# EXPLORING THE ROLE OF MANAGERIAL INTENTIONALITY IN INTERNATIONAL BUSINESS

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## ABSTRACT

*Managerial intentionality has been assumed to be the most differentiating, but also the most neglected factor influencing internationalization. Although various scholars have emphasized its relevance, the key question still remains unanswered: What is managerial intentionality and why and how does it matter? Researchers share the view that internationalization paths are a joint outcome of environmental factors, path dependence and learning, and managerial intentionality. However, although managerial intentionality is argued to be an important factor, it is rather taken as a "given." Therefore, we step back and take a closer look at its very nature and relevance for international business research.*

## INTRODUCTION

Herzogenaurach, Germany, July 1, 1924: the brothers Adolf and Rudolf Dassler launch their company *Gebrüder Dassler*, *Sportschuhfabrik*,

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*Herzogenaurach*, dedicated to the invention and production of modern sports shoes. Despite the disadvantageous economic environment in post-World War I created by the harsh prescriptions of the Versailles Treaty, the company soon benefits from sports and other forms of entertainment beginning to attract swelling crowds. Until World War II, the company prospers and even becomes the official equipment supplier of Germany's Olympic team. During World War II, however, the differences between the brothers were exacerbated. By 1948, the rift leads Adolf and Rudolf to split up their company, enabling the subsequent launch of their own companies. In 1948, Rudolf launches his new company, *Puma*, while Adolf launches his company, *Adidas*, in early 1949. Competing fiercely in the market for sports shoes, and sports equipment more generally, both companies benefit greatly from the rise of sports as an important economic sector in the 1950s and 1960s (Smit, 2008). To ensure future growth, both companies internationalize. Adidas begins its internationalization with exports to Switzerland, Scandinavia, and Canada in 1950, and exports to 40 different nations by 1955. The first foreign subsidiary, however, is founded in 1958 in Canada, followed by a subsidiary in France in 1959, and one in South Africa in 1972 (Adidas, Personal correspondence with Dr. Barbara Hölschen, Manager Archive and Museum History Management, 2009; Smit, 2008). In contrast, Puma's internationalization starts with a subsidiary in Austria in 1964, followed by a subsidiary in France in 1967. In 1978 and 1979, Puma launches subsidiaries in Hong Kong and United States, respectively (Puma, 1986).

The examples of Adidas and Puma depict two companies that exhibit nearly identical founding conditions, such as place of origin (both headquarters are located within a distance of less than 3 miles), product portfolio (both companies focus on sports equipment, in particular sports shoes), or firm size (the joint company was equally divided between Adolf and Rudolf ). Hence, considering the similarities between Adidas and Puma and following leading internationalization theories, one should have expected a similar or almost identical internationalization process for both companies. For example, following the theoretical reasoning of Johanson and Vahlne's (1977) internationalization model, firms internationalize in an incremental manner from less distant countries to more distant countries. Further extending their model, Johanson and Vahlne (2009) argue that internationalization is the outcome of firms' actions to strengthen their position in a given business network. Accordingly, since Adidas and Puma are located within the same German town, both are facing identical distances to potential host countries. In addition, it is likely that there was a relatively high overlap between the business networks of the two companies, at least at the beginning, as they originated in the same predecessor firm. Nevertheless, while Puma established its first foreign subsidiary in Austria, Adidas chose to cross the North Atlantic Ocean to open its first foreign subsidiary in Canada. Likewise, the subsequent expansion steps of Adidas and Puma differ significantly. Furthermore, while Adidas undertook cross-border steps in a very early stage, Puma began its internationalization relatively late. Hence, a question arises as to why two nearly identical companies chose to take entirely different paths of internationalization. This question becomes even more interesting when the similarities between the founders, Adolf and Rudolf Dassler, are considered. Being born only two years apart, both brothers were raised in the same manner, in the same location, gained the same experience, and worked together in the same company for over two decades. Hence, any explanation being based on differences in demographic variables seems unpromising.

Taken together, the anecdotal evidence presented above raises questions that cannot be answered with traditional internationalization theory, such as why do some firms internationalize in a more rapid way, while other firms expand rather gradually (Maitland, Rose, & Nicholas, 2005)? Why do some firms undertake cross-border steps early on or are even international from inception (Oviatt & McDougall, 1994), while other firms internationalize relatively late; that is, when in a mature stage? Put more generally, the core question is: why does heterogeneity exist among firms with regard to the various aspects of their international activities and how can we explain it?

## *Managerial Intentionality: A Missing Link in International Business Theory*

International business research provides many fruitful attempts, both theoretical and empirical, to explore and explain the phenomenon of internationalization and, accordingly, multinationality. In a bibliometric analysis of the field of internationalization research, Hutzschenreuter, Pedersen, and Volberda (2007) note that the international business literature has paid far more attention to incremental, gradual, experience-, and knowledge-based aspects of internationalization, theoretically underpinned by approaches such as the internalization theory (Buckley & Casson, 1976; Hennart, 1982), the eclectic paradigm (Dunning, 1980, 1988), and the knowledge-based view (Kogut & Zander, 1993). Simultaneously, the role of strategic intent, entrepreneurship, and other aspects of managerial decision making is hardly recognized by these approaches. There are few exceptions of studies that explicitly deal with aspects concerning the role of management. For example, Buckley, Devinney, and Louviere (2007) examine foreign direct investment choices with a clear focus on the decision-making process and the managers involved, using structured experimentation. They show that the consideration of investments follows rational rules, but that the choice of actual investments deviates from explanatory approaches provided by traditional models such as the rationalist theory or the internalization theory.

In addition, the spotlight is also more likely to be thrown on content-related aspects of international business (e.g., entry mode, timing, liabilities of foreignness) than on the underlying decision making and the managers involved, in particular their managerial intentionality. In this chapter, we therefore seek to shed light on the role of managerial intentionality in the international business context. Managerial intentionality thereby describes the volitional dimension of managerial behavior and "may not only be the most differentiating, but also the most neglected factor that influences internationalization and, logically, multinationality." (Hutzschenreuter et al., 2007, p. 1058).

The next section briefly reviews leading theories of international business and discusses the role managers play, in particular with regard to managerial intentionality. Following this, we outline the concept of managerial intentionality as a theoretical frame of reference to discuss the phenomenon of international business. We note that managerial intentionality should be seen as a complementary approach to the existing research, focusing on the role of managers. In addition, we also take into account international business research that explicitly deals with managers or the "human factor," and differentiate between the concept of managerial intentionality and related concepts, such as global mindset or cultural intelligence. On the basis of the discussion, we then give some suggestions for further research on managerial intentionality in international business. To conclude, we summarize the insights of our contribution.

## INTERNATIONAL BUSINESS AND THE CONCEPT OF MANAGERIAL INTENTIONALITY

Why do multinational enterprises (MNEs) exist and how do they internationalize? This topic has attracted the attention of scholars for the past more than 50 years. Thus, while addressing these questions, various research streams from different perspectives have arisen that deal with the phenomenon of MNE and international expansion.

In his seminal study on the international operations of national firms, Stephen Hymer (1960) focused on the firm as a proper unit of analysis to examine internationalization. According to Hymer, firms make foreign direct investments to gain control over foreign assets that allow them to better influence the business activities in the respective country and to possibly reduce the competition. Furthermore, corporations can possess firm-specific advantages that are deployed in other countries to overcome barriers to international operations. Hymer's ideas have been followed up by other international business researchers (e.g., Caves, 1971; Kindleberger, 1969), who also emphasize the relevance of market barriers and firm-specific advantages. The role of management is not explicitly discussed in this research stream, but rather arises in terms of normative implications that say managers have to identify the firm-specific advantages and deploy them in the foreign markets. Furthermore, the argument of existing firm-specific advantages as drivers of international activities omits that managerial intentionality could also target the creation of *new* firm-specific advantages, for example, by gaining access to resources or exploiting local skills in foreign countries.

Internalization theory forms another research tradition that aims at explaining the phenomenon of internationalization and that is developed and refined by various distinguished scholars (e.g., Buckley & Casson, 1976; Hennart, 1982; Rugman, 1980; Teece, 1986). The leading question addressed by this theory is "under what conditions should the interdependent activities be coordinated by the management of a firm rather than externally by market forces?" (Buckley & Casson, 1976, p. 36). Referring to transaction costs-theoretical arguments (Coase, 1937; Williamson, 1975, 1985), this approach characterizes internationalization steps as the consequence of an assessment of market transactions costs vs. costs that arises in using the internal hierarchy of firms. Thus, MNEs and their international growth can be interpreted as the outcome of internalization across national borders. According to Buckley (1993, p. 199), the role of management is confined to the "sequential identification, exploitation and creation of profitable market imperfections as opportunities for growth." Simultaneously, he admits that this narrow view does not fully account for the role of management. In the light of a managerial intentionality view, the internalization approach does not explain so much *why* managers actually decide to undertake internationalization steps, but rather defines conditions under which transactions across borders should be internalized. Related to this argument is the emerging question of whether or not managers solely act based on cost efficiency as postulated by this theory.

Seeking an explanation of internationalization and international production, John Dunning (1977, 1979, 1980) developed an approach that incorporated arguments of various other approaches, such as the internalization theory and the theory of monopolistic advantages, into an eclectic paradigm of international production. This approach was an attempt by Dunning to provide a holistic framework explaining international activities, and was promoted by various scholars in the field of international business research (e.g., Cantwell & Narula, 2003; Corley, 1992; Devinney, 2004). At the heart of the eclectic paradigm are three types of advantages: ownership advantages, location advantages, and internalization advantages. Based on these advantage concepts, conditions are described that lead to effective market entry modes matching the mixture of advantages exploited. As the eclectic paradigm consists of arguments brought forward by the approaches reviewed earlier, the assessment of the role of management and managerial intentionality is similar. Managers have to evaluate the (non)existence of the different advantage types, and then decide on the respective internationalization mode. Deviations from the prescriptive scheme are not accounted for. For example, what could be the managerial intentionality to simultaneously enter the same host country with different entry modes? Furthermore, why do firms use certain entry modes lacking the necessary advantage(s); for example, undertaking a cross-border step into a country where it lacks location advantages?

Whereas the aforementioned research streams were originally founded on economic principles – market imperfections, barriers of competition, and transaction costs – and approach the phenomenon of internationalization in a fairly static manner, the so-called Uppsala school focuses primarily on the dynamics of international activities. Their arguments are based on a behavior-theoretical grounding (e.g., Aharoni, 1966; Cyert & March, 1963), giving more account to certain characteristics of managers, such as bounded rationality or uncertainty avoidance. In their seminal article, Jan Johanson and Jan-Erik Vahlne (1977) developed a model of internationalization process incorporating findings from previous empirical research (e.g., Johanson & Wiedersheim-Paul, 1975). Two patterns – the psychic distance and the establishment chain – are assumed to lead to a more incremental process of international activities within and across host countries. The concept of psychic distance refers to the internationalization across different foreign markets, where firms are assumed to first enter countries that are closer in terms of culture, language, or business practices, followed by cross-border forays into more distant countries. The concept of the establishment chain is related to the internationalization process within a certain host country assuming an increase of resources and commitment. Firms thereby start with sporadic export activities and increase their commitment over time by undertaking more resource-intensive activities in terms of establishing sales subsidiaries and production facilities. The determining factor to these patterns is market knowledge, which plays a key role in the internationalization process as it both limits and enables the cross-border movement of firms. According to this approach, managers are carriers of the knowledge that they gain while working in a host country. Simultaneously, they have no discretion to make voluntary internationalization decisions as these are determined by the knowledge. Various empirical studies have shown that firms do not necessarily follow the pattern proposed by the Uppsala theory (Hedlund & Kverneland, 1985; Sullivan & Bauerschmidt, 1990). This opens an opportunity to ask how managerial intentionality explains these deviations and why firms break out of the predicted patterns by entering more distant countries or by immediately establishing a manufacturing facility. Revisiting their internationalization model, Johanson and Vahlne (2009) extend it by incorporating the business networks firms are positioned within. By characterizing managers as "carriers of (tacit) knowledge, trust, commitment, and network relations" (Johanson & Vahlne, 2009, p. 13), they focus on the "*assets*" of managers that determine internationalization activities rather than on why a manager decides on a specific cross-border step and a certain international path.

As knowledge plays a central role in the Uppsala approach, it also does so in the approach developed by Kogut and Zander (1993). According to Kogut and Zander, the MNE is a repository of knowledge and an efficient mechanism to create and internally transfer this knowledge. In this context, internationalization activities can be explained by the transfer of knowledge. The entry mode – for example, via wholly owned subsidiary, joint venture, or licensing – depends on the codifiability, the teachability, and the complexity of the respective knowledge. In the knowledge-based view, the MNE is seen as a social community "in which through repeated interactions, individuals and groups […] develop an understanding by which to transfer knowledge from ideas into production markets." (Kogut & Zander, 1993, p. 631). Thus, managers are seen as knowledge creators and transmitters that are able to use that knowledge for international growth opportunities. However, the knowledge-based approach focuses on the capability side, that is, the creating and transferring of knowledge, rather than the volitional managerial dimension of internationalization decisions.

To summarize, various research streams approach the phenomenon of international business from different perspectives using different explanatory variables, putting different degrees of emphasis on the role of management (see Table 1). Whereas the economics-based approaches – the theory of monopolistic advantages, the internalization theory, and the eclectic paradigm – hardly recognize the influence of managers, the Uppsala school and the knowledge-based view explicitly account for managers as carriers of knowledge decisive for cross-border expansion. Simultaneously, Johanson and Vahlne (1977, 2009) as well as Kogut and Zander (1993) primarily focus on what enables internationalization, that is, the capability side of managerial impact. In addition, all these research streams fail to account for the relevance of managerial intentionality; that is, what managers actually want. The "devaluation" of managerial intentionality, and the role of management in general, might be explained by reference to the historic origin of the base research traditions that underlie these theories, where the "human factor" is deterministic, with little opportunity for discretion. Another reason is conceptual in nature. The application of a certain theoretical lens automatically leads to a deterministic view on the phenomenon from a specific angle. In this context, managerial intentionality is ex ante determined by a predefined theoretical argument, and deviations from hypothesized relationships might be explained by randomness. We argue that managerial intentionality provides a fruitful complementary approach for international business in that it can be used to inquire such deviations better taking into account the idiosyncratic nature of the phenomenon. Thereby, we rely on the argument that firms "comprise behaviors directly attributable to human intentionality" (McKelvey, 1997, p. 357).

## *Intentionality*

The concept of intentionality has been widely discussed in the fields of philosophy and psychology. It is generally described as a state of mind in which activity is directed toward something – that is, purposiveness – or is about something – that is, aboutness (e.g., Anscombe, 1957; Binkley, Bronaugh, & Marras, 1971; Bratman, 1987; Brentano, 1874/1973; Fishbein & Ajzen, 1975; Heckhausen, 1991; Husserl, 1913/1983; Lyons, 1995; Malle, Moses, & Baldwin, 2001; Ryan, 1970; Searle, 1983). To emphasize the

**Table 1.** International Business Theories and the Role of Management.

| Approach | Unit of Analysis/Focus | Main Argument | Role of Management |
| --- | --- | --- | --- |
| Theory of monopolistic advantage (Hymer, 1960) | Firms/ownership and monopolistic advantage | Companies internationalize to gain control of foreign assets and to deploy their specific advantages in the foreign markets | Passive; managers are seeking for market opportunities with regard to the advantages the firm possesses |
| Internalization theory (Buckley & Casson, 1976; Hennart, 1982; Rugman, 1980; Teece, 1986) | Firms/transaction costs | Cross-border steps occur if the market transactions costs are higher than the costs for using the internal hierarchy of the firm | Passive; managers are to trade off the costs of both transactions via the market or internalized through the firm |
| Eclectic paradigm (Dunning, 1977, 1979, 1980) | Firms/ownership (O)-, location (L)-, and internalization (I)-advantages | The (non)possession of the OLI-advantages determines whether and how firms internationalize | Passive; managers assess the different advantage types and decide on the entry mode of internationalization based on the preceding assessment |
| Internationalization process theory (Johanson & Vahlne, 1977, 2009) | Firms/learning and knowledge | The incremental internationalization process within and across countries depends on the market knowledge gained by the firm through business activities | Passive; managers as carriers of knowledge, trust, commitment, and network relations |
| Knowledge-based view of the MNC (Kogut & Zander, 1993) | Firms/knowledge transfer | Internationalization activities take place due to the transfer of knowledge whereby the mode depends on the codifiability, teachability, and complexity of the respective knowledge | Passive; managers as parts of a social community and knowledge creators and transmitters |

action-related quality of intentionality, we limit the discussion that follows to the meaning of purposiveness or goal-directedness.

Intentionality is a core feature of human agency as "to be an agent is to intentionally make things happen by one's actions" (Bandura, 2001, p. 2). The notion of intentionality and intention, that is, a concrete mental representation in terms of content, is used in various models that deal with reasoned action of agents. For example, in the "Theory of Planned Behavior" developed by Ajzen (1991), attitudes, subjective norms, and perceived behavioral control are argued to predict behavioral intentions. These intentions in turn are seen as the immediate antecedent of a certain behavior. On the basis of these theoretical underpinnings, numerous empirical studies have been performed that subject different intentions to scrutiny; for example, the behavioral intention to use an information system (Jackson, Chow, & Leitch, 1997), the intentions toward purchasing genetically modified food (Cook, Kerr, & Moore, 2002),[1] or intentions directed toward the purchase of computers (McQuarrie & Langmeyer, 1987).

In the management literature, the notion of intentionality is especially prominent in the study of entrepreneurship. According to Bird (1988), intentionality as a precursor of actions is framed by both rational, analytic, and cause- and effect-oriented process of the entrepreneur, as well as the intuitive, holistic, and contextual thinking. Boyd and Vozikis (1994) extend Bird's model integrating the concept of self-efficacy to take into account constraints that may exist while pursuing entrepreneurial intentions. Besides the entrepreneurship research, intentions have also been taken in the field of organizational commitment research to analyze the turnover behavior of employees (e.g., George & Jones, 1996; Mitchel, 1981; Stumpf & Hartman, 1984; van Breukelen, van der Vlist, & Steensma, 2004). In organizational research, the coevolutionary approach makes intentionality a subject of the discussion, where it represents the influence of managers on the organizational development (e.g., Flier, Van Den Bosch, & Volberda, 2003; Lewin & Volberda, 1999; Lewin, Long, & Carroll, 1999). Yet, what intentionality comprises is left open.

In summary, the concept of intentionality is assumed to be directly linked to behavior that can range from ordinary actions in everyday life to rather complex actions such as undertaking a new venture. Given this understanding of intentionality as an *action-guiding concept*, two instrumental features of intentionality can be derived: (1) with regard to the individual, intentionality expresses the inherent quality of the mind to be directed at objects or goals, thus allowing the individual to act purposively and (2) concerning collective systems of individuals, intentionality exhibits a social function in that people, who directly interact with each other, can distinguish between intentional and unintentional actions. This distinction is important for mutual judgments that set the course of social interactions. In this context, Malle and Knobe (1997, pp. 101–102) illustrate: "If considered intentional, a critical remark can be seen as a hurtful insult; a collision in the hallway, as a dangerous provocation; and a charming smile, as a hint of seduction. But if considered unintentional, that same remark may be excused; the same collision leads to a new friendship; and the same smile might simply indicate a good mood."

### *Managerial Intentionality*

When we talk about intentionality and managerial intentionality we assume that managers are able to act voluntarily. In addition, we see intentionality as a necessary property for managers to come to decisions, especially in the face of uncertainty and bounded rationality (Simon, 1947). Against the backdrop of the discussion of whether managers matter, the so-called voluntarism–determinism debate, intentionality is somehow taken as the pole of the voluntaristic view. Although we define intentionality as the volitional dimension of behavior, tending to a voluntaristic position, we also consider the fact that managers are embedded in a specific environmental setting and constrained by certain organizational and institutional "givens." Thus, we attribute to managers what Hambrick and Finkelstein (1987) call "managerial discretion," a certain latitude of action in which managers can voluntarily act. Furthermore, although we elaborate intentionality as a concept that refers to conscious reasoning, we do not deny or play down the role of subconscious cognitive processes.

In the remarks made above, intentionality is described in a very broad sense, referring to human beings in general. For our purpose, we use the term "managerial intentionality." As it semantically indicates, managerial intentionality is a specific form of intentionality referring to the reality and the role of managers. This specification serves to emphasize the difference between managerial intentionality and other types of intentionality; for example, the intentionality of parents or the intentionality of politicians. Thus, the distinguishing characteristics are the person and the relevant role s/he possesses. The attribute "managerial" is associated with the notion that managers are embedded and acting in a business-specific context with a certain task environment, corresponding stakeholders, and certain requirements to work. Another function of specifying the type of intentionality is to allocate our attention to certain intentions; in our case, intentions concern the international business activities of firms.

We conceptualize managerial intentionality based on three different mental states – desire, belief, and intention – that can lead to a certain action. According to Michael E. Bratman (1987, p. 6), "the idea what makes it true that an action was performed intentionally, or with a certain intention, are just facts about the relation of that action to what the agent desires and what the agent believes." In other words, the formation and commitment of a certain intention depends on a certain desire–belief combination. Malle and Knobe (1997, p. 108) argue in a similar way: "The presence of an intention to act implies, however, both a desire for an outcome and a belief that the intended act will lead to that outcome." For example, the intention of a CEO of an MNE to enter a new regional market is based on the desire to extend the geographical scope of the company and the belief about the consequences of the new market entry, as well as the belief about the firm's ability to put it into action.

The mental state of *desire* describes the motivational dimension of managerial intentionality. Desire is at first a very broad term comprising numerous types, for example, physiological desires originating from basic needs such as hunger or thirst. For our purpose, we define desire in a general sense as a state of affairs managers deliberately want to bring about. *Beliefs* are fed by the knowledge the manager believes is true in the circumstances. For example, a manager that plans a cross-border step might believe that the company possesses enough financial and human resources to implement the step and that the institutional setting in the target country is adequate for the business activities. In this context, beliefs reflect assumptions about the feasibility of carrying out certain desired actions (e.g., Devinney, Midgley, & Venaik, 2000, 2003). Yet, as s/he is characterized by a limited information-processing capacity and a biased perception, beliefs might be incomplete or incorrect (Dearborn & Simon, 1958; Walsh, 1988). The central mental state, *intention*, links the two aforementioned mental states to action. Contrary to desires that are rather potential influencers of action, intentions are *conduct-controlling proattitudes*, that is, intentions are characterized by a specific commitment to the planned action (Bratman, 1987). Furthermore, intention also differs from goal in that "the successful attainment of a goal is contingent on the outcome of action, whereas intention initiates, maintains, and directs the activity." (Chapman, 2001, p. 815). Although managerial intentionality is a psychological concept referring to the "inner states" of a manager, it is not isolated, as managers are embedded in "outer states" of environmental context (see Fig. 1).

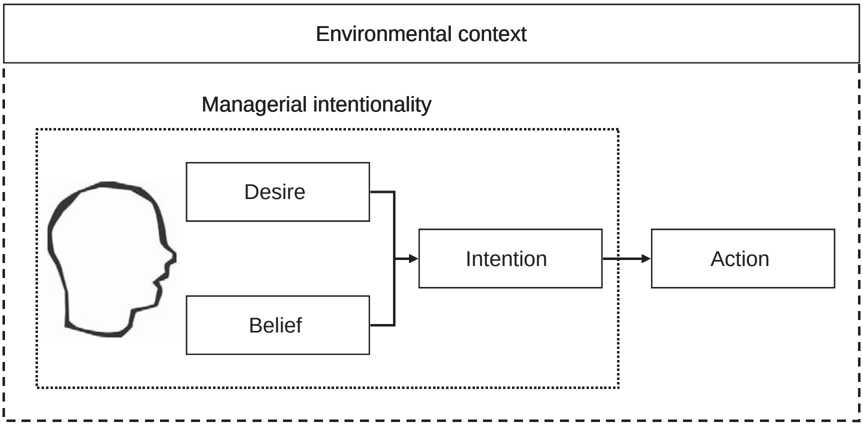


*Fig. 1.* Managerial Intentionality.

This environmental context contains the organizational and industrial settings, as well as the cultural and institutional settings. By acting and learning in these environmental settings, managers can gain new information, which leads to changes of their managerial intentionality, that is, their desires, beliefs, and consistently, intentions.

In a functional manner, managerial intentionality serves as precursor to future-directed action. A given managerial intentionality controls the behavior with regard to the intention formed. Activities are aligned to consistency with the pursued goal. Furthermore, resources are reviewed and, more generally, attention is allocated toward issues that managers hold important for goal achievement. Hence, managerial intentionality as goal-directedness is future-oriented by definition. Accordingly, managers conceive of a future state of affairs they want to create. In this regard, managerial intentionality operates as kind of a bridge that links future and present by sustaining temporal tension (Bird, 1988, p. 445). In a sense, it creates a certain stability or inertia that preserves against permanent reconsideration of one's plans. Otherwise, goals would never be achieved and managers would act ignes fatui, completely aimlessly.

### *How Does Managerial Intentionality Differ from Related Concepts?*

In the international business literature, various concepts also refer to managerial characteristics that are cognitive in nature. For example, the concept of the global mindset is related to the cognitive structure of managers (e.g., Gupta & Govindarajan, 2002; Kedia & Mukherji, 1999; Levy, Beechler, Taylor, & Boyacigiller, 2007; Murtha, Lenway, & Bagozzi, 1998; Rhinesmith, 1992). The notion of a global mindset emerges in the early work of Perlmutter (1969) and Bartlett and Ghoshal (1989) who propose various archetypes that are characterized by certain cognitive orientations or mindset of the respective managers. Levy et al. (2007, p. 244) define global mindset as ‘‘highly complex cognitive structure characterized by an openness to, and articulation of multiple cultural and strategic realities on both global and local levels, and the cognitive ability to mediate and integrate across this multiplicity.’’ Their framework is based on the information-processing theory in which action is explained as the result of preceding information acquisition and interpretation activities.

Closely linked to the global mindset is the concept of cultural intelligence (Earley, Murnieks, & Mosakowski, 2007; Early, 2002; Thomas & Inkson, 2004). Cultural intelligence refers to the individual capability to effectively adapt to new cultural settings. Both concepts – global mindset and cultural intelligence – focus on capability-related aspects. Managers with a global mindset and better cultural intelligence are assumed to work more effectively in international and cross-cultural settings and make more effective global strategies. This can be compared to the concept of managerial intentionality, where the emphasis is on the volitional dimension of managerial action, *what managers want to do instead of what they are able to do*. Put in other words: while the concept of global mindset and cultural intelligence ask how executives could effectively design and implement strategies with regard to the geographical scope of the firm, managerial intentionality refers to the question of why managers are changing the global strategy of the firm. However, we can also see that all of these concepts are complementary in that they refer to the ‘‘mind of managers’’ emphasizing different aspects of the mind. The combination of all of them could provide fruitful new insights as a specific mindset might facilitate the formation of certain managerial intentions with regard to the international business activities of a firm.

## RESEARCH AGENDA

We have introduced managerial intentionality in the international business context as a concept that can capture the volitional dimension of managerial behavior, providing a framework to help explain the internationalization activities of firms as outcomes of managerial decisions. In what follows, we propose various areas for further research with important issues to be addressed to further elaborate our understanding of managerial intentionality and international business.

We conceptualized managerial intentionality as the interplay of the three mental states: desire, belief, and intention. In this regard, further research should focus on the different desires, beliefs, and intentions that managers hold in an international business context. While a considerable amount of research has been dedicated to managers' beliefs (e.g., Markóczy, 2000; Ping Ping et al., 2004; Robertson, Al-khatib, Al-habib, & Lanoue, 2001; Swee Hoon, 2000), there are few studies that explicitly deal with the desires and intentions of managers in the international business context. For example, the internationalization process of firms is ascribed to predefined intentional categories such as "resource-seeking" or "market-seeking." Thus, an evaluation of the actual managerial intentions is left behind. In this regard, researchers could use a more "fine-grained" approach (Harrigan, 1983) for exploring managerial intentionality. In-depth case analyses might help to capture the volitional dimension through verbal and written reports or personal interviews. Such an approach acknowledges the close relation between intentionality and language (Glock, 2001) as managers can express their intentionality by using phrases such as "I believe ...," "I desire ...," or "I intend ...." Another method to understand managerial intentionality is introspection, as "psychological concepts (e.g., desire, self-efficacy, purpose, satisfaction, and belief) could not even be formulated or grasped without introspection" (Locke & Latham, 2004, p. 397). We see this method as complementary to those that imply an external observer perspective.

In addition to the analysis of every single mental state constituting managerial intentionality, further research could also anchor on the relationships between concepts, in particular between desire and belief. We argued that belief, inter alia, based on knowledge the manager holds is true. One research question could be to what extent beliefs lead to certain desires? On the other hand, one could also ask whether certain desires influence the formation of new beliefs and knowledge.

Against the backdrop of increasing research on emotion – the affective part of human behavior – in international business and its importance in decision making (e.g., van de Laar & de Neubourg, 2006), research efforts could inquire into the relationship between emotions and managerial intentionality. These efforts could be supported by insights and methods of neuroscience that help to analyze what actually happens in the brain of managers. In this regard, Camerer, Loewenstein, and Prelec (2005, p. 53) state that "advances in neuroscience now make direct measurement of thoughts and feelings possible for the first time, opening the 'black box' which is the building block of any economic interaction and system – the human mind." By using different instruments such as positron emission topography, functional magnetic resonance imaging (fMRI), or diffusion tensor imaging (DTI), researchers could track which parts of the brain are activated while managers solve certain problems. As parts of the brain are, to a certain extent, related to affective and therefore subconscious processes while other parts are assigned to rather cognitive processes, neuroscientific methods might help to capture subconscious processes that are involved in the managerial decision-making process.

Managers are embedded in a certain environmental context in terms of different institutional, cultural, and socioeconomic settings. Thus, further research could go into the matter whether differences in managerial intentionality exist between managers with regard to their specific embeddedness. By doing so, the central role of culture in international business research should be taken into account while searching for possible patterns of managerial intentionality. In addition, one could seek out the differences in managerial intentionality between decision-makers of firms originating in emerging economies and those of firms in developed countries, thereby asking whether the "springboard perspective" of emerging market enterprises (Yadong & Tung, 2007) is grounded in a certain managerial intentionality.

Another important area of further research could focus on the temporal dimension of managerial intentionality – the *dynamics of managerial intentionality*. How do desires, beliefs, and intentions change over time? As time goes by, new opportunities might arise that lead to the formation of certain desires, or managers gain new experience that flows into reconsideration and change of beliefs. This is all the more interesting because the change of beliefs, given a certain desire, could form a concrete intention that did not exist before. Managers might consider a desire or goal achievable due to new knowledge.

We have assumed that managerial intentionality is primarily operating at the individual level. Future research could aim at investigating the relationship between individual managerial intentionality and *collective managerial intentionality*. In past research, concepts such as "dominant logic" (Bettis & Prahalad, 1995; Prahalad & Bettis, 1986) or "strategic intent" (Hamel & Prahalad, 1989) have emphasized the importance of the managerial mind in a collective setting. As firms represent complex socioeconomic systems, the question of the existence and function of collective intentionality more or less naturally arises. For example, one could ask whether and how collective intentionality emerges and develops in the top management team of an MNE? Which factors are relevant to implement such a collective intentionality and what mechanisms managers can use to effectively establish a certain strategic intent on the organizational level?

As has been shown in the review section (pp. 116–120), the concept of managerial intentionality can provide a complementary hypothesis to more traditional approaches. For example, the findings of Rugman and Verbeke (2004) that many of the world's largest firms are regionally based rather than global could be argued based on liabilities of foreignness referring to determination by external conditions. Conversely, managerial intentionality provides a complementary explanation that stresses regionalization as the result of managerial intentions. Thus, future research could use the managerial intentionality view to reconsider existing knowledge in international business research.

To summarize, the concept of managerial intentionality provides a broad spectrum for further research and a framework to analyze the phenomenon of international business from a more managerial perspective, where the starting point of reasoning is the manager's mind. Although managerial intentionality can serve to capture the volitional dimension of managerial behavior based on its constituents, desire, belief, and intention, the origin of the volition by itself is beyond scope. Or to put it in other words: although managerial intentionality can give an answer to the question of what managers want, the question of why managers want what they want leaves space for rather philosophical discourses.

## CONCLUSION

We opened this chapter asking why internationalization behavior of firms can differ. As we have seen, the main research streams of international business neglect the role of management or confine it to the capability side. Furthermore, the approaches basically disregard managerial intentionality and the discretionary characteristic of managerial decision making with regard to, for example, the changes of a firm's geographical scope. We therefore outlined a concept of managerial intentionality that can provide a complementary approach to explain the phenomenon of international business with its various facets, especially deviations that might not be captured by existing approaches. Thus, by bringing managerial intentionality to the fore we emphasize the role that managers play in the international business activities of firms in general. We conceptualized managerial intentionality as a quality of mind that is constituted by the three mental states: desire, belief, and intention.

Emphasizing the relevance of managerial intentionality does not deny the role of environmental aspects – such as organizational-, industry- or country-level related factors – but rather invite to the complementary consideration of an additional "human factor" in international business research. In this sense, we provide a link between international business research and international management research. We are convinced that there is a general need to increasingly shift more attention to the psychology of international business (research) and that the concept of managerial intentionality can contribute to provide one anchor point by opening the "black box" of managers' minds.

## NOTE

1. It is important to note that especially considering ethical and social issues, consumers are likely to indicate the importance of these issues but might not act according to their statements. As a consequence, traditional survey methods are likely to overstate the importance of ethical and social issues and will add unwanted variance into the measurement process. Accordingly, the classical reasoning from intention to behavior should be complemented with reasoning from behavior to intention and attitudes, respectively (Auger & Devinney, 2007; Devinney, Auger, & Eckhardt, 2010).

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