

The management of internationalization: structural modifications and inter-organizational significance

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Abstract

The organizational structure of internationalized enterprises and the potential change of company structure occurring due to company's internationalization are fields that have not been widely researched. In addition, there is little empirical evidence regarding the interconnection between the existence of special departments supporting the internationalization activity and other special organizational and operational characteristics of the firm.

This paper identifies the organizational structure of internationalized manufacturing companies, along with the potential modification of the company's structure emerging due to the internationalization of their business activity. It recognizes the level of significance of the internationalization activity for the company.

Results presented in this paper provide evidence of organizational change taking place as creation of new departments due to company's internationalization. This fact is positively correlated with years of business activity in foreign markets. We observe high significance of the internationalization activity for most enterprises along with a slight interconnection between the domestic sales management and management of the internationalization activity of the firm.

Keywords: Organizational structure, Organizational Change, Internationalization Department, Internationalization

1. Introduction

The term "internationalization" has been extensively used to illustrate the outward movement in a company's international operations (Turnbull, 1987). A much broader definition for internationalization is: "the process of adapting firms' operations (strategy, structure, resources, etc) to international environments" (Calof & Beamish, 1995). We define the "internationalized enterprise", as the company that has been involved in any kind of business activity (exports, franchising, production, joint ventures, mergers and acquisitions) in foreign markets. The internationalization performance field is drawing both academic and managerial interest at an increasing pace. Managers are interested in researching on export performance as it is considered to be a tool used to boost corporate growth, reinforce competitive advantage, and ensure company's survival in substantially competitive marketplace (Sousa, 2004).

The organizational change literature is considered to be a miscellaneous and heterogeneous domain of research. It ranges both from technological change to structural transformation and from psychological transitioning to organization downsizing. However, strategy or policy modification is recognized as the key dynamic provoking organizational change (Choi, 1995), concepts directly interconnected to the characteristics of each firm.

The organisational change management is not thought to be a straightforward, rational process rather than a mutually analytical, educational and political process (Walsham, 1992). It is also noted that implementation cannot be disconnected from policy formulation and that these processes should not be faced as isolated or chronological but as interactive and muddled. In short, organisational change and its implementation are viewed as a multifaceted, messy process inseparable from its intra-organisational and wider contexts (Walsham, 1992).

Firm organizational features have a significant impact on export activity (Erdener, Wellington, 1993). Surprisingly, few empirical studies endeavoured to examine the morphemes of organizational structure in internationalized enterprises, connected to the undertaking and managing of internationalized activity. In addition, restricted empirical evidence is offered regarding how internationalizing enterprises attempt to influence the performance and activities of the internationalization department (Katsikea et al, 2010).

This paper aims to contribute to the internationalization literature, identifying the organizational structure of internationalized enterprises, the potential change in their structure emerging due to internationalization and evaluating the level of significance that this new shaped morphemes hold in the organization.

Additionally, interconnecting the existence of an internationalization department with special characteristics of the under examination companies.

2. Literature Review

2.1 Organizational Change – Creation of new departments – Structural Correlations

Organizational change is considered to depict among others, the effect of the transition the organization is going through (Jaworski et al, 1993). The internationalization of a company defines a period of transition for the enterprise. Over time, the recently internationalized firm will engage in the process of adapting to the international environment. As it's experience in foreign markets increases, a wide range of organizational and strategic changes arise. For example, a firm may become accustomed to international business by creating departments to manage and support the business activity in foreign markets or employing internationally skilled executives (Calof & Beamish, 1995; Burke, 2002).

An examination of the strategic management literature reveals major differences in risk taking behaviour and goal orientation among owner-controlled and management-controlled enterprises. Owner-controlled firms refer to these hold by an individual, a family or an entity, while manager-controlled firms are defined as these run by professional managers without the control of external clusters (Chaganti & Damanpour, 1991). Several studies pointed out that, owner-controlled companies are more likely to take risks for short-term revenues than management-controlled firms due to the divergence in goals among owners and managers (Chaganti & Damanpour, 1991).

Herman (1981) argued that managers in management-controlled firms look for safety and favour to invest in the company's long-term expansion, while owners in owner-controlled firms tend to take risks chasing high returns over a short period of time. With this in mind, managers concerned with securing their position in the company tend to focus on the long-term growth of their company. Owners in owner-controlled firms, in contrast, will be more concerned with their investments entailing fast returns. This might imply that profit maximization goals are more in the interest of owner-controlled firms while steady rate of growth in earnings, estimation of market value and organizational enlargement are the first priority of manager-controlled firms (Dosoglu-Guner, 2001).

Conventional entrepreneurship studies revealed that teams engage in a large number of new ventures, or that a team is assembled in the first few years of start-up. There is a strong connection linking team created ventures and success (Loane et al, 2007). Definitely, the quality and composition of such management teams is a key determinant of organisational performance (Loane et al, 2007). The consequence of managers and strategies on firm performance is fundamental to the study of strategic management (Amason et al., 2006). The successful organization and management of internationalization department are of greatest importance for a firm's export success.

The past internationalization literature points out to that high-performer firms prove certain structural and organizational characteristics in contrast to low-performer firms in foreign markets (Erdener & Wellington, 1993). Many theoretical models describe organizational change as a development of an innovative destruction concerning the reallocation of jobs and workers across and within firms (Bauer, 2004). Internationalization is a long-term investment for every organization. It demands the existence and effective management of financial, human, technological, information and knowledge resources (Palmer et al, 2008). The management of such a competitive and demanding business activity cannot be held by the owner of the company for a long period of time. Sooner or later internationalization experts have to be hired, a team or one or more departments to support and manage the internationalization activity have to be created.

The most common structural morpheme created due to internationalization activity is the internationalization department. In cases it is accompanied by the creation of a special department for the study and support of the internationalization activity. Given the limited of resources we may assume that when an internationalization study department is assembled, then the company has assembled already an internationalization management department as well.

According to the above framework a first research can be shaped:

H₁: *The existence of an internationalization-study and support department in a company is possible to imply the existence of an internationalization department in the same company.*

2.2 *The factor of time*

Organizational expansion has become a major discipline that deals with the topic of organizational change. In the relevant literature, theorists usually categorize changes as major or minor. Organization change follows revolutionary and evolutionary stages. The revolutionary stage stands for a period of substantial disorder, whereas the evolutionary stage is a long-lasting period of no important upheaval (Choi, 1995).

Structural modification of the organization in internationalized companies can be explained by the stage theory. Each stage entails an increased commitment to international activities. In particular, companies move from one stage to another as they gain experiential knowledge in a particular foreign market and decision makers' perceptions of the costs and benefits of involvement in this market change. For example, firms in early stages of internationalization perceive export costs as higher and revenues as lower than firms further along in the internationalization process. This "gradual acquisition, integration, and use of knowledge about foreign markets and operations" is connected with incremental increases in commitment to foreign markets (Johanson & Vahlne, 1977). As a result, we may assume that firms along in the internationalization process show high levels of organizational change.

H₂: The more years the firm is internationalized, the more increases the probability the company to have created an internationalization department.

2.3 *Areas of authority and responsibility*

Exporting is the most popular mode that firms implement in order to enter and penetrate foreign markets. Compared to the substitute entry modes of foreign direct investment and international joint ventures, exporting requires less commitment of resources, has minimal effect on the everyday operations of the firm, involving low investment and financial risks (Leonidou et al., 2002). Export sales managers play a vital role in export success since they have the main responsibility for locating potential foreign customers, delivering sales presentations, bargaining sales contracts, providing after sales support, and managing business relationships with export customers (Katsikea et al, 2010). The organizational configuration that an export sales organization takes up can play an important role in influencing the position characteristics of export sales managers, and serves as an important guiding framework that influencing their work outcome.

In the last two decades, most advanced industrialized markets have witnessed an augmentation in the relative demand for skilled labour, as obvious in increasing earnings dissimilarity in the US and the UK and a boost in the relative unemployment rates of unskilled labour in continental Europe (Bauer, 2004). Thus,

H₃: The existence of an internationalization department decreases the probability the person at head of the internationalized activity to have other responsibilities in the company apart from the internationalization activity itself.

2.4 *Inter-organizational Significance*

Organizational structure is regarded to be an important control system present in organizations (Jaworski et al, 1993). The organizational formation of an internationalized company describes the nature of the relationship between the employees in the export department and their supervisors entailing important implications for the control system export managers can apply in order to encourage desired behaviours and outcomes. Existing knowledge concerning control systems and their influence on the profession characteristics and work outcomes of salespeople relates mainly to sales activities conducted in a domestic market frame (Katsikea et al, 2010).

Organizational and management characteristics offer important profiles which are capable of discriminating between exporting and non-exporting companies. The hierarchical structure depicts a bureaucratic company culture, instructions, rules, and uniformity. It's guided towards stability, predictability, and soft operations while organizational efficiency is accomplished when clearly defined goals are met (Dosoglu-Guner, 2001). Thus,

H4: *Once created, the internationalization department is considered to be of high importance for the company.*

3. Research Method

The main survey instrument we use for this study is developed through a comprehensive review of the organizational change and internationalization literature and the results provided by 12 personal interviews obtained from internationalization directors. These people were employed by 12 major Greek manufacturing companies, representing various sizes, business sectors, years of activity, years of international activity, variety of foreign markets engaged in, and modes of internationalization. It takes the form of a structured questionnaire. The questionnaire survey lasted from May to November 2010.

We use data collected from internationalized companies located all over Greece. A multi-industry sampling design to broaden the generalize ability of the findings. Sample sectors include food products, mineral and ores products, chemical and allied products, rubber and plastic products, machinery, and electrical, textile and mill products, medicines. These industry sectors represent a major volume of the Greek export activity. We excluded all companies belonging to the services sector. We randomly select 750 exporting firms from the Hellenic Foreign Trade Board's (HEPO) directory. This directory encounters about 1400 Greek internationalized manufacturing enterprises. Our sample of 158 companies corresponds to 11,21% of the total population.

We use a mail survey methodology for data collection, along with personal visits to the targeted firms. The key informant in our study is the "internationalization manager/ director". We sent about 750 questionnaires addressed to each company along with a cover letter that explained the purpose and objectives of the study, after a first personal telephone contact with them. Recipients were then instructed to pass on the questionnaire to the individual that holds the position of internationalization manager/ director in their company or to the individual that is in charge of the internationalized activity of the firm. 158 usable responses were received. An effective response rate of 20.93% is attained.

4. Results

Organizational Change – Creation of new departments – Structural Correlations

To identify the organizational structure of the internationalized firm and the organizational change that has taken place due to the internationalization of the company, we examine on the existence of special internationalization department and the existence of special study/ support department for the internationalized activities in the company. Results are presented in the table 1.

Table 1

Internationalization study/ support department*Internationalization Department - Crosstabulation

		Existence of special Internationalization department			
		Yes	No	Total	
Existence of special study/ support department for the internationalized/ internationalization activities of the company.	Yes	Count	24	6	30
		% of Total	15,3%	3,8%	19,1%
	No	Count	67	60	127
		% of Total	42,7%	38,2%	80,9%
Total	Count	91	66	157	
	% of Total	58,0%	42,0%	100,0%	

As shown in table 1, 58% of the companies have created a special internationalization department. We observe absence of a special study/support department for the internationalized activities of the company in the mass majority of the enterprises (80,9%) examined. Of the 19,1% of the companies that maintain such a department, the 80% of them maintain also a special export department.

We examine whether the existence of a special study/ support department in a company is correlated with the existence of an export department at the same company. Both variables are dichotomous, so we use the phi (ϕ) coefficient test.

Table 2

Symmetric Measures Study/support exports department * export department

		Value	Approx. Sig.
Nominal by Nominal	Phi	,217	,007
	Cramer's V	,217	,007
N of Valid Cases		157	

As shown in the above table, phi coefficient = 0,217. Given that phi coefficient belongs to [-1,1], we detect a weak positive correlation between variables. The existence of a special department for the study/support of internationalization activities in a company could indicate the existence of an export department at the same company. On the other hand, the absence of special department for the study/support of internationalization activities in a company does not imply the absence of an export department at the same company. Results are statistically significant at the level of significance 0,007 (sig=0,007<0,05).

The results provide support for the first hypothesis of this paper: *“The existence of an internationalization-study and support department in a company is possible to imply the existence of an internationalization department in the same company”*.

The factor of time

We examine the correlation between the years of internationalization and the existence of an internationalization department. We use crosstabs and chi-square (χ^2) correlation test.

Table 3

Years of Internationalization * Existence of Internationalization Department- Crosstabulation

			Existence of Export department		
			Yes	No	Total
Years of internationalized activity	Less than 1 year	Count	0	3	3
		% of Total	,0%	1,9%	1,9%
	1 to 4 years	Count	5	19	24
		% of Total	3,2%	12,1%	15,3%
	5 to 10 years	Count	16	15	31
		% of Total	10,2%	9,6%	19,7%
	11 to 20 years	Count	28	19	47
		% of Total	17,8%	12,1%	29,9%
	21 to 30 years	Count	17	5	22
		% of Total	10,8%	3,2%	14,0%
	More than 31 years	Count	25	5	30
		% of Total	15,9%	3,2%	19,1%
Total	Count	91	66	157	
	% of Total	58,0%	42,0%	100,0%	

Table 4

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Monte Carlo Sig. (2-sided) 99% Confidence Interval		Monte Carlo Sig. (1-sided) 99% Confidence Interval			
				Sig.	Lower Bound	Upper Bound	Sig.	Lower Bound	Upper Bound
Pearson Chi-Square	29,570 ^a	5	,000	,000 ^b	,000	,000			
Likelihood Ratio	32,106	5	,000	,000 ^b	,000	,000			
Fisher's Exact Test	29,444			,000 ^b	,000	,000			
Linear-by-Linear Association	27,275 ^c	1	,000	,000 ^b	,000	,000	,000 ^b	,000	,000
N of Valid Cases	157								

a. 2 cells (16,7%) have expected count less than 5. The minimum expected count is 1,26.

b. Based on 10000 sampled tables with starting seed 624387341.

c. The standardized statistic is -5,223.

In table 4, 2 cells (16,7%) have expected count less than 5. Consequently, we use the Fisher Exact Test. Level of significance given in table 5 is $0,000 < 0,05$ indicating correlation between the years of internationalized activity and the existence of a special internationalization department. Data from table 3, provide evidence that the correlation between the two variables is positive. In other words, as years of internationalization go by, it is more possible for an internationalized company to create and maintain an export department.

Results provide support for our second hypothesis “*The more years the firm is internationalized, the more increases the probability the company to have created an internationalization department*”.

Areas of authority and responsibility

Table 5

Existence of authority of the person at head of internationalization activities in other sectors of the company

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	102	65,0	65,0	65,0
	No	55	35,0	35,0	100,0
	Total	157	100,0	100,0	

As shown in table 5, the vast majority (102/157, 65%) of people at head of internationalization have to deal with other domains of responsibility as well. We correlate the existence of a special internationalization department and the limited responsibility of the person at head of internationalization to the internationalization of the company. Results are presented in tables 6 and 7.

Table 6

Existence of internationalization department * Existence of authority of the person at head of internationalization activities in other sectors of the company Crosstabulation

		Existence of authority of the person at head of internationalization activities in other business sectors			
		Yes	No	Total	
Existence of internationalization department	Yes	Count	45	45	90
		% of Total	28,7%	28,7%	57,3%
	No	Count	57	10	67
		% of Total	36,3%	6,4%	42,7%
Total		Count	102	55	157
		% of Total	65,0%	35,0%	100,0%

As we see in table 6, half of the companies that maintain an internationalization department, declare that the person at head of it, has also to deal with other activities with no relevance to internationalization. So, at first glance, a special correlation between the two variables is not suggested. On the other hand, the vast majority (57/67, 85,07%) of the companies that have not form an internationalization department declare the same.

Table 7

Existence of internationalization department * Existence of authority of the person at head of internationalization activities in other sectors of the company - Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	-,364	,000
	Cramer's V	,364	,000
N of Valid Cases		157	

Variables are both dichotomous. In order to ascertain the existence or the absence of correlation between them, we use the phi (ϕ) coefficient. Table 7 presents the value of the phi coefficient (-0,364). Given that the coefficient belongs to [-1,1], the correlation between the existence of an internationalization department and the existence of authority of the person at head of internationalization activities in other sectors of the company is slightly negative. The column "approx.sig" of the table, shows that the correlation between the two variables is statistically important ($\text{sig}=0,000 < 0,05$). In combination with data given in table 6, we may assume that the absence of an internationalization department indicates the presence of multiple sectors of authority and action for the individual at head of internationalization activities.

Results provide support for the third hypothesis: "*The existence of an internationalization department decreases the probability the person at head of the internationalized activity to have other responsibilities in the company apart from the internationalization activity itself*".

Inter-organizational Significance

Finally, in order to evaluate the significance that the internationalization department holds, we examine its position in the corporate organization chart. So as to define this we asked internationalization managers to describe to who the department is directly accountable. Table 8 presents the results.

Table 8

Internationalization department is directly accountable to:

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Marketing-Communication Department	4	2,5	4,4	4,4
Sales Department	26	16,6	28,9	33,3
Production Department	1	,6	1,1	34,4
Directly to the C.E.O.	46	29,3	51,1	85,6
Directly to the Board of Directors	6	3,8	6,7	92,2
Other Department	7	4,5	7,8	100,0
Total	90	57,3	100,0	
Missing department	67	42,7		
Total	157	100,0		

As we may note, in table 8 half of the internationalization departments of the sample (51,1%) are directly accountable to the C.E.O. At the same time 6,7% of them are accountable directly to the Board of Directors. That implies that they are considered to be of high importance for the corporation and at the same time they enjoy high levels of freedom of choice and action. 28,9% of the internationalization departments are directly accountable to the sales department. Here we detect a interconnection between domestic and international sales sectors. The rest 12,6% of export departments are accountable to other departments. Cumulative percentage 40,5% of the internationalization department are a more dependable position, with all the complications that such a fact entails, in the corporate organization chart. This fact could indicate that the significance of the internationalization department is not widely recognized in the organization.

These results do not seem to provide clear evidence so as to support the forth hypothesis: “*Once created, the internationalization department is considered to be of high importance for the company*”.

The accountability of internationalization department does not correlate with the size of the firm ($\chi^2=15,932$, sig=0,649>0,05) neither with the years of internationalization ($\chi^2=29,757$, sig=0,556>0,05).

5. Discussion

The results of this study suggest that the internationalization of the firm leads in many cases to the modification of the company’s structure, as new departments are created to support the company’s business activities in foreign markets. The creation of new departments is positively correlated with the years of internationalized activity. Our findings generally support most hypotheses developed, except one, providing new insights in the fields of organizational change and internationalization. In the paragraphs that follow, we review our findings, relating them to relevant research.

Organizational Change – Creation of new departments – Structural Correlations

Mainstream entrepreneurship research has found that when teams start a significant number of new ventures, or when a team is created in the first few years of the start-up, a strong link exists between team created ventures and success (Loane et al, 2007). Indeed the quality and composition of such teams is a critical determinant of organisational performance (Loane et al, 2007; Wischnevsky et al, 2011). The formation of a special internationalization department equals in fact with the formation of a special management team for internationalization matters.

The results of our research provided a clear image of the different structured teams assembled, that appear as new morphemes of organizational structure. These teams or departments are created by internationalized

manufacturing companies to support and boost their internationalization activity. 58% of the companies maintained a special internationalization department. Almost 20% of them maintained a special study/support of the internationalization activity department while 80% of them maintained both departments.

It is also argued that the effect of managers and strategies on firm performance is central to the study of strategic management (Amason et al., 2006). The effective organization and management of the internationalization department are of utmost importance for a firm's success in foreign markets. As Bauer (2004) claims, during the past two decades most advanced industrialized countries have witnessed an increase in the relative demand for skilled labour, as evident in rising earnings inequality in the US and the UK and an increase in the relative unemployment rates of unskilled labour in continental Europe. Managers in firms with heavy emphasis on internationalizing tend to be more internationally oriented than managers of the other firms. The past export literature indicates that high-performer exporting firms do show certain structural and organizational characteristics as compared with low-performer exporters (Erdener, Wellington, 1993, Woodman, 2008). As we observe in our research, this is a fact widely recognized by internationalized manufacturing companies, as most of them have created an internationalization department, while some of them have also created an internationalization study-support department, in order to support the activities of their main internationalization department. This fact depicts that the success of the internationalization activity is a matter of high importance for these companies. In this direction they change their organizational structure, in order to support their internationalization activities. They provide this support forming structured management teams to organize, plan and implement their internationalization strategies.

The factor of time

As Calof & Beamish (1995) support, over time, the newly internationalized firm will activate the process of adapting to the international environment. As it gains experience, various organizational and strategic changes arise. For example, a firm may adapt to international business by adding an internationalization department or hiring internationally experienced executives. Also, Johanson & Vahlne (1977), supported that organizational change in internationalized firms can be interpreted by internationalizations stage theory. Each stage involves an increased commitment to international activities, a fact that implies that companies along in the internationalization process show high levels of organizational change. Our results verify the above, as we found out a positive correlation between the years of internationalized activity and the existence of a special export department.

As Loane et al posed it, research on business ventures and entrepreneurship has provided evidence that teams start a considerable amount of new business activities or that when a team is assembled in the first years of the company's life, there is a strong interconnection between the ventures the team has planned and worked on and business success (Loane et al, 2007). Indeed the quality and composition of such teams is a critical determinant of organisational performance (Loane et al, 2007; Wischnevsky et al, 2011). The formation of a special internationalization department equals in fact with the formation of a special management team for internationalization matters. We found that there is a positive correlation between the years of internationalized activity and the existence of a special export department. In other words, as years of internationalization go by, it is more possible for an internationalized company to create and maintain an export department. Only 13,4% of the firms have formed such a department during the first 10 years of their internationalized activity.

Areas of authority and responsibility

Katsikea et al (2010) pointed that the existing knowledge regarding control systems and how they influence job characteristics and work outcomes of salespeople relates mostly to sales activities conducted in a domestic market setting. This truth could be connected to our empirical results by the interconnection observed between domestic and international sales, as almost 30% of the export departments are accountable to the domestic sales department and at many cases along with internationalization issues, such as international sales, internationalization/ exports managers mainly have to deal with the domain of domestic sales as well.

Yet, we find no references in literature regarding the possible obligations of the internationalization manager, beside his main work object. In our research we notice a interconnection between the undertaking

of domestic and international sales from the same individual. Worth mentioning that for only 35% of internationalization managers, export activities are their sole occupation.

Inter-organizational Significance

As it is highlighted in the relevant literature, the type of organizational structure an internationalized organization adopts plays a prominent role in influencing the job characteristics of internationalization managers, and serves as an important guiding framework, determining their work outcome. For example, the *hierarchical structure* represents a bureaucratic business culture, orders, rules, and uniformity. It is more oriented toward stability, predictability, and smooth operations and organizational effectiveness is accomplished when clearly stated goals are met (Dosoglu-Guner, 2001).

Furthermore, Jaworski et al (1993) expressed the opinion that organizational structure is an important control mechanism present in organizations. The organizational structure of an internationalized company determines the nature of the relationship between the employees in the internationalization department and their supervisors and has important implications for the control approach that managers adopt in order to encourage desired behaviours and outcomes. Our results shown that more than half of the internationalization departments of the sample (57,8%) are directly accountable to the C.E.O. or to the Board of Directors. That implies that they are considered to be of high importance for the corporation and at the same time they enjoy high levels of freedom of choice and action, independence and looser control.

The past internationalization literature indicates that high-performing firms in foreign markets do show certain structural and organizational characteristics as compared with low-performing ones (Erdener, Wellington, 1993). According to our results, most of the internationalized manufacturing companies have created an internationalization department, while some of them have also created an internationalization study- support department, in order to support the activities of their main internationalization department. This investment on the success of internationalization activity depicts that the success of the internationalization activity is a matter of high importance for these companies. However, we have not found clear evidence that this is the prevailing rule for most enterprises. Oppositely, some of them seem to be conscious on the significance of the internationalization success for the survival and growth of the firm, while others have not. This contradiction is observed as we examine on the inter-organizational significance of the internationalization department.

Our results in total provide a strong indication that, due to internationalization activity, there is a strategic change and an organization development of the organizational structure of the firm (Choi, 1995). In fact, new departments are added, new authorities and responsibilities rise for the workforce and ownership of the enterprise.

Future studies should investigate the connection between firm size, export undertaking and internationalization performance as it is still a controversial issue.

Conclusion

Few empirical studies attempted to examine the forms of organizational structure and management of internationalized firms. The potential change of the internationalized company's internal structure due to its internationalization has not also been widely researched. In addition, there is little empirical evidence regarding the significance of the internationalization activity for the engaged company and the width of responsibilities of the internationalization manager.

The results of this paper concern small, medium and large enterprises, engaged in multiple ways of internationalization. A primary research goal is to recognize the types of organizational structure we encounter in internationalized companies. In succession, we observe whether internationalization activities equal organizational change for the involved companies and we correlate this change with the factor of time. We detect the importance of internationalization activity among overall business activities and the areas of authority and responsibility of the internationalization manager.

More than half of the firms have created and maintained a special internationalization department, in order to support their internationalization activities. In addition, 19,1% of them, had composed a special department for the support/ study of internationalization activities, ancillary to the internationalization department. 80% of the companies maintained both the named departments at the same time. A slight positive correlation between the existence of a special study/ support department and an internationalization department is noted. A positive correlation between the years of international activity and the existence of a special internationalization department is also found.

We also note that the mass majority (65%) of the internationalizations managers had to deal with other domains of responsibility, except internationalization. Along with internationalization issues, such as international sales, internationalizations managers mainly have to deal with the domain of domestic sales as well. No correlation between the domain of activity and responsibility, except internationalization, of the internationalizations manager and the size of the company was observed.

Finally, in order to determine the level of significance that the internationalization department holds in the company, we define to who the department is directly accountable to. We noted that the vast majority of the departments were directly accountable to the C.E.O. or to the Board of Directors. This implies great significance of the department for the organization and, at the same time, high levels of freedom of choice and activity. However, this trend prevails at half of the enterpreses. Almost 30% of the internationalization departments are accountable to the domestic sales department. This point confirms the connection we found between domestic and international sales departments or activities.

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