affected the possible internationalisation of the firm or the selection of countries where they have expanded (interview question number 16). Interviewee 3 stated that his interests had not affected the passage of the countries in any way. In contrast, interviewee 1 mentioned that he selected to expand to Estonia based on his interests and because he finds Estonia energetic. Here a clear social bias towards ‘energetic Estonian people’ has affected internationalisation in a positive way. Interviewee 2, however, said that the professionalism and the development possibilities of the people were the most important aspect that he considered.

> “My interests have not had any impact. I have not chosen the countries where to expand. Our sales and another management member chose those, and the CEO led sales. Of course, the executive team has approved the countries, but I have not been doing the initial selection.” (Interviewee 3)

> “Estonia was such that there is energy. I like to work with people with energy, and there are fewer challenges and more opportunities. Or there are challenges, but no problems in the same way. They go forward, sometimes in a bit naïve way, sometimes without excess complexity. Both. I noticed the energy even when visiting there. It was the biggest reason to establish a business there. Other decisions about expanding to different countries were made in a more analytical way. Less what I want and more what would be beneficial for the firm. But yes, Estonia has been a good school, and it has shaped my thinking, and I feel it is my second home in a way. […] There are lots of friends and others. It is also that the culture is very close to Finland. If you compare to southern European countries or such, for instance.” (Interviewee 1)

> “I think that own interest also plays a role. To see the culture of the country and so on. But then again. The main reason why the Netherlands was interesting was that the colleagues there were on the level that it could have created many kinds of cooperation.” (Interviewee 2)

The interviewees also evaluated whether they find that internationality enrichens their personal life and how internationally oriented they would describe themselves (interview questions number 17 and 18). All the interviewees stated that internationality enrichens their lives. Interviewee 4 found it important that she can use her language skills in multiple languages and learn about and interact with different cultures. She mentioned that these aspects are important both in personal settings and in her work. Interviewee 1 stated how he likes to be establishing and starting new things and how he feels business abroad is invigorating.

> "For instance, when talking with French people, they are fine people and very nice, but it is a bit more forced or unnatural to chat. Both are a bit careful in it. That also affects the matters a bit. In general, business abroad is very nice and invigorating. The same feeling when establishing the firm back in the day, to start things from nothing. This is fascinating. It is an unknown path. To conquer Great Britain. It is interesting as long as it starts to settle as ordinary work. That is why it would be better if there was someone else who likes the smoothness and stability, not the starting point. I am good at starting things, not the best one to end or maintain. It is the fresh start that fascinates me." (Interviewee 1)

Interviewee 1 referred to a situation where he, as an individual, felt that the psychic distance with France was high. In the study of Kontinen and Ojala (2010, 452) regarding the actions to internationalise in France, it is confirmed that a lot of effort was required from the Finnish family firms as there were apparent difficulties in overcoming the psychic distance between the countries. Aspects such as different languages and cultures were considered obstacles initially. However, some family firms found that recruiting local people helped them overcome the difficulties. Actions such as recruiting locals are called distance-bridging factors.

When the interviewees were asked to grade their international orientation on a scale from one to ten (1-10), their responses were relatively modest. Even though they all had experiences in the business in international environment and wide knowledge about other cultures, the average grade was seven (7). They all stated that internationality enrichens their lives and getting to know different cultures through travelling or working abroad widens understanding in general.

> "I had a case recently where I had to cooperate with people in China. I have not done business with the Asians before. I would say that after that experience, I feel a lot more internationally oriented than before. I grade myself between 6 and 7. Before the China case, I felt it was lower. I see that rising when you have to deal with people from different countries. I find it a big advantage that I have lived in many countries and also done business in different countries. It is easy to see from people whether they have travelled and moved more and seen more other cultures. For instance, the kids in our neighbourhood lived in Asia. They are very open and friendly. And they are also used to seeing other living conditions than the ones we have. I think that when you have spent all your life in one spot, you are more inside your bubble." (Interviewee 4)

> "The international environment naturally enrichen my personal life. Of course. In the given scale, I am seven (7)." (Interviewee 3)

> "I would say that because I could not establish any operations abroad. When developing our company, there was a lot to do, and I was not oriented towards going abroad. But in the last years, I would say 7 to 8; I had much interest. It could have been higher too. […] I think there are certain difficulties, basic problems, that if getting over those and starting developing the operations my

> orientation as an entrepreneur would be higher […] On a personal level, the grade is higher. I follow the cultures and societies, and it is a big advantage also at home. I give grade 9." (Interviewee 2)
>
> "I would say 8. My thinking is global, most of all. I think about global matters and but things in proportion. But then I think this is the best place to live. However, I have not lived anywhere else either. But in Germany for three weeks. There I would not like to live; it was complex, and to be able to do the grocery shopping, I had to go to too many different markets. I did not like the country. Lacked progress." (Interviewee 1)

The role of a decision-maker in firm internationalisation has widely been acknowledged. It has been described that the international commitment and orientation of the management have an essential role in the internationalisation of SMEs. Furthermore, how the firm sees internationalisation is strongly defined by its decision-makers attitudes. A positive attitude towards risk-taking and organisational capabilities plays a role and has an impact on how the firm considers its international opportunities. (Chetty, 1999, 124.)

4.3 Summary of findings

This chapter summarises the findings of this study. The results are discussed in the light of research questions. Some comparison to previous research is done. The author here strongly emphasises that no generalised conclusions based on the information derived from this study are presented, but rather indications for possible essential research subjects for the future.

4.3.1 Attitudes of entrepreneurs and firm internationalisation

The first research question that this study considered was how the attitudes of entrepreneurs are connected to the likeliness of a firm to internationalise. Moreover, the differences between the entrepreneurs in Finland and Estonia were considered. Where the overarching theme was the firm internationalisation connected to the personal characteristics of an entrepreneur, as sub-themes, this study has identified the range of attitudes that exist towards internationalisation among entrepreneurs in Finland and Estonia.

Findings indicate that while all participants were open to the firm internationalisation, its importance is connected to the overall market situation in the home market, including the competition aspect and the willingness to take more considerable risks for achieving more significant growth. In the entry phase, the role of networks was considered significant. When it comes to selecting the countries where to internationalise, the entrepreneurs' own international orientation and interests may play a role, especially when choosing the first countries. Additional themes discussed are the need for freedom of development, catching the opportunities, the role of other people, and the role of home country incentives.

A central theme emerging across interviews was that the internationalisation decision of the firm is mainly guided by the existing market conditions and the competition situation. The size of the home market plays an essential role in internationalisation. Both Finland and Estonia can be considered small markets, and internationalisation is often seen as the only way to grow or sometimes even for the business to stay alive. The attitude of the entrepreneurs in Estonia, especially the positive tone towards expanding to other countries, was present. One of the interviewees in Estonia mentioned that it is a big win for the foreign market to have their product there because it enriches the market; similarly, the other interviewee mentioned that their firm does not actually have to compete with others as their product is so unique. Both comments indicated their pride in their product. According to the Hofstede Insights (2022) country data, Estonia is a very restrained culture in nature. Societies with a low indulgency score tend to cynicism and pessimism. According to Hofstede data, Finland instead is an indulgent country where people possess a positive attitude and tend to be optimistic. This study of entrepreneurs indicates somewhat unlike results regarding indulgence.

> “For the manufacturing industry, it is the most important thing to internationalise. For trade too, why not. But for the industry of a small country, internationalisation is needed for the firm to stay alive and be competitive. We are so successful because we made ourselves so big straight from the beginning, and we were not waiting to grow, but we made a big company first, and after that, we sold the firm full of work.”

The importance of the overall market situation and the role of competition is indeed supported by research. It has been stated that if the home markets are small, faster internationalisation actions are needed when the target of the firm is to grow (Velt et al., 2018a, 319). When it comes to risk-taking which was recognised as a distinctive feature among the entrepreneurs in Finland and Estonia, the entrepreneurs in Estonia both emphasised that firm growth is not possible without risks and that taking risks is a crucial part of being an entrepreneur in the first place. In contrast, the entrepreneurs in Finland emphasised more the importance of analytical and systematic decisions. In general, their approach was a bit more analytical and cautious. The attitude of entrepreneurs in Estonia towards risk was very favourable, and risks were considered a crucial *part of being an* *entrepreneur*. Both interviewees used a bold parable and compared taking risks to playing roulette. This emphasised that sometimes taking risks can be based on a bit less consideration to move forward more rapidly. Risks were also strongly connected to the attitude towards challenges. When the entrepreneur sees challenges more as opportunities, the possibilities to grow seem higher.

> "All on red. If you play roulette, you understand what I mean. Taking risks, well, that was, of course, exaggerated a bit, but it has been our phrase for the last six years because we have been going on all on red all the time. So we have been able to take the risk. But the risks have to be managed, of course. […] But if you do not take risks, you will not get anything either. At least anything bigger."

> "As an entrepreneur, you have to be able to take risks. That is why those who are ready to take the risk are entrepreneurs and start growing their business so that it can be bigger in future. […] You have to risk and believe in what you are doing. If you are not motivated, then do not do it. You have to believe in what you are doing. The thought in your head has to be strong. If you do not believe, no one else believes in your idea. […] Sometimes, it is like playing roulette. The risk feels kind of the same."

It has been mentioned that the actions connected to entrepreneurial orientation often play a role when firms seek to expand their cross-border actions. Such actions especially refer to risk-taking and innovations and are considered to fasten the firm entry into the new international markets and help it succeed. (Dai, Maksimov, Gilbert and Fernhaber, 2014, 514.) However, it has been emphasised that a moderate level of those characteristics is enough for the firm to achieve international success. The most important aspect is that firms adopt those measures in their everyday actions and consider that risk-taking is not needed to the same extent as being innovative and proactive. (Dai et al., 2014, 521.)

Another essential aspect that was raised was the importance of networks in internationalisation. The networks that entrepreneurs have acquired are seen as crucial in internationalisation. Three interviewees mentioned that *accessing a foreign country's markets can be easier with local help*. Here the role of other people was also emphasised in the role of cooperation partners and local contacts. The interviewees mentioned that at the beginning of internationalisation, the local contacts help find the opportunities, but in later phases, the *local presence* is essential. The role of other people was strongly connected to catching new opportunities as well. It was seen that *people together created good things*, and when *people interested in the same topics start communicating, new ideas and possibilities can emerge*.

> "The best way is when you know some cooperation partners; let us say that you have worked with those people at some point of your life or participated in different training pieces and met people. But if there is no such option, you need to have a local representative; it is an important role. Otherwise, I would say it can be almost impossible. Or then we can start talking about the luck you asked about before. But it is uncertain."

As the study of Velt and others (2018b, 129) argues, the entrepreneurs' social capital can be considered more critical than the network capital. The study states that the networks are vital for start-up development in the validation stage. However, when a firm is in a growth phase, more assets will be required, and they will start leaning more on inter-organisational networks, which helps them find the needed resources. When it comes to selecting the countries where to internationalise, the psychic distance defined by the Uppsala model plays a role. Three of the interviewees mentioned that they feel *more comfortable internationalising to the countries where especially the business culture is closer to the one in their home country*. In addition, when it comes to selecting the countries where to internationalise, the entrepreneurs' own international orientation and interests may play a role, especially when selecting the first countries. However, not all the interviewees claimed this has any role but they further emphasised selecting the countries based on other essential factors.

> "Estonia was such that there is energy. I like to work with people with energy, and there are fewer challenges and more opportunities. Or there are challenges, but no problems in the same way. They go forward, sometimes in a bit naïve way, sometimes without excess complexity. Both. I noticed the energy even when visiting there. It was the biggest reason to establish a business there. Other decisions about expanding to different countries were made in a more analytical way. Less what I want and more what would be beneficial for the firm. But yes, Estonia has been a good school, and it has shaped my thinking, and I feel it is my second home in a way. […] There are lots of friends and others. It is also that the culture is very close to Finland. If you compare to southern European countries or such, for instance."

In general, what connected all the interviewees was the need for *freedom of development*. They all stated that *acquiring the freedom to do the things in the way that they want* was one of the most critical factors in starting as an entrepreneur—excessive control or not having room to develop were seen as factors leading to frustration. When it comes to the role of home country incentives, three of the entrepreneurs were firmly for the state support, whereas one entrepreneur from Estonia stated that the firms have to be able to find their ways to success without state aid. His attitude towards aid was very unfavourable, and he mentioned that state support might be something that helps firms with a poor business plan stay alive without a real reason. However, he also noted that as a default, the favourable taxation in Estonia is itself encouraging to the firms and needed.

> "The support is not important. This is capitalism, and the system should work by itself. If it does not work by itself, no one should do this. There is a lot of 'resuscitation' given to concepts that should not be done in the first place."

The Finnish interviewees both found the home country incentives essential and necessary to support the internationalisation activities of the firms. The interviewees of this study also discussed the differences in mentalities they have noticed between the entrepreneurs in their own country compared to the entrepreneurs in other countries. It was said that the Finnish mentality would probably need a bit more encouragement to target international. That can also be seen as being connected to the need for state incentives. In general, it has been argued that when the entrepreneur has a strong acumen of one's capabilities for international business, it is more likely that they will take steps towards new markets. As mentioned by Calof and Beamish (1995, 117), the business literature and theory both recognise the significance of a decision-maker attitude in deciding whether or not the SME will target international markets, as well as in selecting the foreign entry mode.

> "I find many Finnish having a point, a kind of mentality (in Finnish: "härmäläinen mentaliteetti") that I do not want, we are not interested, we can stay here as well. If we compare other countries, even the employees move a lot more between the countries. At least when observing certain things in the technical field. Or sectors. People are not really encouraged to go and do […] But in different sectors, the encouragement can be totally different, of course. I just do not have experience with that."

The themes listed above were reflected in the main internationalisation theories and the theory regarding attitudes by Eagly and Chaiken (1993). In general, the domains ruling the detected attitudes in the study mostly fell within the 'behaviour' and 'cognition' domain. As mentioned by Fabrigar and others (2005, 101), the ruling of the 'cognitive' domain can be explained by the aspect that firm internationalisation can be said to be 'cognitively based' in its nature. Including the aspect that attitudes are activated deliberately and consciously. A smaller amount of attitudes fit the 'affective' domain, which can be explained by the nature of them being unmediated by thinking. (Fabrigar, MacDonald and Wegener, 2005, 101.) The interview process itself could also invite cognitive rather than emotional responses.

4.3.2 The main social and cognitive biases and internationalisation

The second research question was about the main social and cognitive biases influencing the likeliness to internationalise in different countries. The central theme here was psycho-cognitive biases. Entrepreneur cognitive bias may drive poor decision-making and put the firm at risk of failure. Therefore, it would be essential to pay attention to the biases and take the necessary steps to correct them. The key to avoiding most biases can lie in a logic-based decision-making process. The psycho-cognitive biases discussed in this study were the overconfidence bias, the fundamental attribution error, the confirmation bias, the sunk-cost fallacy, the planning fallacy, the status quo bias and the hindsight bias. Those were the biases that this study primarily aimed at recognising, in addition to the social biases.

As Kahneman (2011, 262) argues, overconfidence is the most significant of the cognitive biases. Hietschold and Voegtlin (2021) mention that it is also the most researched cognitive bias in entrepreneurship. Even though this bias brings the drive for growth, it can at the same time be perilous because it is about greater subjective confidence than factual accuracy and may lead entrepreneurs to engage in risky decision-making behaviours. It has also been argued that entrepreneurs would be more tend to demonstrate overconfidence. That was backed up by stating that the entrepreneurs constantly face circumstances where significant losses and potential gains are present. Therefore, the entrepreneurs are considered not to be overwhelmed by their challenges. (Hietschold and Voegtlin, 2021, 4.) This study shows that the correlation with more risky decisions is clear. Therefore, the somewhat brave attitude in taking risks by the entrepreneurs in Estonia might require them especially to be aware of the existence of overconfidence bias.

The second one of the biases, the fundamental attribution error, was not recognised among the interviewees. None of them demonstrated attributional judgments related to their performance by, for instance, externalising the problems. All of them were more about analysing the different situations and why a particular country, for instance, could not be conquered. They were analytical when reviewing the difficulties that covid-19 had caused to their businesses and when the problems had been caused by the lack of local expertise in their internationalisation endeavours. The third one was the confirmation bias, which is about interpreting the information in a way to confirm ready preconceptions. Finding information to confirm pre-existing beliefs could be critical as it would lead to ignoring some critical information. (Kahneman, 2011, 81.) Again, it can be argued that all the interviewees emphasised the importance of seeing the situations as they are and being open to learning more. Neither was the sunk-cost fallacy detected among the interviewees. None of them had an attitude where they would refuse to quit some operations because they have seen a lot of effort for things already. (Kahneman, 2011, 345-346.) Vice versa, there were examples of the entrepreneur deciding not to progress further, even if a lot of effort had been already wasted in the internationalising to a particular country. When there were clear indications that either the market was not a good match for the firm or that the firm was not ready to take the further steps needed, the decision not to enter was clear and based on the surrounding facts.

The planning fallacy is something that could cause underestimating the time or resources required to create something or complete a particular task. (Kahneman, 2011, 325.) This bias was recognised when one of the interviewees mentioned that she had taken a task to complete a two-month restaurant project in ten days. This fallacy is dangerous in case the available resources prevent achieving a critical goal. That might cause damage to the reputation of the company or lead the company into financial difficulties. In this study, the planning fallacy can be detected going hand in hand with overconfidence bias, leading to somewhat risky decision-making.

Another bias which was detected among the interviewees was the status quo bias. This bias is about willingness to retain the current state and rather fight to prevent losses than achieve gains. (Kahneman, 2011, 305.) In this study, the entrepreneurs more prone to this bias were both entrepreneurs from Finland. They both had a relatively secure situation in the Finnish market, which led them to express that no additional internationalising attempts were coming in the near future. Both of them had experience in internationalising activities, and one of them is currently active in international operations. Additionally, they both had a positive attitude towards internationalising. The danger of this bias is to be stuck in the present, and in that way, miss the opportunities and possible growth. The last one of the main cognitive biases was the hindsight bias causing one not to analyse past events and rely only on one's interpretation. The danger of this bias would be that it might lead to assessing the decision quality not by the process but by result hindering the ability to learn from the experience. (Kahneman, 2011, 203.) None of the interviewees demonstrated this bias in their responses to the interview questions. They were all analytical when discussing the attempts to internationalise or take other new steps.

The interviewees also brought out ways to overcome the possible cognitive biases through discussions. The importance of discussions with trusted and objective parties in unbiased decision-making was claimed to be necessary. The importance of such discussions was raised especially by two of the interviewees who stated how objective discussions and critical thinking from outside could improve the decision-making. It has been noted that the decision-making of entrepreneurs operating in an uncertain and complex environment is especially suffering from cognitive biases. That is caused by the circumstances where one is forced to make decisions without sufficient information regarding, for instance, the history or the market. (Zhang and Cueto, 2017, 421).

It has been mentioned that entrepreneurs unintentionally tend to simplify the processing of information. They aim to minimise uncertainty because deliberate and comprehensive decision-making is often impossible. The biases inevitably have an impact on subjective consideration. That in part plays a role in how entrepreneurs see the opportunities around them and whether they proceed towards them or not. (Hietschold and Voegtlin, 2021, 3-4.) Here it should be mentioned that even though cognitive biases may cause wrong conclusions and bad decision-making, the role of the biases can also be positive and have even been essential for human survival. For instance, the optimistic bias may have helped people keep trying even though the odds of success would have been minimal. (Kahneman, 2011, 256-257.)

This study also considered the social biases that the entrepreneurs might possess. There were some slight indications of the outgroup homogeneity bias which refers to seeing other people than own coequals as relatively homogenous (Ellis, 2018, 19). However, these indications were not very clear and their role in internationalisation was minuscule. One of the biases was related to the selection of the countries where to internationalise. A positive bias of a Finnish interviewee was that Estonia is energetic and offers good environment to do business. This was the most unambiguous of the social biases. He stated that the culture is more eager and fast in making decisions. On the other hand, he also generalised that sometimes the decisions in Estonia are pushed too fast and without thorough consideration and a sense of proportion. On the contrary, both Finnish interviewees interestingly stated that Finnish people do not have the best mentality for internationalisation. It was mentioned that sales skills should be improved and the attitude of “we can stay here” should be changed to see more opportunities abroad.

The primary negative bias was related to the countries where the business culture is far from the one in the home country. The interviewees told about their negative experiences in the countries and generalised corruption or poor business culture. Even though those acknowledgements of the given markets may have helped the firms prevent significant losses, it would be essential to follow up on the situations eagerly and be ready to reconsider the conditions. As one of the interviewees stated, the thorough evaluation of the changes in the countries' economies may help recognise new internationalising opportunities for the firms. As mentioned before in this study, the social reality of each of us is affected by our own cognitive biases. It is essential to acknowledge that none of us is immune to them; therefore, entrepreneurs must be aware of the biases and prejudices that may be present in their minds, sometimes hindering rational and data-based decision-making.

4.4 Limitations of the study and practical implications

The author notes that the quality of this study could have been improved further by adding a quantitative part to the research or by increasing the number of samples. This would have clarified the results and added further credibility. For now, a small number of samples was studied. Moreover, it is popular to use the Likert Scale and quantitative methods to measure attitudes (e.g. Joshi et al., 2015). Sampling in general has been recognised as an issue in qualitative research, even though some authors have claimed the number of samples is of not that high importance in a qualitative study (Renzi and Klobas, 2008, 18). Even though this paper does not aim to present any general indications, it cannot be ruled out that the results of this study may indicate the opinion of a bigger group of entrepreneurs. The role of this research is merely to act as a proposal for future studies in the same field.

Another limitation of the study is that the author could not test the credibility of the transcripts by discussing them separately shortly with each interviewee. Discussions would have confirmed that the themes the author captured were the most significant ones. Giving such an opportunity to the respondents would have also clarified the connection between themes to the author. Confirming the identified themes would have helped the author define the commonalities in stories as more credible. It is a known issue in qualitative research that people's narrated stories are inherently multi-layered and ambiguous. Stories always present a subjective and individual perspective on the topic. It should also be mentioned here that even though the author paid attention to trying to prevent her own potential ideas or biases from having any impact, there is always a possibility that the author has interpreted the results from her perspective.

4.5 Suggestions for future research

As Sommer (2010, 312) suggests, it is advantageous to continue investigating and examining the relationship between the psycho-cognitive characteristics of entrepreneurs connected to the firm internationalisation as the simple resource-based approaches are only one pillar of the entity. It would be essential to understand the underlying factors having an impact on the entrepreneurs’ decision-making and the firm internationalisation. In some smaller markets, firm internationalisation is crucial for its growth and survival. One of the themes that could be investigated further would be the role of entrepreneur social biases especially connected to the selection of the countries where to internationalise. It would be interesting to see whether the link between those would be substantial. Also, a comparison between a more significant number of entrepreneurs from different countries could be made. Also, as mentioned in the study’s limitations, it would be recommended to conduct a similar study in the field by using a mixed research method. A quantitative study could be set to acquire more generalisable information based on interviews. The main difference between the attitudes of entrepreneurs in Finland and Estonia was the attitude towards risk-taking. It could be seen to be linked to the likeliness to internationalise as well. It would be an interesting research topic to further understand the differences between the attitudes between the countries. Here a larger group of entrepreneurs from several countries could be studied.

5 Conclusions

As people, our attitudes and biases inevitably form the way how we interpret the world. Recognising such underlying factors and their impact on decision-making can be considered essential also when it comes to understanding barriers to successful internationalisation. This study aimed to identify entrepreneurs' attitudes and possible psycho-cognitive and social biases and understand how they impact judgements relating to internationalisation. As the study was conducted among entrepreneurs in Finland and Estonia, it also considered the differences in attitudes between those countries. The study was conducted as a qualitative study with semi-structured interviews, and a total of four entrepreneurs were interviewed. The limited number of interviews is considered the main limitation of this study. Furthermore, adding a quantitative part to the study could have provided more insight and improved the results further.

The forms of internationalisation were studied based on the main internationalisation theories including, for instance, the Uppsala model. In addition, the attitudes were analysed based on the theory of Eagly and Chaiken (1993) where an attitude is seen as a person's tendency to evaluate the nature of objects in a somewhat favourable or unfavourable way. Additionally, as it has been mentioned that such assessment is usually expressed as a cognitive (cognitive), emotional (affective) or behavioural (conative) response, the study recognised the ways how the attitudes were expressed. The theory of planned behaviour (TPB) was reflected in the background. Moreover, Tversky and Kahneman's theory of cognitive biases was used. The theories were selected as they can be considered classical theories of the internationalisation of firms and social psychology.

The entrepreneurs in both countries considered the overall market situation and competition as the most defining factors in whether or not to internationalise. As both countries are relatively small, the entrepreneurs found that in order to grow bigger, internationalisation is needed. Both interviewees in Estonia considered that internationalising is the only way to go. In contrast, the entrepreneurs in Finland seemed to think more that when the situation in the home market is still good, there is no point in putting too much effort into internationalising. The Estonian market is even smaller than the Finnish one, which can play a role here. Furthermore, the field of business has an impact on internationalisation. When producing a niche product, the internationalisation is considered crucial, whereas operating in the market where the firm is developing a new concept of service or where there is still a lot of demand at the home market for other reasons, the internationalisation is not considered as crucial.

When it comes to the selection of countries where to internationalise, the respondents in both countries found that internationalisation in the countries with lower psychic distance is more accessible, as defined by the Uppsala model. Additionally, they found that the networks play a crucial role, especially in the initial internationalisation phase. The main difference in the attitudes of the entrepreneurs in Finland and Estonia was the willingness for risk-taking. The entrepreneurs in Estonia were highly in favour of risk-taking, and they emphasised the role of risks in firm growth. In contrast, the entrepreneurs in Finland emphasised analytical decision-making as a basis for everything. In both countries, the entrepreneurs considered the freedom to develop themselves as the primary motivation to have started the entrepreneurial journey in the first place.

The study confirms that even though the entrepreneurs' international orientation does not necessarily play a role in internationalisation decisions, it might impact how the entrepreneur sees the international environment in general and how comfortable they feel with the internationalisation activities. When considering the countries where to internationalise, the entrepreneur's own experiences might play a role in which country to start the internationalisation journey. Attitudinal variables seem to have role in defining the probability for international entrepreneurship. Moreover, this study detected three main biases among the interviewed entrepreneurs. The detected biases were the overconfidence bias, the planning fallacy and the status quo bias. All of these biases affect internationalisation operations. The overconfidence bias and the planning fallacy were detected among the entrepreneurs in Estonia, whereas the status quo bias among the entrepreneurs in Finland. The overconfidence and planning fallacy may lead the entrepreneur to engage in risky decision-making, underestimate the needed resources and fail to execute. The status quo bias may lead the firm to stay still and miss the possible opportunities. It is also important to note that the entrepreneurs should ruminate about their social biases to prevent missing opportunities in the countries or areas where they may have preconceptions.

As practical managerial implications, the study encourages the entrepreneurs in both countries to acknowledge the underlying attitudes and possible biases impacting their decision-making. Acknowledging attitudes and biases may have an essential role in the firm's operations, internationalisation, and growth. It is also advantageous both in the initial phases of internationalisation and in the phase when already operating in different countries to understand the entrepreneur characteristics in other countries. The main recommendation for further future research would be to investigate the attitude towards risk-taking and its impact on the likeliness to internationalise between the given countries or even between a bigger group of countries. Furthermore, it could be advantageous to study the role of social biases in selecting the countries where to internationalise.

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