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# Exploring the role of diversity management during early internationalizing firms' internationalization process

#### Abstract

Despite their rapid internationalization, early internationalizing firms (EIFs) struggle to sustain their growth over time. Among the factors influencing their internationalization process, the diversity of human resources, and particularly its management, has yet to be studied. Building on different perspectives of diversity management, through the lens of the resource-based view, this study explores the role of diversity management during EIFs' internationalization process. The results of a multiple-case, qualitative study of French EIFs show that prevailing perspectives on diversity management within EIFs change with the nature of diversity as a resource (strategic, ordinary, or negative), with different influences on the firms' progress along the phases of the internationalization process. The findings highlight the importance of adopting a learning perspective on managing diversity, including specific management practices, during the transition between the entry and postentry phases of EIFs' internationalization process. This study thus suggests several propositions and theoretical contributions, along with managerial recommendations.

Keywords: early internationalizing firms; diversity management; resource-based view; internationalization

process

#### **Declaration:**

Not applicable.

# 1. INTRODUCTION

Early internationalizing firms (EIFs) (Rialp et al. 2005; Romanello and Chiarvesio 2019), such as international new ventures (McDougall 1989) or born globals (Rennie 1993), distinguish themselves by their ability to internationalize early and grow, signaling a potential performance advantage (Knight and Cavusgil 2005; Knight et al. 2004; Oviatt and McDougall 2005). This potential is broadly relevant, because it would benefit both the EIFs and society if these small firms consistently progressed through internationalization and grew larger in a sustainable way (Oxtorp 2014). Instead though, EIFs display poor survival rates (Khan and Lew 2018; Meschi et al. 2017) and diminishing performance over time (Almor et al. 2014), which raises questions about how they truly progress along the internationalization process and how they might sustain their growth in the long term (García-Lillo et al. 2017; Øyna and Alon 2018; Romanello and Chiarvesio 2017).

Their progress may depend on various factors that evolve over time (Efrat and Shoham 2012; Hagen and Zucchella 2014). One such factor reflects the strategic influence of human resource diversity, defined as "the distribution of differences among the members of a unit with respect to a common attribute" (Harrison and Klein 2007, p. 1200). According to Shen et al. (2009), rapid internationalization can increase the significance of workforce diversity. In turn, the strategic implications of diversity for EIFs have ben introduced in prior international entrepreneurship literature (Fletcher and Harris 2012; Kumar 2012; Welbourne and De Cieri 2001), in studies that imply that different types of human resource diversity (e.g., cultural or national origin, gender, experience, knowledge) could expand EIFs' resource and knowledge bases (Loane et al. 2007; Romanello and Chiarvesio 2017). Such firms often suffer liabilities of foreignness and newness (Evers and O'Gorman 2011; Fernhaber 2013), so diversity may be especially relevant for them. Studies of larger firms' internationalization also explore a potential strategic role of diversity (De Jong and van Houten 2014; Rivas 2012).

Although both these lines of research are informative, they feature two key limitations. First, they tend to prioritize the positive effects of diversity. Cox and Blake (1991) cite competitive advantages for diverse firms, but subsequent contributions (Joshi and Roh 2009) note not just positive effects of diversity (Cox and Blake 1991; Shore et al. 2009) but also neutral implications (Jehn and Bezrukova 2004) or negative performance outcomes (Jackson and Joshi 2004; Williams and O'Reilly 1998). Second, extant research addresses the attributes of diversity, not its management (Jehn, Northcraft and Neale 1999; Mannix and Neale 2005). A separate research stream has established though that it is diversity management in particular that matters, not diversity alone. In this field of research, studies have established that diversity management spans a continuum of perspectives, from total ignorance about diversity issues to recognition of diversity as a source of value creation (Dass and Parker 1999; Lorbiecki 2011; Thomas and Ely 1996). Such insights also imply that diversity management can explain heterogeneous firm performance (Podsiadlowski et al. 2013), in line with the resourcebased view (RBV) of the firm (Barney 1991; Wernerfelt 1984). According to this theory, firms create competitive advantages by "developing, combining, and effectively deploying its physical, human, and organizational resources in ways that add unique value and are difficult for competitors to imitate" (Colbert 2004, p. 343). By integrating these theoretical foundations, the current study aims to explore how diversity management influences the progress of early internationalizing firms through their internationalization process.

Accordingly, this research adopts a processual approach to EIFs' internationalization, which occurs in phases (Gabrielsson et al. 2014; Trudgen and Freeman 2014). Despite a lack of standard consensus about specific phases, existing conceptualizations tend to represent the process as evolving from concept generation to sustainable growth. Sustained growth in the long run is the goal, even if there is no ultimate end to the process, and a key issue is determining how to reach that goal. The intuition and impetus for this study predicts that diversity management could be a decisive factor. To establish the potential role of diversity management, this study explores multiple perspectives on diversity management, across internationalization phases, and the effects on EIFs' progress in reaching the next phases. The exploratory qualitative analysis of eight EIFs at different phases of their internationalization process thus relies on different perspectives on diversity management (Jonsen and Schneider 2011; Podsiadlowski et al. 2013). Most previous research addresses either individual- or team-level diversity (Jonsen and Schneider 2011); the current effort focuses on diversity at an organizational level, to account for different diversity attributes that likely inform internationalization, such as cultural and national origin, experience, knowledge, and gender (Parrotta et al. 2016; Richard et al. 2004). The sample of eight firms reflects the data saturation point (Yin 2003), consistent with extant qualitative research (Ji et al. 2019).

In addition to undertaking the first effort to link international entrepreneurship and diversity management literature, this article offers three propositions, detailing the role of diversity management during EIFs' internationalization process. First, EIFs progress differently along the internationalization process, depending on the diversity management perspectives they adopt. Resistance, access and legitimacy, and learning perspectives all can alter the nature of the diversity, which might become a negative, ordinary, or strategic resource for advancing the internationalization process. This view of diversity as a nuanced resource helps extend diversity management literature and RBV theory, by suggesting another way to look at resource heterogeneity, through the lens of diversity management. Second, the learning perspective can help EIFs progress along their internationalization process, notably by allowing them to overcome the transition between entry and post-entry phases. In confirming the importance of this transition phase, this study contributes to research devoted to EIFs'

internationalization processes. Third, this investigation reveals a boundary condition, required for firms to benefit from a learning perspective. That is, they must combine a positive view of diversity with a proactive strategy, featuring practices that are embedded in both diversity programs and general management. Along with these propositions for theory, this study offers useful managerial recommendations for EIF managers, public authorities, and international support services, highlighting the need to manage diversity, along with suggestions for how and when.

#### 2. LITERATURE REVIEW

#### 2.1. EIFs' internationalization process

The field of international entrepreneurship, recognized as a distinct research field (Baier-Fuentes et al. 2019; Øyna and Alon 2018; Peiris et al. 2012; Servantie et al. 2016), provides various conceptualizations for the internationalization process undertaken by rapid, early internationalizing firms (Gabrielsson et al. 2014; Pellegrino and McNaughton 2015; Trudgen and Freeman 2014), so a proliferation of definitions exists (Servantie 2007). For this study, the similarities among EIFs are more relevant than their differences (Rialp et al. 2005; Zander et al. 2015). Rather than address fragmented views, this study defines any firm that expands internationally within three years of its inception, through any entry mode, as an EIF (Zucchella et al. 2007).

As prior empirical studies suggest, the internationalization process comprises various phases (Dominguez and Mayrhofer 2017; Gabrielsson et al. 2008, 2014; Trudgen and Freeman 2014). For EIFs though, those phases differ fundamentally from those displayed by traditional international firms, as described by various stages models (Coviello and McAuley 1999; Hashai and Almor 2004; Kocak and Abimbola 2009). For example, the Uppsala internationalization model (Johanson and Vahlne 1977, 2009) predicts that firms internationalize only after they have established a presence within their domestic market, using a gradual process in which they focus first on proximal countries. Innovation-related models (Bilkey and Tesar 1977; Cavusgil 1980) instead predict that internationalization is an innovation and insist that "the slowness of its process is due to management's aversion to risk taking and its inability to acquire market knowledge efficiently" (Knight et al. 2004, p. 646). But EIFs contradict both models. They are characterized by the speed of their internationalization (Madsen 2013), which occurs at or shortly after their inception, sometimes even before they sell products or services within their domestic market (Bloodgood et al. 1996). Furthermore, studies have highlighted unique traits of EIFs, such as their propensity to take risk (Khan and Lew 2018; Kiss et al. 2013; Zhou et al. 2010) and previous international experience by their entrepreneurs (Baum et al. 2015; Cannone et al. 2014; Laanti et al. 2007).

In a popular model, Gabrielsson et al. (2008) propose three growth phases (introductory, growth, and resource accumulation), followed by a break-out phase. Other models include a pre-venture phase (e.g., Rialp-Criado et al. 2010). In their empirical research, Pellegrino and McNaughton (2015) also derive three phases: preinternationalization, early internationalization, and later internationalization. Although various models propose different phases, they all generally reflect a three-way evolution, from concept generation to sustainable growth in the long run. As a useful complement, another view proposes a transition or turning point between the entry and the post-entry phases (Romanello and Chiarvesio 2017; Turcan and Juho 2014). In this transition, EIFs may have "perceived the need to invest in different resources to support their competitiveness and laid the foundations to reach initial survival and set up sustainable growth" (Romanello and Chiarvesio 2017, p. 200), so they likely expand their resources to complement or replace the existing entrepreneurs to ensure the completion of new, specific tasks. Human resources are critical in this transition, which implies a potential role of human resource diversity. Therefore, the current exploratory study adopts the four-phase model by Romanello and Chiarvesio (2017), which comprises key features from other models and also a transition phase (Table 1).

Pre-founding phase and start-up period	Shaped by the entrepreneur's experiences, expertise, and skills, EIFs recognize international opportunities and conceive of products with global market potential. Clear intentions to internationalize exist from the start.
Entry stage and early internationalization phase	The EIFs enter their first foreign markets but suffer resource shortfalls and thus rely on networks for necessary resources.
Transition from entry to post-entry phase	The EIFs' foreign market portfolios increase to the extent that they begin to struggle with organizational problems, such as an inability to fill orders or hire sufficient human resources. Entrepreneurs need to restructure the firm and achieve a shift in resources and competences, representing a notable turning point.
Post-entry phase	Firms seek to sustain long-term growth. They have committed to many foreign markets, and their growth is dominated by international sales. Their international scope continues to increase as they mature.

Table 1 EIFs' internationalization process, according to Romanello and Chiarvesio (2017).

#### 2.2. Diversity as a critical factor for EIFs' internationalization

An important stream of literature seeks explanatory factors for the EIF internationalization process (Jiang et al. 2020; Keupp and Gassmann 2009; Romanello and Chiarvesio 2019). The factors that influence EIFs' internationalization processes likely evolve over time and along phases, which indicates the need to observe these factors carefully, according to those phases (Romanello and Chiarvesio 2019). Mohammed and Angell (2004) assert specifically that different attributes of diversity become important at different stages of a firm's development. Managing diversity also can be described as a process, aimed at "creating and maintaining an environment that naturally allows all individuals to reach their full potential in pursuit of organizational objectives" (D'Netto and Sohal 1999, p. 531). Moreover, diversity is a polymorph concept, comprised of various attributes (Mannix and Neale 2005), though surface- and deep-level forms can be distinguished according to the extent of visibility (Milliken and Martins 1996; Shore et al. 2009; Williams and O'Reilly 1998). That is, surface-level diversity includes visible attributes such as age, gender, cultural and national origin, or a physical disability, which usually are immediately observable. Deep-level diversity instead entails invisible attributes, such as attitudes, experiences, beliefs, education, or knowledge, which can be perceived only through complex verbal and non-verbal interactions.

As noted, prior research establishes positive (Cox and Blake 1991; Shore et al. 2009), neutral (Jehn and Bezrukova 2004), and negative (Jackson and Joshi 2004; Williams and O'Reilly 1998) influences of diversity on firm performance. In international management research, some studies suggest unique effects of specific diversity attributes, but they predict generally positive effects for multinational firms (Athanassiou and Roth 2006; De Jong and van Houten 2014; Mohr and Shoobridge 2011; Parrotta et al. 2016; Rivas 2012), particularly if the attributes refer to diverse management teams (Gong 2006; Kaczmarek and Ruigrok 2013) or diversity defined by cultural or national origins (Bachmann 2006; Maloney and Zellmer-Bruhn 2006).

International entrepreneurship studies also indicate that the diversity of a founding team can help a firm identify sustainable, high growth business ideas and broaden its networks (Hagen and Zucchella 2014; Loane et al. 2007; Sasi and Arenius 2008). At the organizational level, EIFs may seek to complement their existing

resource and knowledge bases, following entry or early internationalization periods, by recruiting new team members with relevant experience, knowledge, and skills (Fletcher and Harris 2012; Kumar 2012). Diversity thus might enhance a firm's chances of survival (Khan and Lew 2018; Welbourne and De Cieri 2001). However, such claims have been contested by studies that cite the difficulties that internationalized firms face in their diversity management practices (Lauring 2013), because diversity is not inherently a source of improvement (Jehn, Northcraft and Neale 1999). Thus, research is needed to identify the role of diversity management and the associated difficulties during internationalization processes.

#### 2.3. Diversity management and the RBV

Two perspectives on diversity management appeared in early diversity management literature, as the apparent drivers of most diversity endeavors: discrimination-and-fairness and access-and-legitimacy views (Thomas and Ely 1996). The former recognizes that diversity and differences cause problems, notably for minority actors. Firms adopting this approach aim to protect individual members of specific groups or minorities by employing a defensive strategy (e.g., positive discrimination practices). The latter perspective instead predicts that diversity and differences create opportunities, so the focus is on considering and celebrating all differences. More precisely, it predicts that more diverse employees help the firm match the demographic characteristics of its different markets (Lorbiecki 2011; Thomas and Ely 1996), so firms should adopt an accommodative strategic approach to diversity. Thomas and Ely (1996) also propose a third perspective, learning-and-effectiveness, that recognizes that differences and similarities offer opportunities but also impose costs. An appropriate, proactive strategic response thus should include a multitude of related practices by which "managing diversity lets the organization internalize differences among employees so that it learns and grows because of them" (Thomas and Ely 1996, p. 86). Furthermore, Dass and Parker (1999) include a resistance perspective, according to which diversity is either a non-issue or a threat, so firms' objective should be to sustain homogeneity. In this view, the firm's reactive strategic response is characterized by denial, avoidance, defiance, or manipulation. For example, it might deflect organizational changes seeking diversity by citing inefficacy or costs, even if the real motives reflect stakeholders' preference to sustain homogeneity.

According to Podsiadlowski et al. (2013), the organization's perspective on diversity management determines the influence of its diversity. Therefore, various diversity management perspectives may affect differently firms' performance (Jonsen and Schneider 2011), including EIFs' internationalization processes. Because Dass and Parker's (1999) typology encompasses all the previously introduced perspectives on diversity management, it informs this study. In particular, by including a pessimistic vision on diversity, largely neglected in previous research, their typology explicitly enables considerations of the lack of consensus on the role of diversity management. According to Singh and Point (2004, p. 298), Dass and Parker's typology, and notably its inclusion of a learning perspective, reflects the RBV, "in that the value of people, human capital, can be enhanced by cultural and demographic diversity to provide sustainable and non-imitable advantage in an increasingly complex and competitive world." In this sense, diversity is an untapped resource, similar to Richard's (2000) argument that diversity should be considered an organizational resource.

A reconsideration of Dass and Parker's (1999) typology of diversity management, through an RBV lens, can help clarify how diversity management, in its different forms, might positively or negatively influence EIFs' internationalization process. Going further, it could reveal specifically how diversity management influences diversity as a resource (Richard 2000) and thereby establish how EIFs might mobilize their human resources to

progress along the phases of the internationalization process. In support of this approach, Nkomo et al. (2019, p. 502) refer to the RBV as one of the relevant "theoretical lenses for explaining the relationship between diversity and organizational performance." Notably, it prioritizes resources, the "tangible and intangible assets firms use to conceive of and implement their strategies" (Barney and Arikan 2001, p. 134), and acknowledges the role of resource management, which arguably may include diversity management (Barney and Clark 2007; Colbert 2004). Depending on how it is managed, diversity can be a strategic resource that enables "a firm to efficiently and effectively develop and implement a strategy that, in turn, generates superior performance" (Barney and Arikan 2001, p. 143). As Holcomb et al. (2009) demonstrate, managers and resources jointly determine a firm's success, because managerial ability influences how they use or synchronize resources. It may provide the firm with a broader range of resources, such as knowledge or experience; expand perspectives; facilitate problemsolving processes; support greater decision quality; or increase creativity and innovation within the firm (Cox and Blake 1991; Hoffman 1959; Shore et al. 2009). In addition, the RBV suggests diversity can be an ordinary or negative resource, with the potential to generate negative outcomes (Mannix and Neale 2005; Williams and O'Reilly 1998). These negative effects might include a lack of social integration, low satisfaction rates, increased conflicts, and increased absenteeism or turnover (Haas and Shimada 2010; Mannix and Neale 2005; Williams and O'Reilly 1998). Diversity management practices-such as mandatory or voluntary diversity training, recruitment tests, quotas, mentoring, self-managed teams, diversity task forces, positive discrimination during recruitment, grievance systems, cross-training, or a diversity manager position (Dobbin and Kalev 2016)-provide evidence of managers' opinions of diversity (Yang and Konrad 2011). Therefore, Janssens and Steyaert (2019) argue that such practices should be included in any study of diversity-related phenomena. Finally, despite being criticized for being somewhat static, the RBV can adapt to processual analyses, because it "began as a dynamic approach emphasizing change over time" (Priem and Butler 2001, p. 33).

This review of both international entrepreneurship and diversity management literature reveals three key insights about the role of diversity management in EIFs' internationalization processes, which in turn helps address the central question underlying the current research: How does diversity management influence the progress of EIFs throughout their internationalization process? First, to evaluate the progress of EIFs during their internationalization process, it is necessary to establish that the process consists of and can be analyzed in stages (Gabrielsson et al. 2008, 2014; Trudgen and Freeman 2014). Among the different models that capture EIFs' internationalization process, Romanello and Chiarvesio's (2017) is beneficial, because it includes key features from other models, as well as a transition phase toward sustainable growth. More research is needed to understand this transition phase, especially in relation to human resources (Romanello and Chiarvesio 2017; Turcan and Juho 2014). Second, anchoring this research in the RBT provides a justification for including diversity as a resource that might have strategic, ordinary, or negative effects on EIFs' progress through their internationalization process, depending on its management (Jehn, Northcraft and Neale 1999). Third, to understand the role of diversity management and determine whether the firm considers and uses diversity as a strategic, ordinary, or negative resource, prior literature suggests that different perspectives on diversity management can affect EIFs' internationalization process in various ways (Dass and Parker, 1999; Singh and Point, 2004; Podsiadlowski et al., 2013), yet no study has taken up this question explicitly. To account for a continuum of perspectives on diversity management, this study adopts Dass and Parker's (1999) typology.

#### **3. METHODOLOGY**

The exploratory research design relies on a multiple case study, with eight French EIFs (Table 2). This qualitative method provides rich data and material, which can produce novel theoretical insights (Cuervo-Cazurra et al. 2016). Multiple case studies provide the depth and breadth necessary to explore EIF internationalization processes over time (Eisenhardt 1989), as well as focus on the role of diversity management in this process. Qualitative methods also are better suited to addressing how and why questions than quantitative methods (Yin 2003). In line with prevalent approaches (Eisenhardt 1989; Yin 2003), this study adopts a positivistic case study approach, which favors a design logic (Yin 2003) and ensures the exploration is anchored in existing literature, to answer a specific research question (Piekkari et al. 2009). With this research design, each case can be leveraged to confront the data gathered from the other cases, while also identifying supplementary facets of the studied phenomena (Eisenhardt 1991).

#### 3.1. Sample

The research was conducted in France, in the Auvergne-Rhône-Alpes region, which ranks first in the country as an industrial area and second in the number of exporting firms (CCI 2019). This region represents 12.5% of French exports (CCI 2019) and hosts 14% of French "high-growing" enterprises (BPI France 2018). Due to profound social shifts, including the feminization of the labor market, increasing inclusion of people with migrant backgrounds, and aging populations, diversity has become a topic of growing importance for French firms (European Social Fund 2017). Its 2004 "Diversity Charter,"<sup>1</sup> the first worldwide, and the 2008 creation of the "Diversity Label"<sup>2</sup> demonstrate its increasing importance for France.

A partnership with a regional agency that supports French firms provided access to a regional database of every firm of the region. Thus, a sample of EIFs could be identified; to ensure they met the selection criteria, any missing information (e.g., inception date, year of first internationalization) was obtained from the firms' websites or public online information. Reflecting the research focus on EIFs, firms that went international in the three-year period following their creation, through export or any other entry mode, were included in the potential sample (Rialp et al. 2005; Zucchella et al. 2007). The ventures also had to be independent enterprises, with fewer than 250 employees, that earned less than 50 million euro in annual turnover (European Commission 2003). To capture evolving diversity management efforts throughout the internationalization process and collect detailed insights about the different phases (Jones et al. 2011), the sample included both young and more established ventures, such that the firms' ages ranged from 2.5 to 19 years at the time of the interviews. The data collection process lasted four months and stopped with eight firms, which represented a saturation point (see Table 2 for sample characteristics).

EIF	Founding	First Internationalization	Sectors	Employees	International Sales/Total Revenue
Α	2000	2000	Development and sale of	56	90%
			molding technologies		
B	2003	2003	Media representation	15	60%
С	2008	2010	Wholesale clothing and	64	65%

Table 2 Sample characteristics

<sup>&</sup>lt;sup>1</sup> See <u>https://www.charte-diversite.com/</u>

<sup>&</sup>lt;sup>2</sup> See <u>https://travail-emploi.gouv.fr/emploi/label-diversite</u>

			footwear		
D	2008	2010	Wholesale pharmaceutical	5	10%
			goods		
E	2009	2012	Development and sale of	11	53%
			electric field and temperature		
			measurement technologies		
F	2011	2014	Development and sale of laser	11	36%
			marking and micromachining		
			technologies		
G	2016	2017	Development and sale of	12	n.a.
			sensor networks for		
			infrastructures		
Н	2016	2018	Computer programming	25	n.a.
			activities		

Eisenhardt (1989) asserts that seven cases is the maximum a person can mentally process, though Yin (2003) recommends continuing data collection efforts until saturation is attained. According to Ji et al. (2019), in the international entrepreneurship field, most qualitative studies feature between four and ten cases. An exploratory study also should rely on purposeful, non-random samples that reflect specific theoretical underpinnings (Eisenhardt 1989; Miles et al. 2013). This approach ensures that the findings are grounded in diverse empirical evidence, not idiosyncratic to a particular case, in support of replication possibilities. Therefore, the current sample purposefully includes eight EIFs, sharing both similarities (e.g., speed of internationalization, region of origin) and differences (e.g., ages, sizes, sectors) (Efrat and Shoham 2012), which should reveal any variations in the importance of diversity management across different firm features.

## 3.2. Data collection

During April-July 2019, the semi-structured in-depth interviews involved a founder or manager in charge of each firm's internationalization (Harris and Wheeler 2005). To mitigate observer bias, two researchers performed the interviews and took careful notes; each interview was recorded and literally transcribed, producing 613 minutes and 197 pages of transcription. In accordance with the design logic (Yin, 2003), an interview guide, including open-ended questions based on the previously established theoretical framework, was created. Thus, the same themes appeared in all interviews and helped increase internal validity. The first half of each interview focused on the interviewee's profile and precise information about the firm, its history, and its internationalization process. The second half sought to determine which diversity attributes exist within the firm and how diversity has been perceived and managed over time, according to the four phases. Because diversity is a polymorph concept, it is impossible to include every attribute in one study. The interviews focused on four diversity attributes, reflecting both surface and deep levels, in line with existing calls (Andrevski et al. 2014; Mannix and Neale 2005; Mohammed and Angell 2004). Cultural and national origin diversity (Shore et al., 2009) has been linked to small firms' internationalization (Lindstrand et al. 2011; Mohr and Shoobridge 2011). The two deep-level attributes, diversity of experience (Gruenhagen et al. 2018; Loane et al. 2007) and knowledge diversity (Fletcher and Harris 2012; Lindstrand et al., 2011), are the most widely cited topics in international entrepreneurship literature. Finally, gender diversity is included to account for and isolate other visible, potential attribute diversity effects (Richard et al. 2004). To understand the diversity management perspectives embraced by each firm, respondents were asked to classify their firms according to four descriptors

and indicate which of them best represented their efforts<sup>3</sup>. These assertions were derived for this study from an analysis of Dass and Parker's (1999) article. Then, to go beyond these initial responses but also avoid desirability biases, the researchers continued asking questions. The deeper discussions should provide richer material, as well as help respondents understand the different concepts.

This methodological triangulation also strengthens confidence in the accuracy of the findings and construct validity (Cuervo-Cazurra et al. 2016). Secondary data came from the firms' homepages and newspaper articles, some of which featured previous interviews with the founders. As another source of data, the companies that participated were asked to share the curricula vitae of employees working on their internationalization. Six agreed, which supported a more precise investigation of deep-level diversity, based on the previous experiences and specific competences these employees listed. Regarding Firms A and B, for which the time lapses between their inception and the interviews were quite long, secondary data helped especially in reconstructing the firms' internationalization process (see Table 3 for a summary of collected data). For example, in Firm A, which had been in operation for 19 years, the Deputy General Manager who participated did not possess all knowledge about the beginning of the internationalization process, but three newspaper articles (from 2008, 2013, and 2018) provided valuable information for the analysis. These diverse data describing the firm's evolution, especially its internationalization and the number of employees, help model its internationalization process. Moreover, Firm A's website provides an extensive presentation of the firm (including a video) and its presence worldwide. The French website societe.com provides its corporate accounts since 2004, revealing the growth of the firm's turnover (domestic and abroad). These multiple sources of evidence increase the reliability of this research and help confirm the interviewees' perceptions (Table 3). All the data were documented in accordance with a previously specified protocol, leading to eight individual case databases (Yin 2011).

	Interviews		Secondary Data				
EIF	Interviewed persons	Dates and length	Firm website	Newspaper articles	Transcripts or video of previous interviews	CV	Balance sheets (even partial) on societe.com
Α	Deputy General	10/07/2019	✓	4	$\checkmark$	$\checkmark$	✓
	Manager	76 minutes					
В	Founder/CEO	07/05/2019	✓	×	✓	×	✓
		87 minutes					
C	International	12/07/2019	$\checkmark$	5	✓	<ul> <li>✓</li> </ul>	✓
	Sales Manager	108 minutes					
D	CEO	27/06/2019	✓	2	×	$\checkmark$	$\checkmark$
		29 minutes					
Е	Founder/CEO	29/04/2019	✓	×	×	$\checkmark$	✓
		91 minutes					
F	Vice-President	08/07/2019	✓	2	√	$\checkmark$	✓
	Global Sales	68 minutes					

Table 3 Collected data, including information on interviews and secondary data

<sup>&</sup>lt;sup>3</sup> For example, the statement reflecting the resistance perspective read, "Diversity is neither a subject nor a problem"; that for the discrimination and fairness perspective read, "Your company protects some employees to ensure fair treatment"; the access and legitimacy perspective indicated, "Your company respects the differences of each employee"; and the learning perspective was, "The company values the diversity of employees and makes them a source of competitive advantage."

	Marketing						
G	Sales Manager	24/06/2019	$\checkmark$	4	$\checkmark$	X	×
	_	64 minutes					
Н	Founder/CEO	29/05/2019	$\checkmark$	1	×	✓	×
		60 minutes					

#### 3.3. Data coding and analysis

The qualitative content analysis of the data relied on Atlas.ti 8 software, which offers the possibility to visualize, annotate, and code any type of document (including video) according to different dimensions (e.g., date of inception, sectors, perspectives of diversity management). It also can support a processual analysis of the internationalization of each firm. The initial deductive coding method achieved a "start list" of 38 codes (Miles et al. 2013) from the conceptual framework. As recommended, this list evolved as preliminary codes were modified or merged. The inductive coding effort also let other codes emerge from the data; 18 inductive codes emerged. In total, 53 codes, representing six main categories, were obtained (Appendix 1 contains the final coding sheet, which also specifies the nature of each code). Descriptive, in vivo, process, and evaluation coding were applied (Saldaña 2015). A second cycle coding (Miles et al. 2013) then provided links from every piece of information to the specific phase of the process it describes. Specifically, every quotation was linked to one of four codes, labeled INTER-PHASE 1–4, according to the four phases of the EIF internationalization process. The secondary data (e.g., videos, websites, newspaper articles) also underwent coding, to confirm the internationalization process of each firm. Finally, peer debriefing processes helped ensure the reliability of the findings that emerged from the coding.

The analysis of these coded data involved two steps. First, to analyze each case individually, the coded data were transformed into chronological, individual case histories, which trace the internationalization process of each firm and reveal how diversity management influences it. This step relied on the Query Tool function in Atlas.ti, which can assess each quotation with two codes. For example, quotations might cite a positive (code:  $DIV \rightarrow INTER=+$ ) or negative (code:  $DIV \rightarrow INTER=-$ ) role, together with a specific phase, such as the transition phase (code: INTER-PHASE3). In prior studies, EIFs' internationalization processes similarly have been analyzed by phases (Gabrielsson et al. 2014; Pellegrino and McNaughton 2015; Trudgen and Freeman 2014). Second, a cross-case analysis (Yin 2003, 2011) focused on the role of diversity management in the internationalization process. The results of this cross-case analysis inform the findings in the next section.

## 4. FINDINGS

In terms of the role of diversity management for each firm's internationalization, three different patterns emerge from the cross-case analysis. The first pattern refers to firms whose diversity management positively influences their internationalization process (Firms C, G, and H). In the second pattern, firms' diversity management does not seem to have any influence on their internationalization process (Firms A, E, and F). Finally, the third pattern involves a negative influence of diversity management on the internationalization process (Firms B and D). Firms displaying similar patterns share similar perspectives on diversity management (Dass and Parker 1999). As mentioned, their perspectives on diversity management approach. Second, in a discussion led by the researcher, they provided more detailed data about how their firm considered and managed diversity.

For example, in line with Dass and Parker's (1999) characterization of the resistance perspective as marked by denial, avoidance, defiance, or manipulation, the informant for Firm B assigned it to a resistance perspective, with clear further explanations too: "They piss me off, in the end, it has to stop, it's ridiculous, that's not how it works. It may even, I think, at some point have a negative effect. As on television, you can see it clearly, you turn on your TV, you watch a movie. Today, there must be gays at all costs, there must be divorced couples, there must be everything. The Arab must not be a thief, he must be a nice guy, a policeman, even a commissar. It has to stop. Diversity is artificial. I don't believe it works." However, the sample does not include any firms that expressed a discrimination and fairness perspective (Dass and Parker 1999), possibly due to France's legal standards, which feature regulations that mostly target large businesses to encourage such a perspective, not small firms.

Noting similarities in the role of diversity management for their internationalization processes and their common perspectives on diversity management, the three groups thus can be distinguished as in Figure 1. In this graphical representation of the main findings of the cross-case analysis, the horizontal axis represents the four phases (Romanello and Chiarvesio 2017). For each EIF, Figure 1 also indicates the date it passed each phase, as well as its current position in the process (see Appendix 2 for more details on each firm's internationalization process). The vertical axis depicts internationalization processes according to the diversity management perspective prevailing within each firm, in line with the three identified groups and as detailed in the following subsections. The arrow representing each EIF indicates how diversity is perceived and managed within the firm. The green triangle indicates when, in the process, firms recruited a strategic human resource, defined as an employee whose diversity enhanced the firm's resource base. These employees brought international knowledge or networks with them, and they took managerial positions.





#### 4.1. EIFs with a resistance perspective

Firms B and D both exhibit a resistance perspective. These firms tend to be homogenous, featuring (somewhat surprisingly) a majority of women, few representatives from diverse cultural and national origins, and mostly employees with similar experiences and knowledge. When interrogated about diversity, both CEOs instinctively reacted negatively and insisted on the need to sustain homogeneity, asserting for example, "Personally, I prefer to employ people a little 'virgin,' professionally obviously, who are like us and share our methods, our values" (Firm B) and "When recruiting, we try to consider totally different people but when we realize the exchange and the ease of working, no" (Firm D). That is, they both recognized the potential benefits of cultural and national origin diversity, including additions of foreign market and linguistic knowledge. But they expressed reservations emphasizing the potential negative outcomes, especially the difficulty of managing a diverse workforce and working with people who have varied experience and knowledge. When looking at Firm B internationalization process, diversity has been negatively perceived since the first phase but, quite surprisingly, it did not seem to have alter its initial development. Created in 2003, it immediately created a subsidiary in Spain and penetrated the worldwide market, leveraging Internet technology. It entered a transition period between entry and post-entry phases in 2010 and gradually grew, progressively opening four other

subsidiaries in the Netherlands, the United States, France, and Cameroon. Despite this important international growth, Firm B hasn't experienced turnover growth since 6 years and appears stuck in the transition phase. The founding entrepreneur "has no desire to grow more, really not" (Firm B), and this firm seemingly is taking advantage solely of its position in the market, rather than its internal resources. Teece et al. (1997) note that the structure of some industries allow firms to create sustainable competitive advantages at the industry level rather that the firm level. Firm B appears to possess a competitive advantage derived from its industry structure, which could explain its survival despite its refusal to manage human resource diversity. Nor does the company consider human resources a source of competitive advantage, so it does not invest in them, asserting "We feel good with the structure that we have. We had more people. At one point, there were many more, even here. But the accounting, all that, we outsourced. It's going well. It makes less worries" (Firm B).

Contrary to Firm B, the progress of Firm D along the phases has seemed to falter. Two years after its creation, the firm penetrated Switzerland in 2010, then Belgium, the Netherlands, Luxembourg, and the United Kingdom. After a fundraising effort in 2017, designed to help the firm expand its reach worldwide, it entered a transition phase and penetrated China in 2018. At the beginning of this transition phase and thanks to the acquired funds, the CEO tried to diversify the human resources by recruiting four sales representatives, to expand beyond the characteristics of the women with technical profiles already employed there: "We are four women. And the only man here, he is a Syrian refugee that deal with software development.... We are all between 30 and 46 years old. We are all very similar." However, the CEO, a woman, blamed the four new employees (all men) for failing to integrate themselves and explained "finally, when we are five, we need people we can trust," thus linking diversity to a lack of trust. Despite substantial financial investments, the CEO decided to fire the four freshly recruited sales representatives, because the diversity of experience was difficult to manage and created problems: "The sales representatives, it was complicated. When we hired four sales representatives, it was really complicated." Thus Firm D took a step backward; it went back to the entry stage and early internationalization phase after failing the transition phase. It no longer possesses the necessary financial and human resources to pass through this transition phase and seems stuck. The lack of diversity management led to the loss of four employees that could have fostered the firm's internationalization process.

#### 4.2. EIFs with an access and legitimacy perspective

The access and legitimacy perspective group includes three firms (A, E, and F) that recognize that diversity can create opportunities. They are more diverse than firms from the resistance group, involving people with different cultural and national origins and a better gender balance. In terms of their knowledge and experience diversity, these firms began with homogenous members, with similar technological backgrounds, but they also recognized the need to complement this knowledge base by hiring competent workers with different experiences and knowledge. They all express positive views on diversity and highlight diversity among their human resources in terms of cultural and national origin, experience, and knowledge. The three firms display a similar pattern, in that none of them considered diversity during the first phase of the internationalization process. Then, gradually, they began to perceive the potential benefits of having a diverse workforce and promoted it internally, especially during the entry stage and early internationalization phase. They all express positive opinions of diversity, especially during the recruitment process, but also admit that they do not try to take advantage of it explicitly, recognizing for example, "Is it full exploited? No, it doesn't have to be" (Firm F) or "I think that we see the beneficial effects, in fact, of having a diverse workforce, but we do not value it" (Firm

A). They believe that cultural and national diversity can expand their knowledge bases, especially with regard to foreign markets, and provide closer proximity to clients or distributors. This benefit is what led Firm A to create five subsidiaries: "We generally stopped recruiting in France to recruit rather abroad ... to be closer to our customers" (Firm A). For these respondents, diversity in experience is strongly linked to knowledge diversity and is an important resource, especially for its ability to foster innovation: "I think it helps to have an open mind.... Because we have a broader perspective, it helps in any activity, including innovation" (Firm A).

The three firms also are similar in that they all decided to hire competent managers upon entering the transition phase, to obtain the experiential and knowledge diversity they needed to restructure their firm and solidify their export efforts, such that "In 2016, I hired a salesman who previously worked for twenty years as an international salesperson.... He immediately suggested starting to create a network of distributors" (Firm E), and "We completely are in a pivotal period, and my arrival aims to drive this business. They had a lot of work in Europe for example, but the truth is, everything is happening in Asia. I bring business developer skills, a little bit of knowledge of the international markets" (Firm F). The three firms are now at different points in the transition phase, as they gradually come to consider diversity and understand the need to manage it. When asked if diversity could be a negative resource, representatives from both Firms A and F agreed, noting the communication problems that might arise if it were not managed: "So it could be a blockade at some point, if we have lots of different people and we don't listen to the different things they have to say" (Firm F). These three firms also had recently implemented (at the time of the interviews) basic diversity management practices, designed to enhance communication within the firm and ensure diversity in recruitment efforts. This last point appears fundamental for the three respondents, who claimed, for example, "With equal skills, I will hire a person that will bring diversity" (Firm E). However, their scarce attempts to manage diversity are not sufficient to transform diversity into a strategic resource.

#### 4.3. EIFs with a learning perspective

The last three firms (C, G, and H) embrace a learning perspective and acknowledge that managing diversity creates both opportunities and costs. They are heterogeneous from the start, and they display substantial diversity in all four attributes. Diversity management is central to their operations, seemingly driving their internationalization process from the first phase. Firms G and H are both young firms, created in 2016, but they already display a strong engagement in benefiting from diversity. They link diversity closely to their abilities to expand abroad. Mainly, they consider cultural and national origin diversity as a resource; beyond providing linguistic skills, it grants them access to critical foreign market knowledge. Experience and knowledge diversity also are cited as potential sources of innovation, by all three firms, such as, "I think it takes diversity to innovate" (Firm H). They assert that diversity makes them more open-minded: "So having people who have a different vision from yours, it puts you in perspective and it always challenges your choices" (Firm G).

Firm C, created in 2008, is a deeply interesting case. Three articles retrace its "success story," published in 2014 and 2018 in well-known French media outlets (France 3, Huffington Post, Madame Figaro). Those secondary data all emphasize, in line with the respondent's discourse, the diversity characterizing the founders. The three founders of Firm C possess expertise in three really different domains: design, marketing, and finance. The diversity of the founding team created a "diversity mindset" that became a real culture in the firm; it penetrated multiple markets as soon as 2010 and quickly felt the urge to structure its internationalization strategy, which led to the recruitment of an export director in 2014. The restructuration marked the firm's entry into a transition phase, including a massive wave of recruitment, which increased its size from 23 employees in 2016 to 64 in 2019. The firm successfully completed this transition and entered a post-entry phase, in which it aimed to continue growing in its already penetrated markets. The increase in employees also enhanced its need for diversity management, which ultimately is what distinguishes companies with a learning perspective from those with an access and legitimacy perspective.

In addition to their strong positive opinions of diversity, the firms in this pattern demonstrate a clear will to manage it, as indicated in their verbatim comments, like "The company values the diversity of employees and makes them a competitive advantage, because we realized we are all different, we all accept to be different, and we all claim this right" (Firm G) and "We value diversity, because we say to ourselves: 'well, we are lucky to have very different people, different profiles, and we will value it" (Firm C). The respondents rely on different practices to manage diversity and foster positive outcomes, reflecting the practices described by Dobbin and Kalev (2016). Firms C and H promote horizontal hierarchies within their company and encourage employees' autonomy. All three firms frequently organize team-building activities to promote communication and seek diversity during the recruitment process, cautioning that "If I'm not sure she [a potential hire] can handle diversity, or even differences, that's going to be a problem" (Firm G). Firm C, probably because it is in a post-entry phase and maintains a relatively larger workforce, displays the highest level of engagement in diversity management practices, including efforts to redesign the workspace layout and offer various training initiatives for employees and managers. Noting the potential negative role of diversity, Firm C decided to invest in helping managers direct their diverse workforces. *Ipso facto*, diversity became a strategic resource.

### 5. DISCUSSION

This article began by asking how diversity management influences the progress of early internationalizing firms, through their internationalization process. To answer this question, it offers three propositions pertaining to the varying roles of diversity management.

#### 5.1. Contrasting roles of different diversity management perspectives

Podsiadlowski et al. (2013) warn that different perspectives can have different effects. In addressing how diversity management influences the progress of EIFs through their internationalization process, this study shows that different perspectives of diversity management influence their progress in various ways (Jonsen and Schneider 2011). Proposition 1 is divided in three sub-propositions explaining in greater details these distinct influences. The *resistance perspective* implies a total disconnect between diversity and diversity management. Homogeneous firms maintain negative views of diversity, so even if they try to diversify their human resources, they rarely succeed. For EIFs basing their competitive advantage on internal resources, the resistance perspective hinders their progress along the internationalization process though. Diversity functions as a negative resource, creating conflict and miscommunication.

**Proposition 1a.** If EIFs adopt a resistance perspective on diversity management, diversity becomes a negative resource for the internationalization process.

The access and legitimacy perspective instead features a temporal break between the acceptance of diversity as a strategic resource and the implementation of diversity management. At first, these firms do not consider diversity, but during the entry stage and early internationalization phase, they gradually recognize their need for it to expand their resource bases and acquire foreign market, technological, or international knowledge

(Fletcher and Harris 2012; Nordman and Melén 2008). Firms with this perspective enter the transition phase by recruiting some strategic resources to join the top management team, whose mission is mainly to structure the internationalization process. As Romanello and Chiarvesio (2017) predict, the firms needed to improve certain organizational aspects to sustain their long-term growth, after having reached global markets. Their efforts to structure the organization reveal their need to manage diversity, though they have been promoting it through recruitment for several years. This time lapse, after diversity is positively regarded but before it is managed, leads to a situation in which diversity functions as an ordinary resource, without real positive or negative implications. This finding is consistent with the RBV (Barney and Clark 2007; Colbert 2004), which asserts that a resource cannot become strategic without management.

Proposition 1b. If EIFs implement an access and legitimacy perspective on diversity management,

diversity becomes an ordinary resource for the internationalization process.

Finally, the *learning perspective* reflects the arguments underlying the business case for diversity (Cox and Blake 1991; Robinson and Dechant 1997), such that diversity is considered a strategic resource (Barney and Arikan 2001) that can foster the firm's internationalization. Consistent with the RBV, diversity by itself cannot be a source of value; its role depends on diversity management efforts. As suggested by Yang and Konrad (2011), founders and managers of firms adopting a learning approach have strong positive opinions of diversity. They display an ability to manage diversity and capitalize on it, similar to the managerial ability evoked by Holcomb et al. (2009). During the entry and early internationalization phase, EIFs suffer resource shortfalls and mainly rely on networks to obtain necessary resources (Rialp-Criado et al. 2010; Sadeghi et al. 2018). Due to entrepreneurs' inclination to look for diversity immediately, these firms gain access to valuable resources, such as foreign market knowledge, more quickly (Pellegrino and McNaughton 2015). Their entry and early internationalization phase is shorter, probably because they already possess the diversity and managerial ability required to enter a transition phase. Thus, a learning perspective seems to speed the movement of EIFs along the internationalization process. It could be the best option to "unleash the powerful benefits of a diverse workforce" (Thomas and Ely 1996, p. 80).

Proposition 1c. If EIFs implement a learning perspective on diversity management, diversity

becomes a strategic resource for the internationalization process.

# 5.2. Diversity management in EIFs' internationalization process: The critical transition phase

The data confirm the existence of a transition, between the entry or early internationalization phase and the post-entry phase. Romanello and Chiarvesio (2017, p. 200) argue that such a transition "requests a crucial shift in resources and competences that need to be appropriately managed by the entrepreneurs." Whereas those authors locate the transition phase around four to five years after inception, firms in the current sample sometimes took longer. The shift features human resources, which trigger the need for more diversity. Entrepreneurs and founders, who had played key roles in the previous two phases, must restructure their firms to ensure growth in global markets, so they seek out supplementary human resources, which tends to enhance their diversity. In most cases, the entrepreneurs hire highly competent export managers or sales directors. Hagen and Zucchella (2014) argue that firms need to expand their resource bases to evolve in complex markets. Such recruitments offer both experience and knowledge diversity, which the firm must have to structure its internationalization. As Loane et al. (2007) explain, firms pursue employees with diverse experience not for the sake of diversity per se but rather, and in line with the RBV, to fill their missing resource gaps. They really are

making use of diversity at a strategic level (Shen et al. 2009). This transition phase can be successful, meaning that firms pass through it and achieve a post-entry phase, as well as sustainable growth in the long run, or it may become an insurmountable obstacle.

**Proposition 2.** Diversity management is a determinant of progress along the internationalization process and reaching a post-entry phase, conditional on the implementation of a learning perspective prior to the transition phase and preferably from its inception.

# 5.3. On the importance of diversity management practices

An important finding pertains to the revealed importance of diversity management practices among firms from the learning group. Janssens and Steyaert (2019) argue that such practices should be included in any study of diversity-related phenomena. According to the RBV, diversity management practices reflect managers' opinions of diversity (Yang and Konrad 2011). With regard to the implementation of diversity management practices, it is crucial that top management is convinced of their relevance and, more globally, of the need to manage diversity (Ollapally and Bhatnagar 2009). Then they can adopt a proactive strategy (Singh and Point 2004). According to Shen et al. (2009, p. 242), a culture of inclusion, creating "a work environment nurturing teamwork, participation and cohesiveness," is necessary, but it also demands a strong commitment of resources. Samuel and Odor (2018) argue that diversity management practices differ from organization to organization. Some of the different practices identified in prior literature (Dobbin and Kalev 2016; Kochan et al. 2003; Yang and Konrad 2011) also emerged from the data analysis: implement a horizontal hierarchy, promote employees' autonomy, organize team-building activities, promote communication among employees, seek diversity during the recruitment process, redesign the workspace layout, propose training to all employees (e.g., language courses), or invest in diversity training to help managers. In line with Podsiadlowski et al. (2013), firms with a learning perspective display typical diversity program practices (Dobbin and Kalev 2016) but also those embedded in general management, which were not necessarily identified as diversity management practices. As Richard and Johnson (2001) assert, diversity orientation is strongly related to general management. The current results support this view and indicate that it is necessary to implement managerial practices to ensure that diversity functions as a strategic resource that establishes competitive advantages.

**Proposition 3.** To leverage the benefits associated with a learning perspective for progress along the internationalization process, EIFs must proactively implement both diversity program practices and general management practices.

#### 6. CONCLUSION

Integrating diversity management theory and the RBV, this article contributes to both international entrepreneurship and diversity management literature, by revealing the role of diversity management during EIFs' internationalization processes. The three propositions highlight these contributions. First, EIFs progress differently along their internationalization processes, depending on the diversity management perspectives that they adopt. These perspectives influence the nature of diversity as a resource, so that the resistance, access and legitimacy, and learning perspectives each leads diversity to become a negative, ordinary, or strategic resource, respectively, for internationalization. This novel, nuanced view of diversity as a resource contributes to diversity management and RBV theory, by revealing another way to look at resource heterogeneity, through a diversity management lens. Second, by establishing diversity management as a decisive factor, this research shows that a

learning perspective helps EIFs progress through their internationalization process. Specifically, it can help the firm move through the transition, between the entry and post-entry phases, by filling resource voids, such that diversity constitutes a strategic resource. In confirming the importance of this transition between entry and post-entry phases, this study expands research devoted to EIFs' internationalization processes. Third, the findings detail the boundary conditions required for firms to benefit from a learning perspective. They must combine a positive perception of diversity with a proactive strategy that embeds diversity practices in both diversity programs and general management efforts.

In turn, several useful managerial recommendations emerge for EIF managers and international support services. Integrating diversity management at the highest strategic level, and as soon as possible, helps EIFs move through the phases of internationalization and can be a source of competitive advantage, because it evokes a series of diversity practices. As this study shows, managers should be alert to the criticality of the transition phase, even though it can be challenging to identify in real time (Romanello and Chiarvesio 2017). Managers should build a resource pool, including human resources, to support the firm's passage through it. Moreover, they need to manage diversity by implementing concrete practices, which require investments by the firm. Ollapally and Bhatnagar (2009) similarly argue for committing resources to diversity management programs. For diversity management practices to be implemented, a perception of diversity as a positive, strategic resource from the inception of the firm is important. Among international support services, diversity tends to be neglected in diagnosis and training efforts, despite its importance for directing the development of EIFs. In line with prior literature, this study suggests that international support services should identify EIFs' current phase position, then offer different programs as needed. Similarly, they should recognize and pay particular attention to transition periods and provide relevant help to EIFs that enter this crucial phase.

Along with these contributions, some limitations need to be noted. First, the results reflect a French context; further study is needed to understand other national and institutional contexts, particularly those associated with emerging economies (Contractor and Mudambi 2008) and countries that include more firms with a discrimination and fairness perspective. Second, only one firm in the sample reached the post-entry phase, so the role of diversity management in that phase requires additional consideration. Previous studies similarly call for more research into what happens to EIFs as they grow and mature (Øyna and Alon 2018). More generally, when studying EIFs and the factors that influence their internationalization, continued research should undertake analyses according to different phases, which then could reveal temporal indications of when different factors are most prominent in influencing EIFs' internationalization processes. Third, this study relies on eight casesappropriate for theory building but not sufficient for generalizability. Further research could assess the role of diversity management among a larger sample of EIFs and with quantitative methods. In particular, it may be relevant to compare a sample of small enterprises that engage in more traditional internationalization processes than EIFs, to identify differences in their diversity management and the resulting effects on the speed, scope, and scale of their internationalization. Diversity management literature signals an ineluctable link between surfaceand deep-level attributes, which challenges existing classifications and suggests the need for a more integrative approach that reflects a global view of diversity and its management. This study thus reiterates Nkomo et al.'s (2019, p. 509) proposition that "theorization should move away from conceptualizing diversity as a broad set of individual differences that can be neatly grouped as surface and deep level, visible and invisible." Accordingly, continued research should move in that direction.

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APPENDIX 1 Final coding sheet
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Categories	N°	Themes	Codes	Nature
	1	Academic background	REP-BACK-ACA	Deductive
Respondent	2	Professional background	REP-BACK-PRO	Deductive
	3	Career within the firm Turnover	REP-ENT	Deductive
	4	Turnover evolution	ENT-TURN ENT-TURN-EVOL	Deductive Inductive
	6	Activities	ENT-ACT	Deductive
	7	Strategic objectives	ENT-STRAT-OBJ	Deductive
	8	Growth strategy	ENT-STRAT-GROWTH	Deductive
	9	Innovation	ENT-INNO	Deductive
Firm	10	Organizational innovation	ENT-INNO-ORGA	Inductive
Firm	11	Technological innovation	ENT-INNO-TECHNO	Inductive
	12	Potential support received	ENT-SUPPORT	Deductive
	13	Potential need in support	ENT-SUPPORT-NEED	Deductive
	14	Difficulties met by the firm	ENT-DIFF	Inductive
	15	Corporate social responsibility	ENT-CSR	Deductive
	16	Founders/entrepreneurs	ENT-ENTREPRENEURS	Inductive
	17	Reasons to internationalize	INTER-REASONS	Deductive
	18	Key dates	INTER-KEYDATES	Deductive
	19	Penetrated market	INTER-COUNTRIES	Deductive
	20	Mode of entry	INTER-MODE	Deductive
	21	Devoted resources	INTER-RESOURCES	Deductive
	22	Missing resources	INTER-RESOURCES-LACK	Inductive
Internationalization	23	Striking event	INTER-EVENT	Deductive
process	24	International turnover	INTER-CA	Deductive
	25	Data on phase 1	INTER-PHASE 1	Deductive
	26	Data on phase 2	INTER-PHASE 2	Deductive
	27	Data on phase 3	INTER-PHASE 3	Deductive
	28	Data on phase 4	INTER-PHASE 4	Deductive
	29	Foreign Subsidiaries	INTER-SUBSIDIARIES	Deductive
	30	Difficulties when internationalizing	INTER-DIFFICULTIES	Inductive
	31	Number of employees	DIV-NB-EMP	Deductive
	32	Age diversity	DIV-AGE	Deductive
	33	Cultural and national origin diversity	DIV-ORIGIN	Deductive
	34	Knowledge diversity	DIV-KNOWLEDGE	Deductive
	35	Language diversity	DIV-LANG	Inductive
	36	Diversity of experience	DIV-EXPERIENCE	Deductive
Diversity		· · · ·		
	37	Gender diversity	DIV-GENDER	Deductive
	38	Reasons for the presence or absence of diversity	DIV-REASONS	Deductive
	39	Evolution of diversity	DIV-EVOL	Inductive
	40	Negative role	DIV-ROLE-	Deductive
	41	Positive role	DIV-ROLE+	Deductive
	42	Lack of diversity	DIV-LACK	Inductive
	43	Diversity management practices	MANADIV-PRACTICES	Deductive
	44	Diversity management practices that could be implemented	MANADIV-PRACTICES-FUTURE	Inductive
Diversity management	45	1- Resistance	MANADIV-1	Deductive
, , ,	46	2- Discrimination and fairness	MANADIV-2	Deductive
	47	3- Access and legitimacy	MANADIV-3	Deductive
	48	4- Learning	MANADIV-4	Deductive
	49	Positive influence of diversity on internationalization	DIV→INTER=+	Deductive
Deletionalia 1 (	50	Negative influence of diversity on internationalization	DIV→INTER=-	Deductive
Relationship between concepts	51	Influence of diversity on innovation	DIV→INNO	Inductive
concepto	52	Influence of innovation on internationalization	INNO→INTER	Inductive
	53	Influence of internationalization on innovation	INTER→INNO	Inductive

APPENDIX 2 Internationalization processes of the eight EIFs



