

Diversity management and SMEs internationalization:

A comparative approach

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Résumé : While previous research has studied the effect human resource diversity could have on firm's internationalization, only few consider the management of this diversity, especially when small and medium enterprises (SMEs) are concerned. Building on the resource-based theory, this paper explores how diversity management influence SMEs' internationalization by taking into account the heterogeneity of this population. This multiple-case, qualitative study of 14 French SMEs, include four traditional internationalizers, eight early internationalizing firms and two born-again global. Findings show that management of diversity varies more within each type than across the different types of internationalizing SMEs, depending on distinct managers' perceptions of the value of diversity and its management. Therefore, we discuss the reconciliation of the different types of internationalizing SMEs around a strategic perception and implementation of diversity management. On a managerial level, this research reveals that diversity management is a factor to be considered strategically as it can fill the resource gap associated with internationalization. It also shows that diversity management needs to be anchored in some managerial practices to strengthen a firm international presence.

1. Introduction

The extensive literature on Small and Medium Enterprises (SMEs) internationalization process has demonstrated that internationalizing SMEs are heterogeneous especially when it comes to the speed of their international expansion (Morais & Ferreira, 2020). On the one hand, the gradual internationalization models have dominated the literature for a long time and propose that a firm's international operations will gradually and incrementally increase as it acquires international knowledge, experience and networks (Johanson & Vahlne, 1977; Stopford & Wells, 1972). On the other hand, the Early Internationalizing Firms (EIFs) phenomenon breaks with traditional models of gradual internationalization (Hashai & Almor, 2004). These EIFs stand out for their early international growth, thus calling into question the pioneering models of gradual internationalization (Oviatt & McDougall, 1994). Other models presenting themselves as alternatives to both gradual and early models of internationalization have emerged from the literature. In particular, Bell and colleagues (2003, p. 340) defined born-again global firms as traditional SMEs which "have internationalized rapidly after a long period during which they focused on the domestic market". Internationalizing SMEs are thus a heterogeneous population that differ in key dimensions such as founders' characteristics, organizational capabilities, strategic focus (Rialp et al., 2005) and survival rate (Meschi et al., 2017; Mudambi & Zahra, 2007).

In parallel, authors in the field of international management explain that many international failures are due to a lack of skills related to internationalization (e.g., intercultural skills, linguistic skills) (Johnson et al., 2006; Peng, 2004). In order to acquire additional resources and skills, human resource diversity is then suggested as a potential lever (Kumar, 2012; Mannix & Neale, 2005). Harrison and Klein (2007, p. 1200) define diversity as "the distribution of differences among the members of a unit with respect to a common attribute". The effect human resource diversity has on multinationals has prompted numerous studies, many of which focus on the top management team diversity (Lee & Park, 2006; Rivas, 2012). A much smaller corpus focuses on the effect diversity and human capital have on SMEs internationalization (Dabić et al., 2020; Mohr & Shoobridge, 2011; Parrotta et al., 2016; Ruzzier et al., 2007). These studies associated various attributes of diversity (e.g., gender, origin, experience) with different outcomes. As such, diversity could help attain different foreign markets (Hagen & Zucchella, 2014; Lindstrand et al., 2011) and even expand the firms' scope of internationalization (Laanti et al., 2007).

However, other research established that diversity is a double-edged sword (Milliken & Martins, 1996), with both positive and negative effects on organizational outcomes (Jehn et al., 1999; Mannix & Neale, 2005). That is because it is not diversity *per se* (i.e., attributes) that determines organizational performance but rather its management (Jehn & Bezrukova, 2004). Diversity management "includes a process of creating and maintaining an environment that naturally allows all individuals to reach their full potential in pursuit of organizational objectives" (D'Netto & Sohal, 1999, p. 531). In that line, Yang and Konrad (2011) highlight the importance of management recognition of the value of diversity. According to the Resource-Based-Theory (RBT), the differences in managers' views regarding the value of diversity for organizational effectiveness influence the management of diversity (Barney & Clark, 2007) and can explain the heterogeneity of diversity management practices across firms, along with their outcomes (Podsiadlowski et al., 2013; Yang & Konrad, 2011). In that line, Bleijenbergh and colleagues (2010) call for research on the role of managers in the implementation of diversity

management. This could be even more important among SMEs where a strategic management can compensate for the firm lack of resources, especially human resources (Tansky & Heneman, 2003).

Therefore, anchored in the RBT, we argue that managers and entrepreneurs of internationalizing SMEs need first to recognize the value of diversity as a resource, but above all, they need to strategically manage such diversity. Considering, first, the potential strategic influence diversity management could have on SMEs internationalization, and second, the heterogeneity of internationalizing SMEs, we seek to explore: *How is diversity valued and diversity management implemented among the different types of internationalizing SMEs?* To answer this research question, the paper adopts a comparative qualitative method based on a sample of 14 internationalizing SMEs, including traditional internationalizers, EIFs and born-again global. While the focus of this study is diversity management, we focus on specific attributes during the interviews, which were already in the international management literature, cultural and national origin, gender, age, experience, knowledge (Loane et al., 2007; Romanello & Chiarvesio, 2017).

Findings show that the different types of internationalizing SMEs differ in their managers' perception of the value of diversity and implementation of diversity management. But above all, diversity management varies more within each type of internationalizing SMEs than across the different types of internationalizing SMEs, depending on the entrepreneurs' or managers' perceptions of the value of diversity and its management. Our contributions to international management and diversity management literatures are threefold and address several limitations. First, while previous research mainly focused on multinationals (Lauring, 2013; Lee & Park, 2006), this research focus on SMEs as we consider their specificities could lead to contrasting effects (De Jong & van Houten, 2014; Parrotta et al., 2016; Rivas, 2012). Second, the heterogeneous population of internationalizing SMEs could trigger different behavior from the management team when it comes to diversity management. This comparative approach represents another contribution to the international management literature and to the SMEs internationalization processes discussion. Last but not least, previous research focus on various diversity attributes and neglect the management of diversity despite its critical role.

2. Literature review

2.1. Internationalizing SMEs: A heterogeneous population

The literature on SMEs internationalization processes is plethoric and has long been dominated by gradual internationalization models. The best known is undoubtedly the Uppsala model (or U-Model), which defends that the learning process and the internationalization process are closely linked. Learning and acquiring empirical experiential knowledge throughout the internationalization process will thus facilitate international expansion (Johanson & Vahlne, 1977). The accumulation of this knowledge takes time, which explains why companies internationalize slowly and are gradually penetrating new markets. Other models have been widely used, such as innovation models (I-Models), which join the Uppsala model in its conception of internationalization and see it as an incremental process over a relatively long period of time (Bilkey & Tesar, 1977). The slowness of this process would reflect an aversion to risk taking within the company, as well as an inability to effectively acquire knowledge related to foreign markets (Madsen & Servais, 1997).

In the field of international entrepreneurship, EIFs are considered as the antithesis of the traditional models of gradual internationalization (Hashai & Almor, 2004). Calling them International New Ventures (INVs), Oviatt and McDougall (1994, p.49) defined them as “a business organization that, from inception, seeks to derive significant competitive advantage from the use of resources and the sale of outputs in multiple countries”. Unlike traditional internationalizers, EIFs do not wait to have a stabilized position in their domestic market to begin their internationalization process. On the contrary, some of them do not even offer their products or services in their domestic market and start immediately on the international market (Bloodgood et al., 1996). EIFs entrepreneurs play a key role in the firm internationalization (Cabrol & Favre-Bonté, 2012), and they are characterized by a real propensity for risk taking (Khan & Lew, 2018).

Other alternatives, such as born-again global firms previously mentioned, have since emerged from the literature. Born-again global represent a mix of both models as they internationalize quite suddenly and rapidly, such as EIFs, but after years of concentration on their domestic market, which reminds traditional internationalizers (Bell et al., 2001). They internationalize following a critical incident (e.g., takeover of the company, sometimes by its employees; acquisition of a company; development of a new product). According to Dominguez and Mayrhofer (2016) different characteristics related to the entrepreneur, reminiscent of those of EIFs leaders, can explain this rapid and sudden internationalization. Born-again global firms also echo the concept of “Casino Model” developed by Håkanson & Kappen (2017).

The main difference between these different internationalizing SMEs is therefore the speed of international expansion. It is a multifaceted concept in nature, involving more than the usually considered time between founding and initial international market entry (Knight & Cavusgil, 1996). Recent research identified three dimensions of internationalization expansion (Hilmersson et al., 2017, 2022; Kuivalainen et al., 2012). The first one is the *time to internationalize* (the number of years between the firm inception and its entry in foreign markets (Coeurderoy & Murray, 2008; Knight & Cavusgil, 1996). Firms are considered Early Internationalizing Firms when they internationalize in the three years or six years following inception (Zahra et al., 2000; Zucchella et al., 2007), depending on the context (Meschi et al., 2017). The second is the *scope of internationalization*, determined by the number of foreign markets in which the firm generates international sales (Navarro-García, 2016) but also considered through the geographical distance, the mode of entry and the geographical diversity (Beleska-Spasova et al., 2012). The last dimension is the *scale of internationalization* measured by the export ratio to total revenue (McDougall & Oviatt, 1996).

Thus, the speed of international expansion represents how fast (=time) a firm spreads its sales activities (=scale) to various (and distant) country markets (=scope) (Hilmersson et al., 2017, 2022; Hsieh et al., 2018; Kuivalainen et al., 2012). The relationship between the speed of international expansion and firm's success and survival has been an ongoing debate in international management literature (Meschi et al., 2017; Mohr & Batsakis, 2017). Results show no consensus on whether traditional internationalizers, EIFs or born-again global perform better than the others.

2.2. Diversity management and internationalizing SMEs: a resource-based view

Diversity and its management are not the prerogative of multinationals and large enterprises. Researchers agree that SMEs are as greatly affected by diversity issues (Barrett & Burgess, 2008; Berger-Douce, 2009; Bocquet et al., 2019) but most studies looking at the effect of diversity on internationalization focus on multinationals (Lauring, 2013; Lee & Park, 2006; Rivas, 2012). A few research started to explore the effect of diversity on SMEs internationalization and display interesting results. Mohr and Shoobridge (2011) link ethnic diversity to greater international development in SMEs. In the same vein, Parrotta and colleagues (2016) show that higher ethnic diversity in human resources tend to foster internationalization. In the international entrepreneurship literature, some studies identified human resource diversity as a potentially strategic resource for EIFs (Breuillot, 2021; Fletcher & Harris, 2012; Khan & Lew, 2018; Kumar, 2012; Loane et al., 2007). However, according to the RBT, diversity need to be managed to become a strategic resource for internationalization (Barney, 1991; Colbert, 2004; Jehn et al., 1999).

Diversity management has no universality (Samuel & Odor, 2018) and therefore can lead to different outcomes (Podsiadlowski et al., 2013). It all starts with the leader or manager recognition, or not, of a value in diversity (Yang & Konrad, 2011). Olsen and Martins (2012) explain that managers that recognize value in diversity can do it in two ways. When diversity is seen as a *means* for achieving competitive advantage and business-related outcomes, managers hold diversity as an instrumental value. On the contrary, when diversity is seen as an *end* in itself because it is important in its own right, managers hold diversity as a terminal value. While this distinction echoes the divide between instrumental theories of CSR and ethical ones (Garriga & Melé, 2004), Olsen and Martins (2012) do not neglect the integrative conception of CSR which makes possible the coexistence of instrumental and terminal values. As a consequence, diversity management could take into account social demands, and integrate them in a way that the business operates in accordance with social values. In such a case, managers hold diversity as a dual value. They also explain that some firms approach diversity as being both good for business and ethically important, they are said to recognize a dual value in diversity. Dass and Parker (1999) also explain that some managers consider diversity has a non-issue or threat, which means diversity would not create value or would even destroy it.

Whether it is by recognizing a specific value in diversity, either instrumental, terminal or both, or by being certain that diversity is a threat, managers' view of diversity is going to lead to different implementation of diversity management (Barney & Clark, 2007). As Holcomb and colleagues (2009) argue, managers and resources only together determine a firm's success. We argue that when managers perceive diversity as a non-relevant or even negative resource, they will not implement any type of diversity management and will tend to favor homogeneity in the workforce. When diversity is only considered as an end in itself, managers would integrate positive discrimination practices, equal opportunities, and affirmative action programs, targeted at helping minority groups. Finally, when looking at diversity as instrumental value, managers and leaders recognize human resources diversity as a resource for competitive advantage, which mean they must effectively manage this diverse workforce (Otaye-Ebede, 2019; Yadav & Lenka, 2022). This implies the implementation of various managerial practices. Multitude of diversity management practices exist, they can be specific to diversity or embedded within general management, they can be formal or informal, and they can be implemented at the

individual or at the organizational levels (Dobbin & Kalev, 2016; Podsiadlowski et al., 2013; Yang & Konrad, 2011).

The different types of internationalizing SMEs differ in many ways. The antecedents of their internationalization are different, as is their international growth. Most importantly, Rialp and colleagues (2005) detail how traditional internationalizers and EIFs leaders differ in terms of managerial vision, international experience, managerial commitment and networks. What about their perception of the value of diversity? What about their implementation of diversity management? On the contrary, despite their differences, traditional internationalizers, EIFs and born-again global also share similarities as they are all SMEs and all suffer from liabilities of smallness (Aldrich & Auster, 1986) and foreignness (Zaheer, 1995). If considered for its economic value, could diversity management enable all internationalizing SMEs to deal with their limited resource base (Kumar, 2012)?

3. Empirical methodology

The exploratory research design relies on a multiple case study, with 14 French internationalizing SMEs, taking into account the heterogeneity of such population (Morais & Ferreira, 2020). With a theoretical sampling approach (Cuervo-Cazurra et al., 2016), we applied both heterogeneity criteria (age, size, sector, speed of internationalization) and homogeneity criteria (internationalizing SMEs, location in the same French region) for a solid comparison to be made. The research design provides thus the depth and breadth necessary to explore the influence of diversity management on different types of internationalizing SMEs. This study adopts a positivistic case study approach, in line with prevalent approaches (Eisenhardt, 1989; Yin, 2003). It favors a design logic and ensures that the exploration is anchored in existing literature to answer a specific research question (Piekkari et al., 2009). Each case can be leveraged to confront the data gathered from other cases, while also identifying supplementary facets of the studied phenomena (Eisenhardt, 1991).

3.1. Research context and sample

The research was conducted in the Auvergne-Rhône-Alpes region, in France. One regional supporting institution provided the research team an access to a database reporting every SMEs in the Auvergne-Rhône-Alpes sector. From this database was extracted a list of internationalizing SMEs with the help of one executive from the supporting institution. We relied on purposeful, non-random samples that reflect specific theoretical underpinnings (Eisenhardt, 1989; Miles et al., 2013). This ensures that the results are grounded in diverse empirical evidence, not idiosyncratic to a particular case, in support of replication possibilities. Therefore, the current sample share similarities and differences. The selected firms all needed to be independent enterprises, employing less than 250 employees and earning less than 50 million euro in annual turnover (European Commission, 2003). But they differ in terms of age, size, sector and above all, speed of international expansion (time, scale and scope) to ensure the sample would represent the full population of internationalizing SMEs (see Table 1 for sample characteristics). The data collection process lasted 4 months and stopped when a saturation point was reached (Yin, 2003) with 14 internationalizing SMEs. More precisely, the sample includes four traditional internationalizers, two born-again global and eight early internationalizing firms.

Table 1 Sample characteristics

Type of internationalizing SMEs	Firm	Creation date	Time (in years)	Speed of international expansion		Number of employees	Sectors
				Scope (geographical diversity + mode of entry)	Scale (in %)		
Traditional internationalizers	TRADI-1	1989	14	Europe, Northern America, Asia - Distributors, subsidiaries, representative office	50	120	Wholesale of childcare products
	TRADI-2	1978	8	Europe, Asia, Northern America - Distributors, subsidiary, agents	50	33	Wholesale of sport products
	TRADI-3	1937	81	Mainly Western Europe, Hong Kong, Macao, Morocco, Eastern Europe - Distributors, agents, export	8	220	Industrial preparation and meat products
	TRADI-4	1830	130	Worldwide - Distributors, agents	69	80	Manufacture of wrapping, packaging and weighing equipment
Born-again global	BAG-1	1995	10	Asia, Northern America, Western Europe - Subsidiaries, representative office, agents, export	85	150	Development and sale of scientific and technical instrument
	BAG-2	1994	9	Europe, Northern America, Middle East - Subsidiaries, export	36	175	Manufacture of plastic plates, sheets, tubes and profiles
Early Internationalizing Firms	EIF-1	2008	2	Europe, China - Distributors, export	7	5	Wholesale pharmaceutical goods
	EIF-2	2016	3	Morocco - Subsidiary	n.a.	25	Computer programming activities
	EIF-3	2003	0	Worldwide -	60	15	Media representation

				Subsidiaries, agents, export			
	EIF-4	2009	3	North America, Europe, Asia - Distributors, export	53	11	Development and sale of electric field and temperature measurement technologies
	EIF-5	2016	1	Canada, Taiwan - Agent, export	5	12	Development and sale of sensor networks for infrastructures
	EIF-6	2008	2	Worldwide - Distributors, subsidiaries, agents	65	64	Wholesale clothing and footwear
	EIF-7	2011	3	China, Japan, Germany - Distributors, agents	36	11	Development and sale of sensor networks for infrastructures
	EIF-8	2000	0	Northern America, Europe, Asia - Subsidiaries, agents, export, license agreement	90	56	Development and sale of molding technologies

3.2. *Data collection*

Data were collected from April to July 2019 via semi-structured in-depth interviews involving a founder or manager in charge of the SME's internationalization (Harris & Wheeler, 2005). A set of two researchers performed each interview with the help of an identic interview guide including open-ended question in accordance with the design logic and to mitigate observer bias. (Yin, 2003). The interviews were structured in four parts. The first one aimed at getting to know the respondent and the managing team in general (e.g., education, past experiences). The second part of each interview focused on the firm, collecting generic information along with precise data on its internationalization process (e.g., time, scope, scale). Then, the topic of diversity was discussed. The concept of diversity is polymorph and it is thus impossible to study all diversity attributes in one study. The choice was made to focus on five attributes that account for both surface and deep levels attributes (Andrevski et al., 2014; Mohammed & Angell, 2004) and that were previously linked to internationalization: cultural and national origin (Lindstrand et al., 2011; Mohr & Shoobridge, 2011), gender (Williams, 2013), age which is closely linked to experience (Gruenhagen et al., 2018; Loane et al., 2007) and knowledge (Fletcher & Harris, 2012; Lindstrand et al., 2011). The last part of the interview explored the central topic of diversity management in which we discussed how diversity was perceived by managers and what types of diversity management and managerial practices was implemented.

These interviews were recorded and literally transcribed, producing 877 minutes and 283 pages of transcription. To strengthen the confidence in the accuracy of the findings and construct validity (Cuervo-Cazurra et al., 2016), we proceeded to methodological triangulation and collected secondary data. The firm's homepage, along with internal documents furnished by the respondent were analyzed. The companies were also asked to share the curricula vitae of employees involved in the firm's internationalization. An internet search allowed to add newspaper articles to our data, it was helpful to reconstruct the internationalization process in the case of older firms. Last but not least, most firm's corporate accounts were accessible online on the French website *societe.com*. These diverse sources of data increase the reliability if this study and help confirm the respondent's perception. All data ere documented in accordance with a previously specified protocol, leading to 14 individual case databases (Yin, 2011).

3.3. *Data coding and analysis*

The data coding and analysis mainly relied on Atlas.ti 8 software that offers the possibility to visualize, annotate, and code any type of document according different dimensions. The initial deductive coding method proposed a coding grid of 30 codes drawn from our theoretical framework (Miles et al., 2013). We let the list evolved as preliminary codes were modified, merged or added following an inductive coding effort. In total 35 codes structured around five main categories were obtained (see Appendix 1 for the final coding sheet). All data were coded, including the secondary data.

These coded data were analyzed in two steps. First, we conducted a within-case analysis looking at retracing their individual history chronologically, modelizing their internationalization process and exploring how diversity was dealt with. Then, a cross-case analysis focused on the influence of diversity management on the different types of SMEs (Yin, 2003, 2011) with an

Excel spreadsheet to display data from individual cases pertaining to a wide set of variables that came from the coding. Debriefing processes within the research team helped ensure the reliability of the findings that emerged from the coding.

4. Findings

4.1. Traditional internationalizers

The four traditional internationalizers display nuanced patterns when it comes to diversity and diversity management. TRADI-3 and TRADI-4 share a lot of similitudes, they are both family firms with a long history. Both these firms are characterized by a lack of diversity among the management team as well as among the workforce. When interrogated, both managers explained that diversity was “neither a problem nor a topic” (TRADI-3). They do not see any instrumental nor terminal value in diversity, explaining that if there is diversity in the workforce, “it is not a strategic choice” (TRADI-4). There is no diversity consciousness at all and they do not feel any needs that could be filled by more diversity, which leads to a total lack of diversity management.

Both TRADI-1 and TRADI-2 respondents display some sign of diversity consciousness, for its instrumental value when it comes to internationalization. They explained that once they opened subsidiaries abroad (a mode of entry that nor TRADI-3 and TRADI-4 have chosen), they felt the need to diversify their workforce and a need “to recruit local people” (TRADI 1). From the internationalization came a need for diversity, that lead to recognizing some value in it. The export director from TRADI-2 explains that it brings “market knowledge, and also I’d say a linguistic and cultural approach that we don’t have”. Despite being conscious of human resource diversity potential benefits, there is no management of such diversity at all, explaining that “we don’t ask ourselves those question” (TRADI-2) and that “there is no specific policies” (TRADI-1). None of the four traditional internationalizers value diversity as a strategic resource, there is no strategic or proactive management of diversity. We propose that their gradual – and therefore slower – internationalization processes allow to accumulate skills and absorb knowledge differently, which may hinder the need for diversity. This is nuanced by the mode of entry as some are less demanding (e.g., distributors) than others (e.g., foreign subsidiaries).

4.2. EIFs

The eight EIFs display strong differences when it comes to diversity management. Our cross-case analysis identifies three sets of EIFs. EIF-1 and EIF-3 perceive diversity as a threat and tend to foster homogeneity among their workforce: “This diversity, imposed, that we put everywhere, I really don’t believe in it. On the contrary, I believe it is unhealthy” (EIF-3). Their negative perception of diversity lead to a total absence of diversity among the workforce and therefore no diversity management.

Three firms (EIF-5, EIF-7 and EIF-8) are very innovative and focused on research and development for a while before concentrating their efforts on international expansion. Yet, their innovative services and products foster an early internationalization. The three entrepreneurial teams were made of scientists that had a positive perception of diversity but their focus was on research and development. At one point, they all recruited a top manager to deal with business development. In the three cases, this new manager recognized an instrumental value in diversity

and fostered diversity among the workforce: “it is a source of competitive advantage” (EIF-7). However, they recognized that they did not implement a formal diversity management: “we never made the effort to try and build something around the subject [diversity], to push it a little further and make a business case out of it” (EIF-8).

Within the last three EIFs (EIF-2, EIF-4 and EIF-6), there is a strong awareness of diversity issue and diversity holds both an instrumental and terminal value. For these organizations, diversity is a factual situation, it is “the firm culture” (EIF-6). EIF-2’s entrepreneur explains: “I like that there is diversity, because I think [...] it’s with different visions that you end up building something that holds up”. In the three cases, the diversity mindset always come from the entrepreneurial team, at the individual level, and therefore was present at inception. The entrepreneurs succeed in disseminating this state of mind within the firm, through a strategic diversity management. For them, diversity is a strategic resource but they understand the need to strategically manage it. Therefore, they implemented different types of managerial practices, going from promoting diversity in recruitment as “at equal profile, I will take a person who will bring diversity” (EIF-4), to training manager on diversity issue (EIF-6). Above this instrumental issue, they also hold diversity as a terminal value considering the arising ethical issue. EIF-2’s CEO explains: “It’s weird, because from time to time, when we recruit, I say: do we have enough women? Do we have enough...? It’s weird, but hey, it happens. I have three daughters, maybe that’s why too.”

This heterogeneity among EIFs came from differences in management teams’ recognition, or not, of a value in diversity. Entrepreneurs’ importance among EIFs has already been highlighted in the international entrepreneurship literature (Hagen & Zucchella, 2014; Zucchella et al., 2007) and is hereby confirm when it comes to diversity management. Their perception of diversity value influence diversity management and implementation of diversity management practices. Among older EIFs, where entrepreneurs already started to delegate, such as in EIF-5 and EIF-7, other top managers can have a similar influence. Interestingly, our sample account for EIFs where diversity is recognized for its instrumental value as well as EIFs where diversity is considered through its potential value destruction effect. EIF-6 was created by a diverse entrepreneurial team that foster diversity and internationalization simultaneously. They created a diverse and global mindset at the individual, and then organizational level, that supported the internationalization of the firm. They also demonstrated a strong will to manage such diversity and implemented a long list of managerial practices. EIF-6 international sales manager explains “we are lucky to have very different people, let’s value it” and that “our internationalization come from it [diversity]”. On the contrary, EIF-1 management’s perception of diversity is much more negative as they argue a diverse workforce create too many problems. EIF-1’s CEO asserted diversity and internationalization “have nothing to do with each other”. This firm is however struggling to grow abroad after an early internationalization.

4.3. Born-again global

BAG-1 and BAG-2 have internationalized rapidly after the firm experienced a change in governance. In both cases, the new management teams were characterized by a global mind-set and a wish to internationalize but they share distinct features when it comes to diversity and diversity management. BAG-1 shows similitudes with some EIFs as diversity came naturally with the internationalization of the company. Most importantly, the CEO recognize diversity for its instrumental value and final values. He explains explain the advantage of having a diverse

workforce: “There is a cultural diversity which is interesting, also in the way of working. [...] Trying to take the right points, the right methods, it’s also interesting”. BAG-1 shows a higher level of diversity consciousness, which could be link to the mode of entry as the firm opened subsidiaries abroad. In terms of diversity management, the CEO is aware that to not manage the more than 20 different nationalities would be detrimental. Therefore, managerial practices relating to internal communication, team-building and organizational learning are implemented. He details: “I try to mix people as much as possible, to make them work, to bring them here [in France], we do an internal blending”.

On the contrary, BAG-2 respondent argues that “the key is managerial” and that diversity “is not a recruitment criterion”. BAG-2’s CEO hold diversity only as a terminal value, he developed many CSR initiatives, while refusing to call it diversity management.

5. Discussion and conclusion

The purpose of this research was to explore how diversity was valued, or not, and diversity management implemented among internationalizing SMEs. Our findings highlight different perceptions of the value of diversity, which leads to variations in diversity management. Onkelinx and colleagues (2016, p. 351) determined that “firm-level investments in employee human capital are critical for the labor productivity and internationalization in fast internationalizers, but not for those firms that internationalize more slowly”. Our findings show that there are indeed different perceived needs and values when it comes to human resource diversity between traditional internationalizers and EIFs. But interestingly, diversity management varies more within each type of internationalizing SMEs than across the different types of internationalizing SMEs, depending on the entrepreneurs’ or managers’ perceptions of the value of diversity and its management.

Specificities of EIFs internationalization process led to their opposition with the traditional internationalizers in international management literature. However, this opposition and separation leads to limiting our understanding as EIFs and traditional internationalizers all belong to the SMEs population. In this line, Dominguez and Mayrhofer (2017) defend the need to reconcile the Uppsala model, and other gradual approaches, with theories of early internationalization. Indeed, their research identify companies whose internationalization process combined different characteristics of these two approaches. We follow their argument demonstrating that some traditional internationalizers, EIFs and born-again global share some similitudes when it comes to diversity management, but above all, that there are strong differences among each type of internationalizing SMEs, interrogating their actual classification. More generally, Dabić and colleagues (2020, p. 706) explain that the fragmentation of research on SMEs internationalization prevents “a systematic and comprehensive analysis of the spectrum of the phenomenon of internationalization of SMEs”.

In the end, no matter the speed of international expansion, the only way to benefit from human resource diversity is to recognize an instrumental value in diversity and to implement a strategic diversity management, involving managerial practices going further than equal opportunities measures (Ollapally & Bhatnagar, 2009). It is based on the implementation of diversity management practices at an organizational level (Richard & Johnson, 2001), to simultaneously facilitate the development of each person’s potential and organizational learning. This reminds Shen and colleagues (2009) argument on the need for an effective

diversity management. This is in line with the RBT that assigns the task of identifying and making the best use of the resources to the management (Barney and Clark, 2007; Colbert, 2004).

This research proposes both theoretical and managerial contributions. On a theoretical level, our contributions to international management and diversity management literatures are threefold. First, while previous research mainly focused on multinationals (Lauring, 2013; Lee & Park, 2006), this research focus on SMEs (De Jong & van Houten, 2014; Parrotta et al., 2016; Rivas, 2012). Second, this comparative approach allows to observe important disparities among each type of internationalizing SMEs which contribute to the debate proposing to reconcile the different models of internationalization. Last but not least, previous research focus on various diversity attributes and neglect the management of diversity despite its critical role. We contribute to this literature by focusing on diversity management and by discussing the need of a strategic management of diversity.

On a managerial level, this research shows the influence diversity management has on internationalization and what a tool it could be to strengthen a firm international presence. It highlights the need to think about human resource diversity as a component of their internationalization strategy. SMEs managers must understand that it is not simply a matter of bringing attributes of diversity into the firm, but more a matter of managing it. In that regard, the research identifies some key managerial practices.

Despite these contributions, some limitations need to be raised. First, these results are representative of the French context and further study need to investigate other national and institutional contexts. Second, as only two born-again global were identified, the prospect of generalization is reduced. Finally, this study presents some limitations due to the limited number of cases, but the purpose of this research is theory building, not generalizability.

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Appendix 1 Final coding sheet

Categories	N°	Themes	Codes	Nature
TMT	1	Characteristics	TMT-CHAR	Deductive
	2	Diversity	TMT-DIV	Deductive
	3	TMT diversity encourage diversity or not	TMT-DIV-INFLU	Inductive
	4	Importance of leader personality	TMT-LEADER	Inductive
	5	Perception of diversity value	TMT-PERC	Deductive
Firm's general information	6	Date of creation	ENT-CREA	Deductive
	7	Turnover in 2019	ENT-TURN	Deductive
	8	Innovation: before or after internationalization	ENT-INNO-TIME	Deductive
	9	Degree of innovation	ENT-INNO-DEG	Deductive
	10	Types of innovation	ENT-INNO-TYPE	Deductive
	11	Institutional support received	ENT-SUPPORT	Deductive
	12	CSR approach	ENT-CSR	Deductive
Internationalization process	13	Reasons to internationalize	INTER-REASONS	Deductive
	14	Key dates of internationalization	INTER-KEYDATES	Deductive
	15	Time (date of first internationalization)	INTER-SPEED	Deductive
	16	Scope (penetrated market and year of penetration)	INTER-SCOPE	Deductive
	17	Mode of entry	INTER-MODE	Deductive
	18	Scale (% of international turnover)	INTER-SCALE	Deductive
Diversity	19	Number of employees	DIV-EMP	Deductive
	20	Number of employees used as a reason for no diversity management	DIV-EMP-NOMANA	Inductive
	21	Perimeter: diversity in HQ and/or within subsidiaries	DIV-PER	Deductive
	22	Attributes of Diversity	DIV-ATTRI	Deductive
	23	Cultural and national origin	DIV-ATTRI-CULT	Deductive
	24	Gender	DIV-ATTRI-GEND	Deductive
	25	Age	DIV-ATTRI-AGE	Deductive
	26	Experience	DIV-ATTRI-EXP	Deductive
	27	Knowledge	DIV-ATTRI-KNOW	Deductive
	28	What came first: diversity or internationalization	DIV-1INTER	Inductive
	29	Evolution of human resource diversity	DIV-EVOL	Deductive
	30	Diversity vs. competences	DIV-COMP	Inductive
	31	Recruitment difficulties	DIV-RECRUIT	Inductive
	32	Link diversity-speed of international expansion	DIV-SPEED	Deductive
Diversity management	32	Degree of engagement (discourses vs. practices)	MANADIV-DEG	Deductive
	33	Manage diversity without realizing it	MANADIV-REAL	Inductive
	34	Diversity management practices	MANADIV-PRACTICES	Deductive
	35	Link diversity management-internationalization	MANADIV→INTER	Deductive