Aalto University
School of Business

STARTUP LEADERS' PERCEPTIONS OF CSR AND ITS ROLE IN INTERNATIONALISATION STRATEGIES

Master's Thesis

Tiia Kynsilehto & Emilia Lumio
Aalto University School of Business
Global Management

Spring 2023

Aalto University
School of Business

Aalto University, P.O. BOX 11000, 00076 AALTO
www.aalto.fi

Abstract of Master's thesis

Author Tiia Kynsilehto & Emilia Lumio

Title of thesis Startup leaders' perceptions of CSR and its role in internationalisation strategies

Degree Master's degree

Degree programme Global Management

Thesis advisor(s) Aleksi Niittymies

Year of approval 2023 **Number of pages** 72 **Language** English

Abstract

Today, more and more small and medium-sized enterprises (SMEs) and startups internationalise. However, Russia's invasion in Ukraine in 2022 proved that internationalisation poses ethical risks on companies. This raises the role of Corporate Social Responsibility (CSR) in internationalisation into the spotlight. CSR is a burning theme in the business world: Stakeholders such as investors, governments, communities and customers are expecting startups to engage with CSR in all of their operations, including internationalisation strategies. Startups have a unique context in internationalisation because they have limited resources and the attitudes and experiences of their leaders play a major role in the operations of the entire company due to the leaders' central role.

The purpose of this research is to first examine startup leaders' perceptions of CSR and internationalisation and then analyse how they perceive CSR's role in internationalisation strategies. The goal is to identify which aspects of CSR and internationalisation startup leaders emphasise and find the links between these perceptions. We also analyse how the leaders' international experiences impact their perceptions and compare the views of leaders with different kinds of international experiences.

The theoretical framework of this study is composed of themes around internationalisation strategies such as drivers and motives, market selection and market entry approaches, as well as CSR-related concepts such as Carroll's CSR pyramid, sustainability and stakeholder theory. In addition, the effects of leaders' international experiences on these themes are covered. In this study, we take a qualitative approach, and the data collection method is a semi-structured interview. The data is analysed through cognitive mapping, after which we categorise the leaders with different kinds of international experiences and their perceptions.

The findings of the research show that startup leaders' perceptions towards CSR and its role in internationalisation vary depending on their international experiences. All leaders emphasised the environmental and economic aspects, but some also emphasised for example the social, ethical and legal perspective. All leaders perceived CSR as something that is in the core of the business and brings additional value to their company. The ones with highest scope of international experiences found more perspectives towards CSR and found more links between these themes. The leaders with intermediate scope of international experiences underlined transparency of CSR communication and employees' wellbeing, and the leaders with the lowest scope emphasised the role of customers in both CSR and its role in internationalisation. All leaders emphasised CSR communication's role in internationalisation. The international experiences did not have a clear impact on the perceptions of internationalisation strategies. The startup view was apparent for example in the emphasis of survival of the business, and most leaders found stakeholders' perspective important.

Keywords Corporate Social Responsibility, CSR, SMEs, startups, leaders, internationalisation strategies, international entrepreneurship, sustainability, international experiences

Aalto-yliopisto
Kauppakorkeakoulu

Aalto-yliopisto, PL 11000, 00076 AALTO
www.aalto.fi

Pro gradu -tutkielman tiivistelmä

Tekijät Tiia Kynsilehto & Emilia Lumio

Työn nimi Startup-johtajien näkemyksiä CSR:stä ja sen roolista kansainvälistymisstrategioissa

Tutkinto Maisterin tutkinto

Tutkinto-ohjelma Global Management

Ohjaaja Aleksi Niittymies

Hyväksymisvuosi 2023 **Sivumäärä** 72 **Kieli** englanti

Tiivistelmä

Tänä päivänä yhä useammat pienet, keskisuuret ja startup-yritykset kansainvälistyvät. Venäjän hyökkäys Ukrainaan vuonna 2022 kuitenkin osoitti, että kansainvälistyminen aiheuttaa eettisiä riskejä yrityksille. Tämä herättää kysymyksen siitä, mikä CSR:n (engl. Corporate Social Responsibility) rooli on kansainvälistymisessä. CSR on polttava teema yritysmaailmassa, ja sidosryhmät odottavat myös startup-yritysten ottavan CSR:n huomioon kaikissa toiminnoissaan, myös kansainvälistymisstrategioissa. Startup-yritysten kansainvälistyminen eroaa muista esimerkiksi niiden rajallisten resurssien ja johtajien keskeisen roolin takia.

Tämän tutkimuksen tarkoitus on tutkia startup-johtajien näkemyksiä CSR:stä ja kansainvälistymisstrategioista sekä analysoida sitä, kuinka he näkevät CSR:n roolin kansainvälistymisstrategioissa. Tavoitteena on tunnistaa, mitä CSR:n puolia he korostavat, ja löytää näiden näkemysten yhtymäkohdat. Me myös analysoimme, miten johtajien kansainväliset kokemukset vaikuttavat heidän näkemyksiinsä, ja vertaamme näitä näkemyksiä peilaten niitä heidän kansainvälisiin kokemuksiinsa.

Tämän tutkimuksen teoreettinen viitekehys koostuu teemoista yritysten kansainvälistymisen ympärillä, kuten sen motiiveista, markkinoiden valinnasta ja markkinoille tuloon liittyvistä strategioista, sekä CSR:ään liittyvistä konsepteista, kuten Carrollin pyramidista, kestävyydestä ja sidosryhmäteoriasta. Lisäksi tarkastelemme johtajien kansainvälisten kokemusten vaikutusta näihin teemoihin. Tässä tutkimuksessa on kvalitatiivinen lähestymistapa, ja datankeruumenetelmänä on puolistrukturoitu haastattelu. Analysoimme dataa kognitiivisten karttojen kautta, minkä jälkeen luomme kategorioita johtajista heidän kansainvälisten kokemusten perusteella, ja vertaamme heidän näkemyksiään CSR:stä ja kansainvälistymisestä.

Tämän tutkimuksen löydökset osoittavat, että startup-johtajien näkemykset CSR:stä ja sen roolista kansainvälistymisessä vaihtelevat riippuen heidän kansainvälisistä kokemuksistaan. Kaikki johtajat korostivat ympäristö- ja talousnäkökulmaa, mutta jotkut myös esimerkiksi sosiaalista, eettistä ja laillista näkökulmaa. Kaikki näkivät CSR:n kuuluvan yrityksen ytimeen ja tuovan lisäarvoa yritykselle. Niillä johtajilla, joilla oli monipuolisin kansainvälinen tausta, oli enemmän eri näkökulmia CSR:ään, ja he löysivät eniten yhteyksiä näiden teemojen välillä. Keskitason kansainvälisiä kokemuksia edustavat johtajat korostivat CSR-viestinnän läpinäkyvyyttä ja työntekijöiden hyvinvointia, ja yksipuolisimman kansainvälisen kokemuksen johtajat korostivat asiakkaiden roolia niin CSR:ssä kuin sen roolissa kansainvälistymisessä. Kaikki johtajat painottivat CSR-viestinnän tärkeyttä kansainvälistymisessä. Johtajien kansainvälisillä kokemuksilla ei ollut selvää vaikutusta heidän näkemyksiinsä kansainvälistymisstrategioista. Myös startup-näkökulma tuli selvästi esille startup-yritysten selviytymisen korostamisessa, ja johtajat kokivat sidosryhmien näkökulman tärkeäksi.

Avainsanat Corporate Social Responsibility, CSR, PK-yritykset, startup, johtajat, kansainvälistymisstrategiat, kansainvälinen yrittäjyys, kestävyys, kansainväliset kokemukset

Table of Contents

List of Figures

List of Tables

1 Introduction

1.1 Research motivation

The world is in constant change, which affects businesses: for example, Russia's invasion in Ukraine in 2022 made multiple western businesses withdraw from Russia. Yet, many businesses stayed. Both withdrawing and staying can have huge impacts on the business: withdrawing can lead to direct financial losses but staying and indirectly financing an invasion may impact the brand image negatively. Thus, it is apparent that internationalisation decisions such as market selection require careful consideration because internationalising can be committing and has its risks. These ethical problems emphasise the meaning of Corporate Social Responsibility (CSR) in internationalisation strategies.

In the internationalisation literature, a great deal of research has focused on how companies conduct internationalisation and which factors affect leaders' decision-making regarding internationalisation strategies. For example, Korsakienė and Tvaronavičienė (2012) divided the internationalisation process into three considerations: reasons for internationalisation, environment selection and mode choice, Papadopoulos and Denis (1988) discovered that leaders use systematic and non-systematic approach to international market selection (IMS), and Musso and Francioni (2012) divided primary factors influencing IMS to firm-specific factors, host country factors and entry barriers. All these tell us about leaders' cognition and what they find important in internationalisation.

According to Fifka et al. (2014), the changes in the business world and new CSR challenges emerged from them require new business models and thinking methods as well as new business ethics. According to Schmidpeter (2013), today companies are required to be transparent with their CSR attitudes, communicate those to stakeholders and consider how their strategy aligns with society's interests. Schmidpeter states that CSR has developed into a responsibility management at the heart of the company's operations

and is no longer just a single-issue engagement such as donations and sponsorship or compliance with legal regulations.

Due to for example low-cost technology connecting people and locations, enhancing communication and enabling greater awareness of international opportunities, dismantling of trade barriers in the past few decades, and economic restructuring and liberalisation that followed the fall of socialism in Russia and Eastern Europe (Acs, Morch and Yeung, 2001), internationalisation is in growing popularity among companies. However, it is not only in the interest of multinational enterprises (MNEs) anymore: more and more small and medium-sized enterprises (SMEs) internationalise too. Especially many startups focus on such small niche markets that their domestic markets may not have enough demand for their offerings nor potential business partners for the business to survive. SMEs also face more global competition in their domestic markets too. Therefore, this study focuses on small companies and more specifically on startup leaders. They also may have their unique challenges in internationalisation, for example due to having limited resources, which makes it even a more interesting research context.

While companies internationalise, due to the enormous sustainability trend, companies are expected to engage with CSR and consider it in all their operations – including internationalisation. Many stakeholders such as investors and governments are no longer just appreciating but demanding CSR consideration from companies. In startups, the values, thinking patterns and behaviour of the leaders or entrepreneurs affect the business even more than in larger companies due to the power that the leader has over the company. Hereby, it is important to examine how startup leaders perceive CSR and which of its aspects are the most important ones to them, and how they perceive CSR's role in internationalisation strategies.

However, there has not been much research about how CSR influences leaders' decision-making related to internationalisation strategies. Examining startup leaders' perceptions of CSR and its role in internationalisation strategies is important because we do not know how startup leaders perceive the connection between these topics, and how they perhaps affect each other. Are there CSR related problems that affect their decision-making when

forming internationalisation strategies? Can CSR be utilised when internationalising? What CSR factors could leaders consider in order to make smarter internationalisation decisions? Are there perhaps some problems that are specific for startups, for example regarding their limited resources? We are especially interested in combining the research fields of internationalisation and CSR, because different countries have different CSR expectations, standards and requirements, which means companies are likely to face CSR-related challenges while internationalising. The topic is also becoming more and more relevant for SMEs too, as for example the European Union is requiring more large companies as well as listed SMEs to report on sustainability (Council directive 2022/2464). This is among the reasons why we chose startups as the focus of this study.

1.2 Research background and research aim

Many theories have been developed to explain the internationalisation of SMEs: for example, it has been theorised that SMEs internationalise slowly and incrementally starting from countries with least psychic distance to their own (Johanson and Vahlne, 1977; 1990). Another theory sees internationalisation process as subsequent stages that are seen as innovations for the firm (see e.g. Bilkey and Tesar, 1977; Reid, 1981). Also, the importance of networks (Jaklič, 1998) and resources (Ruzzier, Hisrich and Antoncic, 2006) has been emphasised. A separate research area of international entrepreneurship has emerged as well (McDougall and Oviatt, 2000), and it examines the role of individual characteristics of the entrepreneur (Barney, Wright and Ketchen, 2001), as well as firm and environmental characteristics (Ruzzier, Hisrich and Antoncic, 2006). The internationalisation process has also been divided into considerations of the reasons for internationalisation, environment selection and mode selection (Korsakienė and Tvaronavičienė, 2012). The reasons and motives for internationalisation include resource, market, efficiency and strategy asset seeking among others (Dunning, 1993). The two main approaches to environment selection are systematic and non-systematic approach (Papadopoulos and Denis, 1988). The international entry modes are divided into export entry modes, contractual entry modes and investment entry modes (Root, 1994).

There has not been one clear definition for CSR and many definitions have been developed over the years. For example, Carroll (1991) sees it as a pyramid consisting of economic, legal, ethical and philanthropic responsibilities, from the bottom to the top, where the responsibilities on the bottom need to be fulfilled before the ones on the top. Beal, in turn, sees is more generally as "the moral and practical obligation of market participants to consider the effect of their actions on collective or system-level outcomes and to then regulate their behaviour in order to contribute to bringing those outcomes into congruence with societal expectations" (2013, p. 5). However, we are specifically interested in what startup leaders think CSR is and how they think different aspects within CSR are connected.

Moreover, for example Jenkins (2006, p. 242) highlights the role of individual characteristics of the entrepreneurs in SMEs as they are often the ones deciding about CSR matters as there is no formal company structure or CSR department. Previous CSR literature has also found out for example that CSR in SMEs is connected to improved brand image and operating performance and thus access to financing (Bhattacharyya and Kumar, 2022, pp. 49–51), financial and non-financial performance, growth and sustainability and differential advantage (Oduro et al., 2022, p. 198). All these are essential for startups to survive. Also, having a sustainable mindset (Fifka et al., 2014) and creating a sustainable future with efficiency, community and sharing of resources has been emphasised (Quoquab and Mohammad, 2019), which underlines the relevance of studying the mindsets of leaders. Today, CSR actions and attitudes are no longer only related to the company itself, but also to the actions, attitudes and expectations of their stakeholders, which connects CSR to stakeholder theory.

In this research, we combine these themes: SME internationalisation and CSR. We study startup leaders' perceptions of CSR and its role in internationalisation strategies by interviewing five startup leaders in companies originating in Finland. All the leaders have or have had a link to Aalto university's Aalto Startup Center. We examine the mental models of leaders by creating visual cognitive maps of them. Our goal is to first examine the startup leaders' perceptions of CSR and which aspects of CSR they emphasise. For example, do they emphasise perspectives such as economic, environmental, social or

cultural ones which are based on Werbach's (2011, p. 9) classification or do they highlight legal, ethical, philanthropic or economic responsibilities according to the Carroll's (1991, p. 42) pyramid of CSR, or some new perspectives? We then create cognitive maps of the leaders' perceptions of internationalisation, after which we analyse these maps and compare them to see how the perceptions of CSR and internationalisation are connected. Due to the importance of the individual characteristics of the entrepreneurs in startups, as well as the previous literature emphasising the role of international experiences of leaders, we also contemplate and discuss whether the international experiences of the leaders explain the potential differences or similarities between the leaders' views.

Our research questions are as follows:

1. What kind of perceptions of CSR and internationalisation do startup leaders have?
2. How are startup leaders' perceptions of CSR and internationalisation connected?

Besides SME internationalisation and CSR literature, we bring a glimpse of leaders' international experience literature to this research. The previous literature has found out for example that international experiences are connected to a global mindset (Kedia and Mukherji, 1999), a variety of the firm's strategic actions (Wang et al., 2016), strategic change and firm performance (Le and Kroll, 2017) and CSR performance (see e.g. Shahab et al. 2020; Xu and Hou, 2021; Zhang, Kong and Wu, 2018). In this research, we use the startup leaders' international experiences as the lens through which we analyse the results: we examine how they affect the leaders' perceptions of CSR and internationalisation strategies and the link between them. This will help for example companies make better recruiting and training decisions, and entrepreneurs know what kind of experiences are useful in pursuing an international startup.

1.3 Research contribution and research structure

Firstly, this study contributes to the CSR literature by clarifying which CSR aspects startup leaders emphasise. According to our research, their attitudes towards CSR vary, as they highlight its different aspects and structure CSR through different perspectives. All leaders emphasised the environmental and economic aspects, but in addition to this, some emphasised for example the social, ethical and legal perspectives. All leaders perceived CSR as something that is in the core of the business in the company they work in and brings additional value to the company. Majority of the leaders stressed the limited resources of startups and as a result the need to prioritise some CSR aspects over others. Moreover, most of the leaders stated that stakeholders are a significant factor when considering CSR. We found that international experiences of startup leaders affect their CSR perceptions: for example, those with the most comprehensive scope of international experiences seemed to have more diverse scope of perspectives of CSR, such as comparing the now and the future as well as the philosophical and the practical side of CSR. They also had a deep personal interest in the matter. Those with intermediate scope of international experiences emphasised communication, transparency, and the wellbeing of employees in CSR. Those with the lowest scope of international experiences considered customers and their needs central in CSR, and mostly underlined the environmental CSR goals.

Secondly, this study also contributes to the SME internationalisation literature – or international startup literature, to be more specific – in two ways. First, we did not conclude that startup leaders' international experiences would have a clear impact on how they perceived internationalisation strategies. However, we found that apart from CSR, the motives for internationalisation were quite practical for all the leaders: for example, they highlighted the ability to penetrate the market and mutual provided value with partners, following the customers and/or investors, startup survival, and communication skills, cultural understanding and open-mindedness.

The second way we contribute to the startup internationalisation literature is that we found some similarities and differences in the startup leaders' perceived links between CSR and

internationalisation perceptions. The answers vary: some leaders had not previously thought of CSR's connection to internationalisation, but others even considered it as a key factor in internationalisation decisions. According to the findings of this research, the international experiences of startup leaders affect how broadly they consider CSR and its role in internationalisation strategies. Those with the most comprehensive scope of international experiences found most links between CSR and internationalisation, such as partner and country selection, mode selection, considering local standards and laws, stakeholder behaviour as well as communicating CSR. Those with intermediate level of international experiences also considered CSR in market and especially partner and customer selection, and they also saw internationalisation as a chance to do good by helping the locals in the host country. Those with the lowest scope of international experiences linked CSR to internationalisation through communication and by answering to customers' expectations and complying with local regulations.

Our research also helps better understand the startup perspective in general and the challenges startups may face in the implication of CSR practices and internationalisation processes. The study provides up-to-date information on how leaders' CSR attitudes appear in startup contexts, as for example CSR-related regulation and investors' CSR requirements are constantly developing. It also provides information about the motives of startup leaders in internationalisation strategies today, as the world is evolving and creating new opportunities as well as challenges regarding expanding a small business to international markets.

The structure of this research is as follows: In chapter 2, we develop an understanding of internationalisation and CSR as phenomena, as well as leaders' international experiences by discussing the relevant theories around these topics. In chapter 3, we present the data collection method and the analysis method. In chapter 4, we present the empirical findings and our analysis. In chapter 5, we discuss how this research contributes to the existing literature and present managerial implications. In addition, we discuss the ethical considerations and limitations of this study as well as present ideas for future research. Finally, we make our conclusions.

2 Theoretical background

In this study, the research literature focuses on internationalisation strategies, CSR and leaders' perceptions of CSR from a startup point of view, as well as leaders' international experiences. However, because of the limited previous research around these themes in startup context, also SME research will be presented. Research literature also reasons why leaders' CSR perceptions matter, the relationship between leaders' perceptions of CSR and internationalisation strategies, and how leaders' international experiences affect these themes. Key concepts of the study are Corporate Social Responsibility (CSR), internationalisation in startups, CSR's role in internationalisation strategies and leaders' international experiences.

2.1 Internationalisation strategies

Internationalisation is among the main expansion strategies companies have (Cuervo-Cazurra, Narula and Un, 2015). In today's globalised world and highly competitive markets, an increasing number of small businesses as well decide to expand abroad. Multiple theories have been developed to explain SMEs internationalisation strategies and motives behind them. In chapter 2.1.1, we present some previous SME internationalisation theories.

Korsakienė and Tvaronavičienė (2012) divide the internationalisation process into three considerations – reasons for internationalisation, environment selection and mode choice. Considering the reasons for internationalisation includes evaluating the motives and barriers for internationalising. Environment selection means comparing the criteria for choosing the country or market, and mode choice includes considering the best way and operational mode to internationalise. On top of the SME internationalisation theories, this chapter focuses on the previous internationalisation literature separately on these three topics.

2.1.1 SME internationalisation theories

Internationalising is not only in the interest of MNEs anymore: more and more SMEs internationalise too. Especially many start-ups focus on such small niche markets that their domestic markets may not have enough demand for their offerings for the business to survive. Unique assets, developments in communication and transportation as well as homogenisation of markets have made it possible for new ventures to enter international markets as well (Oviatt and McDougall, 1994). SMEs are facing, on one hand, similar international challenges as large multinational enterprises, but on the other hand there are some challenges that are specific for SMEs. Many SMEs cannot risk ignoring the global opportunities, risks and competition anymore. In fact, globalisation is likely to impact SMEs more profoundly than large enterprises that are already highly internationalised (Ruzzier, Hisrich and Antoncic, 2006).

Within international business literature, first research papers regarding SMEs appeared in the early 1960's (Miesenbock, 1988) and they have gained growing interest ever since. The internationalisation of SMEs began to be in the interest of researchers towards the end of last century. For example, Johanson and Vahlne (1977, 1990) developed the Uppsala Internationalisation Model, according to which firms internationalise slowly and incrementally, starting from the countries with least psychic distance to their own, and with less committing entry modes such as exporting. They also highlight organisational learning in internationalisation: after learning from the first internationalisation experiences, they can start expanding to countries that are psychically more distant with more committing entry modes. The Innovation-based Models (see e.g. Bilkey and Tesar, 1977; Reid, 1981), in turn, define the internationalisation process as subsequent stages which are each seen as innovations for the firm. The Uppsala Model and the Innovation Models are based on the idea that firms internationalise incrementally in terms of activities and resources (Ruzzier, Hisrich and Antoncic, 2006).

Other approaches to internationalisation include network-based approaches and resource-based approach. Network-based approaches put the emphasis on the interaction within the networks the company has. Companies co-operate, compete, and learn from each

other. According to Jaklič (1998), companies in developing economies can overcome some problems around knowledge, technology and capital with the help of their networks. According to the network-based approach, firms can be seen to internationalise because the other companies in their networks do so. Resource-based approach to internationalisation focuses on the firm's sustainable and unique attributes. They are the drivers of performance and sustainable competitive advantage which it needs to be able to internationalise. The models recognise the ownership of the resources as well as the ability for organisational learning needed to develop new resources. The resources can be tangible or intangible, owned or controlled by the company and converted into products or services. (Ruzzier, Hisrich and Antoncic, 2006)

At the turn of the century, the meaning of individual characteristics of entrepreneurs started to gain more attention. For example, entrepreneurial alertness and knowledge, ability to recognise and coordinate resources, ambiguity and relationships were recognised as resources (Barney, Wright and Ketchen, 2001). To fill the gap in the SME internationalisation research about the influence of individuals, especially entrepreneurs, in the beginning of the 21st century emerged a research area called international entrepreneurship (McDougall and Oviatt, 2000), also referred to as international new ventures (Oviatt and McDougall, 1994) and born globals (Knight and Cavusgil, 2004). Oviatt and McDougall (2005, p. 540) defined international entrepreneurship as "…the discovery, enactment, evaluation, and exploitation of opportunities—across national borders—to create future goods and services". The researchers still haven't reached consensus on the definition of entrepreneurship, as some use it to refer to all small companies and others to refer to all new companies (Acs, Morch, and Yeung, 2001). However, Ruzzier, Hisrich and Antoncic (2006) state that some form of entrepreneurship (corporate entrepreneurship, intrapreneurship) exists in well-established large or small organisations, and it is important for their organisational and economic development.

Ruzzier, Hisrich and Antoncic (2006) developed a conceptual model of the theory of SMEs' internationalisation process merging into the area of international entrepreneurship. In the model, the factors affecting a firm's internationalisation are divided into entrepreneur, firm and environmental characteristics. Entrepreneur

characteristics are further divided into human capital including skills, perceptions and know-how, and social capital, emphasising the importance of the entrepreneur's characteristics in the internationalisation process. In the firm characteristics they include number of employees and sales, and the environmental characteristics they divide into domestic and international. In their model, internationalisation has five dimensions: mode, market, time, product and internationalisation performance. This finally leads to firm performance, including sales growth and profitability.

There has been a rising phenomenon of international start-ups (Ruzzier, Hisrich and Antoncic, 2006). These companies can even begin their sales in foreign markets instead of domestic markets (Oviatt and McDougall, 1994). They often have international origins and resources, such as material, people, financing and time, a proactive international strategy (Oviatt and McDougall, 1994) and international vision from the inception (McDougall, Shane and Oviatt, 1994). Oviatt and McDougall divide the international start-ups into new international market makers, geographically focused startups, and global startups. The first group includes export/import startups which coordinate few activities in few countries, and multinational traders, who coordinate few activities in many countries. Their special ability is to find imbalances in resources and create markets where they are non-existent. To have sustainable competitive advantage, the companies need to have ability to spot and act on emerging opportunities fast, have knowledge of markets and suppliers, and be able to attract and maintain a loyal business network. Geographically focused startups coordinate many activities in few countries, and they serve well the special needs of a particular region. Global startups coordinate many activities in many countries and have the possibility to sell products wherever they have the greatest value. (Oviatt and McDougall, 1994)

2.1.2 Drivers and motives for internationalisation

It is widely agreed that globalisation of businesses and markets is driven by three forces. The first one is the low-cost technology connecting people and locations, enhancing communication and enabling gaining greater awareness of international opportunities. The second force is the dismantling of trade barriers creating bigger playgrounds and

more opportunities for businesses. The third force, the economic restructuring and liberalisation that followed the fall of socialism in Russia and Eastern Europe, opened even more markets and investment opportunities for businesses. (Acs, Morch and Yeung, 2001)

There are many motives that companies can have for internationalisation. For example, Dunning (1993) divided internationalising companies into natural resource seekers, market seekers, efficiency seekers and strategic asset seekers, and also listed other motives for internationalisation: escape investments, support investments, and passive investments. Natural resource seekers look for specific higher quality resources for possibly lower cost than in could be obtained in their home country. The resources may be physical, labour, or technological capabilities. The market seekers may try to sustain existing markets or exploit or promote new markets. They may follow the suppliers, customers or competitors or try to reduce production and transportation costs. Efficiency seekers' goals are usually economies of scale, scope and risk diversification. Strategic asset seekers usually engage with foreign direct investments (FDIs) in order to access or buy a competitive strength in a foreign market and to advance their global competitiveness. Escape investments means escaping restrictive legislation by home governments, for example high taxation or ethical standards. Support investments are made to support the rest of the company. Passive investments, or portfolio investments, are usually purely based on the anticipation of an appreciation in the value without interfering in the management of the company. The beforementioned motives are mostly relevant for MNEs, but some of them, such as resource seeking and market seeking, are often the motives for SMEs and startups as well. (Dunning, 1993, pp. 68–76)

Bowen (2020) divides internationalisation motives into proactive and reactive strategies. The motives in proactive strategies include for example ability to identify opportunities, seeking R&D and support, motivation to grow, cultural and geographical closeness, and having a long-term strategy. Reactive strategies can be motivated for example by receiving orders from abroad and having the focus on home market. Also, as facilitators for internationalisation, they mention for instance support and networks, and the conditions include awareness and resources.

2.1.3 Market selection

Environment selection, also called international market selection (IMS), is considered the most important decision in internationalisation by many (see e.g. Root, 1998; Papadopoulos, Chen and Thomas, 2002). Two main approaches are systematic and non-systematic approach (Papadopoulos and Denis, 1988). The systematic approach includes a formal decision-making process including statistical methods, whereas non-systematic approach is more about nonrational decision-making (Musso and Francioni, 2012).

Regarding systematic decision-making, many researchers have created models for international market selection (see e.g. Douglas, Craig and Keegan, 1982; Johansson, 1997; Root, 1998; Rahman, 2003). For example, Root's (1998) model includes three steps: preliminary screening, estimating industry market potential, and estimating company sales potential. Johansson's (1997) model consists of country identification, preliminary screening, in-depth screening and final selection. Building on this, Musso and Francioni (2012) identified primary factors influencing IMS: firm-specific factors including type of product, management characteristics, firm size and international experience; host country factors including market and country attractiveness, marketing infrastructures and competition; and entry barriers including country risk, tariff and non-tariff barriers, psychic distance and geographic distance.

Despite all these systematic models, Musso and Francioni (2012) found out that most SMEs adopt a non-systematic approach to internationalisation and suggest that they are missing capabilities for systematic approach and having difficulties in adopting an appropriate methodology. When companies make these decisions non-rationally, things such as social ties (Ellis, 2000) or psychic distance (Johanson and Vahlne, 1990) can play an important role. Also, Papadopoulos, Chen and Thomas (2002) criticise the models for not being industry-specific nor generalisable, not tested enough and being hard to implement.

In contrast to the traditional division to systematic and non-systematic approaches to internationalisation, Andersen and Buvik (2002) present a relationship approach to market selection, which focuses on the business relationships as the level of analysis. It

analyses the decision-making process behind selecting exchange partners. This also means filtering the market selection options according to the desirability of the potential partners. Instead of country or market indicators or psychic distance, the defining indicators are compatibility, trust and performance. In Andersen and Buvik's model there are three steps: awareness stage, in which the company identifies potential partners and assesses objective skills and qualifications; exploration stage, in which the company has initial negotiations and considers obligations, benefits and burdens as well as attitudes and standards of conduct; and choice stage, in which the final selections are made.

2.1.4 Market entry approaches

There are different entry modes when planning to expand the business abroad. According to Root (1994, p. 24), "An international market entry mode is an institutional arrangement that makes possible the entry of a company's products, technology, human skills, management, or other resources into a foreign country". Root divides the modes to export entry modes, contractual entry modes and investment entry modes. In export entry modes the product is manufactured outside the target country, and they can be divided into direct and indirect exporting depending on whether middlemen are used to operate the exporting in the home country. The company can also decide whether it uses agents in the target country or establishes a branch or a subsidiary there to sell directly to the target country's customers. (Root, 1994, pp. 26–27)

Contractual entry modes are often used besides other entry modes. They are suitable for example for transferring knowledge and skills, and they require no investment from the parent company. They include licensing, franchising, technical agreements, service contracts, management contracts, construction and turnkey contracts, contract manufacturing, countertrade arrangements and other contracts. Out of these, licensing and franchising are probably the best-known modes. Licensing means giving the right to use its industrial property, such as patents, know-how and trademarks to foreign entity, usually another company, for a period of time in exchange for royalty or other compensation. Franchising is a similar but more long-term arrangement, where the franchisee helps the franchisor with organisation, management, and marketing. The other

contracts are used for transferring services for monetary or product compensations. (Root, 1994, pp. 26–27)

Investment entry modes – also known as foreign direct investments (FDIs) – are the most committing modes and involve having production units in the target country. They can be divided into sole ventures and joint ventures depending on whether the ownership and control is shared with one or more partner companies that are often local. The investments can also be new establishments (greenfield strategies), meaning the company builds everything from scratch, or acquisitions, which means the company buys an existing company and its operations. (Root, 1994, pp. 26–28)

There are multiple factors affecting leaders' decisions about internationalisation and entry modes. Root (1994) divides these factors into internal and external factors. The internal factors include the company product factors and company resource/commitment factors. For example, high product differentiation makes entering the foreign market by exporting easier, because the product will keep its competitive advantage even after transportation costs, import duties and other extra costs. On the contrary, low product differentiation may require local manufacturing to avoid extra costs and the possible barriers set for foreign products. Also, if the product is a service, exporting is not an option – however, today's digitalisation may offer new opportunities for certain businesses: for example, many services can be offered online across the globe. Also, good resources in management, capital, technology and marketing and production skills, as well as tendency for high commitment encourage investment modes before exporting and contractual modes. (Root, 1994, 34–35)

The external factors affecting the entry mode decisions can be divided into target country market factors, target country environmental factors, target country production factors and home country factors. Target country market factors include the size, competitive structure and availability and quality of local marketing infrastructure. The target country environmental factors include the political characteristics, such as government policies, economic characteristics, such as the size and dynamics of the economy and the prevalent trends regarding for example exports and imports and exchange rate behaviour, as well

as sociocultural characteristics, such as the local values, language, social structure, and ways of life. Geographical distance has an impact on the decision as well for example due to the possible transportation costs. The production factors consist of the quality, quantity and cost of raw materials, labor, energy, and economic infrastructure. Finally, the home country factors also consist of market, production, and environmental factors. For example, big domestic market offers the company a chance to grow before expanding abroad, which can mean certain advantages such as better and bigger resources when deciding to internationalise. High production costs in the home country encourage moving the production to the target country. Decisions may also depend on the home government policies towards exporting and foreign investments. (Root, 1994, pp.28–33)

Root's (1994) approach to choosing the right entry mode is maximising profits over the strategic planning period within the constraints of the resources available, risks, and non-profit objectives. The potential risks can be market-related or political, and higher risks encourage exporting over more committing investments. Non-profit objectives can be for example goals of sales volume, growth, or market share, control, reversibility or reputation (Root, 1994, pp.190–191). Even though CSR or sustainability are not mentioned on this list, they could be seen to be part of the non-profit objectives.

Watson et al. (2018) divide the international market entries to three approaches: relational, digital, and hybrid approaches. The relational approaches focus on pursuing mutually beneficial relationships with partners (Leonidou et al. 2014), based on trust and commitment. Digital approaches focus on the advances in ICT which have enabled faster and wider exploitation of markets (Creed, Zutshi, and Ross 2009) and offered opportunities for new business models. Hybrid approaches are a blend of the relational and digital approaches, which may make the firm efforts more complex (Watson et al., 2018).

Watson et al. also examine the legal, logistical, market, and cultural considerations of each approach. The legal factors to consider when expanding abroad include for example foreign laws and regulations, stability, and cost and speed of operations. The logistical factors are for example channel competition and networks, digital and physical

infrastructure, and geographic distance. Market considerations include economic and political stability, market concentration, psychic distance, price consciousness of customers, incumbent firms and competition, whereas cultural considerations include the differences or similarities in individualism/collectivism, power distance, uncertainty avoidance, masculinity/femininity, internet commerce readiness, as well as cultural distance or shared values and firm reputation and information sharing in the target country. (Watson et al., 2018)

2.2 Corporate Social Responsibility and interrelated concepts

CSR is a burning theme in the business world, the importance of which has only increased recently. CSR has also been studied a lot. Among CSR literature, there have been multiple different definitions of CSR and debates on what should be included in the definition. In chapter 2.2.1 we present CSR definitions and especially the one used in this research, key CSR concepts and research on the importance of CSR for companies, and CSR's connection to stakeholder theory. In chapters 2.2.2 and 2.2.3, we present theories about CSR in SME context and leaders' interpretations of CSR.

CSR has several related academic fields such as sustainability, business ethics, business strategy and corporate governance, in which terms might sometimes overlay (Sitnikov, 2013, p. 115). According to Fifka et al. (2014, p. 5), CSR is the core term of the socially conscious business movement, and interrelated terms such as sustainability, corporate citizenship and business ethics have been incorporated in the concept of CSR. This view is supported by other researchers as well. For example, Beal (2013, p. 12), describes CSR as an "umbrella" term for perspectives and approaches that consider the relationship between companies and society from the point of view of companies.

2.2.1 CSR definitions

Modern formulation of the CSR concept dates back to the post-World War II period. The academic concept of CSR is based on changes in social consciousness that arose in the 1960s, such as women's rights, civil rights, consumers' rights and environmental

movements. The importance of CSR has grown ever since and today CSR is a globally relevant concept that represents a change in what is expected of companies: it is no longer enough for stakeholders that modern businesses simply comply with the laws and make money. (Fifka et al., 2014, p. 5)

Simply defined, CSR means the organisational activities that aim to improve the economic, legal and ethical wellbeing (Schwartz and Carroll, 2003). According to Beal (2013, p. 5) CSR can be defined as "the moral and practical obligation of market participants to consider the effect of their actions on collective or system-level outcomes and to then regulate their behaviour in order to contribute to bringing those outcomes into congruence with societal expectations". In this study, we use this definition of CSR created by Beal (2013), because we believe it broadly incorporates important aspects of corporate responsibility and does not exclude any aspects.

One of the significant CSR frameworks is Carroll's (1991) CSR pyramid, which represents four different levels of CSR responsibilities. The bottom layers of the pyramid are economic and legal responsibilities. Economic responsibilities are those that form the basis for all other business responsibilities since businesses need to fulfil those first in order to be able to continue their operations. Before anything else, economic responsibilities were the sole principle: the purpose of businesses was to produce goods and services for consumers and to make profit at the same time. Later, the profit motive was replaced by the idea of maximisation of profits, which remains the dominant objective of companies. By legal responsibilities societies expect businesses to fulfil the profit mission while obeying the law. The top two layers of the pyramid, ethical and philanthropic responsibilities have become increasingly relevant in recent times, although they have always existed to a certain degree. Ethical responsibilities refer to the expectations and norms that stakeholders such as consumers, investors, employees and communities have towards businesses. The layer of philanthropical responsibilities is in a sense an additional layer that businesses can implement if they have other layers of the pyramid in order. Philanthropic responsibilities refer to additional or voluntary activities that make companies good corporate citizens. These activities may include taking part in

promoting human welfare or goodwill by engaging for example with education, art or the community. (Carroll, 1991, pp. 42–43)

Figure 1. Pyramid of CSR (adapting Carroll, 1991, p. 42)

However, Carroll's (1991) CSR pyramid has also been criticised. For example, according to Beal (2013, p. 14) the pyramid unsuitably compartmentalises economic, ethical and legal factors even though in reality it is not possible to distinguish them entirely from each other. Beal (2013, pp. 12–14) states that for example the company's values and priorities strongly affect the economic function of the company through how much customers are willing to pay for the company's products or services, and prices that suppliers are asking the company to pay. Nevertheless, in this study we illustrate the different aspects and perspectives of CSR to see which ones leaders emphasise, so we utilise this framework.

Some researchers consider the terms CSR and sustainability as equivalent, but as mentioned earlier, in this study we classify sustainability as sub-term of CSR. According to Beal's (2013, p. 5) definition of CSR, the CSR is broadly related to the relationship between the organisation and its stakeholders, while according to Quoquab and Mohammad (2019, p. 265) sustainability can be seen as managing the limited natural resources or as a long-term economic viability. The term sustainability is based on 1987, when the prime minister Gro Harlem Brundtland used it in a United Nations report in an environmental context (Werbach, 2011, p. 8).

Werbach (2011, p. 9) deals with the subject with the term "true sustainability" and classifies four different components through which the company interacts with its environment. These components are as follows: social, economic, environmental, and cultural perspective (Werbach, 2011, pp. 9–10). He states that social component includes company activities and conditions that affect all members of society and are linked, for example, to education, injustice, poverty, labour and human rights, public health, and violence. The economic component, on the other hand, includes themes related to the economic needs of businesses and people, such as profit for companies so that they can continue their activities and securing water, food, shelter and comforts for people. The environmental component consists of themes that affect the Earth's ecology, such as protection of natural resources, avoidance of toxic waste and mitigation of climate change, whereas cultural component focuses on protecting cultural diversity, for example by enabling traditions to be passed on from generation to generation. In this study, we use this distinction of Werbach to support the classification of leaders' interpretations of CSR.

The theme of this study is very topical since phenomena such as climate change and resource depletion are becoming more and more significant for all the stakeholders in the business world (Crowther and Quoquab, 2020, p. 1). Companies are responsible for the pollution they cause and their use of natural resources and hereby also consumers are thinking about the sustainability aspect of their consumption behaviour today (Crowther and Quoquab, 2020, pp. 1–2). According to ecologists, the effect of growth by the industrialised states together with the developing countries is one of the key reasons for the environmental problems, since growth has only been possible at the expense of the

environment (Siebert, 1981, p. 263). Thus, as companies grow and expand their activities, it will inevitably create new CSR challenges that companies need to take into account when expanding the business across national borders.

CSR reporting in general, and the annual CSR and sustainability data published by the world's largest companies have increased steadily and significantly since the 2010s (Beal, 2013, p. 86). At the same time, new CSR frameworks and standards for companies' CSR reporting have also developed (Beal, 2013, p. 8). Regulations raise the standards as well: for example, the European Union modernised the CSR reporting requirements in January 2023, requiring more large companies as well as listed SMEs to report on sustainability (Council directive 2022/2464). Today, many stakeholders expect companies to report on their responsibility. Fifka et al. (2014, p. 5) also point out that CSR is both a way to manage stakeholders' expectations as well as create more value for stakeholders.

As Tsai and Liao (2017, p. 426) state, companies today recognise how environmental problems affect consumer behaviour, competitive positions and regulation, among other things. Tsai and Liao also state that companies may benefit from considering CSR and sustainability in their actions and strategy: for example, considering sustainability practices by adopting environmental innovation is connected to gaining competitive advantages and allocating resources effectively. CSR also produces financial benefit to firms (Galbreath, 2006, p. 183). For example, Galbreath (2006, p. 176) states that CSR is mainly a strategic issue.

According to Fifka et al. (2014, p. 14), the success of a company and its environment are interlaced: a functioning and stable social environment supports the company's success and hereby investing in the region, and sustainable products and services are both ethical and support the company's interests. According to Fifka et al., especially SMEs acknowledge the fact that stable social environment is vital for their operations, but companies in general are particularly interested in their social environment in times of change when the importance of the stability becomes more relevant.

It can be said that the social sustainability debate is guided by the 2030 Agenda for Sustainable Development of the United Nations, which consists of 17 Sustainable

Development Goals (SDGs) that are well-known objectives since all 193 UN Member States are committed to them. Although the primary responsibility for implementing Agenda 2030 lies with the governments, the contribution of businesses is needed to achieve the objectives along with other operators. The aim is to achieve these objectives by 2030 and the achievement of these objectives is monitored by over 200 global indicators and in addition different national indicators (United Nations, 2015). The SDGs consist of no poverty; zero hunger; good health and well-being; quality education; gender equality; clean water and sanitation; affordable and clean energy; decent work and economic growth; industry, innovation and infrastructure; reduced inequalities; sustainable cities and communities; responsible consumption and production; climate action; life below water; life on land; peace, justice and strong institutions, and partnerships for the goals.

Bogoviz, Lobova, and Alekseev (2022) found in their study that SDGs are strongly linked to companies' strategies, but companies place different emphasis on SDGs and there is a different level of activity with the CSR measures between companies in different regions. The study shows that guarantee of labour rights (official employment), keeping a stable number of jobs or increasing it to support employment, and businesses' fight against corruption are universal measures of CSR to support the SDGs, but other procedures vary in different regions around the world. According to Bogoviz et al., the commercial approach to integrating the SDGs into corporate strategies appears to be a used practice in all the regions. Moreover, they found that there is a need for regional management of incorporating SDGs in corporate strategies instead of the prevailing global management style.

Today, CSR actions and attitudes are no longer only related to the company itself, but also to the actions, attitudes and expectations of their stakeholders. According to Freeman (2010, p. 7) businesses are based on relationships with different stakeholders such as employees, suppliers, financiers, customers and communities are all key parts of business organisations, and hereby businesses should consider all stakeholders' interests, not just shareholders. This idea is behind the stakeholder theory, which was first introduced by Freeman in the 1960s and 1970s. Since then, stakeholder theory has become increasingly

important in the business world and is nowadays a dominant idea for the majority of businesses all over the world.

Nevertheless, many think that if the interests of the stakeholders do not go together or some stakeholders need to be prioritised, then the interests of the financiers are the most important. Freeman (2010), however, argued that it is wrong to think that one stakeholder is constantly prioritised above the others, since the basic idea of capitalism is based on making an agreeable agreement and a joint victory for several actors in the long run. Having a viable business requires that the company has the support of all the stakeholder groups and hereby companies cannot afford to lose the support of any stakeholder. (Freeman, 2010, p. 7)

In this study, we are interested in finding out to which extend stakeholders are present in leaders' mental models, and whether leaders reflect the role of stakeholders in their CSR and internationalisation perceptions. According to Waddock, Bodwell and Grave (2002, p. 132), companies face pressure to engage with CSR from stakeholders as well as societies in a form of institutional expectations and general social trends. Waddock et al. state that these pressures are reflected in, for example, new standards and "best of" rankings, as well as reports that measure not only economic performance but also social and environmental performance.

2.2.2 CSR in SME context

Less attention has been paid to the study of CSR from the SMEs' perspective than from large companies' perspective in CSR literature. The literature deals mainly with factors that the SME leaders consider to be the most important for growth, such as relationships with suppliers and employees (Bhattacharyya and Kumar, 2022, p. 49). According to Bhattacharyya and Kumar, it is important to study CSR exactly in the SME context, since the theoretical models that big corporations use are not fully applicable to SMEs. As small businesses form the backbone of the socio-economic system in many countries, it is relevant to examine how they embrace CSR engagement (Del Baldo, 2013, p. 145). However, studying CSR in SME context is challenging because SMEs usually do not have their own CSR departments unlike bigger companies, and SMEs and their

environments are very different, which makes the phenomenon complex (Rózsa, Holúbek, Veselá and Soboleva, 2022, p. 107).

According to Colovic and Henneron (2019, p. 786), many researchers have studied the differences between SMEs and larger companies and discovered that SMEs differ from larger companies in many ways as they have fewer resources, less formal structures and courses of action, owner managers, they typically have closer relationships with stakeholders and they interact very closely with their local communities, among other things.

Jenkins (2006, p. 242) states that the individual personalities of leaders and the ownership structure are important factors that explain behavioural characteristics of SMEs since they usually do not have formal management structures. In SMEs, the manager is often responsible for both ownership and control and thus the power to decide about CSR matters lies with the entrepreneur, and their personal choices play a key role in the use of the company's resources and their allocation to CSR activities (Jenkins, 2006, p. 242). According to Del Baldo (2013, p. 145), leaders' and entrepreneurs' ethical values play a key role in SMEs' engagement with sustainability-oriented practices and adoption of CSR. This is why we believe that doing research on startup leaders' perceptions is highly important.

According to Kraus et al. (2020, p. 643), due to having limited resources, SMEs decide to engage with social projects and community-related activities according to three decision-making aspects which are local relationship, which includes a personal interest or a regional linkage, resource orientation, which is a budget-oriented perspective, and a win-win approach that emphasises what firm gets back from its engagement. In their research, Kraus et al. (2020, p. 645) also found out that SMEs' approach to participating in such social projects is related to the value base and values such as fairness, down-to-earth attitude and respect, and not for example to public communications, pressure to engage or the will to improve the company's reputation.

According to Jenkins (2006, p. 243), SMEs are not under the same pressure to implement CSR practices as large companies, and they often put more emphasis on problems that

occur around them, such as community participation and employee motivation. Nevertheless, investing in CSR also benefits companies from the SME perspective, as it improves the image and operating performance of the company and thus improves the company's access to financing, which in turn results in increased working capital and operational performance (Bhattacharyya and Kumar, 2022, pp. 49–51).

Moreover, there are many other factors as well which make it advantageous for SMEs to invest in CSR activities. For example, Oduro et al. (2022, p. 198) state that it improves SMEs' both financial and non-financial performance, promotes growth and sustainability, offers a differential advantage, and in addition, engaging with CSR is a good competitive strategy that offers strong marketing positioning in today's changing marketplace.

2.2.3 Leaders' interpretations of CSR

According to Fifka et al. (2014, p. 5), CSR extends to every aspect of life because it aims to solve various social, environmental and economic challenges, and thus is currently a highly relevant theme and a crucial component of the business strategy for modern companies, international organisations and non-governmental organisations all over the world.

Due to a constantly changing environment, new CSR challenges are emerging for companies, requiring new business models and thinking methods as well as new business ethics (Fifka et al., 2014, p. 3). Fifka et al. (2014) state that in order to create a world that is still habitable for future generations, each of us should take responsibility for this new sustainable mindset. We therefore believe that this sustainable mindset and emphasising different perspectives of CSR should also be strongly reflected by leaders who play a key role in our society in shaping the future. This is why we examine the perceptions that leaders have of the CSR and internationalisation.

Similarly, Quoquab and Mohammad (2019, p. 306) support this idea: they state that the themes for creating sustainable future are efficiency, community, and sharing of physical and intellectual resources. They also state that the enablers for these themes are seen to be the government through central leadership and legislative and regulatory support,

technology and education. Sustainability requires cooperation and is not attainable in isolation (Crowther and Quoquab, 2020, p. 2). Hereby, it is interesting to examine how leaders view these themes in an international business context.

The global aspect of CSR is apparent in leaders' perceptions: ethics are related to the individual's cultural environment but due to the corporations' cooperation and international moral issues, individuals' mindsets are challenged, and they are expected to consider others' points of views as well (Copoeru, 2012, p. 35). According to Trujillo-Liñán and Meneses-Calzada (2020, p. 302), CSR is often written in the corporation's strategy, vision and mission. Therefore, strategy work is an essential part of implementing CSR in organisations, and that is why internationalisation strategies are the focus of our research.

According to Sitnikov (2013), CSR is both an Academic Concept and a Managerial Idea. CSR's history from a managerial perspective is based on the paternalism that occurred in the United States in the 1800s. This came from the religious beliefs of the leaders of large corporations and thus some scholars, such as Bowen (1953), Frederick (2006) and Swanson (2008), argue that businesspeople themselves have been the ones shaping the concept of CSR. CSR became a theoretical concept of mere practice at the turn of the 1950s and 1960s. (Sitnikov, 2013, pp. 114–119)

As discussed in the previous chapter, CSR is a somewhat unclear concept and has many different definitions, so it can also be difficult for leaders to understand it. According to Sitnikov (2013, p. 115) CSR can be perceived as contextual, dynamic and overlay. Sitnikov (2013) states that CSR has different meanings in different countries and across sectors, and these meanings are based for example on balancing market structure and property or risk and opportunity.

Okpara and Kabongo (2013) explored leaders' CSR perceptions in Nigeria. In their results, companies were divided into three categories according to the motivation the leaders had for carrying out CSR actions: some leaders were motivated by corporate agenda and values to carry out CSR actions that fit the company's strategy, some wanted to follow existing practices and follow minimum CSR actions, and some wanted to

practice CSR on a case-by-case basis by reacting to events in their environment. In addition, they found out that 90 % of the studied corporations communicated about CSR practices with their stakeholders (Okpara and Kabongo, 2013, p. 139).

Some people have seen CSR in the past only as a "marketing stunt" as engaging with CSR can make it easier for companies to expand and enter the markets and show company in a favourable light in the eyes of the customers. However, CSR initiatives alone are not enough to link a company to CSR from a society's perspective, as consumers demand that companies truly commit to CSR and not just slogans. Nevertheless, there are particular issues related to CSR. Some companies have used it as a way to improve public relations and maximise profits without really integrating CSR into the company's agenda and strategy. (Sitnikov, 2013, pp. 115–117)

Schmidpeter (2013, p. 171) describes the change in attitude towards CSR as follows: "The central point is no longer the question of how profits will be put to use, but rather how they are made in the first place." Today, the focus is more and more on corporate engagement with social innovation, where the strategic approach is to produce not only business value but also added social value at the same time, so called shared value. Thus, instead of seeing companies as a problem, they can now also be seen as a solution to the current problems of our society. (Schmidpeter, 2013, p. 171)

However, today, general trust in the economy requires transparency in the company's CSR attitudes and in communicating those to stakeholders. Changes in attitudes also make it mandatory for companies to consider how their strategy aligns with society's interests. CSR has developed into a responsibility management at the heart of the company's operations and is no longer just a single-issue engagement such as donations and sponsorship or compliance with legal regulations. Hereby, companies should build a CSR strategy to take full advantage of the benefits offered by responsible business operations. In consequence, Schmidpeter (2013) suggests that CSR might be even seen as a new management paradigm. (Schmidpeter, 2013, p. 179)

Quarshie et al. (2018, p. 172) state that there is much room for improvement in how companies take into account the different aspects of sustainability and they typically give

attention to the well-known and traditional sustainability challenges. This is why it is important to examine which aspects of CSR leaders emphasise and understand which factors affect their perceptions. In this research, we examine whether leaders' international experiences are one of these factors.

2.3 Leaders' international experiences

Nowadays, the importance of leaders' international experience is increasing, as they have to interact with people from different countries and backgrounds. Global mobility is growing, and there is a need for leaders with global competencies to work in the volatile, uncertain, complex, and ambiguous global environment (Parish, 2016). Also, growing the business abroad is a requirement for survival rather than a competitive advantage for many firms, and leaders' experiences play an important role in the internationalisation process. According to the upper echelons perspective, the managerial background characteristics, such as the experiences, values and personalities of top executives, have a great impact on their interpretations of situations and therefore their strategic choices and firm performance (Hambrick and Mason, 1984; Hambrick, 2007). Maitland and Sammartino (2015) found a connection between an individual's international executive and/or board-level experience and richer analysing of host environment's political hazard dynamics. Sambharya (1996) found that top management teams with higher foreign experience and heterogeneity of the foreign experiences had a positive impact on the firm's international involvement. They suggest that one reason could be the reduced anxiety working in the increased uncertainty in a new environment. Tihanyi et al. (2000) also reason that international experience may provide awareness of the opportunities abroad as well as useful contacts. In addition, they suggest that elite educational experience is connected to international involvement possibly because of having the chance to interact with foreign students and get to know other cultures, reduces uncertainty in international business ventures.

When studying leaders' international experiences, the aspect of cross-cultural learning is essential. Leaders need to have local understanding of the host countries' cultures and diverse stakeholders such as host governments, partners, customers and suppliers

(Rosenzweig and Singh, 1991). Root (1994, p. 237) stresses the importance of cross-cultural communication and states that it is the most important factor in international business. According to Root, all aspects of internationalisation strategies, such as the choice of target country and segments, entry mode, candidate product and its adaptation to the new country's markets, can be affected by cultural differences and thus they depend on cross-cultural communication. Root (1994, p. 241) also underlines the importance of experiential learning and personal interactions with individuals from other cultures in developing cultural awareness. Therefore, while studying foreign languages and cultures from books facilitates cross-cultural learning, it is crucial for leaders to have actual international experience where they have actively been interacting with individuals from other cultures in order to have a deep understanding of different cultures.

Besides cultural awareness and local understanding, a leader with a background of international experiences is likely to have developed a global mindset which helps them understand and be mindful of other cultures. According to Kedia and Mukherji (1999), potential strategies to develop global mindsets include creating opportunities for international experiences through foreign travel, diverse teams, and leaders' international assignments. Kedia and Mukherji also state that leaders with a global perspective are integrators that utilise and bring together worldwide relationships, develop skills required to manage the company in a complex environment, understand the world and the differences and opportunities in it, and are able to manage the differences between people, values and cultures. Moreover, already Perlmutter (1969) made a distinction between ethnocentric, polycentric, and geocentric (home country, host country and world orientation, respectively) mindsets in firms and made a list of advantages of geocentrism, including developing a more powerful company globally, better quality of products and services, considering worldwide resources, commitment to worldwide goals and higher profits. Global mindset can also help leaders recognise global megatrends relevant to the business. Thus, developing a global mindset through international experiences is not only useful for cultural awareness but also profitable and valuable for the company as a whole.

Many findings of the impacts of leaders' international experiences on the company's strategy and performance have been made. For example, Wang, et al. (2016) found that

CEOs' prior international experience is positively related to a variety of the firm's strategic actions, whereas Le and Kroll (2017) found that CEOs' international experience positively affects strategic change and firm performance, and that the number of countries and cultural distance positively moderate these relationships. Dobija et al. (2023) found a connection between directors' international orientation and development of sustainable corporate behaviours through more transparent non-financial disclosures.

A lot of studies have focused on the impacts of leaders' international experiences on the CSR performance of the company. This have been studied especially from China's point of view: For example, Shahab, et al. (2020) found a connection between CEOs' earlier foreign experience and better sustainable and environmental performance in Chinese listed firms. While Xu and Hou (2021) found that Chinese CEOs' international experience from the developed countries leads to better CSR performance, Zhang, Kong and Wu (2018) discovered a similar connection between directors' long-term international experience and the company's CSR engagement.

Moreover, Khalid et al. (2022) found a positive relationship between Chinese CFOs' international experiences and the company's CSR assurance. Quan et al. (2023) discovered that the Chinese CEOs' foreign experience is positively associated with the level of corporate green innovation. While these findings are interesting, they cannot be directly generalised to all contexts, as the international experience the Chinese leaders have gained in the developed countries and its effect on their CSR practices is likely affected by the higher CSR standards in the developed countries. Thus, it is interesting to study the phenomenon from the opposite perspective: how different kinds of international experiences of the leaders originated in a developed country affect their perceptions of CSR.

3 Methodology

In this section, we present our data collection method, semi-structured interview, as well as our analysis method cognitive mapping. This research is an interview study with cognitive maps as an analysis method because it provides a suitable framework for conducting the research and information corresponding to the research question. The purpose of this research is to examine the variety of the CSR aspects that startup leaders consider, examine which aspects they emphasise above others, and how they perceive CSR's role in internationalisation strategies. Thus, this research has a qualitative approach: This research aims to obtain detailed information about the phenomenon, leader's perceptions of CSR and CSR's role in internationalisation strategies, and to have a deep understanding of the interviewed leader's perceptions, not to obtain for example numerical data and correlation information.

According to Juhila (2009), it is not well suited for qualitative research to modify the material into a numerical form. Qualitative research does not typically aim to interpret the results based on how many of the interviewees talk about a particular issue, although sometimes a simple calculation from an analysis might support qualitative analysis (Juhila, 2009). With a qualitative approach, it is possible to get information about the perceptions of individuals and the kind of information that answers the question words in the research questions, which are "what kind of?" and "how?". According to Varto (1992, p. 24), meanings that appear in a variety of ways are at the centre of qualitative research (Saaranen-Kauppinen and Puusniekka, 2006).

3.1 Data collection method

The data collection method of this research is an interview. The interview is done with cultural perspective and hereby the focus is on how people construct reality, so it supports the research purpose. The interview is semi-structured because it is a data collection method that provides clear but flexible framework and the kind of information that is suitable for the research question: semi-structured interview method enables us to have a more comprehensive understanding of the leaders' perceptions of CSR and its role in

internationalisation strategies by asking both structured questions about certain themes and follow-up questions to understand which aspects of CSR startup leader's emphasise and to understand the link between CSR and internationalisation from the startup leaders' point of view. Semi-structured interviews generally include predetermined open-ended questions and questions that emerge from the conversation that interviewer has with the interviewees (DiCicco-Bloom and Crabtree, 2006). Semi-structured in-depth interview is the most common format of interviewing for qualitative research which allows the researcher to examine the social and personal matters thoroughly (DiCicco-Bloom and Crabtree, 2006).

In this study, we interviewed five startup leaders from four different startup companies. The interviews took approximately an hour per interview. These startups operated in different industries. The combining factor of the companies was that they either had or had had links to Aalto university's Aalto Startup Center. According to Eskola and Suoranta (1998, p. 15), qualitative research often focuses on a small number of cases that are analysed as accurately as possible. The acquisition of the material is guided by the theoretical foundations built by the researcher, and the researcher is responsible for placing the research objects in societal contexts (1998, p. 15). Thus, the criterion for the scientificity of the material is quality rather than quantity.

In this research, a few important factors influenced the selection of research subjects. First, the research subjects were selected according to the fact that the companies under research meet the characteristics of startups and the leaders interviewed were working in a leadership position at the time of the interview. Secondly, the interest of the interviewees themselves to participate in the research influenced the choice of the interviewees. Thus, we selected such research subjects that felt that CSR and internationalisation were current or interesting themes for them. We ended up choosing a startup context for our research, as internationalisation strategies have been less studied through startups.

In the data collection, potential difficulties were considered. When gathering data, a qualitative researcher often faces challenges such as collaboration: it can be very difficult

to try to access the leaders in organisations since there can be possible fear of industrial espionage, leak of information, safety problems, and research always consumes employees time (Eriksson and Kovalainen, 2008). In this study, possible timidity of the subject or secrets related to the strategic work were considered already when forming research questions and participating in the study as well as answering all questions was voluntary.

Eskola and Suoranta (1998, p. 12) state that to put it more simply, qualitative material refers to material that is text. In this research, we transcribe the interviews into text and after this we create cognitive maps based on them. This process of analysis is described in more detail in the following chapter.

3.2 Analysis method

In this study, the analysis method is cognitive mapping. The use of cognitive mapping is beneficial for example because it can illustrate the thinking of leaders: in today's rapidly changing and uncertain business environment, leader's need to process large amount of information. But as Simon (1955) states, humans have limited data processing capabilities. One way that leaders process all the information is through mental models, and cognitive maps are representations of these models. In order to make sense of the complex cognitive processes through which leaders picture the world and global phenomena, we create cognitive maps that represent the leaders' perceptions of CSR and internationalisation strategies.

Since there are two of us researchers, in order to get a more reliable result, we both first made the cognitive maps of all the interviewees by ourselves and then compared them together with each other in order to form one comprehensive map of each leader for their perceptions of CSR and internationalisation. Then, we compare the cognitive maps of each leader to see how the leader's CSR perception is connected to their perception of internationalisation strategies, and then we compare the cognitive maps between leaders.

Mental models are a way to picture complex environments or situations as concepts and relationships, which allows the individual to process more data at once (Weick and Bougon, 1986). Cognitive maps are graphical representations of the mental models and can be used as guidance in strategic decision-making (Vaz et al. 2022). While mental models are useful to process a big amount of data, they also have their flaws. As Haque et al. (2023) state, they are incomplete and often inaccurate, and they determine what information receives attention, which means important aspects may be left without attention. They also limit the range of solutions considered (Bateman and Zeithamel, 1989) – it is not easy to think outside the box. However, creating cognitive maps of mental models helps us understand the cognition of leaders and thus is a useful tool to see which aspects of CSR they emphasise and if CSR plays a role in internationalisation strategies in their mind.

Different terms have been used to refer to individuals' mental models and the visual representations of them, such as cognitive maps (Haque et al., 2023), fuzzy cognitive maps (Aminpour et al., 2020) and concept maps (Brandstädter et al., 2012; Khajeloo and Siegel, 2022). They may have slightly different associations and meanings. In this study, we refer to cognitive maps when discussing the visual representations of the leaders' mental models, as it has an emphasis on the leader's cognition, which is the focus of this study. Cognitive mapping is also closely related to sensemaking, which Brown et al. (2008) describe as a narrative-making process to make sense of complex phenomena.

Gnyawali and Tyler (2005, p. 228) state that a cognitive map is a generally accepted representation of knowledge: memory is stored in long-term memory, where concepts and the links between them form an associated network which can be expressed by a cognitive map. In cognitive maps, concepts are called "nodes" and the links between them are described by the term "arcs". According to the researchers, the concepts with the most links are better integrated into the mental understanding of the individual and can be seen to be more important to the individual as well. The linkages between concepts can vary and by following the linked path by concepts, one can gain access to information in an individual's knowledge network. (Gnyawali and Tyler, 2005, p. 228)

Ahmad and Azman Ali (2003, p. 3) summarise that cognitive mapping has particular benefits throughout the research: from a technique view, it is a useful method, it offers structured symbolic representation, graphic representation rather than linear layout, makes it easier to manage a large amount of qualitative information, and can enhance interview capability. In terms of findings, the method makes it easier to for example visualise them and thus communicate the information obtained, and possibly gain insight into the structure of information. On the other hand, making cognitive maps is time-consuming and large maps might become complex to administrator, and they might be difficult for the reader to understand. (Ahmad and Azman Ali, 2003, pp. 3–5)

According to Ahmad and Azman Ali (2003, p. 3) cognitive mapping is not just a one methodology in itself, but a collective term for a set of techniques in which the researcher graphically represents individual's understanding of a specific issue. Swan (1997, pp. 189-190) states that cognitive mapping techniques consist of eight different main groups as follows: content analysis of text, repertory grid techniques and factor analysis, systematic coding of causal relationships, matrices and matrix-multiplication techniques, semiotic analysis, techniques for mapping arguments used in decision-making, computer software to produce models of concept meanings and causal relationships, and interviews in which the participants question themselves in order to expose concepts and relationships (so called 'Self-Q' technique). These techniques aim at either revealing key concepts and themes, exposing concepts and their relationships, identifying dimensions for individuals that underlie the concepts they use in problem-solving domains, revealing causal relationships between the phenomenon and related concepts, mapping arguments used in decision-making or exposing hidden meanings and underlying beliefs (Swan, 1997, p. 190). In this research, we conducted content analysis of text.

In this study, the cognitive maps are cause maps, which is a subtheme of cognitive maps. In cause maps, the links between concepts represent a causal link that can be positive or negative depending on which of the concepts affects the other (Gnyawali and Tyler, 2005, p. 228). However, studies do not always determine on which direction the concept affects, as its one-sided effect can be very difficult to assess. Hereby, in this study, the direction of the causal relationship is not considered more closely with the + and - markings. In a

cause map, in case there is no arrow in the concept to another concept, the individual does not see a significant connection between them (Gnyawali and Tyler, 2005, p. 228).

Baron and Ensley (2006) state that entrepreneurs develop their cognitive frameworks through learning, which happens by gaining experience. Learning is also often seen as a process of repetition and reflection (Maitland and Sammartino, 2015). Building on this, we suggest that experiences affect leaders' mental models. This supports our decision to compare the cognitive maps of the leaders through the lens of their international experiences. Baron and Ensley (2006) also state that individuals use the cognitive frameworks in identifying business opportunities. Similarly, we suggest that leaders identify CSR and its role in internationalisation strategies through mental models.

To support the cognitive maps in our analysis, we also offer some quotes from interviews that better embody the perspective or thoughts of the interviewee. Useless speech-like words such as "yeah" and "like", and repetitions have been removed from the citations in order to make the citations clearer, but their content or purpose has not changed otherwise.

In this research, the cognitive maps are built so that the main theme is at the top of the map and the first and later subthemes (nodes) progress from top to bottom. These different themes (nodes) are combined in a casual chain with arcs. Detailed descriptions of the cause map signs are presented in the next chapter in Figure 2. The purpose of cause maps is to describe the thought chain of the interviewees during the interview as accurately as possible with regard to the themes relevant to the research. However, only themes that are relevant to the research have been selected for the maps, and thus some of the content of the interview may have been excluded from the maps. Furthermore, it is good to note that the visual forms of the cognitive maps are produced by the researchers.

4 Findings

In this chapter, we present the data in a form of cognitive maps. We made two mental maps of each five startup leaders: one of their CSR perceptions and the other of how they see CSR's role in internationalisation strategies. We have identified the interviewed startup leaders with tags I1–I5.

As presented in figure 2, in this study, the anchor themes of cognitive maps (black ones) and the first-level nodes (green ones) as well as the later-level nodes (blues ones), have been combined into causal chains with arcs. The distances, order, or size of the nodes or arcs are not relevant to the analysis in this study, but they aim to express the thought chains of the interviewee in the interview as accurately as possible. Some themes were brought up by the interviewers themselves in a form of a question (black arrow) in case the interviewee did not mention the theme at all, or the interviewers took the direction of the conversation back to the relevant themes. Hereby, the black arrows do not necessarily mean that the interviewee did not mention the theme earlier on their own initiative. Some longer chains of nodes and arcs are created by the interviewees' explanations of stories or longer individual cases.

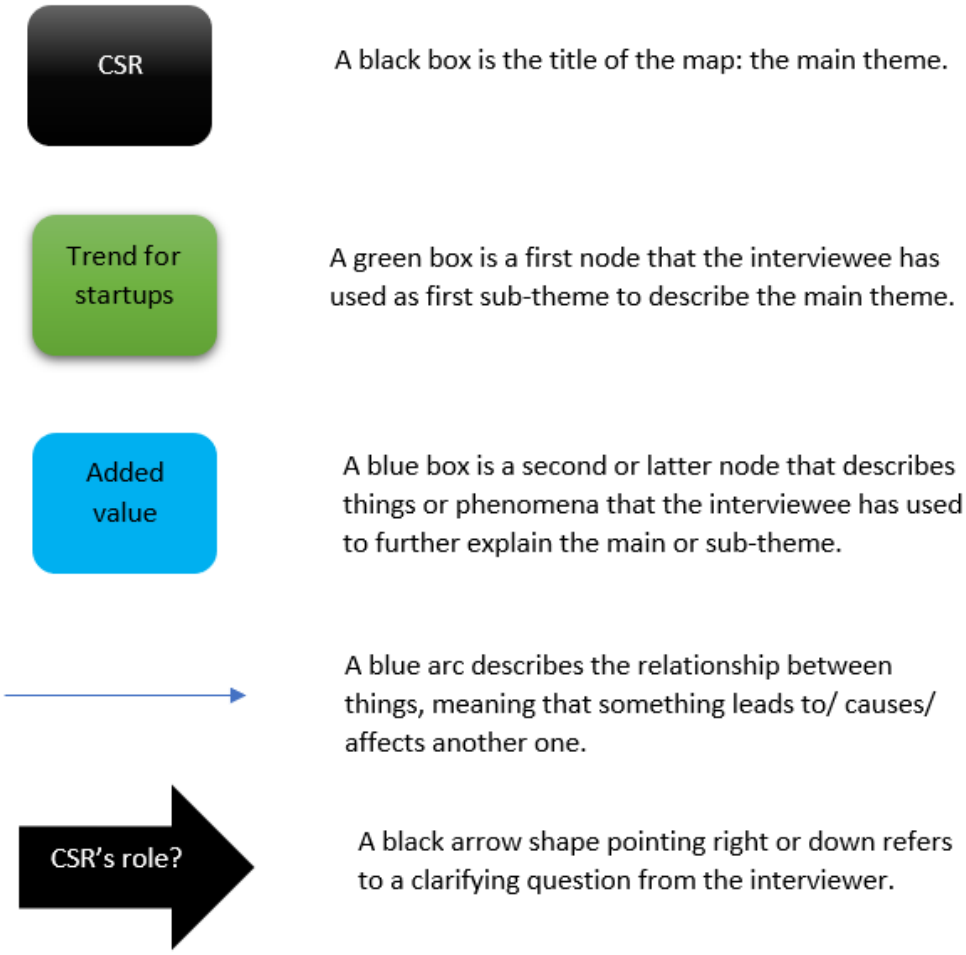

Figure 2. Explanations of cognitive causal map signs

4.1 Startup leaders' perceptions of CSR and how those affect their views of CSR's role in internationalisation strategies

4.1.1 Interviewee 1 maps

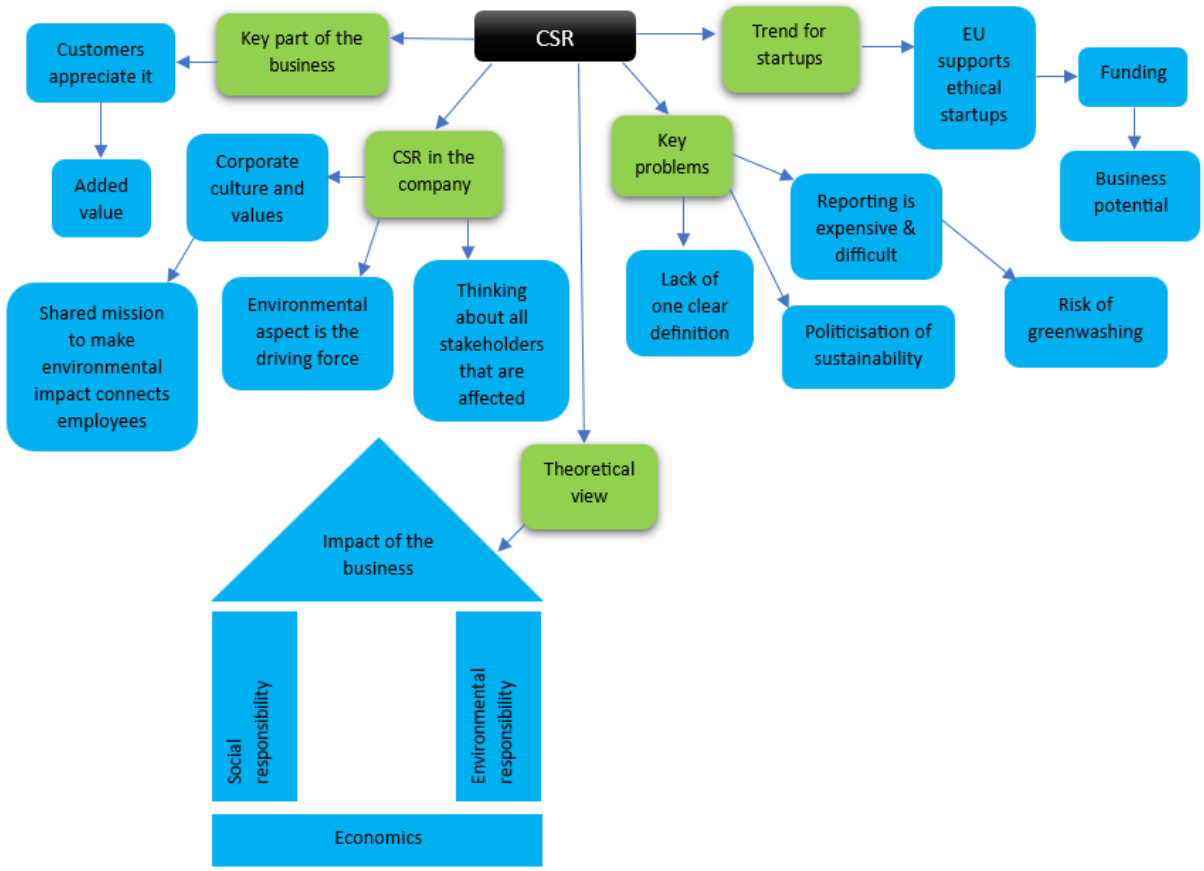

Figure 3. I1 perception of CSR

I1 had a clear vision of what CSR is: according to I1, CSR can be visualised as a house with the economic incentives as the base, environmental and social responsibilities going hand in hand as pillars, and the impact of the business as the roof. The economics comes first for any business to exist and work, but also environmental and social responsibility cannot work without one another: if one is missing, everything collapses. In the company in which I1 works, CSR is a key part of the business idea and what they do: especially the environmental aspect is essential, and the common mission connects the employees. I1 saw CSR as something valuable for the business and especially for startups as it

increases the chances of receiving funding particularly in the EU. I1 brought up three main problems around CSR: the lack of a common and clear definition of CSR, politicisation of it, as well as the reporting requirements causing challenges for startups that do not have the resources yet to provide all the required reports, which in turn creates the risk of greenwashing. I1 also pointed out ethical dilemmas that some situations cause for businesses: when businesses do something good, their actions might actually have negative effects as well. I1 navigates in these situations by discussing the issues in the team and with investors.

Figure 4. I1 internationalisation strategies

CSR can be clearly seen in I1's perspectives of internationalisation strategies. According to I1, market selection starts from drawing the red lines: which countries are those that they even want to consider? For example, if human rights are badly violated in the target country, I1 does not consider it a potential market, because expansion means also supporting the country. After drawing the red lines comes analysing the market size,

competition, chances to capture market share and so on. I1 also considered culture and language important as they affect how well CSR can be communicated to the target country. People may also consider different things important in different countries, which means for I1 that communication of CSR needs to be adjusted to local perceptions. Unified reporting standards for example in the EU facilitate internationalisation in the area. I1 does not want to be stuck in any country because of potential strategical, geopolitical and ethical risks, which also affects internationalisation decisions. A very essential consideration in internationalisation for I1 is simply figuring out whether the product works in the target market or not.

4.1.2 Interviewee 2 maps

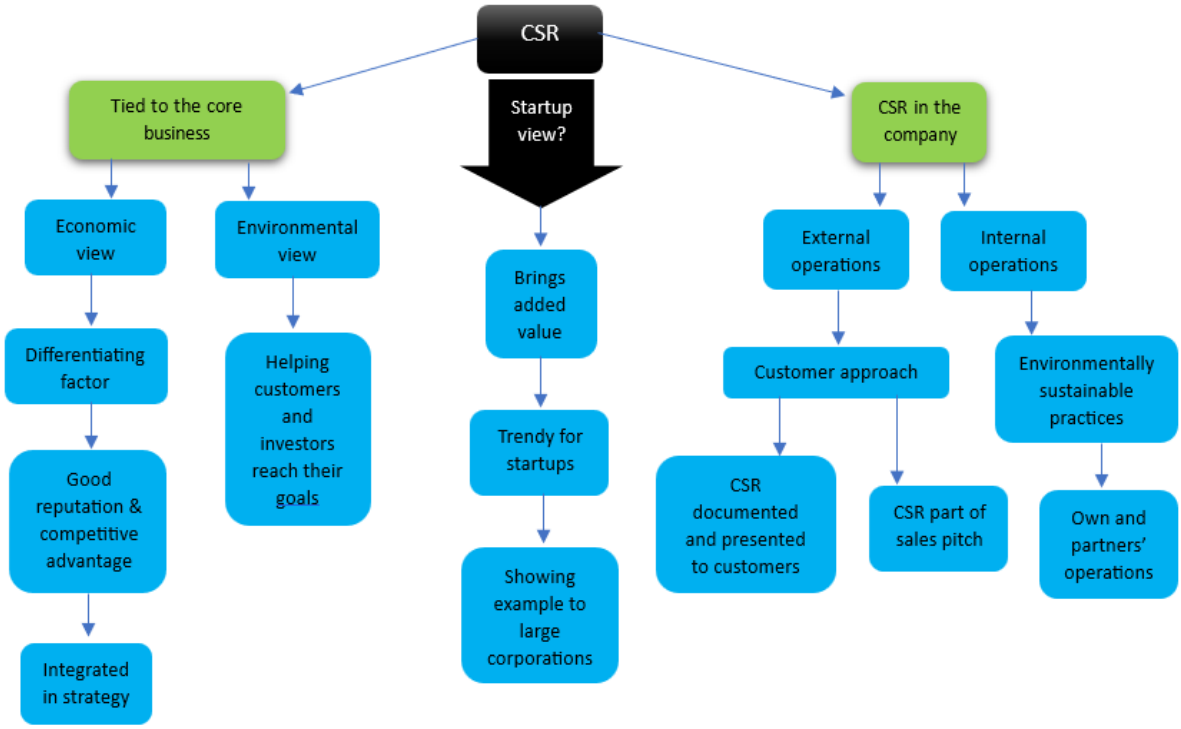

Figure 5. I2 perception of CSR

I2 approached the CSR from an environmental and financial, especially customer's point of view, from which CSR is, among other things, a competitive advantage for the

company they work in. I2's perception was built around how the CSR, and especially its environmental perspective, is at the core of their company. However, their understanding of CSR was also divided into internal and external operations' perspectives, as from external perspective customers and their desires are the guiding force behind the company's activities, while internal operations place more emphasis on the environment perspective of CSR. I2 also saw CSR as a topical and general trend for startups, from which larger companies could learn.

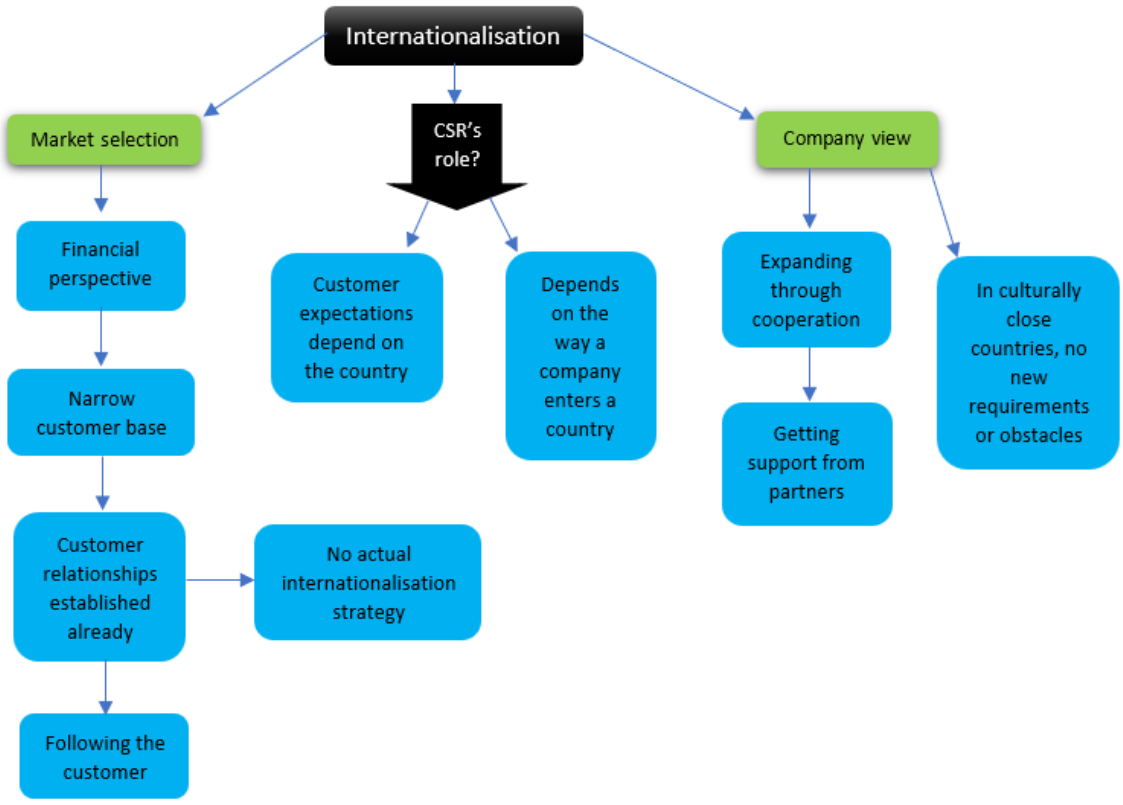

Figure 6. I2 internationalisation strategies

CSR was not one of the factors in the internationalisation process that I2 highlighted. When asked about the role of CSR in internationalisation strategies, they mentioned that

it depends on the situation and depends on the way in which the company enters a new country and to which country company enters: the needs of customers' needs and expectations are those that also guide CSR activities in the internationalisation process. As an example I2 stated that when operating in the Nordic countries, the expectations of customers do not differ much, so there is no need to adapt the CSR activities.

4.1.3 Interviewee 3 maps

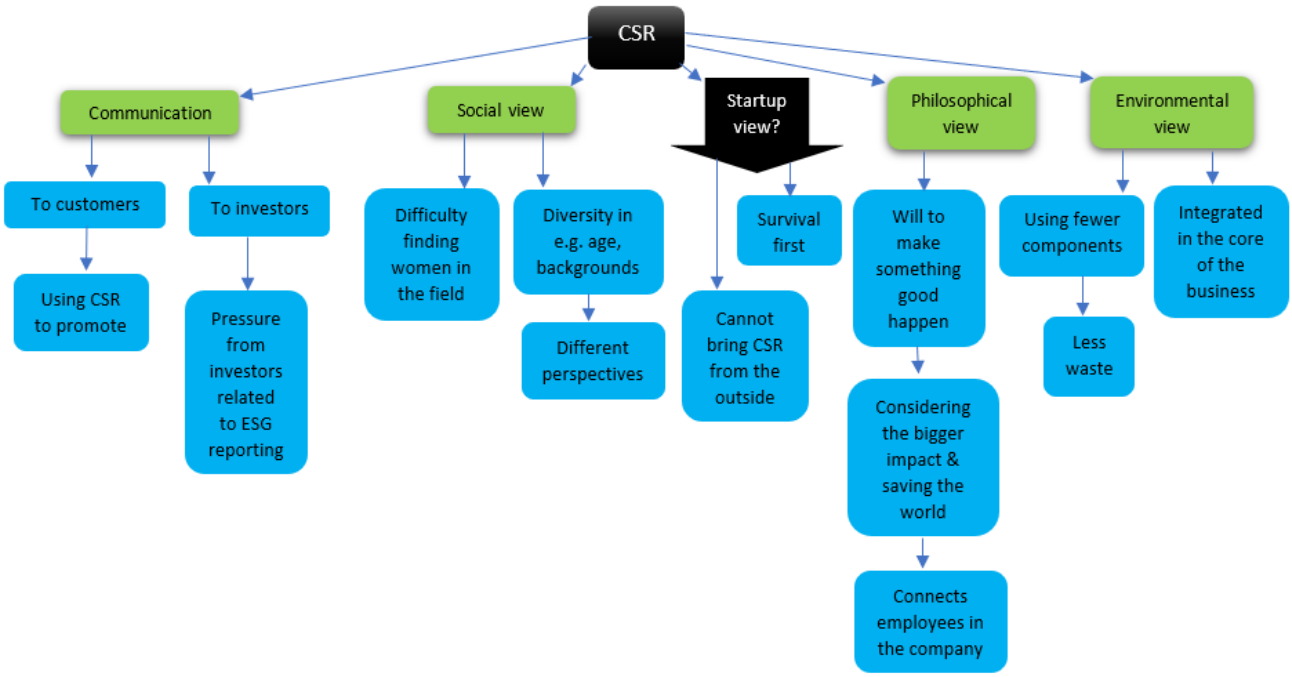

Figure 7. I3 perception of CSR

In I3's opinion, CSR has the environmental, social, and philosophical aspects. The environment is integrated in the business and considered in the product itself. The social view was considered for example by promoting diversity in age, backgrounds and so on. I3 saw that this leads to having different perspectives in the company. The philosophical view means that they have a will to make something good happen, which connects the employees in the company. What I3 also highlighted is the communication of CSR to customers and investors. They use CSR to promote the business to customers but feel pressure from the investors to provide ESG reports. From the startup point of view, I3

said that survival comes first, but that CSR also needs to be in the core right from the beginning – it cannot be brought from outside.

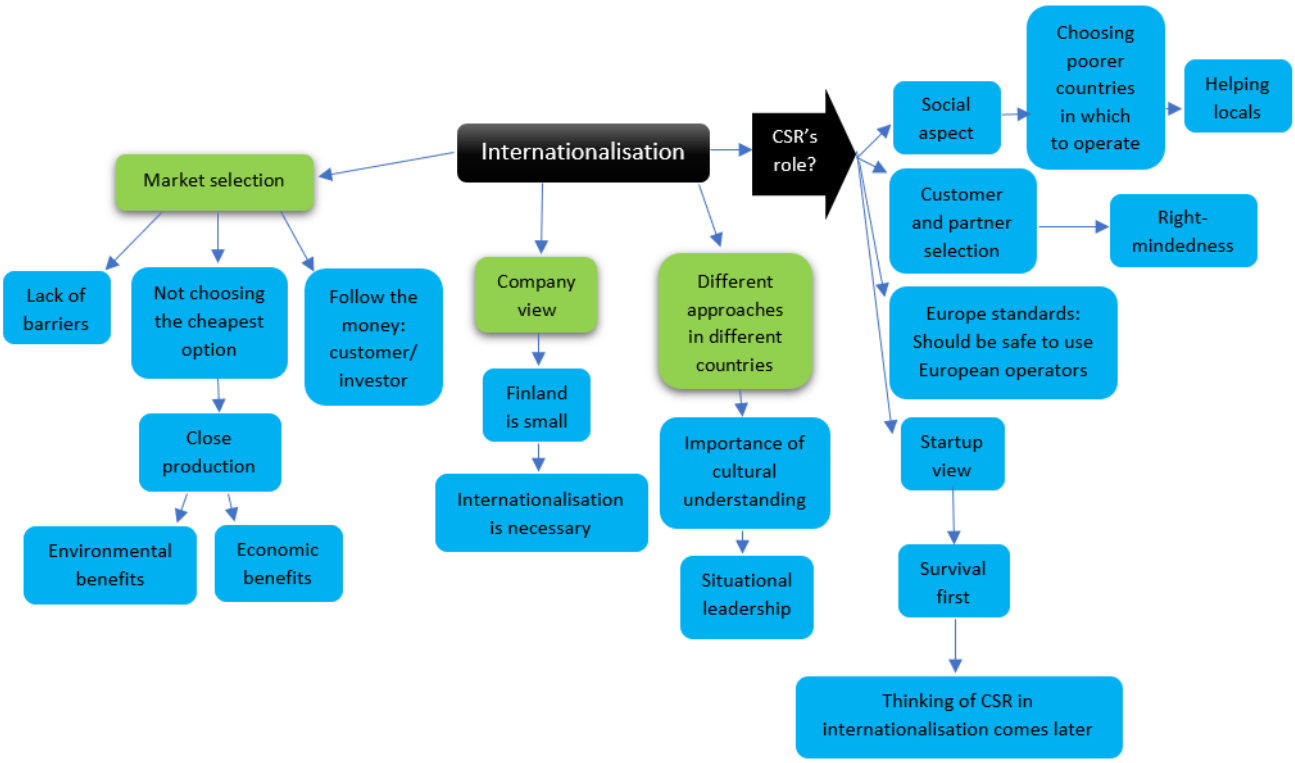

Figure 8. I3 internationalisation strategies

From I3's point of view, internationalisation is not the first goal – they want to stay in Finland for as long as possible. However, Finland is small, and eventually internationalisation is necessary. In internationalisation, I3 follows the money, which means either customers or investors. I3 also considered the lack of barriers important. I3 wants to have close production to get economic and environmental benefits. I3 highlighted that companies need to have different approaches in different countries and stressed the importance of cultural understanding and situational leadership. How I3 saw CSR in internationalisation is for example how they select partners: from their view, big customers are likely to have CSR taken care of. Europe also has high standards, so it should be safe to use European operators. What I3's company also does is expanding to poorer countries in which to operate and thus boosting their economy and helping locals

that way. However, I3 still stressed that startups just need to survive and considering CSR in internationalisation comes later.

4.1.4 Interviewee 4 maps

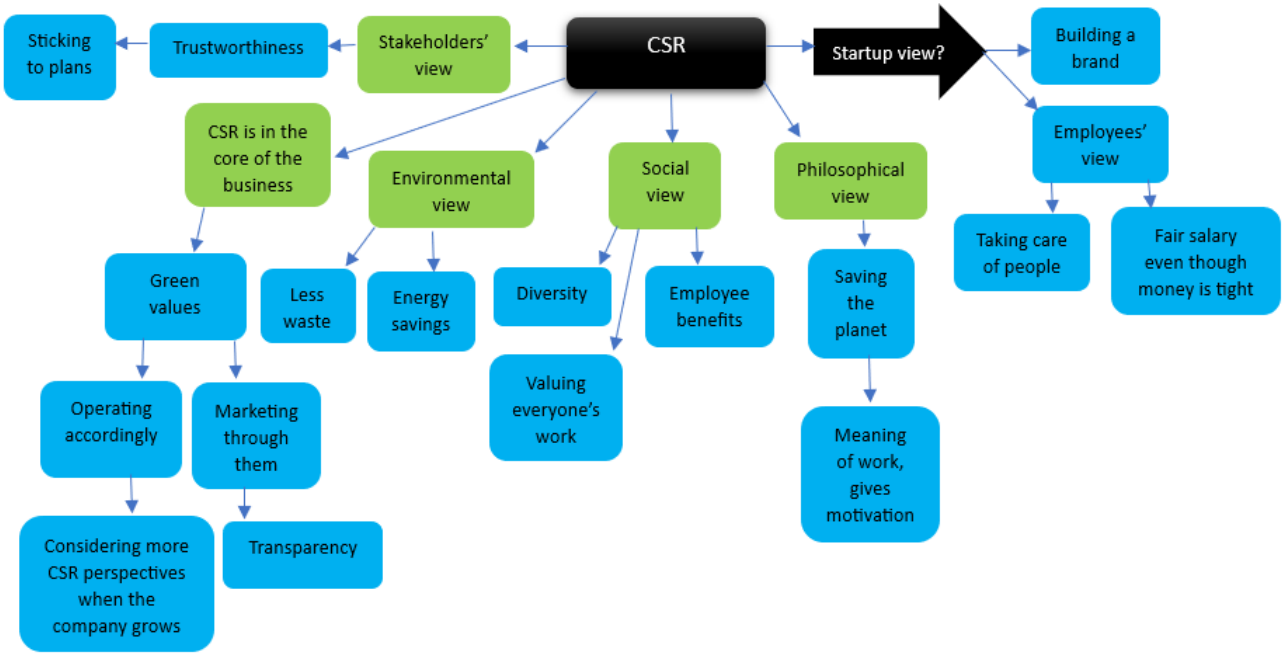

Figure 9. I4 perception of CSR

I4's perception of CSR is divided into environmental, social and philosophical view. Environmental view was based on energy savings and producing less waste. Promoting diversity and employee benefits were in an important role in the social view, as well as general appreciation of everyone's work. The philosophical view means considering the bigger impact of the company, which also gives motivation for the work. In the company in which I4 works, green values are important, and it can also be seen in their marketing. What I4 considered important was transparency of everything they do. I4 also considered trustworthiness towards stakeholders important. From a startup point of view, CSR helps build the brand. The social view is considered for example by taking care of people, having a fair salary for everyone and having an insurance that covers them everywhere.

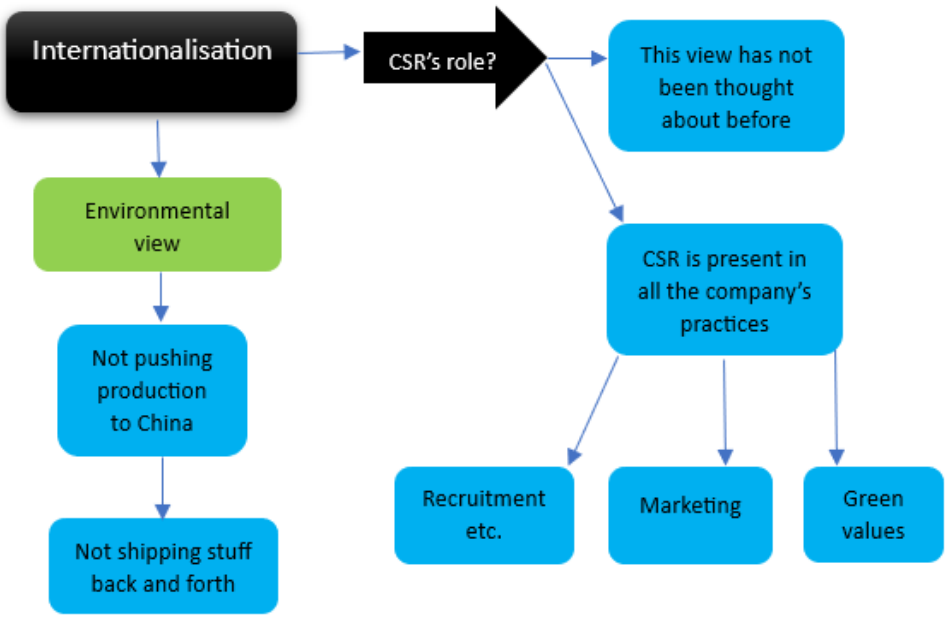

Figure 10. I4 internationalisation strategies

I4 had not been in a situation to think about the role of CSR in internationalisation processes before, nor did he mention CSR as one of the key factors in internationalisation strategies. However, I4 felt that since CSR is at the heart of business in the company where they work, the green values and CSR extend to all the activities of the company, such as recruitment and marketing and communication from the CSR, and are therefore also strongly present in the internationalisation process.

4.1.5 Interviewee 5 maps

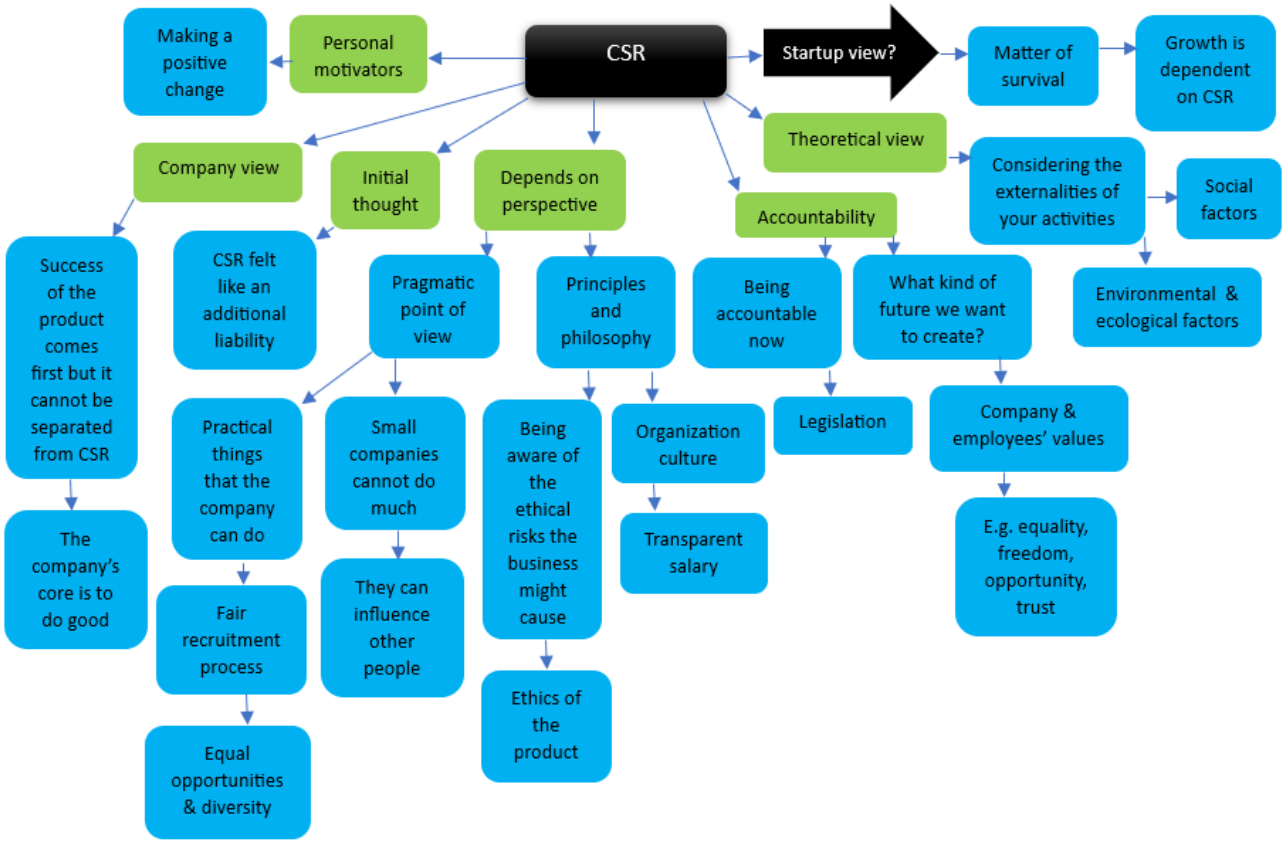

Figure 10. I5 perception of CSR

I5 considered CSR from many different perspectives, which are for example opposing perspectives such as the present versus future perspective, as well as the pragmatic versus philosophical perspective. Their perception of CSR contains a pragmatic perspective of how a company in which he works can really engage with the CSR and a philosophical, more ideological perspective of how they would like to influence and what is important to them. In addition to taking into account how companies could in a positive way contribute to CSR, I5 also stressed the potential CSR and ethical risks posed by the companies. Their perception of CSR is multidimensional and is based on accountability. I5's understanding of the CSR focused mainly on the environment, ecological and social aspects, and it also links to their own motivation. I5 considered CSR particularly important for startups because their success and growth depend on it. In addition, in the

company in which I5 works CSR is a part of the core business and its role is hereby very significant.

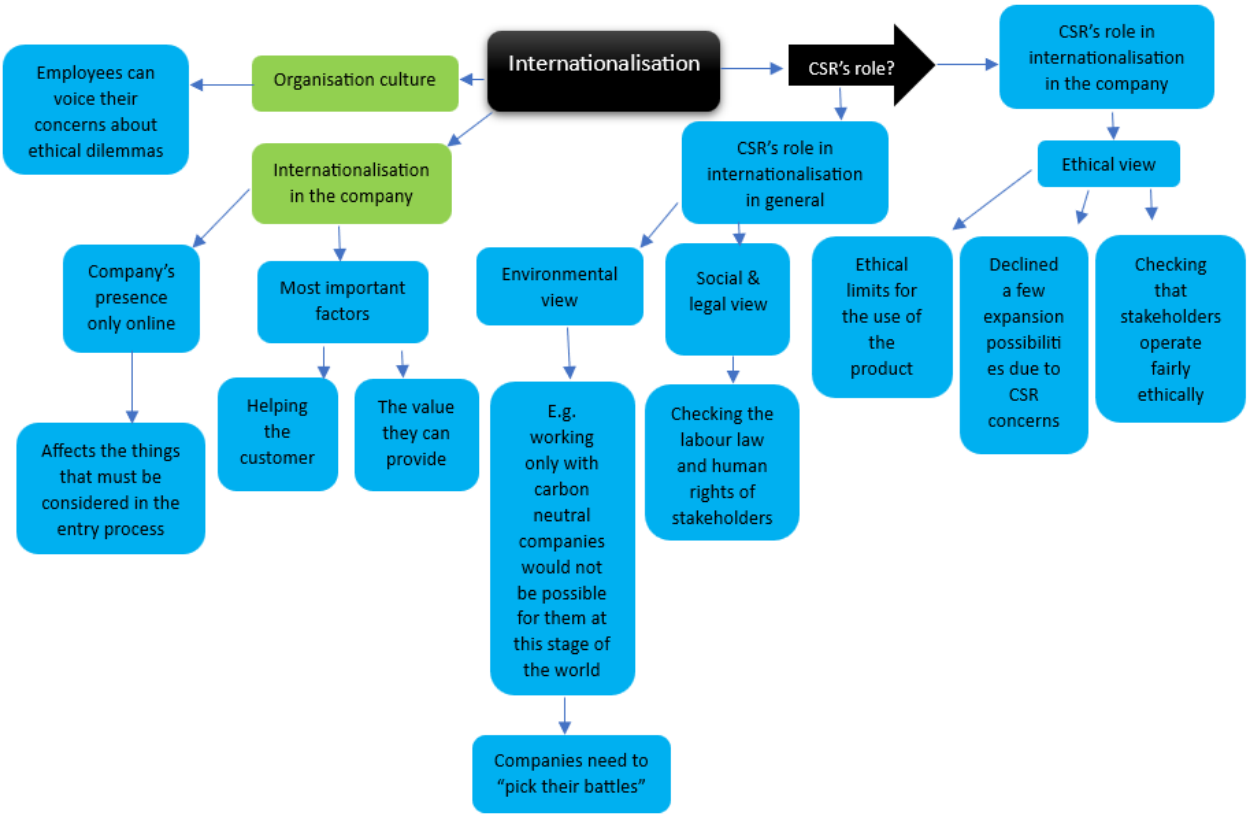

Figure 11. I5 internationalisation strategies

While I5's perception of CSR was divided into pragmatic and philosophical perspectives, both were highlighted in I5's view of CSR's role in internationalisation strategies. I5 mentioned the limited influence of small businesses. However, I5 emphasised that in the company where they work the ethical aspect is central in internationalisation and even describes it as sometimes being the defining factor that determines partners with which the company decides to work. Thus, ethics and CSR can even play a decisive role in internationalisation for example in selecting countries to which to expand. In general, I5 believes that CSR influences internationalisation strategies in general through legal, environmental and social perspective.

4.2 Map analysis

We found some similarities as well as differences between the cognitive maps of the interviewees. As discussed in chapter 2.3, leaders' international experiences are likely to have impacts on their thinking. Thus, it could be one explanatory factor to the leader's perceptions. We interviewed leaders about their international experiences and classified them into three different groups based on how deep and holistic their international experiences have been. These groups were named Group A, Group B and Group C. Group A consists of leaders in whose lives internationality has been most comprehensive: the leaders of this group have engaged with international experiences since they were children, and their family has supported them towards international experiences. These leaders have also lived abroad or spent their free time in international environments. Internationality has been evident in their childhood, education, and working life for example through partnerships. Leaders I1 and I5 belong to this group. Group B includes leaders who have worked closely with or led international teams and managed international partnerships. These leaders have also travelled a lot either in terms of work or personal life. This group includes leaders I3 and I4. The last group, Group C, includes leader I2 who has less international experience than leaders in the other groups, but has, for example, had some short assignments abroad, has managed international projects and uses English occasionally in working life. These groups are summarised in table 1.

Group code	Interviewees belonging to this group	Scope of international experience	Examples of international experiences
A	I1, I5	Most comprehensive	experiences since childhood, living abroad, free time in international environments, family support towards international experiences, leading international teams
B	I3, I4	Intermediate	working closely with or leading international teams, managing international partnerships, travels abroad in work/personal life
C	I2	Least comprehensive	some assignments abroad, managing international projects, use of English occasionally in work life

Table 1. Interviewees categorised according to their international experiences

What stood out in the views of CSR in Group A was the number of different perspectives regarding CSR, such as philosophical versus pragmatic, and CSR affecting today versus the future. Another important aspect in their maps was how important it is to integrate CSR in everything the company does: no pillar stands without the other. In internationalisation strategies and especially selecting the country, the most important aspect was the provided value the market could bring to the company, and vice versa. However, the link between CSR and internationalisation strategy was clear: the ethical red lines need to be drawn before starting to evaluate different options.

Group B also had a diverse view of CSR, however, communication and transparency stood out in their maps, as well as the wellbeing of the employees. The most important factor affecting their internationalisation strategies was the money, which means either

customers or investors for a startup. The link between CSR and internationalisation was quite clear in this group too: ethical aspects need to be evaluated when selecting potential partners.

What really pointed out in Group C was the customer perspective, both in CSR and internationalisation maps. Regarding CSR, it was important for this group to consider customer needs and their requirements and helping them reach their CSR goals as well. In internationalisation, customers were central too, as following the customer was the main internationalisation strategy. The link between CSR and internationalisation here were the communication that meets the customers' CSR expectations and considering and complying with local regulations in the host country.

Table 2 summarises our key findings from the cognitive maps.

Group	Central in CSR view	Central in internationalisation view	Link between CSR and internationalisation views
A	different perspectives, integration, personal interest	ability to penetrate the market, provided value, communication and cultural understanding	"red lines" in partner and country selection, mode selection, local standards and laws, stakeholder behaviour, communication
B	communication, transparency, employees	customers, investors, situational leadership	partner and customer selection, market selection, helping locals
C	customers and their needs, environment	customers, open-mindedness	communication, customers' expectations, local regulations

Table 2. Key findings from the cognitive maps.

Next, we discuss these findings in more depth in chapters 4.2.1, 4.2.2. and 4.2.3.

4.2.1 Comparison of startup leaders' perceptions of CSR

When comparing the cognitive maps of the startup leaders, it can be seen that they have different approaches to CSR, and they also divide the themes related to CSR in different ways. For example, I1 emphasised how social, environmental and economic aspects of CSR are all tied together:

> "What I learned is that nothing happens in vacuums. Everything is tied together. So, you have the social aspect, you have the environmental aspect, you have the economic aspect of corporate responsibility. None of these were without each other. -- You can't do environmentally good things without also having a social impact, whether it's good or bad." (I1)

I5 pointed out the contrast between pragmatic and philosophical perspective to CSR and mentioned CSR's time dimensions of being accountable now and in the future:

> "There're these two parts: taking care that your existing activities are accounting for externalities in addition to legislation. And then there's the second part which is forward facing where you account for future advancements in society as well, and you want to have your part in making that society happen." (I5)

Thus, Group A seems to have a very comprehensive picture of CSR and not only consider many aspects of CSR but also think about different dimensions that are not that traditional and widespread. The leaders in this group had a special, deeper personal interest in CSR. It also points out in this group that CSR needs to be integrated in the core of the business and all aspects of it need to be considered – businesses cannot just pick one and ignore another. Group A also perceived CSR more broadly and considered the ethical aspect more than others. They also looked at CSR from a philosophical perspective and had a clear picture of what they would like the world to be like. However, they also saw a realistic side including the limited possibilities of a small startup to make an impact, but their thinking was not limited to that.

Although also I3 found it important for CSR to be integrated in the business and stated that it cannot be brough from outside, what stood out even more in their cognitive map was communication. Group B really focused on ESG (environmental, social, governance)

reporting requirements and transparency in their communication. I4 also highlighted employees' perspective and their wellbeing.

In contrast to Group B focusing on employees, Group C emphasised customers' role in motivation to engage with CSR:

> "These CSR goals bring competitive advantage to us. It's part of our story, it's part of our sales pitch and the customers seem to regard it as a value, value added to their operations." (I2)

So, instead of taking a philosophical approach to CSR, Group C had a very practical view of it. They saw it as a way to gain competitive advantage while helping the customer gain competitive advantage as well by helping them improve their CSR. While having this economic perspective to CSR, it also clearly has an ethical goal in it. Group C had a strong focus on the environmental aspect of CSR.

Despite these differences, there are certain clear similarities: All leaders on some level perceived that CSR is either in the core of the business in the companies they work in, or that their business idea is linked to doing good for their environment due to their products or services. All leaders also mentioned at least the environmental aspect of CSR and considered it relevant. In addition, four out of five leaders mentioned social perspective of CSR. Many leaders also mentioned that CSR is essential for startup business ideas but still highlighted that survival and hereby economic perspective comes first. For example, I5 describes the relation between CSR and economics as follows:

> "We think about it that the product comes first, but the fact that we are able to make a good product is because we take into account the CSR goals. So, the CSR goals specifically don't really go separate. In my kind of higher level thinking they're all part of the same collective where the idea is just to get a good product on the market." (I5)

Almost all the interviewed leaders mentioned that engaging with CSR is motivating for them or for the whole work community, connects the employees, or acts as a shared mission supported by the values of the employees. In addition, all leaders had in common how they stressed communicating the CSR values and actions even more than the actions themselves: all leaders felt that CSR brings an additional value for the company they work

in, because their customers appreciate it. Moreover, many of the leaders emphasised the stakeholder perspective and stakeholder's link to CSR and in addition to the customers and employees, they mentioned for example investors, government and suppliers:

> "I think that as we are doing research and product planning and preparation, we should keep in mind that we need to be accountable for the deliveries as well, for shareholders or investors. So that we are really committed to make the plan that we are able to keep, and then we are able to show the progress as initially discussed with the stakeholders" (I4)

> "If we look at the evidence, especially from the perspective of startups, in terms of how much impact it has on investor decisions, it is quite clear that investors are leaning towards companies that have some kind of a sustainable impact. Many very important investors, venture capital companies are nowadays emphasising sustainable businesses." (I1)

In general, the startup leaders perceived CSR from a positive mindset: only two leaders mentioned disadvantages related to CSR, such as the lack of one clear definition and the politicisation of sustainability, as well as the high costs and challenges related to CSR reporting. In addition to this, one leader mentioned that they had a negative perception of the CSR at first, as they at that time perceived it only as an additional burden.

4.2.2 Comparison of startup leaders' perceptions of internationalisation

While interviewing the startup leaders, it quickly became apparent that CSR is not the first thing in their mind when it comes to internationalisation strategies and motives behind market and mode selection. The criteria for these decisions were more practical, such as ability to penetrate the market and mutual provided value with partners (Group A), following the customers and/or investors (Group B), or just following the customer (Group C). It can be seen that the motives behind internationalisation strategies are tied to the fields in which the startups work or the overall nature of startups: being innovative yet having limited resources, they are often dependent on investors and partners. All groups had a strong economic incentive behind the strategies: many mentioned that after all, the most important thing for startups to worry about is to survive.

Comparing the startup leaders' perceptions of internationalisation, we did not come to a conclusion that their international experiences would have a strong impact on the

internationalisation strategies per se. Instead, the factors impacting the perceptions of internationalisation were more tied to the beforementioned practicalities and economic incentives. However, some points were made and similarities found when analysing the internationalisation maps of the different groups. Group A did bring up many CSR-related aspects when talking about internationalisation, but apart from that, they underlined the survival of startups as their main goal, as the rest of the groups. They also highlighted communication in cooperating with different people and cultures and the importance of knowing the local culture when expanding. I1 emphasised the importance of communication in cultural understanding and international business in general:

> "especially in a multidisciplinary and multinational team, the one thing that I would emphasise is communication and not just weekly meetings and talking. But the ability and the willingness of the team to talk to each other coming out of their own bubble, talking to other people on their level. -- And every single problem that we have had can be summarised into the lack of good communication, and it's partly cultural again in terms of nationality, because we don't speak the same language. But it's also mostly about the lack of a mutual language in terms of the disciplinaries." (I1)

Based on their previous experience, Group B had a clear picture of how cooperation differs between different countries and what kind of skills the cooperation with them requires. For example, I3 describes this as situational leadership as follows:

> "It's called situational leadership. You need to understand where the person themselves is and then you will define how you help that person. For example, if you have a certain target that you need to achieve, the same story doesn't go for everyone, so you need to go with a different story. -- So even if you have something that you need to be doing, you need to understand the other person has some other agenda in his mind." (I3)

Group C also identified clear differences affecting cooperation between countries. However, they did not emphasise the value of international experiences significantly, but rather the meaning of open-mindedness when facing different situations and working with different people. All the leaders mentioned when asked that they had experienced cultural shocks in their work and all, except for Group C, emphasised how their previous experiences have helped them cope with those cultural clashes.

Even though the impact of international experiences on the internationalisation maps was not strong or clear, international experiences did affect how CSR's role was seen in internationalisation strategies. Also, although CSR was not the initial thought in the leaders' mind when thinking about internationalisation strategies, in fact, once the interviews went on, a strong link between CSR and the leaders' perceptions of internationalisation was found. We will discuss this more thoroughly in the next chapter.

4.2.3 The leaders' perceptions of CSR's role in internationalisation

Looking at the links between CSR and internationalisation views of the startup leaders, there are some clear similarities and differences in how the interviewed startup leaders perceive CSR's role in internationalisation strategies. Certain similarities can also be found within the international experience groups and differences between the different groups.

Group A, who had the broadest vision CSR from different perspectives and mirrored it from both theoretical and practical perspectives, saw more parallels with CSR and internationalisation strategies. They felt that CSR's role was more meaningful and connected to values and played a key role in internationalisation strategies for example through market and partner selection. The main similarity in the thinking in Group A was the clear vision of what kind of countries or partners they did not want to work with, which was directly linked to their internationalisation strategy: they thought that it is important to draw the ethical "red lines" to limit which countries or partners they even start to consider and include in the market selection process. I5 underlined the importance of requiring ethical behaviour from stakeholders. I1 describes it as CSR issues influencing the decision-making process in the background, as it forms a basis on which certain countries or partners can even be considered:

> "Another question is, do we want to go and set up operations in for example Saudi Arabia, which ethically speaking doesn't really adhere to the Nordic values or our values when it comes to human rights, social rights, etc. And where is the tipping point between the economic opportunities versus what's too much for us? -- And of course, we have to make those red lines before we start even thinking about market capture or competition or so on." (I1)

Another example of a connecting factor between the leaders in Group A was that they emphasised the role of considering the local CSR standards and CSR reporting requirements in internationalisation strategies. For example, I1 states that CSR's role in internationalisation in a small company which does not have a strong presence in the host country is mainly reflected in the legal perspective through local reporting standards and by communicating CSR issues to local customers. CSR was also present in mode selection: for example, I1 stated that they do not want to be stuck in any country or place and that they do not want to have an office in every city. Mode selection can also be seen in choosing ethical partners. Moreover, the role of communication was apparent in Group A: for example, I5 found it important that employees can voice their ethical concerns about ethical dilemmas in internationalisation, while I1 underlined the importance of communication in everything and adjusting CSR communication according to what's considered important in the host country.

Also in Group B, the link between CSR and internationalisation was apparent especially in partner and customer selection. They found it important to make sure potential partners have their ethics straight, and placed trust in the required standards in certain areas such as the European Union or specific characteristics such as a company's big size when selecting partners. Market selection was also considered from the environmental perspective: for example, I4 stated that they do not want to operate or source components from China to avoid high carbon dioxide emissions from long-distance transporting. Group B also saw internationalisation as an opportunity to do good: I3 mentioned that by choosing poorer markets in which to operate they can help the locals for example by boosting their economy. However, even though leader I4 did consider CSR from many different perspectives such as environmental perspective, social perspective and employee perspective, they had not thought about the link between CSR and internationalisation strategies before.

Group C, who perceived CSR only from a practical perspective, had a narrower view on CSR's role in internationalisation strategies, since they focused merely on financial and customer centric perspective. They found that CSR appeared in internationalisation

strategies mainly in the way it is communicated, through customer expectations and in compliance with legal regulations. For example, I2 stated:

> "We are adjusting our operations to customer needs. So, when they give us new requirements then we follow those and that's the leading force." (I2)

A stakeholder-centric perspective on CSR's role in internationalisation strategies was emphasised in the thinking of many leaders. Group A, as well as leader I3, highlighted how CSR reflection or ethical considerations affect the decision-making on which country to expand into or which partners to work with. For example, I3 describes this as follows:

> ”I think when we are working with for example partners and customers, selecting those who are already thinking in a right way and they're right minded, and I would say in Europe it's pretty easy because they are already required to be in a certain level of responsibility. So, I think we are in a safe bet if we go European, any kind of partners and stock production with them for example. Also, if our customers are quite big ones, they already have the responsibilities, I would say, in place. So, I don't see that as a challenge, but when you go to Asia for example, then the challenges come from there, so you need to be very aware of what you're doing there if you want to be responsible.” (I3)

However, also startups and other small businesses’ limited opportunities to influence emerged in some interviews when discussing CSR in internationalisation. For example, according to I5, startups don't always have the resources to act according to their preferred CSR principles and thus have to choose which things to prioritise:

> “But then again you really at this point just need to pick your battles, like what are you gonna start battling? -- If we only wanted to do business with carbon neutral companies, we wouldn't have any business at this stage of the world. So that's just a fact and I don't like it, but at this state of the world, that is how things are” (I5)

5 Discussion and conclusions

Next, we present our findings' relationship with existing theories and previous research. We then explain how the findings of our research can be put into practical use in managerial implications. We also look at the ethics of our research and finally discuss the limitations of our research, and in addition, present particular ideas for further research.

5.1 Implications to research

The purpose of this study was to find out how startup leaders perceive CSR and its role in internationalisation strategies and thus advance the understanding of the role of CSR in internationalisation literature. Previous research has not focused on what different aspects of CSR leaders emphasise, although researching it can increase our understanding of leaders' priorities and factors influencing decision-making.

Table 3 summarises how the CSR aspects that have emerged in our research are positioned in relation to previous theories and research. The table shows the previous theories and their main content, as well as their similarities and differences in relation to this research.

Theory/research	Key content	Similarities	Differences
Okpara and Kabongo's (2013) research	categorises leaders according to their willingness and motivation to implement CSR practices	leaders consider communicating about CSR to stakeholders important	leaders' CSR perceptions at the centre of research but this research had a different research scope
Werbach's (2011) CSR components	classifies components through which the company interacts with its environment: social, economic, environmental and cultural	social, economic and environmental aspects were perceived important	cultural perspective was not mentioned by startup leaders in this research
Carroll's (1991) Pyramid of CSR	represents four different levels of CSR responsibilities in priority order: financial, legal, ethical and philanthropic responsibilities	financial responsibilities were perceived as a priority, then legal responsibilities and ethical responsibilities were considered after them	ethics are also present in the early stages of decision-making and guide the decision-making process, philanthropic responsibilities were not mentioned in this research

Table 33. Previous CSR theories in relation to this research

While this research examined leaders' CSR perceptions such as Okpara and Kabongo (2013), the research scopes and findings turned out to be different: instead of studying leaders' willingness and motivation to implement CSR practices, we focused on which CSR aspects leaders valued and emphasised. Like in Okpara and Kabongo's (2013) study,

the findings of our study also show that leaders consider communicating about CSR to stakeholders important.

In this research's findings, all of Werbach's (2011) CSR components (economic, social, environmental and cultural), except for the cultural one, became apparent: the economic and environmental perspectives were reflected in all of the leader's responses, and the social component in all but one. In this research, the environmental perspective turned out to be the CSR perspective that the leaders emphasised the most. From the economic point of view, they had two approaches: all leaders felt that CSR added value to the business and offered a competitive advantage in their company, but at the same time, some leaders stressed that CSR and finances can conflict, and this is where the economic angle takes precedence. Leaders emphasised the economic aspect from the perspective that the most important thing for startups is to survive. However, the cultural aspect of CSR was not reflected in this study in the way Werbach defines it. For example, startup leaders did not emphasise protecting cultural diversity, although, the influence of cultures on what CSR issues are prioritised in different countries was discussed in this research.

Furthermore, this research is somewhat aligned with Carroll's Pyramid of CSR: Also in our study, leaders felt that financial responsibilities are something that must be performed before anything else, then legal responsibilities and ethical responsibilities can usually be considered after them. On the other hand, some leaders' responses emphasised the idea that ethics is present in the early stages of decision-making and thus for example limits possible partner options. In addition, in our study, philanthropic responsibilities were not something that leaders mentioned. However, in our research, leaders were not limited to these classifications but also considered many other perspectives connected to CSR such as philosophical versus pragmatic perspective, and time perspectives: responsibility now versus the future that they want to create.

Table 4 shows how this research is positioned in relation to previous internationalisation theories. In the table, the previous internationalisation theories are shortly introduced according to their key content and this research's findings have been compared to those theories. It can be said that this research is in line with the previous theories of

internationalisation, and those concepts were observable in the minds of leaders. However, this research improves the understanding of how CSR links with these theories.

Theory	Key content	Applied to this research
Systematic and a non-systematic approach to IMS (Papadopoulos and Denis, 1988)	formal (systematic) or more nonrational (non-systematic) decision-making process about International Market Selection	non-systematic approach was more common, leaders had rational consideration but not statistical methods, many utilised networks and personal interest
Primary factors influencing IMS (Musso and Francioni, 2012)	firm-specific factors, (management, firm size, international experience, etc.); host country factors (market, competition, etc.); and entry barriers (psychic distance, geographic distance etc.) influence IMS	leaders mentioned all factors except tariff barriers, some leaders perceived CSR as a primary factor influencing IMS, international experience of leaders was emphasised in this research
Model of three considerations of internationalisation process (Korsakienė and Tvaronavičienė, 2012)	three considerations of internationalisation process are reasons for internationalisation, environment selection and mode choice	the consideration of CSR by leaders can be mostly seen in environment selection and mode choice
Factors affecting SMEs internationalisation process (Ruzzier, Hisrich and Antoncic, 2006)	entrepreneur characteristics (human capital skills and social capital); firm characteristics (number of employees and sales); and environmental characteristics (domestic and international) affect SMEs internationalisation process	according to the leaders, CSR links to all these characteristics, since it for example motivates leaders and employees, affects the number of customers and investors, and different countries prioritise different CSR aspects such as employee conditions or clean water

Table 44. Previous internationalisation research in relation to this research

As already mentioned in chapter 2, many researchers consider international market selection (IMS) the most important decision of internationalisation. Hereby, it is important to understand how leaders make these decisions and which factors influence their decisions. In this research, the non-systematic approach to IMS was emphasised: the leaders based their decisions regarding internationalisation on rationality and looked at different perspectives such as legal perspective and environmental perspective, but they did not use statistical methods to support their decision-making, and their decisions often reflected their own opinions of the country, their own interest and networks. One of the leaders even said that they have expanded their activities due to the fact that a partner had encouraged them to come to a particular country.

Musso and Francioni (2012) identified three primary factors that influence IMS to be firm-specific factors, host country factors and entry barriers. In this research, all these factors, except for tariff barriers, were discussed by startup leaders. What was interesting was that some of the leaders in this research perceived CSR as a primary factor influencing IMS whereas one leader barely saw any connection between CSR and internationalisation. Hereby, leaders' perceptions varied, but the international experience of leaders was emphasised in this research both as a factor that leaders considered important and as an explanatory factor explaining the differences in leaders' perceptions of CSR and its role in internationalisation strategies.

In Korsakienė and Tvaronavičienė's model of three considerations of internationalisation process – reasons for internationalisation, environment selection and mode choice – the consideration of CSR can be mostly seen in environment selection and mode choice. For example, some leaders considered CSR when drawing the red lines for market selection, meaning that there are some ethical limits in deciding which countries will even come into consideration. Considering CSR in mode choice was mostly prevalent in partner selection and requiring certain ethical standards from who the company works with. One leader was also concerned about not wanting to be stuck in any country, which may affect the entry mode choices they make, in favour of less committing modes or modes in which decision power does not need to be compromised.

In relation to Ruzzier, Hisrich and Antoncic's (2006) theory of factors affecting SMEs internationalisation, CSR appeared as a cross-cutting theme in this study, as it appeared in all three characteristics: entrepreneur, firm and environmental characteristics. It appeared in entrepreneur characteristics and the human capital included in them, as engaging with CSR motivates the leaders and the employees. Moreover, entrepreneur characteristics include perceptions that this research has stratified as significant part of internationalisation. Firm characteristics were reflected in leaders CSR considerations for example since it affects the number of customers and investors by attracting them and, on the other hand, the size of the company and hereby the possibilities to implement CSR practises. Environmental characteristics appeared in leaders' perceptions for example through the fact that different CSR areas, such as employee's work conditions or clean water, are prioritised in different countries which affects, among other things, how CSR is communicated in that country, and whether the CSR properties of that startup's product are seen as particularly valuable in that country.

Moreover, the startup context was strongly reflected in the findings of our research. In addition to survival perspective, it was connected to the leaders' CSR perceptions for example due to the fact that CSR is a strong trend for startups, and it is something that is even expected of them today, particularly by investors. It turned out that CSR played a key role in all the startups involved in the study and was intertwined with their core business.

The findings of the research are moderately in line with the startup literature. Many researchers such as Colovic and Henneron (2019, p. 786) emphasise that startups have fewer resources, and Rózsa et al. (2022, p. 107) point out that startups do not have for example their own CSR departments. Startups' limited resources and hereby limited possibilities to influence CSR issues also emerged in this study, as, described by I5, companies need to "pick their battles".

However, some of the findings of this research differ from the startup and SME related literature. For example, according to Jenkins (2006, p. 243), SMEs are not under as much pressure to engage with CSR as large companies are, but our research suggests that

startups are under great pressure to implement CSR into their practises, because in addition to consumers and administration, also investors expect CSR engagement from startups: as I1 mentioned, nowadays many important investors favour sustainable startups. This difference in the findings might be due to today's stricter requirements and legislation compared to the time of the study of Jenkins. On top of this, according to our study, also startups' employees are very interested in CSR just like leaders themselves. Many leaders in our study emphasised that CSR is something that gives the whole work community bigger meaning for work, and it connects people.

In addition, some researchers such as Colovic and Henneron (2019, p. 786) state that startups work closely with their local community and may think more about them than other environments in their CSR solutions. Nevertheless, this could not be seen in our findings. On the other hand, in this study the leaders were very internationally oriented and had a lot of international experience, and the startups consisted of international teams, which may have affected the leaders' views.

As research by Maitland and Sammartino (2015) shows, the international experiences of a leader can have a positive impact on the extent to which the leader analyses the environment of a new country and, in particular, political hazard dynamics. In addition, according to Sambharya (1996), the company's international involvement might be improved by the high amount and heterogeneity of foreign experiences and the heterogeneity of those experiences of the top management. Our research findings also implicate that those leaders with the most international experience think more broadly about CSR from different perspectives and seem to be well informed about different countries' environments. Just as Root (1994, p. 237) described cross-cultural communication to be the most important factor in international business, all leaders in our study also emphasised the importance of communication in internationalisation and international business in general. In addition, four leaders highlighted how their international experiences have helped them cope with cultural clashes.

5.2 Managerial implications

Understanding how leaders think – their perceptions, what they find important and not so important, how they see the world and the connections between concepts – helps understand what motivates them, which in turn helps policymakers make better regulations and laws that motivate startup and other leaders to do good. This research helps understand small companies and the challenges they face and highlights the need reasonable requirements for startups with limited resources.

This research is also a wake-up call for leaders to take proactive approach to CSR in their company. Leaders should understand and acknowledge their own thinking of CSR and its role in different parts of strategy. Even if CSR is considered important, is it integrated in the company strategy? What's the role of it in areas like internationalisation strategies, where it might not be the first thing in mind when considering advantages and disadvantages and making decisions? Acknowledging one's own motives and biases and sometimes even ignorance helps take CSR into consideration in decisions like internationalisation.

Understanding the role of international experiences in leaders' perceptions helps recruiters make better and more effective recruitment policies. Taking the potential leaders' international experience and for example the length of it, cultural distance and the number of countries into consideration when recruiting leaders can help the company better consider CSR in different strategies and especially internationalisation, where cultural understanding plays an important role.

Another important aspect to pay attention to is the communication skills of the leaders, as they are especially important in culturally diverse environments: they can affect not only implementing CSR but also getting the message through to the customers in new cultural environments. They are in a vital role in the pursuit of understanding foreign values, attitudes and requirements, getting along with different people and thus in general in the internationalisation process, as well as communicating the values of the company. This is notable for both leaders themselves as well as recruiters hiring leaders.

Finally, an important finding to point out is that leaders can consider CSR in market selection and mode choice when possible. This is where international experiences play a role as well: leaders with more experience may have better knowledge of the ethical considerations in certain places or those of certain companies and potential partners. Thus, they may be more capable of making ethical choices in internationalisation processes.

5.3 Ethical considerations

Finnish National Board on Research Integrity (TENK) (2019) has listed the ethical principles for research with human participants. Relevant ones for this research include "The researcher respects the dignity and autonomy of human research participants" (p. 8) and "The researcher conducts their research so that the research does not cause significant risks, damage or harm to research participants, communities or other subjects of research" (p. 8). These ethical considerations were taken into account in this research.

The interviewees were contacted via email to ask whether they would be interested in participating in the interviews. They were told the themes of the thesis and the time that the interview would take. Before the interviews, the interviewees were clearly informed that answering is voluntary, and the interview can be stopped at any time. We asked for a permission to record the interviews. The material was kept in a safe place online protected by passwords, and only the researchers were able to access it. It will be deleted once the thesis is done and accepted. The interviews were confidential throughout the whole process, and in this paper the interviewees were given identity codes to keep them anonymous. The obligation of confidentiality remains also after the thesis is done. Due to the sensitivity of the topic as well as having only a few interviewees, we left out expressions that could make it possible to recognise the interviewees.

It was important for us to not bother or harm the interviewees in any way. We made the process as easy as possible for them: for example, they got to choose whether to have the interview face-to-face or online, so they could choose the way they are comfortable with,

and no extra transportation costs were required. Having the chance to have the interview online also gave the opportunity to save time.

All European Academies (2017, p. 4) has also listed the principles of research integrity: reliability, honesty, respect, and accountability. These principles guided our work. We took these into consideration as well. For example, we ensured the reliability of the research by carefully selecting the methodology and for instance by choosing startups to which neither of the researchers had any ties. Our communication is transparent, fair, full and unbiased. The interviewees and everybody involved were treated with respect at all times.

5.4 Limitations and future research

Our research has some limitations to it. The interviewed startup leaders were partly selected based on availability because it was challenging to reach leaders that would be willing to be interviewed and who would find the themes of this research topical for their startup. Therefore, we could not set too strict criteria for selecting the startups. Differences in the startups' specialisations could partly explain the differences in how the leaders think and what they focus on in CSR, so we need to be critical when analysing the findings. Also due to the interviews being voluntary, the selected interviewees are likely to have a special interest in CSR and/or internationalisation, which also affects their cognitive maps. Moreover, analysing the differences between different groups of leaders with different international experiences, for example age differences of the interviewees and belonging to different generations may have been one explanatory factor for the differences: younger interviewees thought more broadly about the matter and considered more linkages between CSR and internationalisation strategies. One factor that could explain this is that the importance and prevalence of CSR in teaching has increased over the years and is now greater than in the past. This should be kept in mind when analysing the reliability of the results.

Mental models of individuals are also very personal, and creating visual cognitive maps of them is challenging. They are always simplifications of the actual mental models and

constructions made by the researcher based on their interpretation of the interview. We made the interview questions as neutral as possible, but it is also always possible that certain questions, reactions to the interviewee's stories and conscious or unconscious gestures can have an impact on what the interviewee says, which affects the themes emphasised in the maps.

The themes of this research are sensitive, which may affect what interviewees dare to say and thus the trustworthiness of the research. For example, it may be that interviewees would not be comfortable saying that they do not care about CSR. The themes can also be strongly tied to culture and time: for instance, in the western countries CSR is trendy and due to the energy crisis following Russia's invasion in Ukraine in 2022, energy savings may stand out in the mental models of the startup leaders. Regarding internationalisation, Finland is a small country and for many startups and other companies, internationalisation is necessary, but this is not the case for all countries. Therefore, the findings might not be replicable in other settings. However, as qualitative research, this study does not aim to find results that could be replicated anywhere in the world, but the goal is rather to understand the phenomenon on a deeper level.

Future research could focus on similar themes in different cultural settings to see how strongly culture affects leaders' mental models. Also, a similar study with more careful participant selection phasing out other possibly affecting factors such as age could help to find out whether the explanatory factor for the differences truly is international experiences. The participants could also be selected more carefully regarding their international experiences: it would be interesting to examine leaders with more differences in their international experiences, as in our research all leaders had a relatively wide scope of international experiences after all. On the other hand, future research could focus more specifically on born globals only.

It would also be interesting to use quantitative methods to study whether there is a causal relationship between leaders' certain international experiences and actual implementation of CSR in internationalisation strategies. Further research could also focus on the more

practical side: a study about international startups' actual abilities and challenges to implement CSR in their internationalisation and other strategies would be interesting.

5.5 Conclusions

The findings of this study have shown that startup leaders consider different aspects when making decisions related to internationalisation strategy. Not all leaders considered that CSR plays a role in internationalisation strategies, but somewhat surprisingly some considered it as much as a key factor. The leaders also perceived CSR to different extent and identified different aspects of it in their perceptions of CSR: some of the leaders looked at CSR very extensively and listed a number of related aspects and different perspectives with which it can be interpreted, such as philosophical and practical views, but other leaders' view of CSR turned out to be more limited, mainly taking the environment and economic aspects into account. We found that leaders' international experiences affect their perceptions of CSR so that the higher the scope of international experiences, the more perspectives they have when considering CSR. Those also had a deeper personal interest towards the topic. Those with intermediate scope of international experiences emphasised the role of CSR communication and transparency in it, as well as the wellbeing of employees. Those with the lowest scope of international experiences mostly considered the customer's goals, expectations and the environmental aspect of CSR. Overall, a few leaders perceived CSR mostly as an additional value for the company and emphasised the importance of communicating about CSR even more than the actual CSR practises. Moreover, most of the leaders found stakeholder perspective important when perceiving CSR.

In this research, the startup leaders emphasised many aspects of CSR in internationalisation strategies, but apart from that, they highlighted the economic aspect and for example the limited resources of startups and thus the need to focus on survival. Thus, we argue that it is important for the regulators to remember the limitations startups have for example regarding reporting requirements. We did not find a clear connection between the startup leaders' international experiences and their views of internationalisation: from our point of view, the more important factor affecting their

perceptions of internationalisation strategies were the economic aspects, as well as the practical aspects such as the ability to penetrate the market and following the customer or investors.

There was a somewhat surprisingly strong link in some leaders' views of CSR in internationalisation strategies. Based on our findings, we argue that leaders' international experiences impact the way they see CSR and its role in internationalisation strategies. We found that having a higher scope of international experiences leads to leaders having a broader perception of CSR and a clearer vision of its role in internationalisation. They also found more connections between CSR and internationalisation. For example, those leaders with a higher scope of international experiences considered CSR in country, market, partner and/or customer selection. Many of them also considered CSR in mode selection and helping locals. The leaders with the lowest scope of international experiences emphasised the role of customers as a link between CSR and internationalisation, just like in their perceptions of CSR. They found the customers' expectations considering CSR the most relevant in internationalisation strategies. However, all leaders found communication as a strong link between CSR and internationalisation: they all saw that the way CSR was communicated and marketed to customers depended on the country, standards and challenges as well as people's expectations there. Communication between and within the teams when making decisions about internationalisation was also strongly emphasised by many leaders.

As a final conclusion of this research, we argue that CSR can be widely considered in internationalisation strategies – and vice versa: internationalisation can be a way for businesses to do good. The links between the topics can be found in many processes. This research proves that these themes are not topical only for big companies, but also startup leaders consider many aspects of CSR, internationalisation and the links between them. We also see that startups have their own specific challenges in these topics. However, the constant development of regulation and strict requirements means that startup leaders need to find their ways to fulfil them. They also need to constantly develop their strategies to survive in the growing global competition.

References

Acs, Z.J., Morck, R.K., and Yeung, B., 2001. Entrepreneurship, globalisation, and public policy. *Journal of International Management*, [e-journal] 7(3), pp. 235–251. https://doi.org/10.1016/S1075-4253(01)00046-1

Ahmad, R., and Azman Ali, N., 2003. The use of cognitive mapping technique in management research: theory and practice. *Management Research News*, [e-journal] 26(7), pp. 1–16. https://doi.org/10.1108/01409170310783556

All European Academies, 2017. *The European code of conduct for research integrity*. [pdf] All European Academies. Available at: <https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/horizon/guidance/european-code-of-conduct-for-research-integrity_horizon_en.pdf> [Accessed 11 June 2023].

Aminpour, P., Gray, S.A., Jetter, A.J., Introne, J.E., Singer, A., and Arlinghaus, R., 2020. Wisdom of stakeholder crowds in complex social–ecological systems. *Nature Sustainability,* [e-journal] 3(3), pp. 191–199. https://doi.org/10.1038/s41893-019-0467-z

Andersen, O., and Buvik, A., 2002. Firms' internationalization and alternative approaches to the international customer/market selection. *International Business Review*, [e-journal] 11(3), pp. 347–363. https://doi.org/10.1016/S0969-5931(01)00064-6

Bateman, T.S., and Zeithamel, C.P., 1989. The psychological context of strategic decisions: A model and convergent experimental findings. *Strategic Management Journal*, [e-journal] 10(1), pp. 59–74. https://doi.org/10.1002/smj.4250100106

Barney, J., Wright, M., and Ketchen, D.J., 2001. The resource-based view of the firm: Ten years after 1991. *Journal of Management*, [e-journal] 27(6), pp. 625–641. https://doi.org/10.1177/014920630102700601

Baron, R.A., and Ensley, M.D., 2006. Opportunity recognition as the detection of meaningful patterns: evidence from comparisons of novice and experienced entrepreneurs. *Management Science,* [e-journal] 52(9), pp. 1331–1344. https://doi.org/10.1287/mnsc.1060.0538

Beal, B.D., 2013. *Corporate social responsibility: Definition, core issues, and recent developments,* [e-book] Thousand Oaks, CA: SAGE Publications, Inc. Available through: Aalto University library website <https://primo.aalto.fi/discovery/search?vid=358AALTO_INST:VU1> [Accessed 13 March 2023]. https://doi.org/10.4135/9781483388014

Bhattacharyya, A. and Kumar A., 2022. Corporate social responsibility and SME value creation. *Australasian Accounting, Business & Finance Journal*, [e-journal] 16(6), pp.45-69. https://doi.org/10.14453/aabfj.v16i6.04

Bilkey, W., and Tesar, G., 1977. The export behaviour of smaller-sized Wisconsin manufacturing firms. *Journal of International Business Studies*, [e-journal] 8(1), pp. 93–8. https://doi.org/10.1057/palgrave.jibs.8490783

Bogoviz, A.V., Lobova, S.V., and Alekseev, A.N., 2022. The concept of corporate social responsibility based on integrating the SDGs into corporate strategies: International experience and the risks for profit. *Risks (Basel),* [e-journal] 10(6), p. 117. https://doi.org/10.3390/risks10060117

Bowen, R., 2020. Motives to SME internationalisation: A comparative study of export propensity among food and drink SMEs in Wales and Brittany. *Cross Cultural & Strategic Management*, 27(1), pp. 51–74. https://doi.org/10.1108/CCSM-08-2018-0125

Brandstädter, K., Harms, U., Großschedl, J., 2012. Assessing system thinking through different concept-mapping practices. *International Journal of Science Education,* [e-journal] 34(14), pp. 2147–2170. https://doi.org/10.1080/09500693.2012.716549

Brown, A.D., Stacey, P., and Nandhakumar, J., 2008. Making sense of sensemaking narratives. *Human Relations*, [e-journal] 61(8), pp. 1035–1062. https://doi.org/10.1177/0018726708094858

Carroll, A. B., 1991. The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. *Business horizons*, [e-journal] 34(4), pp. 39–48. https://doi.org/10.1016/0007-6813(91)90005-G

Colovic, A., and Henneron, S., 2019. Corporate social responsibility and SMEs: Evidence from a transition and a developed economy. *European Business Review*, [e-journal] 31(5), pp. 785–810. https://doi.org/10.1108/EBR-01-2017-0022

Copoeru, I., 2012. The ethical management of ethics: Fostering ethical behaviour in corporations. In: M. Smith, M. Esposito, and P. O'Sullivan, eds. 2012. *Business Ethics: A Critical Approach: Integrating Ethics Across the Business World*. [Online]. London: Routledge. pp. 34–46. https://doi.org/10.4324/9780203119013

Council directive 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting. Official Journal [online] L322, pp. 15–80. Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32022L2464> [Accessed 29 March 2023].

Creed, A., Zutshi, A., and Ross, J., 2009. Relational ethics in global commerce. *Journal of Electronic Commerce in Organizations*, [e-journal] 7(1), pp. 35–49. https://doi.org/10.4018/jeco.2009010103

Crowther, D., and Quoquab, F., 2020. The changing global environment and CSR. In: D. Crowther, and F. Quoquab, eds 2020. *CSR in an age of Isolationism (Developments in Corporate Governance and Responsibility, Vol. 16).* [Online]. Bingley: Emerald Publishing Limited. pp. 1–14. https://doi.org/10.1108/S2043-052320200000016001

Cuervo-Cazurra, A., Narula, R., and Un, C.A., 2015. Internationalization motives: Sell more, buy better, upgrade and escape. *The Multinational Business Review*, [e-journal] 23(1), pp. 25–35. https://doi.org/10.1108/MBR-02-2015-0009

Del Baldo, M., 2013. CSR-oriented SMEs: A question of entrepreneurial virtues in action? Reflections in theory and practice. In: J.O. Okpara, and S.O. Idowu, eds. 2013. *Corporate social responsibility: challenges, opportunities and strategies for 21st century leaders*. [Online]. Berlin: Springer. pp. 145–70

DiCicco-Bloom, B., and Crabtree, B.F., 2006. The qualitative research interview. *Medical Education*, [e-book] 40(4), pp. 314–321. https://doi.org/10.1111/j.1365-2929.2006.02418.x

Dobija, D., Arena, C., Kozłowski, Ł., Krasodomska, J., and Godawska, J., 2023. Towards sustainable development: The role of directors' international orientation and their diversity for non-financial disclosure. *Corporate Social Responsibility and Environmental Management*, [e-journal] 30(1), pp. 66–90. https://doi.org/10.1002/csr.2339

Douglas, S.P., Craig, C.S., and Keegan, W.J., 1982. Approaches to assessing international marketing opportunities for small and medium-sized companies. *Columbia Journal of World Business*, [e-journal] 7(3), pp. 26–32. Available through: Aalto University library website <https://primo.aalto.fi/discovery/search?vid=358AALTO_INST:VU1> [Accessed 8 July 2023].

Dunning, J.H., 1993. *Multinational enterprises and the global economy*. Addison-Wesley, Wokingham.

Ellis, P., 2000. Social ties and foreign market entry. *Journal of International Business Studies*, [e-journal] 31(3), pp. 443–469. https://doi.org/10.1057/palgrave.jibs.8490916

Eriksson, P., and Kovalainen, A., 2008. *Qualitative methods in business research*. London: Sage.

Eskola, J., and Suoranta, J., 1998. *Johdatus laadulliseen tutkimukseen*. Tampere: Vastapaino.

Fifka, M.S., Zu, L., Schmidpeter, R., Idowu, S.O., and Capaldi, N., 2014. *Dictionary of corporate social responsibility CSR, sustainability, ethics and governance*. [Online]. Cham: Springer International Publishing.

Francioni, B., Musso, F., and Vardiabasis, D., 2013. Key decisions and changes in internationalization strategies: The case of smaller firms. *Journal of Strategic Marketing*, [e-journal] 21(3), pp. 240–259. http://dx.doi.org/10.1080/0965254X.2013.790466

Freeman, R.E., 2010. Managing for stakeholders: Trade-offs or value creation. *Journal of business ethics*, [e-journal] 96(Suppl 1), pp. 7–9. https://doi.org/10.1007/s10551-011-0935-5

Finnish National Board on Research Integrity, 2019. *The ethical principles of research with human participants and ethical review in the human sciences in Finland*. [pdf] Finnish National Board on Research Integrity TENK Publications. Available at: <https://tenk.fi/sites/default/files/2021-01/Ethical_review_in_human_sciences_2020.pdf> [Accessed 4 June 2023].

Galbreath, J., 2006. Corporate social responsibility strategy: Strategic options, global considerations. *Corporate Governance*, [e-journal] 6(2), pp. 175–187. https://doi.org/10.1108/14720700610655178

Gnyawali D., Tyler B. 2005. Cause mapping in strategic management research: Processes, issues, and observations. Research Methodology in Strategy and Management. Vol. 2, pp. 225–257.

Hambrick, D.C. and Mason, P.A., 1984. Upper echelons: The organization as a reflection of its top managers. *The Academy of Management Review*, [e-journal] 9(2), pp. 193–206. https://doi.org/10.2307/258434

Hambrick, D.C., 2007. Upper echelons theory: An update. *The Academy of Management Review*, [e-journal] 32(2), pp. 334–343. https://doi.org/10.5465/AMR.2007.24345254

Haque, S., Mahmoudi, H., Ghaffarzadegan, N., and Triantis, K., 2023. Mental models, cognitive maps, and the challenge of quantitative analysis of their network representations. System Dynamics Review, [e-journal] 39(2), pp. 152–170. https://doi.org/10.1002/sdr.1729

Jaklič, M., 1998. Internationalization strategies, networking and functional discretion. *Competition & Change*, [e-journal] 3(1), pp. 359–85. https://doi.org/10.1177/102452949800300401

Jenkins, H., 2006. Small business champions for corporate social responsibility. *Journal of Business Ethics*, [e-journal] 67(3), pp. 241–256. https://doi.org/10.1007/s10551-006-9182-6

Johanson, J., and Vahlne, J.-E., 1977. The internationalization process of the firm – a model of knowledge development and increasing foreign market commitments. *Journal of International Business Studies*, [e-journal] 8(1), pp. 23–32. https://doi.org/10.1057/palgrave.jibs.8490676

Johanson, J., and Vahlne, J.-E., 1990. The mechanism of internationalization. *International Marketing Review*, [e-journal] 7(4), pp. 11–24. https://doi.org/10.1108/02651339010137414

Johansson, J.K., 1997. *Global marketing, foreign entry, local marketing and global management*. Chicago, IL: McGraw-Hill.

Juhila, K., 2009. *Laadullisen tutkimuksen ominaispiirteet.* In Vuori, J. ed. *Laadullisen tutkimuksen verkkokäsikirja*. Tampere: Yhteiskuntatieteellinen tietoarkisto. [Online]. Available at: <https://www.fsd.tuni.fi/fi/palvelut/menetelmaopetus/> [Accessed 2 July 2023].

Kedia, B.L., and Mukherji, A., 1999. Global managers: Developing a mindset for global competitiveness. *Journal of World Business*, [e-journal] 34(3), pp. 230–251. https://doi.org/10.1016/S1090-9516(99)00017-6

Khajeloo, M., Siegel, M.A., 2022. Concept map as a tool to assess and enhance students' system thinking skills. *Instructional Science,* [e-journal] 50(4) pp. 1–27. https://doi.org/10.1007/ S11251-022-09586-5

Khalid, F., Naveed, K., He, X., and Ye, C., 2022. Impact of chief financial officer's experience on the assurance of corporate social responsibility reports in China. *Society and Business Review*, [e-journal] 17(4), pp. 613–635. https://doi.org/10.1108/SBR-10-2021-0190

Knight, G., and Cavusgil, S. T., 2004. Innovation, organizational capabilities and the born-global firm. *Journal of International Business Studies*, [e-journal] 35(2), pp. 124–141. https://doi.org/10.1057/palgrave.jibs.8400071

Korsakienė, R., and Tvaronavičienė, M., 2012. The internationalization of SMEs: An integrative approach. *Journal of Business Economics and Management*, 13(2), pp. 294–307. https://doi.org/10.3846/16111699.2011.620138

Kraus, P., Stokes, P., Cooper, S.C., Liu, Y.P., Moore, N., Britzelmaier, B., and Tarba, S., 2020. Cultural antecedents of sustainability and regional economic development-a study of SME 'Mittelstand' firms in Baden-Wurttemberg (Germany). *Entrepreneurship and Regional Development*, [e-journal] 32(7-8), pp. 629–653. https://doi.org/10.1080/08985626.2020.1713223

Le, S., and Kroll, M., 2017. CEO international experience: Effects on strategic change and firm performance. *Journal of International Business Studies*, [e-journal] 48(5), pp. 573–595. https://doi.org/10.1057/s41267-017-0080-1

Leonidou, L.C., Samiee, S., Aykol, B., and Talias, M.A., 2014. Antecedents and outcomes of exporter–importer relationship quality: Synthesis, meta-analysis, and directions for further research. *Journal of International Marketing (East Lansing, Mich.)*, [e-journal] 22(2), pp. 21–46. https://doi.org/10.1509/jim.13.0129

Levy M.A., Lubell M.N., and McRoberts N., 2018. The structure of mental models of sustainable agriculture. *Nature Sustainability,* [e-journal] 1(8), pp. 413–420. https://doi.org/10.1038/s41893-018-0116-y

Maitland, E., and Sammartino, A., 2015. Decision making and uncertainty: The role of heuristics and experience in assessing a politically hazardous environment. *Strategic Management Journal*, [e-journal] 36(10), pp. 1554–1578. https://doi.org/10.1002/smj.2297

McDougall, P.P., and Oviatt, B.M., 2000. International entrepreneurship: The intersection of two research paths. *Academy of Management Journal*, [e-journal] 43(5), pp. 902–906. https://doi.org/10.5465/1556418

McDougall, P.P., Shane, S., and Oviatt, B.M., 1994. Explaining the formation of international new ventures: The limits of theories from international business research. Journal of Business Venturing, [e-journal] 9(6), pp. 469–487. https://doi.org/10.1016/0883-9026(94)90017-5

Miesenbock, K.J., 1988. Small business and exporting: A literature review. *International Small Business Journal*, [e-journal] 6(2), pp. 42–61. https://doi.org/10.1177/026624268800600204

Musso, F., and Francioni B., 2012. How do smaller firms select foreign markets? *International Journal of Marketing Studies*, [e-journal] 4(6) pp. 44–53. http://doi.org/10.5539/ijms.v4n6p44

Oduro, S., Adhal Nguar, K.D., De Nisco, A., Alharthi, R.H., Maccario, G., and Bruno, L., 2022. Corporate social responsibility and SME performance: A meta-analysis. *Marketing Intelligence and Planning*, [e-journal], 40(2), pp. 184–204. https://doi.org/10.1108/MIP-05-2021-0145

Okpara, J., and Kabongo, J., 2013. Corporate leaders' perceptions about corporate social responsibility: An exploratory analysis. In Okpara, J. and Idowu, S. O., (eds.) *Corporate social responsibility: challenges, opportunities and strategies for 21st century leaders*. [Online]. Berlin: Springer. pp. 126–142.

Oviatt, B.M., and McDougall, P.P., 1994. Toward a theory of international new ventures. *Journal of International Business Studies*, 25(1), pp. 45–64. https://doi.org/10.1057/palgrave.jibs.8490193

Oviatt, B.M., and McDougall, P.P., 2005. Defining international entrepreneurship and modeling the speed of internationalization. *Entrepreneurship Theory and Practice*, [e-journal] 29(5), pp. 537–554. https://doi.org/10.1111/j.1540-6520.2005.00097.x

Papadopoulos, N., Chen, H., and Thomas, D.R., 2002. Toward a tradeoff model for international market selection. *International Business Review*, [e-journal] 11(2), pp. 165–192. https://doi.org/10.1016/S0969-5931(01)00054-3

Parish, P., 2016. A coaching framework for developing the psychological capital of a global mindset. *International Journal of Evidence Based Coaching and Mentoring*, [e-journal] 10(1), pp. 172–184. Available at: <https://researchportal.coachingfederation.org/Document/Pdf/2745.pdf> [Accessed 14 March 2023].

Perlmutter, H.V., 1969. The tortuous evolution of the multinational corporation. *Columbia Journal of World Business*, [e-journal] 4(1), pp. 9–18. Available through: Aalto University library website <https://primo.aalto.fi/discovery/search?vid=358AALTO_INST:VU1> [Accessed 13 March 2023].

Quan, X., Ke, Y., Qian, Y., and Zhang, Y, 2023. CEO foreign experience and green innovation: Evidence from China. *Journal of Business Ethics*, [e-journal] 182(2), pp. 535–557. https://doi.org/10.1007/s10551-021-04977-z

Quarshie, A., Salmi, A., Scott-Kennel, J., and Kähkönen, A.K., 2018. Biodiversity as integral to strongly sustainable supply chains. In Bonnedahl, K.J., and Heikkurinen, P. (eds.) *Strongly Sustainable Societies: Organising human activities on a hot and full earth*. London: Routledge, pp. 172–188.

Quoquab, F., and Mohammad, J., 2019. *Green consumption by young consumers: insight and ideas for responsible marketers*. [Online]. Emerald Publishing.

Rahman, S.H., 2003. Modelling of international market selection process: A qualitative study of successful Australian international businesses. *Qualitative Market*

Research: An International Journal, [e-journal] 6(2), pp. 119–132. http://doi.org/10.1108/13522750310470127

Reid, S.D., 1981. The decision-maker and export entry and expansion. *Journal of International Business Studies*, [e-journal] 12(2), pp. 101–12. https://doi.org/10.1057/palgrave.jibs.8490581

Root, F.R., 1994. *Entry strategies for international markets*. New York, NY: Lexington Books.

Root, F. R. 1998. *Entry strategies for international markets. Revised and expanded*. San Francisco: John Wiley & Sons.

Rosenzweig, P.M., and Singh, J.V., 1991. Organizational environments and the multinational enterprise. *The Academy of Management Review*, [e-journal], 16(2), pp. 340–361. https://doi.org/10.2307/258865

Rózsa, Z., Holúbek, J., Veselá, Z., and Soboleva, O., 2022. Antecedents and barriers which drive SMEs in relation to corporate social responsibility? Literature review. *International Journal of Entrepreneurial Knowledge*, [e-journal] 10(2), pp. 107–122. https://doi.org/10.37335/ijek.v10i2.174

Ruzzier, M., Hisrich, R.D., and Antoncic, B., 2006. SME internationalization research: Past, present, and future. *Journal of Small Business and Enterprise Development*, [e-journal] 13(4), pp. 476–497. https://doi.org/10.1108/14626000610705705

Saaranen-Kauppinen, A., and Puusniekka, A., 2006. 1.2 Mitä laadullinen tutkimus on: lyhyt oppimäärä. In Vuori, J. ed. Laadullisen tutkimuksen verkkokäsikirja. Tampere: Yhteiskuntatieteellinen tietoarkisto. [Online]. Available at: <https://www.fsd.tuni.fi/menetelmaopetus/> [Accessed 19 November 2022].

Sambharya, R.B., 1996. Foreign experience of top management teams and international diversification strategies of U.S. multinational corporations. *Strategic Management Journal,* [e-journal] 17(9), pp. 739–746. https://doi.org/10.1002/(SICI)1097-0266(199611)17:9<739::AID-SMJ846>3.0.CO;2-K

Schmidpeter, R., 2013. Corporate social responsibility: A new management paradigm, in Okpara, J. O. and Idowu, S. O., 2013. *Corporate social responsibility: Challenges, opportunities and strategies for 21st century leaders*. [Online]. Berlin: Springer. pp. 171–180.

Schwartz, M.S., and Carroll, A.B., 2003. Corporate social responsibility: A three-domain approach. *Business Ethics Quarterly,* [e-journal] 13(4), pp. 503–530. https://doi.org/10.5840/beq200313435

Shahab, Y., Ntim, C.G., Chen, Y., Ullah, F., Li, H., and Ye, Z., 2020. Chief executive officer attributes, sustainable performance, environmental performance, and environmental reporting: New insights from upper echelons perspective. *Business Strategy and the Environment*, [e-journal] 29(1), pp. 1–16. https://doi.org/10.1002/bse.2345

Siebert, H., 1981. *Economics of the Environment*. 6th edition. Berlin: Springer.

Simon, H.A., 1955. A behavioral model of rational choice. *The Quarterly Journal of Economics*, [e-journal], 69(1), pp. 99–118. https://doi.org/10.2307/1884852

Sitnikov, C., 2013. CSR life-cycle exploration, in Okpara, J. O., and Idowu, S. O., 2013. *Corporate social responsibility: challenges, opportunities and strategies for 21st century leaders*. [Online]. Berlin: Springer. pp. 111–125

Swan, J. 1997. Using cognitive mapping in management research: Decisions about techical innovation. *British Journal of Management*. [e-journal] 8(2), pp. 183–198. https://doi.org/10.1111/1467-8551.0050

Tihanyi, L., Ellstrand, A.E., Daily, C.M., et al., 2000. Composition of the top management team and firm international diversification. *Journal of Management,* [e-journal] 26(6), pp. 1157–1177. https://doi.org/10.1177/014920630002600605

Trujillo-Liñán, L., and Meneses-Calzada, R., 2020. Leadership and social responsibility in business. In García-Álvarez, S., and Atristain-Suárez, C. (Eds.), 2020. *Strategy, power and CSR: Practices and challenges in organizational management*. Emerald Publishing Limited. pp.295–310.

Tsai, K., and Liao, Y., 2017. Sustainability strategy and eco-innovation: A moderation model. *Business Strategy and the Environment*, [e-journal] 26(4), pp. 426–437. https://doi.org/10.1002/bse.1926

United Nations, 2015. The 2030 *Agenda and the Sustainable Development Goals*, [online]. Available at: <https://sdgs.un.org/> [Accessed 8 July 2023].

Vaz, A.L.A., Ferreira, F.A.F., Pereira, L.F., Correia, R.J.C., and Banaitis, A., 2022. Strategic visualization: The (real) usefulness of cognitive mapping in smart city conceptualization. *Management Decision,* [e-journal] 60(4), pp. 916–939. https://doi.org/10.1108/MD-11-2020-1512

Waddock, S., Bodwell, C., and Grave, S., 2002. Responsibility: The new business imperative. *Academy of Management perspectives*, [e-journal] 16(2), pp. 132–148. https://doi.org/10.5465/AME.2002.7173581

Wang, G., Holmes Jr R.M., Oh, I., and Zhu, W., 2016. Do CEOs matter to firm strategic actions and firm performance? A meta-analytic investigation based on upper echelons theory. *Personnel Psychology*, [e-journal] 69(4), pp. 775–862. https://doi.org/10.1111/peps.12140

Watson, G.F., Weaven, S., Perkins, H., Sardana, D., and Palmatier, R.W., 2018. International market entry strategies: Relational, digital and hybrid approaches. *Journal of International Marketing*, [e-journal] 26(1), pp. 30–60. https://doi.org/10.1509/jim.17.0034

Weick, K.E., and M. Bougon, 1986. Organizations as cognitive maps: Charting ways to success and failure. In Sims, H.P and Gioia, Jr D.A (eds.) The Thinking Organization, Joss- ey-Bass, San Francisco, CA. pp. 102–135.

Werbach, A., 2011. *Strategy for sustainability*. Harvard Business Press Boston, Massachusetts.

Xu, Z., and Hou, J., 2021. Effects of CEO overseas experience on corporate social responsibility: evidence from Chinese manufacturing listed companies. *Sustainability (Basel, Switzerland)*, [e-journal] 13(10), p. 5335. https://doi.org/10.3390/su13105335

Zhang, J., Kong, D., and Wu, J., 2018. Doing good business by hiring directors with foreign experience. *Journal of Business Ethics*, [e-journal] 153(3), pp. 859–876. https://doi.org/10.1007/s10551-016-3416-z

Appendices

Appendix 1: Interview questions

General questions:

1. Could you tell us about your managerial position in this organisation?
2. How long have you been working in a managerial position?
3. What kinds of training regarding values and responsible behaviour have you had at this company or other companies?

Experience questions:

4. What kind of international experiences have you had? For example, studying or working abroad, living abroad…
    a. Which countries?
    b. Duration?
5. What kind of international cooperation experiences have you had in Finland? For example, working in international teams or international environment.
    a. Specific nationalities or people from all over the world?
    b. Duration?
6. How many years of international experiences would you estimate that you have?
7. How many years of international management experience do you have?
8. Have you encountered cultural clashes? What kind?
9. What kind of possible problems have you had with partners abroad?
10. Have your international experiences affected how you deal with these issues?

CSR questions:

In this study we define the term CSR (corporate social responsibility) very broadly.

11. What is CSR in your opinion?
12. Which aspects of CSR are the most important in your opinion?
13. How do you deal with ethical questions?
14. What do you think about the relevancy of CSR in general?
15. What is the meaning/role of CSR for startups?
16. How easy is it for a startup to adapt to social norms (in a new country)?
17. What is the relationship between the CSR goals and the other goals of the company you work in?
18. What is the relationship between CSR and strategy?
19. What is your personal interest in the topic of corporate social responsibility?
20. When making CSR-related decisions, which effects do you consider the most important?

Internationalisation strategies questions:

21. In which countries does the company function? When did you expand to these countries?
22. What are the most important aspects you consider when thinking of expanding a business to a new country?
23. What do you think about CSR's role in internationalisation strategies?
24. In which ways can CSR be applied to internationalisation strategies in your opinion?
25. Can you tell me about the potential CSR practices that might affect the internationalisation strategies in your organisation?
26. What are the most important aspects you consider when choosing an entry mode?
27. What would it take to withdraw from a country or partnership?