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The interaction of Internationalization, Sustainable Development and Strategic Decisions: An Incorporative Approach to the Uppsala Model

Master's thesis in International Business and Marketing

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Abstract

Sustainable development is becoming an increasingly important topic in the context of business, and the present literature is comprehensive. However, the intersection of sustainable development with international trade remains understudied. Through the existing body of literature supplemented by interviews with experts in the international business field, this thesis seeks to investigate the link between sustainable development and internationalization in strategic decisions. An incorporative model, building on the structure of the Uppsala model is developed to illustrate the strategic interaction between sustainable development and internationalization. Through structuring and systemizing the literature, four successive stages towards sustainable development is synthesized. Additionally, strategic decisions have been operationalized through the Triple Bottom Line to make companies aware of their strategic direction, and provide them with a navigational tool to assess forward momentum in their internationalization and sustainable development strategy. Shared value creation was identified as the optimum of the balancing act, which shows that companies can obtain strategical competitive advantage by being able to balance profit, people and planet. The objective for potential and established Multinational Enterprises (MNEs) should be to internationalize towards sustainable development.

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List of Abbreviations

Acronym	Full Term
CS	Corporate sustainability
CSR	Corporate social responsibility
CSV	Creating shared value
FDI	Foreign direct investment
GDPR	General Data Protection Regulation
ISO	International Organization for Standardization
JV	Joint venture
MNE	Multinational enterprises
NSD	Norwegian Centre for Research Data
SDG	Sustainable development goals
TBL	Triple Bottom Line
TCA	Transaction Cost Theory

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1 Introduction

The dynamic global market is forcing international companies to restart, recover and renew their strategic thinking as a result of sustainable development issues. Intergovernmental organizations and national governments are imposing green strategies through legislative changes. Government regulations increasingly mandate social responsibility, and the notion of licence to operate derives from the fact that every company needs tacit or explicit permission from governments, communities and other stakeholders in different countries to do business (Porter & Kramer, 2006). This has led companies to search for innovative and reliable strategies to build a global partnership for sustainable development to improve human lives and protect the environment. Van Zanten and Tulder (2018) discovered that recent research pay limited attention to the strategic actions of internationalizing firms in sustainable development (Kolk, 2016; Kolk, Kourula, & Pisani, 2017). This is remarkable, considering the mainstreaming of concepts such as corporate social responsibility (CSR), corporate citizenship, and corporate sustainability (CS). It has become difficult to hide under superficial “greenwashing” of institutional activities when moving across national borders (Delmas & Burbano, 2011). However, new voices are humming from top executives in industry and finance: “Short-term thinking permeates our most important institutions. We have created a gambling-culture where we look away from anything other than the immediate outcomes”(Stoknes, 2020). This rising awareness express companies’ inclination to adjust institutional activities in the interests of sustainable development, in a systematic and self-reinforcing way.

According to Porter and Kramer (2019), international activities undermine the relationship between companies and their communities as the vertically integrated company gives way to a greater reliance on outside providers and market. Companies typically break contact with any area when they relocate different activities to more and more places. Indeed, many companies no longer consider themselves to be localized anywhere. Instead, they consider themselves to be “global” companies. These changes results in significant gains in economic efficiency. However, environmental and societal issues are overlooked in the process, as the joint prospects for value development are disregarded (Porter & Kramer, 2019). Today, there is a great number of legislative instruments, codes of ethics and guidance to address

sustainability in the global value development. However, limited research has been conducted on how companies deal with these conditions when evaluating international growth possibilities. This thesis seeks to conceptualize and link three substantial concepts within the international business field; internationalization, sustainable development and strategic decision-making. This thematic triangle is incorporated into a united theoretical framework and further developed as a new approach to the Uppsala model (Forsgren & Johanson, 1975; Johanson & Vahlne, 1977; Johanson & Wiedersheim-Paul, 1975), involving the same structure, with new variables providing a new system. The understanding and research of these three topics are well established in the international business literature, but the interaction of the concepts remains a research gap. This is therefore the research problem of this thesis.

1.1 Research objective and research question

The research objective of this thesis is to investigate the link between sustainable development and internationalization in strategic decisions for companies seeking to grow successfully. An incorporative model, building on the structure of Uppsala is developed to illustrate the strategic interaction between sustainable development and internationalization. The components of relevance incorporated into the model are a combination of existing literature from previous scholars and ideas and commentaries from academic expertise within the relevant field. More specifically, the following research question is addressed in this thesis:

'How can companies use strategic decisions to address sustainable development in internationalization?'

To position the paper in the international business literature, an explanation of internationalization will be provided, followed by the definition of sustainable development and the Triple Bottom Line, to better understand the role and application of this comprehensive term. Strategic decision-making will be explained, before the link between these concepts will be described and incorporated into the new incorporative model. Figure 1: Thematic triangle of the thesis illustrates the linkage of the three main concepts and represents the fundament of the theoretical framework and the proposed model. Ideas, practices and models surrounding these areas of interest are already developed and rooted in the existing

body of literature. This thesis aims to assimilate and unite these concepts in a new incorporative model, building on the structure of the Uppsala model. The new incorporative model can be used as a navigational tool by companies using strategic thinking in the internationalization process with the aim of contributing to sustainable development.

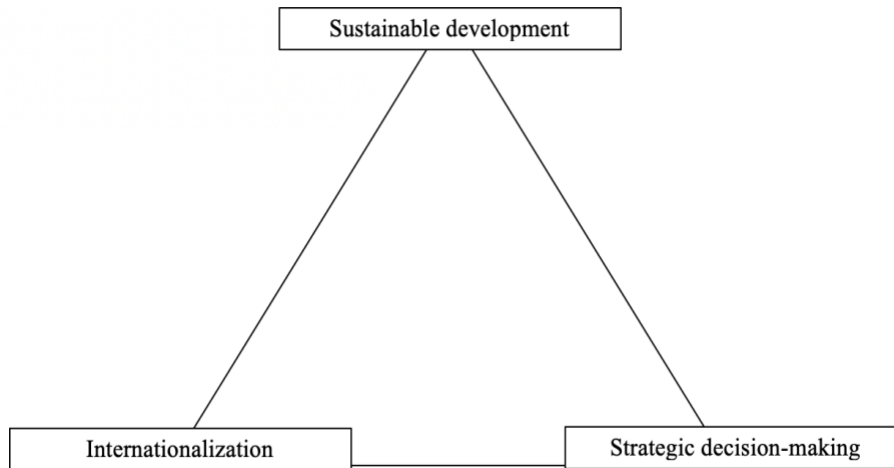


Figure 1: Thematic triangle of the thesis

1.2 Outline of thesis

The literature review operates as a part of the research method in this thesis. Therefore, the outline of the thesis is constructed as follows. In chapter 2, the fundamental background of each corner in the thematic triangle will be explained in relevance to the international business field. In chapter 3, the methodological approach in this thesis will be introduced, where the chosen data collection techniques will be explained, before the analysis and synthetization of the data will be described. The findings are then presented in the new incorporative model in chapter 4. Lastly, the model will be discussed in chapter 5, whereas research limitations and contributions will be presented, before suggesting future research.

2 Theoretical background

The theoretical background relates the thesis to the existing body of research in the international business field, and provides the foundation for this thesis. This chapter will address the foundational research contributions and theoretical background of each concept. First, internationalization will be introduced to better understand the course of this process and what it entails. The most fundamental theories and models will be discussed, with particular attention towards the Uppsala model. Secondly, the definition of sustainable development will be presented and followed by a brief explanation of the three dimensions of sustainable development and how these are utilized to explain this concept. Finally, the

strategic decision-making will be the last main topic of interest, explained in the context of both internationalization and sustainable development.

2.1 Internationalization

Internationalization is a term used to describe the international operations of companies, and was for a long time considered as a general term for any cross-border activity. The need for a more longitudinal view emerged in the 1970s to help systemize the dynamic behaviours of companies. Hence, the process perspective was added to the internationalization approach (L. Welch & Luostarinen, 1988). The process perspective in the literature of internationalization is often referred to as increasing investment abroad or an increase in international activities (C. Welch & Paavilainen-Mäntymäki, 2014; L. Welch & Luostarinen, 1988). The adjunct of process helped other practitioners identify and outline the key dynamic factors which formed the basis of internationalization. An open but describing definition of the internationalization process is presented by L. Welch and Luostarinen (1988, p. 36): *'The process of increasing involvement in international operations'*. Another commonly cited definition is presented by Beamish (1988, p. 77): *'the process by which companies both increase their awareness of the direct and indirect influence of international transactions on their future, and establish and conduct transactions with other countries'*.

Significant research contributions in the international business field describe the internationalization process as an incremental development model, which is sequentially built up by stages (Melin, 1992). The process perspective on internationalization and the definition presented by L. Welch and Luostarinen (1988) will be used throughout this thesis, and to increase the understanding of this sequential configuration it is vital to look at one of the most central stage models in international business; The Uppsala Model (Johanson & Vahlne, 1977; Johanson & Wiedersheim-Paul, 1975).

Before explaining the model, it is important to recognize the motives behind a company's decision to internationalize. In the following subsections, the traditional approaches to internationalization will be introduced to better understand why there are international activities. The body of literature on internationalization is comprehensive. However, Andersson (2000) suggests it can be divided into to an economic approach and an process approach. Although the focus in this paper will be targeting the process approach, it is vital to

recognize the economic origin of internationalization in order to understand why companies choose to internationalize. To relate these two approaches, it can be said that the economic approach describes the reason behind internationalization, whereas the process approach discusses how to internationalize (Andersson, 2000). The economic theories will be reviewed first, before the process approaches and the associated Uppsala model is described.

2.1.1 Transaction Cost Theory

Transaction cost theory (TCA) evolves around the concept of minimizing costs at all times during any economic trading (Williamson, 1979). In the case of internationalization, it would be all the expenses from information research concerning a potential foreign market to the cost of establishing networks across national borders. Coase (1937, p. 390) was the first to introduce the concept of transaction cost. He defined it as *'the cost of using the price mechanism'*. The determinants of transaction costs are fundamental for the structure of an international company, and help explain why certain international activities are chosen over others. The basic idea is to keep the transaction costs at a minimum in order to increase profit and further achieve competitive advantage (Williamson, 1979). The rudiment of the transaction cost theory is that every company will continue to expand internally as long as the company's activities can be performed cheaper in-house, than by outsourcing the activities to external providers in the market (Yousuf, 2017). Applying this thought to the internationalization perspective, the strategic decision of moving across borders should be a result of minimizing cost or increasing profitability beyond what is possible in the domestic market. The increasing complexity of international activities and deeper foreign investment is aimed at minimizing costs in the long run (Melin, 1992; Phillips McDougall, Shane, & Oviatt, 1994). There are several evaluative variables and mechanisms in the explanation of the transaction cost theory, but the primary perspective of minimizing costs and increasing profitability is what becomes applicable in this thesis.

2.1.2 Foreign Direct Investment Theory

Oatley (2018, p. 376) defines foreign direct investment (FDI) as *"A form of cross-border investment in which a resident or corporation based in one country owns a productive asset located in a second country. Such investments are made by multinational corporations. FDI can involve the construction of a new, or the purchase of an existing, plant or factory"*. Hymer (1976) was the first to theorize the existence of multinational enterprises (MNEs) and

the motives behind foreign direct investment beyond macroeconomic principles. His theories were founded on the classical theory of commerce, which states that trade is motivated by differences in the costs of producing commodities between two countries. The low cost of production is serving as the primary motivation for a company's international activity (Hymer, 1976). Hymer (1976) made an observation that foreign direct investment is not confined to the investment of excess profits abroad. In fact, loans obtained in the host nation, payments in exchange for equity, among other means can all be used to finance foreign direct investment. The key factors of FDI are the country's economic growth prospects at the time FDI is made.

2.1.3 The Eclectic Paradigm

The eclectic paradigm is dominant in economic theories relating to foreign direct investment and activity (Dunning, 2000). The eclectic paradigm is also known as the OLI-framework and builds upon the internalization theory (Buckley & Casson, 1976), where key concepts are ownership advantages, locations advantages and internalization advantages. The framework operates as an assessment tool for companies seeking to internationalize, and helps evaluate which possible international approaches entail greater value than other potential national or international alternatives (Dunning, 1980). The value perception contains profitability as a vital component, in addition to the importance of quality and viability for a company to thrive in the international environment and benefit from foreign direct investment. The ownership advantage is considered to be intangible, and represents a company's competitive advantage in terms of ownership, including branding, patent rights and reputation (Sharmiladevi, 2017). The location specific advantages explain the utilization of the chosen location, in terms of natural or created resources. The location of choice provides advantages that other locations cannot offer. The internalization advantages signal when it is expedient to do the business activity internally, instead of contracting with a third-party, as this can imply higher costs. For a foreign direct investment to be beneficial for a company, it needs to have the above advantages. Similarly, from the perspective of rudimentary principles of transaction cost theory, a company is not likely to pursue a foreign direct investment if it is possible to complete the activity internally and at a lower cost (Sharmiladevi, 2017).

2.1.4 The Uppsala Internationalization process model

The Uppsala Model was first introduced by Johanson and Wiedersheim-Paul (1975) and later refined and developed by Johanson and Vahlne (1977). The Uppsala Model suggest that

companies proceed along the internationalization path in the form of gradual acquisition and use of knowledge gathered along the path, which determines successively greater levels of market commitment to more international business activities (Johanson & Vahlne, 1977). Johanson and Wiedersheim-Paul studied the establishment chains of four large Swedish multinationals from the beginning of their operations. Typically, the growth of foreign establishments was distinguished by a series of small, cumulative steps over time, from initial export activities to setting up foreign production units. The view of successive learning through stages of increasing commitment to foreign markets is the main characteristic of the internationalization process. Johanson and Vahlne (1977) explain the stages of growth in relation to psychic distance, which is defined '*as the sum of factors preventing the flow of information from and to the market*' (Johanson & Vahlne, 1977, p. 51).

In the Uppsala model, the psychic distance perspective is integrated into the concepts of market commitment and market knowledge, which constitutes the state aspects in the model. Market commitment relates to the amount of resources and the degree of commitment. The degree of commitment is concerned with the specialization of the resources allocated to the specific market, and the amount of resources is a straightforward measure through e.g. size of investment (Johanson & Vahlne, 1977). Market knowledge becomes important in the decision perspective, as commitment decisions is based on the degree of knowledge. In the context of increased commitment, knowledge is experiential, meaning that the resources stems from activity performed by humans and services, which cannot be transmitted or separated from its originator (Johanson & Vahlne, 1977). The perspectives of market commitment and market knowledge leads to the explanation of Uppsala as a measurement of more complex foreign activity and investment. Following increased market commitment, heavier investment will be made, for instance, a shift from export to licencing or from joint venture (JV) to establishment of foreign production facilities. The definition of these international activities will be explained in combination with strategic decision-making in section 2.3.1. As for increased market knowledge through higher level of interaction and commerce with a foreign country, the willingness to commit will increase in parallel (Johanson & Vahlne, 1977). The incremental approach to internationalization is presented in Figure 2. The figure explain how companies can identify an effective process for internationalization.

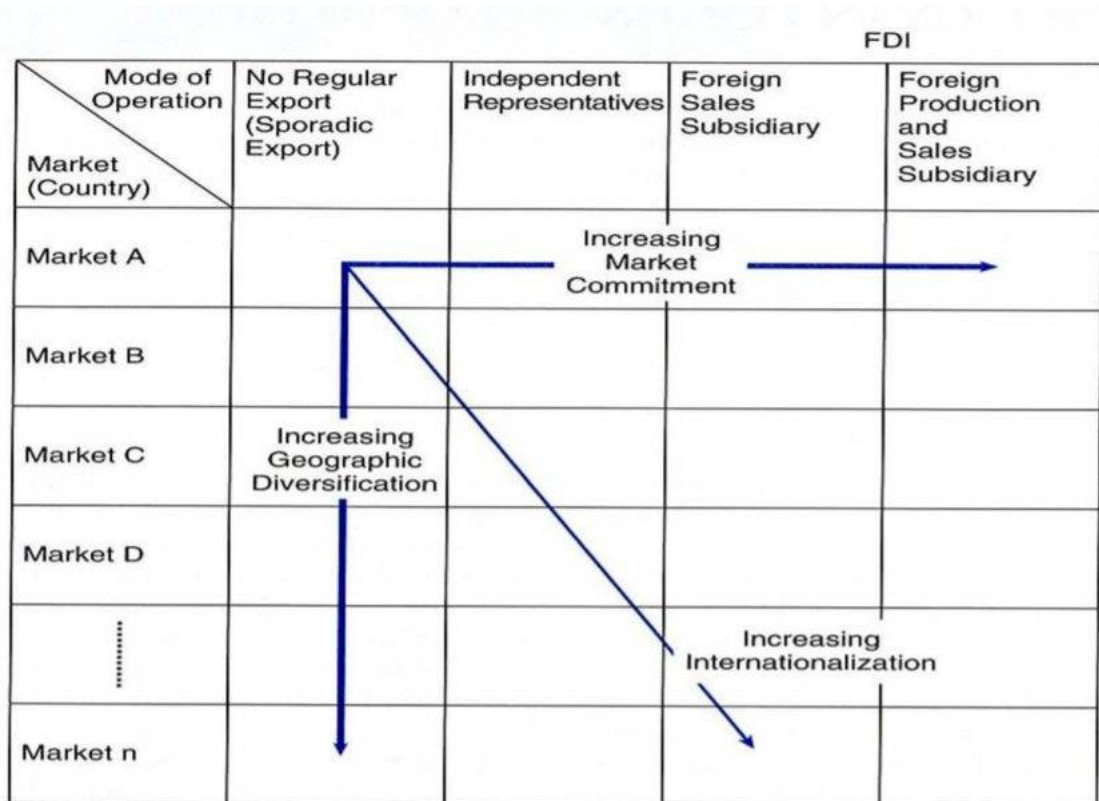


Figure 2: Uppsala model of internationalization (Forsgren & Johanson, 1975)

2.2 Sustainable development

Sachs (2015) characterizes sustainable development as one of the most important concepts of our day. He describes it as a means of understanding the world and a method for resolving global issues. The global economy is huge, quickly expanding, and very unequal in terms of income distribution within and across countries. Despite the fact that billions of people enjoy long lives and good health, billions of people continue to battle for survival on a daily basis. The global economy is not only extremely unequal, but also incredibly dangerous to the planet itself (Sachs, 2015). Sustainable development can be seen as an academic endeavor that attempts to make sense of the interactions of three complex systems; economic growth, social progress and adequate protection of the environment. Sachs (2015) further states that sustainable development has a normative outlook on the world, which suggests a set of goals to which the world should aim. This explains the rise of the United Nations' Sustainable Development Goals (SDGs), a comprehensive framework in which society strives for economic, social, and environmental objectives.

The UN World Commission on Environment and Development defines sustainable development as *'the development that meets the needs of the present without compromising*

the ability of future generations to meet their own needs’ (Brundtland, Khalid, Agnelli, Al-Athel, & Chidzero, 1987, p. 5). The accompanying 17 SDGs were presented in the 2030 Agenda for Sustainable Development, and adopted by all member states of the United Nations in 2015. These goals form the urgent call for action when it comes to peace and prosperity for people and the planet, now and into the future (United Nations, 2015). The publication is intended to encourage policymakers to global commitment towards sustainable development in the three previously mentioned dimensions - economic, social and environmental (Weinberger et al., 2015). This three-part vision of sustainable development will be a fundamental issue in this paper.

The dynamic global market is not only controlled by governmental and intergovernmental policies, but almost equally controlled by multinational corporations and how they utilize their position of power (Porter & Kramer, 2006, 2019). In order to make viable changes in the world, these institutions need to jump the bandwagon. Quoting Ban Ki-moon, United Nations Secretary-General (2016, p. 4): *‘Business is a vital partner in achieving the Sustainable Development Goals. Companies can contribute through their core activities, and we ask companies everywhere to assess their impact, set ambitious goals and communicate transparently about the results’*.

2.2.1 The Triple Bottom Line

There are various theoretical approaches in the interpretation of sustainability. A commonly used approach to sustainable development is the Triple Bottom Line (TBL) – People, Planet and Profit. This categorization is useful in the understanding of sustainable development as a comprehensive term (Ilic-Krstic, Ilic, & Avramović, 2018). It is important that the relationship between these dimensions are thoroughly explained and understood. Porter and Van der Linde (1995) argue that the right strategic decisions with a focus on sustainable development meet the needs of society and are environmentally and economically viable, economically and socially equitable as well as socially and environmentally bearable.

The Triple Bottom Line was first introduced by Elkington (1997), establishing the foundation for long-term sustainability initiatives for companies, based on three main dimensions: environmental quality, social equality and economic rewards. Environmental quality, referred to as the Planet dimension relates to the companies’ efforts to lower their ecological footprint through reducing their environmental impact. The spread of eco-labelling and International

Organization for Standardization (ISO) certifications embracing sustainability measures is evidence that the greening of the marketplace is accelerating (Correia, 2019). International standards help companies contribute to the SDGs by providing effective tools to help them meet the sustainable development challenges (ISO, 2021). The Planet line is believed to be the most important one as the economic- and social dimension are seen as embedded parts of the environmental dimensions (Rockström & Sukhdev, 2016). The Profit dimension focuses on the value provided by the company, and includes the economic and operational impact on society in addition to financial performance and financial concepts such as sales growth and shareholder value. It also concentrates on the organization's performance by effectively managing its strategic capabilities (Correia, 2019). The People dimension includes a company's impact on people's wellbeing, including both employees and the community. The rise in Corporate Social Responsibility (CSR), which will be defined in section 2.3.2, is a prevailing topic in this dimension, suggesting a positive association between CSR and customer perceptions of companies (Choi & Ng, 2011).

2.3 Strategic decision-making

The purpose of strategy is to achieve success for an organization. Strategy is about setting a long-term direction for the organization and guiding managers in fundamental decisions which shape the course of the company (Frynas & Mellahi, 2015). Strategic decision-making is defined as '*a decision which is important in terms of the actions taken, and the resources committed, or the precedents set*' (Eisenhardt & Zbaracki, 1992, p. 17). In its simplest conception, previous literature within the field of international business describes the substance of decision-making as a value-maximizing calculation. This rationality perspective is present in human behavior, as well as in organizational behavior (Eisenhardt & Zbaracki, 1992). The process of strategic decision-making begins with the establishment of managerial objectives, followed by the search for information in order to produce a set of alternatives. These are then compared and evaluated one by one until the perceived optimum is reached. Furthermore, the chosen option is implemented, and ultimately, monitored and controlled (Harrison, 1996).

2.3.1 Strategic decision-making in the internationalization process

Internationalization consists of strategic decision-making. The process of internationalization is a result of a multitude of strategic decisions for each leap towards growth. The mechanisms

prompting every strategic decision in a growth-seeking company are the search for long-term profit and low risk-taking (Melin, 1992). Studies of internationalization as a strategy must capture the development and dynamics over time, the driving forces of the process, as well as the content of the process (Melin, 1992). When combining the processes of strategic decision-making and internationalization, the merged process will act as follows: defining objectives relating to the international field in the first phase. This is followed by search for information about foreign markets, and the development and comparison of alternatives in terms of international market selection and entry mode selection (Musso & Francioni, 2012). Furthermore, a thorough examination of customers and competitors will be conducted, as well as the development of international segmentation and positioning strategies. Finally, international activities will be assessed and implemented. Strategic decisions relating to internationalization in this thesis revolves around international expansion modes and the increase in international activities and investment.

Many companies transition from exporting to licensing to a higher-investment activity, treating these decisions as a learning experience (Johanson & Vahlne, 1977). The international expansion modes are briefly described in what follows to better understand the strategic decisions behind the internationalization. The sale of items and services obtained from the home country in foreign countries is known as exporting. Most companies begin their international expansion with exporting, as it is the easiest way to enter an international market with a low level of investment and at relatively low risk (Frynas & Mellahi, 2015; Zahra, Ireland, & Hitt, 2000). Licensing agreements with foreign companies are a suitable option for a company that wants to enter the global market rapidly while assuming minimal financial and legal risks. In exchange for royalties, an international licensing agreement permits a foreign company to sell a licensor's products or use its intellectual property. In recent years, joint ventures have grown in popularity (Zahra et al., 2000). A reason for this might be the enabling of companies to pool their risks and resources when entering international markets. While returns may have to be divided, they provide a company with a level of freedom not available through direct investment (Frynas & Mellahi, 2015). Many of the modes towards internationalization enable companies to compete in worldwide markets without having to invest in overseas plants and facilities. However, when markets grow, a company may seek to enhance its competitive advantage by investing directly in activities in another country. FDI is typically the most costly and risky commitment a company can make

to a foreign market. It turns out that the strategic decisions behind each mode involve more complexity as the level of investment and risk increases (Zahra et al., 2000).

2.3.2 The role of sustainable development in strategic decision-making

Just like internationalization, sustainable development also consists of strategic decisions. Strategic decision-making for sustainable development involves complex connections between environmental, economic, and social factors, and it requires active participation and early involvement of all key stakeholders (Dos Santos, Neves, Sant'Anna, Oliveira, & Carvalho, 2019). This enlightened appeal to the Triple Bottom Line has resulted in a strategic change towards ensuring long-term economic performance by avoiding socially harmful and environmentally wasteful short-term behaviour (Porter & Kramer, 2006).

The link between sustainable development and strategy is often referred to as Corporate Social Responsibility (Porter & Kramer, 2006). CSR is defined by the European Commission (2011, p. 6) as: *'the responsibility of enterprises for their impacts on society'*. Porter and Kramer (2006) suggest that CSR is easily considered to be a cost, a constraint or charitable deed by international companies, and that corporate success and social welfare is treated as a zero-sum game. This prevalent corporate approach has been cosmetic and can be looked upon as greenwashing, that is a positive communication of environmental and social performance, whereas the act of performance is truly poor (Delmas & Burbano, 2011). Porter and Kramer (2006) further suggest that the focus on the interdependence of business and society, thus strategy and sustainable development, needs to be enhanced. Successful companies require a healthy society, and a healthy society needs successful companies. It may be imperious to state that business and society need one other, but this view can help companies structure the confusion of their corporate-responsibility mind-set.

Strategic CSR is referred to as decisions of finding a differentiated position that reduce costs or better meets a specific set of consumer requirements (Porter & Kramer, 2006). This should be at heart of any strategy. By adding a sustainable development dimension to this value proposition, the overall business strategy will increase the probability of a competitive position in the global market (Porter & Van der Linde, 1995). Strategy is always about making decisions, and success in the field of sustainable development is no exception. It is all about deciding upon the sustainable development issue to concentrate on (Porter & Kramer, 2006). Strategic decisions must be beneficial to both the company itself and the society. A

company or a community that pursues policies that serve its own interests at the expense of the other is on a dangerous path. A short-term advantage for one actor will jeopardize both parties' long-term prosperity. Because companies and society are so intertwined, the notion of shared value must guide both business decisions and social policies (Porter & Kramer, 2006).

2.4 Shared Value Creation

Every company should look at strategic decisions through the lens of shared value. Porter and Kramer (2019, p. 324) explain the principle of shared value creation (CSV) *'as creating economic value in way that also creates value for society by addressing its needs and challenges'*. The trade-offs between economic efficiency and social progress have been institutionalized through decades of policy decisions. Companies must take the lead in reconceiving the intersection between society and business (Porter & Kramer, 2019). The company's mission should be reinterpreted as providing shared value rather than profit per se. Companies could link their success to societal improvement. Seen through Porter and Kramer (2019) lens, shared value is a new way to accomplish economic success, and not stand-alone social responsibility, philanthropy, or sustainability measure.

CSV focuses on the creation of value in all TBL domains for a diverse group of stakeholders with economic, social, and environmental interests (Tate & Bals, 2018). The profit of a company, and the health of the people and planet are closely intertwined. A company needs a healthy planet and people with purchasing power and willingness, to create demand for its products, and to provide essential public resources and a supporting environment. On the other hand, people need successful companies to provide jobs and opportunities (Porter & Kramer, 2019). Furthermore, the planet needs innovative solutions and technologies to prevent climate change and environmental damage. Summing up, the global economy's health relies on the implementation of shared value creation across economic, societal and environmental dimensions (Porter & Kramer, 2019; Tate & Bals, 2018). To better understand the economic, societal and environmental interconnection of value creation, it can be contextualized as follows: social deficits and environmental impact can be said to create economic costs for companies, whereas community weaknesses can affect company productivity. Another intersection could be that social needs represent the largest unserved market opportunity (Porter & Kramer, 2019).

3 Research methodology

The methodology in this thesis is based on developing an incorporative model building on the structure of the Uppsala model (Forsgren & Johanson, 1975) through synthetization of previous theory and ideas from practitioners and practice. Additionally, experienced-based input from academic expertise is collected to give more insights into the concepts addressed in this thesis. The development of the model is based on the suggested modeling procedure presented by Solli-Sæther and Gottschalk (2010). The synthesized model will be useful in helping companies to better understand and manage the implementation of sustainable development in strategic decision-making when proceeding internationally.

3.1 Introduction to methodology

The suggested procedure for the stages of growth modelling process from Solli-Sæther and Gottschalk (2010) is a result of a comprehensive research project that spans over a longer time period. The modelling process is a goal-oriented technique in which the stage model progresses from a suggested stage model, via a conceptual and theoretical stage model, to an empirical stage model, and finally to a revised stage model. During this development process, layers of theoretical and empirical work are applied to further improve and revise the suggested model based on new findings. The modelling procedure itself is an evolution, where new issues arise as previous challenges are resolved (Solli-Sæther & Gottschalk, 2010). This thesis is restricted by a shorter timeframe, hence the modified procedure depicted below. The final step of the modified procedure is to present an incorporative model that seeks to capture the most important aspects of the three concepts being modelled. The model will help to illustrate and explain how these concepts are connected in a system, by referring to existing and generally recognized knowledge.

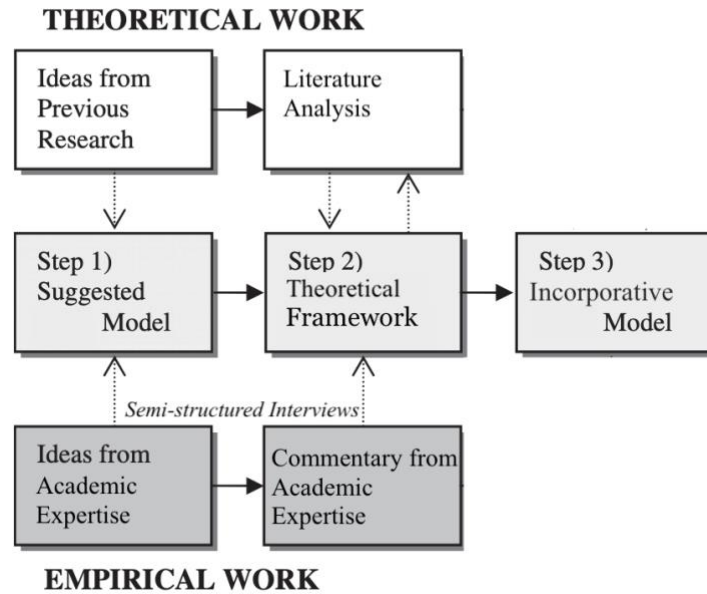


Figure 3: The modelling procedure in this thesis, modified from Solli-Sæther and Gottschalk (2010)

In the modified procedure presented in this thesis, the initially suggested model was based on ideas from previous research (step 1), which helped define the evolutionary aspect of the research phenomena (Solli-Sæther & Gottschalk, 2010). In addition, ideas from practitioners and practice were obtained through existing reports, informal conversations and expert interviews. Based on this, the theoretical framework was assembled (step 2) and used to construct the proposed incorporative model in this paper. The theoretical framework based on literature analysis and a second round of commentary from the same academic informants resulted in an incorporative model (step 3). In the following section, the applicable research approach and choice of research methods are explained. Furthermore, the data collection techniques and the ensuing analysis of the data are discussed, where the reliability and validity of the research are addressed as a conclusion to the research design.

3.2 Abductive approach

When investigating a research problem, it is important to choose a research approach that links theory and research. The most common approaches to theory development are the deductive and inductive approach. The deductive approach retrieves hypotheses from existing theory, to further test or verify through empirical evidence (Ali & Birley, 1999). On the other hand, the inductive approach starts with collecting data to investigate a specific phenomenon for building theoretical contributions. Instead of moving from theory to data through the deductive approach, or moving from data to theory through the inductive approach, the

abductive approach opens for moving back and forth (Saunders, Lewis, Thornhill, & Bristow, 2019).

As the focus in this thesis is the link between international success and sustainable development it is necessary to move back and forth from theory to empirical findings from the interviews, in order to verify and adapt the proposed model. Abductive research enables to explain, develop or change the theoretical framework before, during or after the research process (Dubois & Gadde, 2002). As this study seeks to explain the relationship between several existing concepts by creating a theoretical framework and collecting insights from academic experts, there is a high probability of being exposed to unanticipated empirical findings and new theoretical insights during the process. Hence, the abductive approach is appropriate as new combinations are developed through a mixture of established theoretical models and new concepts derived from the confrontation with academic certainty (Dubois & Gadde, 2002).

3.3 Research design

The research design composes the plan for solving the research problem. The structure of the plan starts with classification of the research purpose. The classic research literature presents the threefold of descriptive, exploratory and explanatory studies (Saunders et al., 2019). As this thesis seeks to assess the combination and linkage between three well established concepts within the international business field, their definition is contemplated in a new light. Hence, exploratory research is being conducted, as this thesis seeks to assess and explain the phenomena in a new context (Saunders et al., 2019). The assessment of the phenomena in this thesis is conducted through a systematic search and analysis of literature, in addition to interviews with experts in the conceptual framework. Descriptive studies are not applicable in this case, as the phenomena of interest are not clarified in advance of the data collection. Explanatory studies investigate the relationship between variables, often through quantitative measures, which is not applicable in this research design (Saunders et al., 2019).

In this thesis, a qualitative method is appropriate as the goal is to explore concepts through interpretations and perspectives from different standpoints, in this case, the body of knowledge from existing literature and experts in the field. The integrative literature review

and expert interviews represent a qualitative multi-method, where two different data collection techniques are used to investigate the research problem (Saunders et al., 2019).

This thesis is primarily theoretical with selected empirical supplement through interviews with experts. Normally, the secondary data collected works as a supplement to the semi-structured interviews and helps to validate the empirical data (John, Hafiz, & Robert, 2014). However, in the case of this compound methodology, the data collection technique is constructed in a way to best solve the research problem. Thus, secondary research collection will not only work as a tool of substance to the thesis, but also to collect applicable data. The main part of the research method builds on existing literature, whereas the interviews provide more subjective input to the factual understanding of the concepts stemming from different school of thoughts in the international business discipline.

The use of literature review as a research method and data collection technique is fragmented and interdisciplinary. Guidelines on how to apply this method to business research is a debated matter (Snyder, 2019). Additionally, the different literature review approaches and the associated terms are used interchangeably through different fields of research. This makes it challenging to identify the appropriate way to conduct and describe the application of a specific literature review approach (Finfgeld-Connett & Johnson, 2013; Hayton, 2008; Littell, Corcoran, & Pillai, 2009; Onwuegbuzie, Leech, & Collins, 2012; Palmatier, Houston, & Hulland, 2018; Russell, 2005; Snyder, 2019). Using literature review as a knowledge-building and theory-generating data collection technique to solve the research problem requires an in-depth understanding, and preferably some experience of the necessary processes and skills (Fisch & Block, 2018). The limited timeframe of a master thesis and the need to restrict the complexity and time of the systematization of the literature review, resulted in the adoption of a composite method, combining expert interview and literature review. This methodology can be considered a methodological contribution itself as it seeks to bring together the best of two qualitative research methods. As the emphasis in this paper is not placed on the methodological contribution, this remains an issue which is worth considering for future research. The combinations of these research methods constitute a synthesis strengthened by a thorough literature review and the value of active perspectives from today's expert knowledge. In the following subsection, the context of the study is being outlined before the method of collecting and analysing the existing literature and data from the interviews is presented.

3.4 Context of study and unit of observation

The motivation for choosing the topic investigated in this thesis is the limited attention paid to the role of sustainable development in the internationalization process (Kolk et al., 2017; Van Zanten & Tulder, 2018). The SDGs, legislative instruments and codes of ethics are forcing companies to incorporate sustainable development in their international strategy. Therefore, this thesis assimilates these immersive concepts and identifies the linkages between them in the context of international business. In order to systemize the research on the concepts, literature incorporating the concepts in an international business context is analysed, in addition to some state-of-the-art contributions to include a modern interpretation. First, the concepts are investigated separately through the literature review, before the literature including one or more of the concepts is further analysed. The study is limited to the international business context. Through research and informal conversations with scholars, the relevant literature has been identified to synthesize the role of sustainable development in the internationalization process.

In the absence of a representative selection of state-of-the-art literature, the unit of observation evolved from only including theoretical references to incorporating the perspective of academic expertise. The goal was to interview minimum one academic expert in each of the three concepts investigated in this thesis. In the selection of experts, the main criterion was (1) relevant research experience, (2) academic background from the field of interest, and (3) published material relating to international business. This set of criteria narrowed down the sample to include a solely academic selection. The goal was to investigate the informants' body of knowledge about the concepts, in the same way the body of knowledge in the literature is explored, and further combine the perspectives of academic expertise and existing literature.

3.5 Integrative literature review

3.5.1 Sample selection

The sample selection of the literature is a product of selective keyword searches in several digital databases. The search and selection of articles and theory in the integrative literature review and analysis is completed by a snowball sampling. By using this method, grounded theory identifies further theory through citations in the articles discovered through the systematic keyword search. (Fingeld-Connett & Johnson, 2013; Saunders et al., 2019; C.

Welch & Paavilainen-Mäntymäki, 2014). This identification process was completed frequently through the progression of the thesis as the abductive research approach is applicable. However, the data collection was stopped when the sample was as large as manageable and the research problem was appropriately investigated within the limits of this study. In Table 1 the most generating keywords are presented relating to each concept and the most relevant databases in the field of international business. It should be noted that some publications include more than one concept, thus counted repeatedly.

Concept	Keyword	N	Databases
Internationalization	Internationalization process, foreign direct investment, international strategy	22	ResearchGate, JSTOR, Sciencedirect, Wiley Online Library, Oria, Emerald Insight, ProQuest, LinkSpringer
Sustainable development	Corporate social responsibility, environmental policies, corporate sustainability, corporate citizenship	14	
Strategic decision-making	Strategic management, strategic choice	19	

Table 1: Overview of the literature search

3.5.2 Data collection

The literature review represents the most important step of the research process in research studies (Onwuegbuzie et al., 2012). In this thesis, the qualitative review and analysis of the literature works as the main research method, as the goal is to synthesize research findings on a meta-level to create a theoretical framework and further build an incorporative model. Since this thesis seeks to integrate various findings and perspectives on well-established concepts, a literature review can address the research phenomena with a power that no other single study can (Snyder, 2019).

When the literature review is being applied as a research method, it is crucial to identify a method for conducting the literature review. Several guidelines have been developed as the use of this method is accelerating in the field of business research (Snyder, 2019).

In this thesis, the abstractive creation of a model and creative data collection supports an *integrative review*. The purpose is not to cover all the articles ever published about the three concepts, but rather to combine perspectives to synthesize the literature in a way that enables

new theoretical frameworks and perspectives to emerge (Snyder, 2019). Most integrative literature reviews address mature topics, as for the relevant topics in this thesis, that is to say internationalization, strategic decision-making and sustainable development. These are all well researched issues in the international business field. Thus, the purpose of using the integrative method is to review the knowledge base, conceptualize and expand the theoretical functionality and relationship of these specific concepts (Snyder, 2019).

An integrative review is studied as a review of the existing literature as a systematic process in a specific content area (Whitehead & Maude, 2016). When identifying relevant literature relating to the concepts, the systematic process of the search strategy was to include the most discussed and cited articles to conceptualize the thematic triangle. Furthermore, the state-of-the-art literature was investigated to identify the contemporary linkages and relationship between the concepts, in order to be able to further illustrate them in the model. The review process of the literature is theory based, where the goal is to synthesize and extend the body of literature using the underlying existing theory. This thesis dives deeply into a description of the theory and its underlying assumptions, then organizes a systematic review of relevant literature according to various perspectives through which the theory has been applied in the context of international business (Palmatier et al., 2018). The systematic literature search aims to locate and synthesize literature that bears on the research question, using an organized procedure (Littell et al., 2009). The body of literature on the relevant concepts is vast and complex, and it is impossible to cover all the relevant articles within the field. Thus, the importance of refining the search and scope is key. Tables of investigated literature have been created to organize and keep track of the papers relevant to the theoretical framework and further analysis (Appendix 1).

The delimitation of the literature search was a result of concentrating focus on articles, reports and other archival data that played an important role in advancing theory within the three concept under investigation. Papers that did not seek to explain, define or contextualize the concepts within international business were excluded. Furthermore, papers based on particular episodes, specific industries or countries were omitted. As mentioned, the review was conducted as a series of keyword searches in major electronic databases (C. Welch & Paavilainen-Mäntymäki, 2014). The three-folded search resulted in 36 publications, including seminal studies, book chapters, reports, empirical studies and conceptual papers (Appendix 1).

3.5.3 Data analysis

With respect to data analysis, the overall goal is to make sense of the collected data in a way that explains the thematic triangle and identify the most important linkages to be further incorporated into the proposed model. The collected data, both secondary and primary, are compared to reveal similarities and contrasts. Themes, patterns and inconsistency are analysed to create meaningful interpretations. The data collected from the literature and the semi-structured interviews might have similarities that makes interpretation more credible and conclusive. However, the data can also be rather contradictory. If inconsistency occurs, analysis of the topics must be done to explain the differences (Walle, 2014). The general aim of the data analysis of the integrative literature review is to critically analyze and examine the literature and the main ideas and relationships of an issue, which in this thesis is the context of the relevant concepts and the identified linkages between them (Snyder, 2019).

Conceptualizations, key ideas and research findings were retrieved from the literature primarily published in the time period spanning from 1970-2019. The large timeframe and inclusion of early publications reasons in the foundational theory, which is vital to take into account as it is the origin of the relevant concepts.

The literature analysis consisted of examining key articles including the concepts, which present well established knowledge in the field of international business. As mentioned, based on this revisited literature, related theory and articles were identified using electronic citations and author tracking functions within the digital databases presented in Table 1 (Finfgeld-Connett & Johnson, 2013). The relevant data extracted from each article were highlighted during the analysis of the specific paper and later placed into a separate document where it was annotated and organized as components explaining the research phenomena. The extracted data were constantly revised by iterative analysis and further articulated. When the ideas and arguments were sufficiently substantiated, it was combined with key data from the expert interviews, before it was incorporated into the dimensions of the proposed model.

3.6 Expert interviews

3.6.1 Sample selection

The sample for the interviews was selected based on informants' relevant competence and research experience within the triangle concepts investigated in this thesis. The sampling approach is a non-random sampling (Saunders et al., 2019). To be able to answer the research

question it is necessary to select a sample with a specific knowledge base. Purposive sampling is a non-random sampling technique that supports the selection of informative sources relevant to the research phenomena (Thorpe & Holt, 2007). The sample of informants is strategically selected to ensure maximum variation to explain key themes, in this thesis, the three key concepts. This is done to make sure that the same level of insights is obtained through the three different conceptual perspectives. Patton (2002) argues that contradictory perspectives will make any identified pattern even more valuable. Hence, the patterns that emerged from each informant's perception of the relationships between the concepts became of particular interest.

Patton (2002) further suggests that diverse characteristics should be applied to the selection process, to ensure maximum variation. The informants interviewed are carefully chosen based on their specialization and expertise, and to specify the above-mentioned criterions, each of these knowledge- and experienced based abilities¹ should relate to one of the three key concepts. Four informants were interviewed, each with scientific, professional and practical work within one of the three relevant concepts. The reason for operating with a solely selection of academic experts is their position as “crystallization points” for practical insider knowledge and surrogates for a wider circle of theory (Bogner, Littig, & Menz, 2009). Additionally, experts offer the effective means of quickly obtaining quality results. When assessing the informants to be interviewed, the definition used to verify the expert designation is suggested by Bourne, Kole, and Healy (2014, p. 1), who define an expert *‘as one who possesses high levels of performance on a particular task or within a given domain’*.

The participants were contacted through e-mail and invited to participate in the interview process as an expert. An attachment informing about General Data Protection Regulation (GDPR), the thesis and the interview process was included in the invitation e-mail. In the attached document, they were asked to consent to providing their general professional title and area of expertise. They were further made aware that no sensitive personal information would be requested or published, and they would be anonymized in the study. This was done in order to facilitate a more open and flexible dialogue, which encouraged the informants to express their complete body of opinion (Saunders et al., 2019).

¹ (1) relevant research experience, (2) academic background from the field of interest, and (3) published material relating to international business

The initial goal was to interview at least two experts within each conceptual area. Several institutional researchers, professors and other scholars were contacted. One expert in each conceptual area, and one with sufficient knowledge in all three of them were able to participate. The variation in the area of expertise was satisfactory, but the divergence in institutional affiliation and professional title was not completely adequate. The description of the participants is presented in Table 2.

Institution	N	Professional Title	Area of Expertise
NTNU	3	Professor	All Three
		Professor	Strategic Decision-Making
		Associate Professor	Internationalization
SINTEF	1	Researcher	Sustainable Development

Table 2: Descriptive data of expert-participants

3.6.2 Data collection

In this thesis, non-standardized, semi-structured interviews are conducted with academic experts. Semi-structured interviews give deeper knowledge about and insight in the experts’ perception of the conceptual links and a possible incorporative model. This is done to support evidence collected from the theory, to give various perspectives on the topic and to increase credibility of the interpretation of the phenomenon (Walle, 2015). Two interview rounds were conducted with the same objects. The first round focused on investigating and clarifying the main aspects of a potential model. The focus was on a conceptual discussion and other general input to the model characteristics. The second round worked as a validation measure of the tentative model, where the interviewees were presented with a draft of the proposed model and curated questions. This allowed them to provide critical input on the further development of the model. As the research approach is abductive, the questions and themes of discussion were adjusted depending on the expert interviewed, and additional data collection during the interview process.

In the first interview round, the set of questions was adapted to each informant, including those addressing the concept relevant to the informant’s expertise (Saunders et al., 2019). Each interview guide contained some general questions to confirm the informant’s academic and professional background and further justify the expert classification. All questions that could lead to sensitive and personal information were interrupted and omitted. The main part

of the interview guide was tailored to the informant's area of expertise. Open-ended questions were asked to help stimulate input and suggestions for the theoretically grounded model (Appendix 2). As regards questions on the model, it was important that commentaries from the experts became feedback for further development and not direct contributions. In the second interview round, the same experts were summoned and presented with descriptive information and a tentative model illustration in advance (Appendix 3). This was done to enable the informants to absorb and reflect around the suggested model before expressing their opinion in the next interview. The reason for distributing material to the informants in advance was to maximize the quality of the expert's input during the interview. Since the sample of experts interviewed is small, it is crucial to ensure that sufficient input is of high quality and directly relevant to the research phenomena (Patton, 2005; Saunders et al., 2019).

All of the interviews were conducted electronically on Skype for Business or Microsoft Teams due to the ongoing Covid-19 pandemic. Videocalls were used to enhance the digital interview experience and the overall communication between the interviewer and interviewee. Additionally, videocalls allowed the interviewer to interpret the answers holistically, including the facial expressions and body language of the participant. In the first interview round, the interviews lasted for approximately one hour. The second round of interviews lasted for 30 minutes or less. The informants could provide accurate and relevant information as they had obtained descriptive information on the incorporative model in advance (Appendix 3). The interviews were audiorecorded and stored on an institutional server. Before the analysis, only relevant themes and key ideas concerning the research problem were transcribed from the recording. All of the interviews took place in Norwegian. However, all references and quotations presented in the thesis have been translated into English in a way that ensures a literal reproduction of the initial wording.

3.6.3 Data analysis

The goal of the interviews as empirical data collection is not to identify similarities or differences to categorize, but rather to obtain state-of-the-art perspectives on the concepts to populate the incorporative model. Immediately after each interview, the audiorecorded qualitative data set obtained from the semi-structured interviews were transcribed as descriptive memos including key ideas and perspectives on the findings in the existing literature. The audiorecordings were listened to repeatedly to secure the retrieval of every key aspect. As the sample is carefully selected on the basis of each experts' field of knowledge,

the interview was pre-structured to address the theme of discussion. Hence, any form of thematic analysis or systematic search for patterns of comparison was not applicable. The interview guides were adapted to the specific conceptual discussion, thus prepared for reduced analytical rework.

3.7 Quality of research

3.7.1 Reliability

Reliability is known to test and evaluate quantitative research. Considering the idea of testing as a way of information elicitation in a qualitative context, the most important test will be the quality of the study (Golafshani, 2003). A good qualitative study can help us '*understand a situation that would otherwise be enigmatic or confusing*' (Eisner, 1991, p. 58). To ensure reliability, the examination of trustworthiness and verification is vital. The use of multiple sources in this thesis enhances the representation and legitimation of the research.

Representation refers to the extraction of the adequate meaning of the information at hand (Onwuegbuzie et al., 2012). Using both existing literature in the field and expert interviews of several independent researchers enabled the combination of information from various perspectives to strengthen the understanding of the research phenomena. This is meant to enhance the quality of synthetization in the research.

Legitimation refers to the credibility, trustworthiness, and confirmability of the syntheses made (Denzin & Lincoln, 2005). Using both literature and interviews, the assessment of the extracted data contained convergence and corroboration from different sources, and increased the ability to identify contradicting perspectives (Finfgeld-Connett & Johnson, 2013).

Additionally, to ensure unbiased selection of foundational literature, several databases were used to increase the reliability and validity of the literature search strategy. In the systematic search, criteria were developed such as "who the researcher was" and "which informants were included in previous research studies" to ensure that the sources were reliable, which further allowed to distinguish between specific descriptions and interpretations. It is worth noting that the reliability and validity of using existing literature somewhat depends on the previous scholars' and authors' research methods for collecting and analysing data and the accompanying reliability and validity.

To ensure reliability during the interviews, the informants were asked to elaborate on the concept of discussion and their frame of expertise to confirm the expert classification. Active use of follow-up questions secured saturation within each question. In the cases of ambiguity, statements were repeated, and the informants were asked to confirm if the statement and answer were understood correctly.

The above reliability measures can be categorized as internal reliability, which refers to ensuring consistency in a research project. Moreover, there is an external side of reliability, which pertains to whether the data gathering techniques and analytical procedures provide consistent results if applied by another researcher or in another occasion (Saunders et al., 2019). External reliability is ensured through the systematization of the search of existing literature. The occurrence of literature in the field is continuous. It is expected that different researchers will discover the same phenomenon, generate the same concepts in similar situations, but with supplement of state-of-the-art contributions (Saunders et al., 2019). In the interview process, participant error was inhibited by allowing the informant to choose time and place for the interview. Additionally, false responses and participant bias were avoided as anonymity was guaranteed to the informants. However, they were aware that a general job description and their area of expertise would be mentioned in the thesis. When using semi-structured interviews as a data collection technique, it is unavoidable to exclude the possibility of bias (Saunders et al., 2019). It is difficult to standardize interviews with experts, and this will to a certain extent inhibit other researchers' ability to replicate the findings. However, as qualitative research represents the views of participants at a certain moment and in a certain context, it might be claimed that it is not always designed to be replicated (Saunders et al., 2019). Competence about the concepts of relevance in the interviews was derived from existing literature, and the analytical approach to the existing literature provided a strong knowledge base and credibility to the interview process.

3.7.2 Validity

Validity refers to what extent the results of the study are valid, and more precisely, to the suitability of the measures, the correctness of the findings analyzed, and the generalizability of the outcome (Saunders et al., 2019). A distinction can be made between internal and external validity. Internal validity refers to what extent the results are valid and trustworthy for the sample and the phenomenon examined, in other words the "credibility". External

validity refers to which extent the results can be transferred to other samples and situations (Saunders et al., 2019).

The production of knowledge in the field of business is accelerating at a tremendous pace. The existing knowledge is fragmented and interdisciplinary. This makes it difficult to stay up with current research and evaluate the body of knowledge in a given field (Snyder, 2019). At the same time, when deciding on eligibility criteria, determining the right boundaries, choosing what data to collect form the article, and what type of contribution should be made, the credibility is solid as a result of structure and systematization (Snyder, 2019).

Transferability refers to the generalizability of the study. It is expected that by providing a full description of the research methodology, context of study, data collection and analysis and discussion of findings, the reader will be able to assess the study's transferability. However, it is critical to emphasize that the study is exploratory in nature. As a result, the goal is not to generalize the findings, but to identify and interpret linkages between internationalization, strategic decision-making, and sustainable development, as well as to show how they interact in a proposed incorporative model.

3.8 Ethical considerations

All student projects registered at The Norwegian University of Science and Technology (NTNU) which deal with personal data must be reported to The Norwegian Center for Research Data (NSD). NSD assesses whether the research project complies with privacy regulations. Before the data collection can begin, the student must receive feedback from NSD that the project is in accordance with the privacy policy. Accordingly, this master thesis project was submitted and approved by NSD before gathering data involving human participants (Appendix 4). This research project does not focus on sensitive personal information. Participation in the research has been entirely voluntary. Before the interview, the participants were informed twice about their rights, both verbally and in writing. This was done by distributing a written consent form (Appendix 5) prior to the interview and a verbal reminder at the beginning of the interview. Additionally, before starting the audiorecording of each interview, the informant was reminded of the possibility to withdraw their consent. As all of the informants gave their consent to the audiorecording, the interviews were recorded in their entirety, without being edited, and were preserved in their original form. The participants' personal information, as well as any sensitive information they might have

expressed, was anonymized or omitted. All personal information was deleted at the end of the project, together with the audiorecordings.

4 The new incorporative model

In this chapter, the findings that have emerged from the research are presented in the new incorporative model developed through the structure of the Uppsala model. A modern approach has been made to the methodology, where the empirical findings work as a supplement to the data collected from the existing literature. The findings from the integrative literature review have identified the dimensions of the model, while the expert interviews have increased the understanding of the structural connection between these dimensions. The synthetization of the existing literature and the interview process have been iterative throughout the development of the thesis. Figure 3: The modelling procedure in this thesis, modified from Solli-Sæther and Gottschalk (2010) presented in section 3.1 acts as the foundation for the evolution of new the incorporative model, which in fact is the outcome of this thesis.

There are a number of benefits arising from the incorporative model. First, it helps to understand how previous unrelated research on established concepts fits together within the same model. Second, it facilitates the investigation of the relationship of these concepts (Wiklund, Patzelt, & Shepherd, 2009). This provides the opportunity of better assessing the contribution of each concept to international success. Figure 4: The new incorporative model presented below operate as a new approach to the Mode of Internationalisation Process (Uppsala Model), adapted from Forsgren and Johanson (1975). This model was originally developed to support companies' ability to identify an effective process for internationalization. In the case of the new incorporative model, the goal is to illustrate how strategic decision-making can result in an effective shared strategy which combines internationalization and sustainable development.

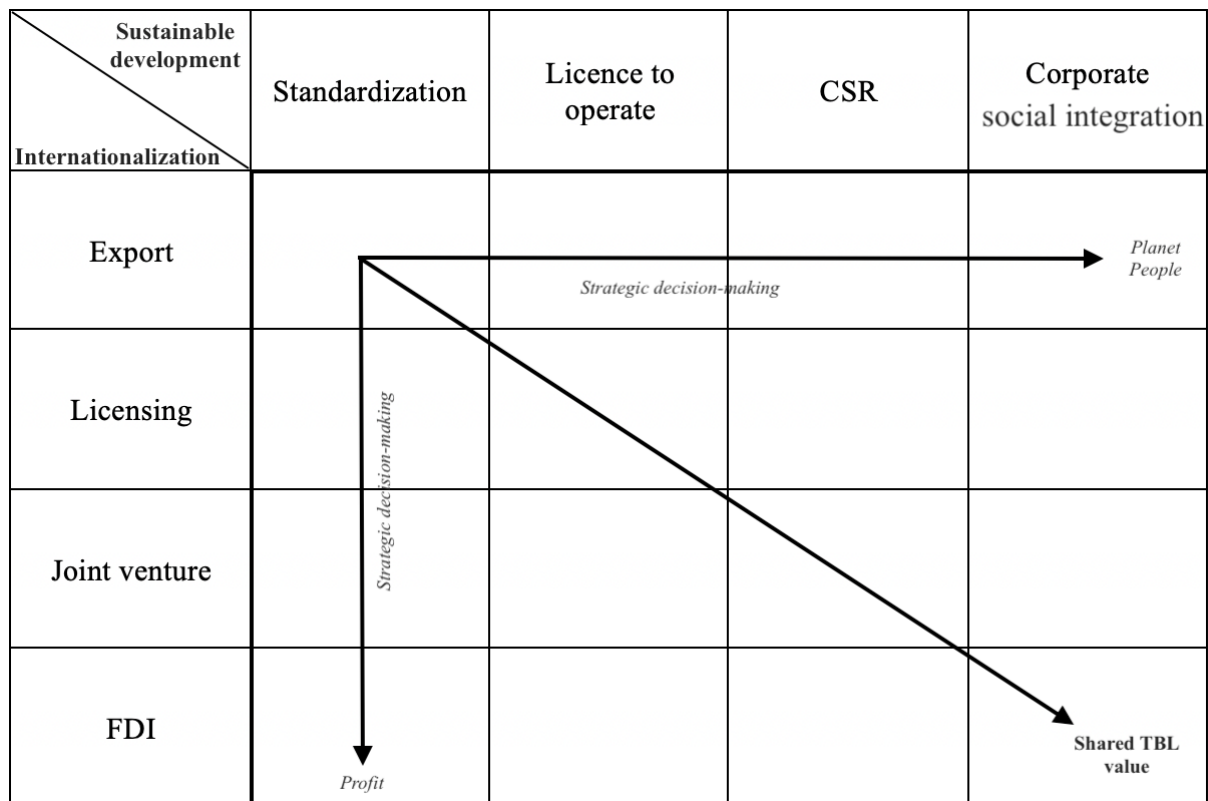


Figure 4: The new incorporative model

The main contribution and result from structuring and systemizing the literature is the sustainable development dimension and the operationalization of strategic decisions through the Triple Bottom Line (Appendix 1). The interpretation of the literature relating to sustainability resulted in the four successive stages towards complete sustainable development; standardization, licence to operate, CSR and corporate social integration. Synthetizing the literature of strategic decision-making in the context of sustainable development and internationalization resulted in the operationalization of strategic decisions through the Triple Bottom Line. The optimal point of interaction between all dimensions is identified as shared TBL value. Furthermore, the internationalization dimension consists as the recognized establishment chain, gradually increasing foreign direct investment through stages of incremental growth. The interaction of the dimensions, and the functionality of the model is explained as follows.

It is desirable for the internationalizing company to move diagonally along the centre of the matrix in order to strike a balance between profit and planet and people conservation. This is in accordance with what Porter and Kramer (2019) describe as shared value creation, and a new way of linking economic success and societal improvement. The squares which are not

visited by an arrowed line represent the lack of balance and emphasize that shortcomings will occur in such peripheral areas. If the focal company moves along the central arrowed line in their decision-making process, the strategy is developing optimally, *ceteris paribus*, as regards internationalization and sustainable development.

The relationship between the arrowed line towards profit and the line towards planet and people can be explained through increased complexity in international activities, hence parallel complexity in factors of sustainable development (Zahra et al., 2000). As the international engagement increases, relatedly, the consideration of sustainability will intensify with greater approach to global challenges. The optimum is represented through a strategically balanced decision-making process, which integrate the two concepts equally in order to operate successfully as an international business on a long-term basis. The goal is to operationalize strategic decisions with a combination of internationalization and sustainable development, both representing a distinctive business strategy, where the overall objective is to achieve shared value creation incorporating equal consideration of the TBL dimensions, thus a creation of shared TBL value (Tate & Bals, 2018). Shared value is not social responsibility, philanthropy, or sustainability, but a new way to achieve economic success (Porter & Kramer, 2019). The reason for combining internationalization and sustainable development through the view of shared value creation is justified through findings from the literature, explaining shared value through satisfactory contribution to all three TBL dimensions to deliver general stakeholder and local community value (Coase, 1937; Porter & Kramer, 2006, 2019; Rockström & Sukhdev, 2016; Sachs, 2015; Tate & Bals, 2018).

5 Discussion

The key findings from the integrative literature and the empirical findings from the expert interviews are combined and discussed to holistically explain the common synthetization. Both the literature and informants were purposely and systematically selected based on their relevance to the concept and the body of knowledge (Table 2; Appendix 1). Hence, the identification of compliance and contradictions across the different data collection techniques became significant, rather than comparing the outcomes from each informant or each literary work. Furthermore, the process of building the model will be briefly described, before a basic application of the model is presented. This is done to illustrate how each individual company, regardless of industry type can position themselves in the incorporative model and locate the

potential area for improvement in relation to the Triple Bottom Line dimensions. Finally, the limitations, contributions and implications will be discussed, before suggesting future research. To formulate the research problem and answer the research question, the discussion of findings is divided into the three concepts composing the research phenomena, also illustrated as dimensions of the model.

5.1 Dimensions of the model

5.1.1 Internationalization

Aharoni (1966) suggests, in his presentation of the foreign direct investment process, that there are two sets of factors that lead companies to consider internationalization of business activities: organizational factors arising from within the companies, and environmental factors that are outside the company's control. These factors, together with the other most common goals attributed to overall business strategy, are all motivated by the main purpose of a company: profit maximization (Friedman, 1970; Phillips McDougall et al., 1994).

Internationalization allows the company to earn higher returns by operationalizing business activities across borders. By investigating several accepted theories from business research, it is possible to infer that profit underlies several motives for internationalization (Coase, 1937; Dunning, 1980, 2000; Hymer, 1976; Sharmiladevi, 2017; Williamson, 1979). The imperative consideration of profitability drawn from the traditional approaches to internationalization and foreign direct investment decisions represents the underlying measurement factor of internationalization in the incorporative model. The increasing internationalization is mediated through higher complexity of international activities and foreign direct investment, with the assumption that higher investment yields higher return (Merton, 1973; Williamson, 1981).

It should be noted that other internationalization measurement scales, such as export share and geographic spread were eliminated on specific grounds. This was decided on the basis of explaining internationalization through strategic decision-making, thus a need for specific activities or scenarios to obtain a clear distinction between the steps of increased internationalization. Through the first interview round with the internationalization expert, it was further substantiated that this would be an appropriate approach to help demonstrate the interaction between internationalization, strategic decisions and sustainable development:

'The increase in international engagement, shown through the gradual expansion of activities abroad, could be a sufficient way to operationalize internationalization through strategic decisions'

-Internationalization expert

As the main goal and motivation of internationalization is growth and profitability, and the initial focus of every company (Coase, 1937; Friedman, 1970; Williamson, 1979), the literature analysed in this thesis prompts the process path as vital for achieving success (Johanson & Vahlne, 1977; Johanson & Wiedersheim-Paul, 1975; Melin, 1992). The process perspective explains a series of actions, in this case, the gradual commitment or investment taken to achieve a particular 'end'. The view of the *economic man* assumes that companies always act in a way that maximize profit (Friedman, 1970; Phillips McDougall et al., 1994). When commitment grows, the progressive expansion of international activities and foreign investments can be justified by reducing risk and uncertainty through increased knowledge and learning (Johanson & Vahlne, 1977). The steps in the model towards internationalization represent increased foreign investment. As the incorporative model builds on the traditional Uppsala model, the steps are similarly illustrated as an establishment chain from export as the activity of lowest risk, commitment and profitability. Further developing through the steps of licensing and joint venture, to foreign direct investment, which represents the highest degree of commitment, potential risk and profit. (Rivoli & Salorio, 1996; Shrader, Oviatt, & McDougall, 2000). According to the Uppsala model (Johanson & Vahlne, 1977), this incremental growth is necessary to secure the anticipated profitability and limit the psychic distance. The gradual internationalization provides cumulative knowledge and experienced-based learning as the steps are taken to foreign direct investment and international success (Melin, 1992). When discussing the increased complexity as a result of increased internationalization and investment, the expert in internationalization added:

'In today's global market, more internationalization means more responsibility, thus, more complexity'

-Internationalization expert

The claim of increased responsibility along with increased internationalization is further supported by Godos-Diez, Cabeza-García, and Fernández-González (2018), who have

investigated and tested this relationship in a Spanish context. The results provided a positive association between the level of internationalization and the socially responsible behaviour of companies, implicating increased responsibility with increased investment across national borders. Porter and Kramer (2006) take these findings one step further and describe a Multinational Enterprise's position of power as crucial in taking responsibility for global societal issues. They further claim that it is difficult to avoid taking responsibility, when a company has made itself visible in the international market. The relationship between internationalization and responsibility initiates the process of building the bridge between internationalization and sustainable development through strategic decisions.

5.1.2 Sustainable development

The four successive stages towards sustainable development in the new incorporative model are the result of an increased incorporation of sustainability, through a higher level of complexity in the strategic measures towards complete corporate social integration. The squares represent strategical modes of combining sustainability and an international mindset. Several of the societal and environmental problems that confront us have their roots in sectoral fragmentation of responsibility. Sustainable development requires such fragmentation to be overcome (Brundtland et al., 1987). With this in mind, combining strategic decisions across internationalization and sustainable development can help the implementation of sustainable development in MNEs across different countries, industries and sectors. Identifying sustainable development measures that can be generalized across industries and sectors can be another step in the right direction for encouraging sustainable development in international business activities.

The process of identifying the sustainable development stages resulted in Figure 5, which later became the stages of increased sustainable development integrated into the new incorporative model. In the following paragraphs, the synthetization and interpretation behind each stage towards sustainable development are discussed in detail.

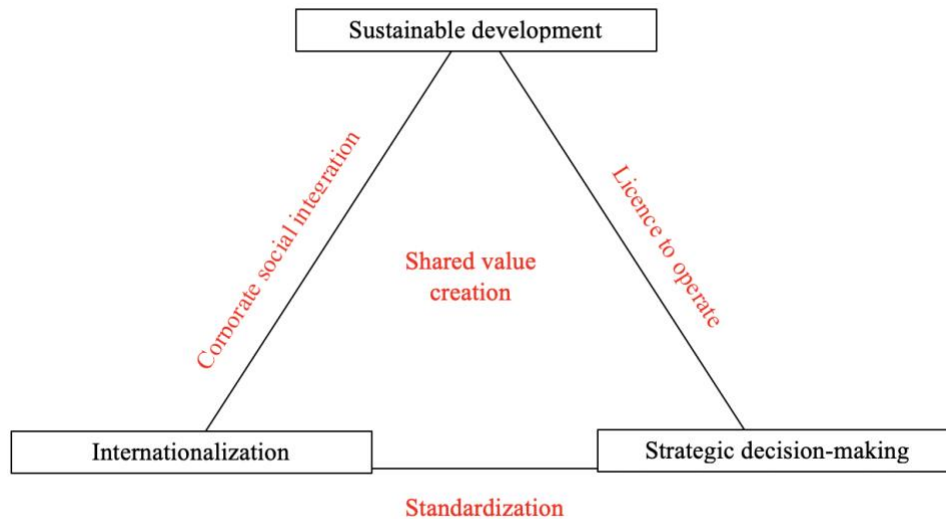


Figure 5: Thematic triangle with the identified linkages between the concepts

The spread of international standards such as ISO 26000 and ISO 14001 provides evidence that the marketplace is moving in a sustainable direction (Correia, 2019). ISO 26000 is intended to promote a common understanding in the field of social responsibility, covering areas in all three TBL dimensions. ISO 14001 refers to the environmental dimension of sustainable development, and explains the increasing sustainability towards the planet dimension (ISO, 2021). The idea of standards as a measure towards sustainable development emerged in the first interview round with the expert in all three concepts mentioning:

'Take for example the ISO standards. Although it is voluntary to implement them, it is a step in the right direction of sustainable development'.

-Expert in all three concepts

When further developing the theoretical framework in the modelling procedure after the first interview round, ISO appeared to make significant contribution to the SDGs. ISO standards directly address the TBL dimension through economic, environmental and societal issues. These are crucial instruments to assist responsibility to governments, industry, and consumers in contributing to the attainment of the SDGs (ISO, 2021). When sustainable development is employed as a benchmark for developing international standards, compliance of such standards could be identified as growth in the direction of sustainable development for a company seeking international success. The application of standards is not regulated by law. However, not adhering to certain global and national standards may inhibit international

growth for companies, as several countries use standards as legislative foundation (Hahn, 2013; ISO, 2021). This was confirmed by the expert in all three concepts:

'International and global standards are likely to contribute to the development of the legislative frameworks in several countries'

-Expert in all three concepts

The term 'licence to operate' was discovered early in the review of the literature. Porter and Kramer (2006) describes licence to operate as the permission a company needs from governments, communities and other stakeholders in different countries to do business. Government authorities in most countries provide business licenses to companies based on their professional competence and ability to meet particular legal or regulatory standards (Nielsen, 2013). The transition from voluntary implementing standards to legally founded implementation of standards bridge the step from standardization towards licence to operate. Licence to operate could be considered a cornerstone in CSR management, which focuses on the interconnection between business and society. To secure a licence to operate, the company needs to strategically act in the manner that the local or global community is expecting or imposing (Nielsen, 2013). Foreign direct investment will not be beneficial if financial and operational support is withdrawn from intergovernmental organizations and national governments as a result of not operating in a sustainable manner (Hymer, 1976; Porter & Kramer, 2006).

The increased sustainable development level can be explained through the shift from voluntary implementing certain standards to legally implementing sustainable development measures, in order to be granted the licence to operate in the potential host-country. If a company wants to expand across national borders, it needs to make strategic decisions that comply with the sustainable requirements of the issuing country. New standards and norms for how companies are to behave, emerged with the movement of society towards explicit CSR. It is no longer sufficient to adapt fragmented CSR practices to acquire licences to operate, there is in fact an increasing pressure on companies to adopt CSR as a complete business strategy (Nielsen, 2013; Porter & Kramer, 2006).

Porter and Kramer (2006) describe corporate social responsibility as a strategy that focuses on the interdependence of business and society, especially in an international context. This was

given support as CSR was the immediate suggestion from all the experts interviewed, when asked to identify linkages between the concepts based on their competence. Throughout the interview process the informants had contradictory perspectives, but consensus was reached regarding the collective role of CSR across strategic decision-making, internationalization and sustainable development. The fact that four experts with a diverse body of knowledge expressed a consensus increased the validity of CSR as an applicable concept. The expert in internationalization stated:

'In the world today, with the establishment of SDGs, and other strategic framework prompting sustainable development, it is almost impossible for a company to survive without conducting CSR practices, especially when operating across national borders'.

-Internationalization expert

With this statement in mind, CSR should potentially be located at the beginning of the sustainable development scale, as it is almost impossible for companies to succeed when these practices are ignored. On the contrary, when analysing the literature, CSR is often considered to be a cost or a constraint on international companies (Porter & Kramer, 2006). This results in several companies taking a cosmetic approach to the implementation of CSR (Delmas & Burbano, 2011). In other words, companies may look sustainable from the immediate outside. However, investigating company practices will reveal greenwashing. This explains the position of CSR on the top layer of the sustainable development scale, where the superficial CSR practices are filtered out. Taking gradual steps in the integration of CSR practices can secure a viable CSR strategy throughout the business system, and minimize risk and uncertainty as the knowledge base increases. This is in line with the process mindset adapted from the approach to gradual internationalization (Johanson & Vahlne, 1977; Melin, 1992). Gradually implementing sustainable development measures will enhance the market commitment and market knowledge through reducing the psychic distance. The process begins by voluntarily implementing the international standards adhering to sustainable development. This is followed by legally implementing standards and other statutory measures to be able to operate in a potential host-country. These licenses to operate can be considered fragments of an emerging CSR strategy, and will in the next step together with other sustainable development measures constitute a general CSR strategy. At this point the company has come a long way on the path to sustainable development. The investigation of

particular sustainability issues which they are best equipped to help resolve is activated to fully integrate the corporate social responsibility (Porter & Kramer, 2019).

There are several ways to make strategic decisions which lead to CSR integration. The distinction between implementing CSR practices and a complete corporate social integration is what becomes the final step in reaching the maximum level of sustainable development in the proposed incorporative model. Porter and Kramer (2019) argue that the shift from CSR to corporate social integration happens when the company has obtained a competitive advantage with fully integrating sustainable decision-making throughout every level in the business system. Furthermore, Porter and Kramer (2019) suggest that at this point, the company has identified its particular set of sustainable development issues that it is best equipped to help resolve and from which it can gain the greatest competitive benefit. The strategic decision expert found it satisfactory to conclude the maximization of sustainable development through CSR, while the expert from the sustainable development perspective spoke along the lines of Porter and Kramer (2019):

‘When a company is pursuing complete social integration, practically every strategic decision made by the company is evaluated through the eyes of the company itself and the societies’.

-Sustainable development expert

5.1.3 Strategic decision-making

The idea of operationalizing strategic decision-making through the Triple Bottom Line dimensions emerged from the first interview with the two experts from a strategic decision perspective, giving the suggested model a new direction of development (the transition from draft 1 to draft 2 in Appendix 6). One of them expressed scepticism towards separating profit, people and planet, while the other informant approved of the suggested separation. By further investigating the literature, enough evidence was collected to incorporate the separation as illustrated in the new incorporative model. Business acting as business explain internationalization as a profit maximizing strategy. It is evident from the neoclassical and capitalistic literature that a requirement for social improvement imposes a constraint on the company. Adding constraint on a company that is already maximizing profits will inevitable raise costs and reduce those profits (Coase, 1937; Friedman, 1970; Porter & Kramer, 2019; Williamson, 1981). This explains the parallel of increased profitability and increased internationalization illustrated in the incorporative model.

The arrowed line moving across the sustainable development squares represents an increase in sustainable activities focusing on people and planet. Pursuing sustainable development as a part of a business strategy is known to be resourceful and costly, and not all companies live to see the return on this kind of investment (Porter & Kramer, 2019; Porter & Van der Linde, 1995). As the expert in internationalization stated:

'I think that companies feel like they have to choose between a green strategy and an internationalization strategy'.

-Internationalization expert

State-of-the-art literature in the field describes sustainability measures as profitable, at least in the long-run (Correia, 2019; Porter & Kramer, 2006, 2019; Stoknes, 2020). When a company operates with a successful green strategy throughout the value chain or has achieved optimal corporate social integration, they are often afraid to move across borders or increase complexity in international activities as this will inhibit the green growth (Porter & Kramer, 2019; Stoknes, 2020; Van Zanten & Tulder, 2018). Thus, companies choose to stay vertically integrated and localized at home. When a company maximize their green strategy at home, they will not risk moving across borders to be met with a higher level of legislative restrictions and costs, which will make it difficult for a company to maintain their ownership advantage through their “green” reputation (Dunning, 2000; Sim, El Ouardighi, & Kim, 2019). Hence, staying green by supporting the society and environment may limit the opportunity for profitable growth (Porter & Kramer, 2019). This was confirmed by the expert within all three concepts, stating that:

'I believe many companies fail to grow internationally as they are too concerned with planet and people, and maintaining their 'green image'.

-Expert in all three concepts

The strategic decisions made towards shared TBL value, illustrated through the arrowed line moving diagonally across the matrix, describe the substance of decision-making as a value-maximizing calculation (Eisenhardt & Zbaracki, 1992; Jensen, 2002). The perceived optimum of shared TBL value is a new way to accomplish economic success, and at the same time creating value for society and the environment (Porter & Kramer, 2019; Tate & Bals, 2018).

When completing strategic decisions in this direction, the sustainability efforts are made profitable and the costs of internationalizing are minimized. This is done through collaborative forces with win-win partnerships and competitive forces with zero-sum character which play simultaneously across people, planet and profit (Melin, 1992). The overall efficiency of the business system is thus enhanced. As the expert from the strategic decision perspective stated:

'The focus should be moved away from the assumption of conflicting interest between internationalization and sustainability, to rather exploiting it as an opportunity to obtain strategical competitive advantage by using dynamic capabilities to balance the three Ps'.

-Strategic decision expert

These findings resulted in the balancing act between profit, planet and people, where a shared value of incorporating the three dimensions represents the optimum in the proposed incorporative model. It shows that companies can obtain strategical competitive advantage by being able to balance these factors, as stated by the strategic decision expert. When the balancing act of the three P's is developed, it is forwarded throughout the modelling procedure (Appendix 6) as both the literature and the informants confirmed its viability. Additionally, both the expert informant with the internationalization perspective and the informant with the sustainable development perspective, treasured the linkage of the concepts through shared value creation:

'Shared value creation helps internationalizing companies to gain desired market knowledge and trust of stakeholders, which is valuable for potential FDI'.

-Internationalization expert

'Shared value creation strategy increases legitimacy, helping the internationalizing company to overcome all kinds of challenges during internationalization'.

-Sustainable development expert

5.2 The development process

As previously mentioned, the The modelling procedure in this thesis, modified from Solli-Sæther and Gottschalk (2010) presented in section 3.1. acts as the foundation for the evolution

of the incorporative model. The development process of the model is in line with this procedure. However, there exist exceptions due to moving back and forth between the steps of the theoretical and empirical work, in line with the abductive approach. In this section, the development process is outlined, with a focus on the modelling procedure and the drafts leading to the final incorporative model.

The initially suggested model (draft 1 in Appendix 6) was created after the first interview round with the expert informants and main ideas elicited from previous research. With this in mind, the interaction of the applicable concepts was first illustrated through a stage-model (draft 1 in Appendix 6). The initial idea was to explain specific strategic decisions that had to be made in order to achieve increased implementation of sustainability and increased international expansion. However, shortly after the first interview round and a brief review of relevant literature, the idea of operationalizing strategic decision-making through the Triple Bottom Line dimensions emerged, giving the suggested model a new direction of development (draft 2 in Appendix 6).

Moving forward in the modelling procedure, when all of the sustainable development squares were identified, the current incorporative model had measurement scales on both the axes (draft 3 in Appendix 6). When introducing this to the informants in the second interview round through the descriptive one-pager (Appendix 3), the need for a specified optimum emerged. Several of the informants expressed scepticism on setting shared value creation as the optimal stage, when planet and people were separated from profit. As shared value creation involves all three of the Ps, pursuing such a separation will inhibit the shared value creation concept of being absorbed holistically. This prompted the need for a restructuring of the model, thus adding shared TBL value as the optimum of the balancing act (draft 4 in Appendix 6). However, the problem of maximizing sustainable development through shared value creation was still a problem waiting to be resolved. The solution proved to be substituting the optimal level of sustainable development with complete social integration, and further launching CVS in a TBL version as the optimum and desired objective. This solution was a result of further advancing the theoretical framework and the attempt to incorporate the expert's views. Moreover, when presenting the tentative model in the second interview round (draft 3 in Appendix 6), one of the experts commented on the length of the axes, observing unequal length and questioned the rationale behind this. This resulted in the adaption of the matrix structure from the Uppsala model of internationalization (Forsgren &

Johanson, 1975) to limit the misinterpretation of such matters and gave way to the final version of The new incorporative model.

5.3 Illustrative application

The new incorporative model is applicable for MNEs or companies in the process of going international. To briefly explain and visualize the model application, a managerial role at an international company was asked to place the company in the matrix. This was completed to illustrate how the incorporative model can help navigate strategic decisions towards internationalization and sustainable development.

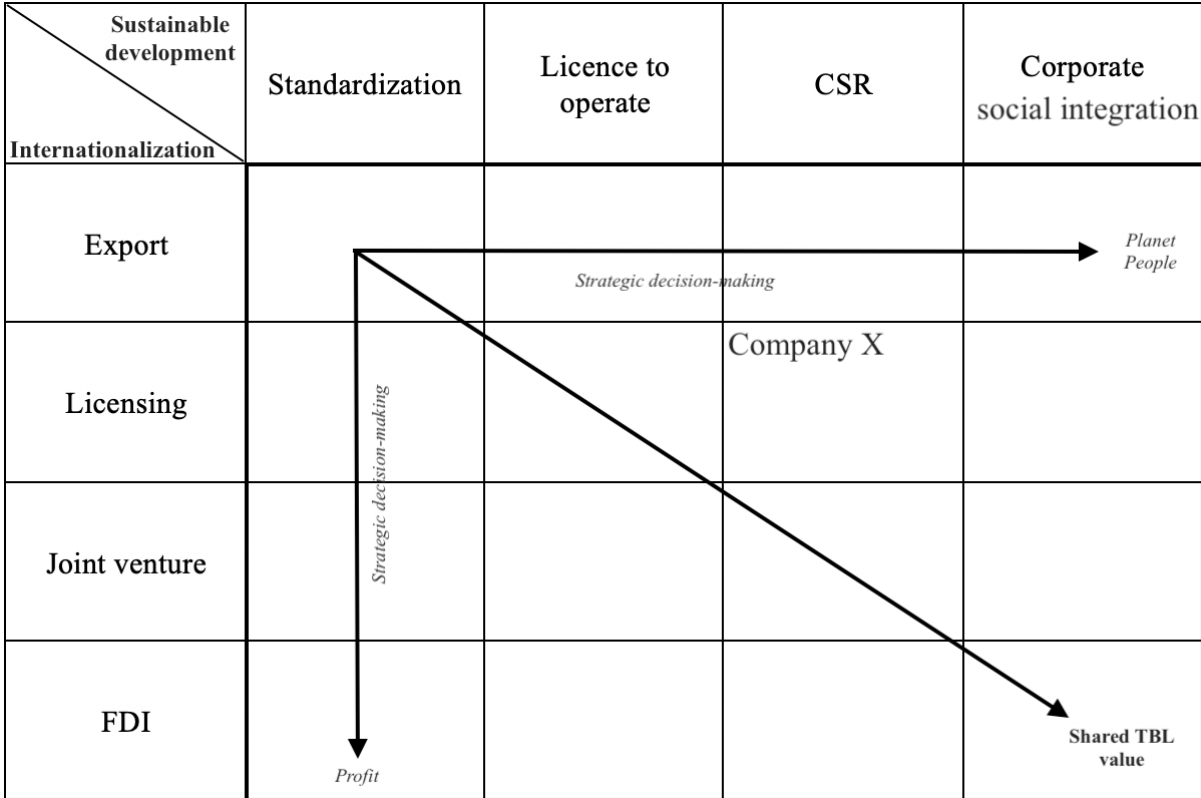


Figure 6: Practical application of the new incorporative model

The manager placed the company referred to as ‘Company X’ in the CSR and licencing square. The company is in the process of gradually expanding their business across national borders. However, they have not established any facilities abroad and the company is currently operating through licensing agreements. The company’s core product and service are of a sustainable nature. This is the key rationale for placing the company at the top layer on the sustainable development scale. Although the company’s core business is sustainable, they have gradually taken steps to a complete CSR strategy. Initially, they became certified in relation to environment and quality according to ISO standards. Secondly, they obtained licence to operate in several countries and are investigating opportunities to establish foreign

sales facilities. The reason for not plotting the company at the maximum square of sustainable development was rationalized in the employment policy. The manager described this as an area of improvement and was consequently hesitant in placing the company at the top level of sustainable development. The manager described the incorporative model as an effective strategic tool for the assessment of the company's position in relation to internationalization and sustainable development. Finally, the person approved of the model as supportive in understanding the balance and interaction of these concepts. This practical application is a result of anecdotal evidence, obtained through an informal conversation due to limited timeframe. The application is included to make sense of the model functionality and further encourage the development, validation and testing of the incorporative model as future research.

5.4 Limitations

Through the existing literature in the field, supplemented by four expert interviews, this thesis has sought to investigate the interaction of internationalization, sustainable development and strategic decisions. The small sample of expert informants is an apparent research limitation, which inhibits the generalizability of the findings. However, the limitation has been balanced off by using experts with a deep knowledge of the different key concepts. This further substantiate the quality of the data collected, and makes it directly applicable to the research phenomena. A limitation by using experts with diverse academic background is the occurrence of several contradictory perspectives. This fostered confusion and numerous crossroads, which created additional rework but at the same time helped the modelling procedure. Despite the drawbacks, the combination of expert perspectives and key ideas from the literature increased the overall validity of the findings.

Applying a literature review as a research method is often seen as an iterative process, where the research problem is honed over time as the nature of evidence becomes more apparent (Finfgeld-Connett & Johnson, 2013). The limited timeframe applied to the development of this thesis inhibits the possibility of investigating the development of the literature over a significant time period. This is a limitation as it may harm the validity of the applied research method. Secondly, it is difficult to know when to end a literature search. The key criterion is saturation of conceptualization and explication of the relationship between the relevant concepts. However, with the limited timeframe and scope of this thesis, it was impossible to cover all the relevant areas of literature. Hence, it is a judgement call. The validity is not

solely based on redundancy and there is no inherent value in continuing a literature search unless it enriches the sample in the context of the review (Finfgeld-Connett & Johnson, 2013). Lastly, it should be noted that advanced capabilities, such as superior conceptual thinking, are preferred when conducting an integrated literature review approach (Russell, 2005; Snyder, 2019). However, with the present capabilities, a wide range of key literature in the field has been analysed, were findings have been systematically retrieved and incorporated into the theoretical framework and proposed incorporative model.

5.5 Theoretical contribution

The research on internationalization, sustainable development and strategic decisions are well established in the international business literature, but the interaction of the concepts remains a research gap. This thesis is an advancement of existing knowledge and theory presented in a new theoretical framework explaining the interaction of these concepts. By developing a new approach to the recognized Uppsala model, it is apparent that this contribution seeks to extend the existing body of literature in the international business field. The incorporation of the new topical variables in the model contributes to narrowing the research gap of the limited attention paid to sustainable development in internationalization. This thesis does not only add to the existing literature by creating a new theoretical framework. By developing an incorporative model, the thesis also contributes with increased understanding of how these terms interact on different levels. It proposes an optimal balanced strategy to achieve shared value creation by saturating all three dimensions of sustainable development. The study also sheds light on the role of the Triple Bottom Line dimensions in shared value creation, and makes this indirect interaction directly applicable to the context of international business.

Furthermore, by combining perspectives from experts in the field with the existing literature, the viability of a proposed model is increased. This mixed method approach could add on the qualitative research literature, as a state-of-the-art method integrating written and oral expertise. Additionally, the modelling procedure modified in this thesis may be considered a theoretical contribution for building an incorporative model based on existing literature with a restrictive timeframe.

5.6 Practical implications

In this thesis, an incorporative model has been developed to demonstrate the interaction of internationalization, sustainable development and strategic decisions. The findings incorporated into the model are a result of the existing literature combined with perspectives from academic expertise.

The following implications can be worked out based on the findings. Companies find it hard to balance internationalization and sustainable development, as they are two distinctive business strategies. From the findings, it was evident that companies feel like they must choose between fully implementing either one or the other strategy. Most companies start their internationalization strategy without mapping the role and implication of sustainable development. The awareness around this concept is rising in parallel with the increased international trade. This marks the need for a new understanding of when and where to implement the important variable of sustainable development, which is becoming more and more prevalent in the current direction of the world. Companies are asked to assess their impact and develop accordingly (GRI et al., 2016). The incorporative model presented in this thesis can support companies in the evaluation of business activities and their impact on sustainable development.

For companies to develop an overall understanding of internationalization it is important to examine the continuing influences which play a key role in maintaining forward momentum (Melin, 1992). From the investigation of the interaction between internationalization and sustainable development, it is apparent that sustainable development is one of these continuing influences which play a key role in the business development. Companies should focus on making strategic decisions incorporating both measures of sustainable development and internationalization in order to obtain shared value creation, which Porter and Kramer (2019) describe as the new way to achieve economic success. The operationalization of the strategic decision through the Triple Bottom Line is a way to make companies aware of their strategic direction and provide them with a navigational tool to assess the forward momentum. In the globalized world in which most companies operate, companies are advised to internationalize towards sustainable development, and take the lead in reconceiving the intersection between society and business.

5.7 Suggestion for future research

By integrating the three dominating business concepts in a new theoretical paradigm, future research is encouraged to incorporate the sustainable development variable as a part of strategic decisions towards international growth. In today's global market, internationalization and sustainable development are of vital importance. Thus, the requisite of holistically investigating these concepts is an emerging trend. The existing body of literature separately covers the strategic perspective of internationalization and sustainable development.

However, research investigating the interaction of all three concepts remains unsaturated. The incorporative model in this thesis examines the surfaced relationships between the concepts by introducing several dimensions. Each of these dimensions constitute distinctive research sprouts which are potential topics for further research.

Furthermore, due to the timeframe and scope of the thesis, it was not possible to validate or test the proposed incorporative model. A suggestion for future research is to test the model with a case company and make revisions as improvements become apparent. In addition, the development of the incorporative model and the accompanying modelling procedure prompt contributions to future research. The literature on how to develop different models based on a mixed method approach is scarce. A suggestion for future research is to further develop or modify the presented modelling procedure in this thesis, which is inspired by Solli-Sæther and Gottschalk (2010).

Finally, the concepts of discussion in this thesis dominates the international business context, and new literature is constantly emerging. In terms of the increasing role of sustainable development, a specific suggestion for future research is to investigate the new establishment of EUs green taxonomy and the impact this classification system will have on international investments.

5.8 Conclusion

The purpose of this study has been to investigate the link between sustainable development and internationalization in strategic decisions for companies seeking to grow successfully. As a result of this, an incorporative approach to the Uppsala model was developed to illustrate the strategic interaction between sustainability and internationalization.

The role of sustainable development is emerging in the business world, with society being increasingly aware of companies' socially responsible behaviour. Similarly, internationalization is relevant due to the globalized world in which most companies operate. To answer the research question, companies can address sustainable development in internationalization by operationalizing strategic decisions through the Triple Bottom Line dimensions, as illustrated in Figure 4: The new incorporative model. By doing this, companies can strategically work to unify these dimensions as they gradually expand internationally. Following the steps of balanced direction towards shared value creation, a company will achieve sustainable economic success on a long-term basis. The scale towards increased sustainable development and increased internationalization contains strategic measures synthesized through the unification of existing literature and perspectives from experts. The individual scales interact through each point at the balanced line towards shared TBL value. Exemplified through the expectations of an exporting company to at least comply with standardization relating to international trade with respect to sustainable development. This shows the interaction of the first stages in both internationalization and sustainable development. Hence, explain how the strategic decisions should be made to address both of the distinctive business strategies. Conclusively, the goal of potential and established MNEs should be to create a mindset of internationalizing towards sustainable development.

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Systematic Literature Review Matrix

REFERENCE			FINDINGS	
Author(s), Title, Journal	Year Published	Concept Relation	Keywords	Key Purpose
Coase, R. H. The Nature of the Firm. The Economist.	1937	Internationalization, Strategic Decision-Making	Vertical Integration, Transaction Cost, Economic Theory, Asset Specificity	Offers an economic explanation of why individuals choose to form partnerships, companies and other business entities rather than trading bilaterally through contracts on a market.
Aharoni, Y. The foreign investment decision process. <i>The International Executive</i> .	1966	Internationalization	Investment, Foreign, America, Decision Process	Describes the manner in which corporation managements arrive at decisions to invest overseas is both penetrating and thoughtful. The basic theme which runs through the whole study is that investments are rarely the result of a single, clear-cut decision.
Friedman, M. A Friedman doctrine – The Social Responsibility Of Business Is to Increase Its Profits. <i>The New York Times Magazine</i> .	1970	Internationalization, Strategic Decision-Making	Shareholder Theory, Capitalism, Increase Profit	Argues that a company has no social responsibility to the public or society; its only responsibility is to its shareholders.
Johanson, J., & Wiedersheim-Paul, F. The internationalization of the firm: Four Swedish cases. <i>Journal of Management Studies</i> .	1975	Internationalization	International Operations, Multinational Firms, Internationalization Process	Describe and analyse the internationalization of four Swedish firms
Buckley, P. J., & Casson, M. A long-run theory of the multinational enterprise. In <i>The future of the multinational enterprise</i> .	1976	Internationalization	Communication Cost, Transfer Price, Multinational Enterprise	Argues that the growth of the MNE is one aspect of a radical change in business organisation which has outdated the orthodox theory of production.
Hymet, S. H. <i>The International Operations of National Firms: A Study of Direct Foreign Investment</i> . Cambridge: MIT Press.	1976	Internationalization	Foreign Direct Investment, Market Imperfection, International Market	Concludes that foreign direct investment can only succeed as long as there are market imperfections that can create advantages and conflicts: companies could reduce their competition by implementing foreign direct investment

Appendices

Appendix 1

<p>Johanson, J., & Vahlne, J.-E. The Internationalization Process of the Firm: A Model of Knowledge Development and Increasing Foreign Market Commitments. <i>Journal of International Business Studies</i>.</p>	<p>1977</p>	<p>Internationalization</p>	<p>Current Activities, Market Commitment, Market Knowledge, Internationalization</p>	<p>A model of the internationalization process of the firm is developed. The model focuses on the gradual acquisition, integration and use of knowledge about foreign markets and operations, and on the incrementally increasing commitments to foreign markets. In particular, attention is concentrated on the increasing involvement in the individual foreign country.</p>
<p>Williamson, O. E. Transaction-Cost Economics: The Governance of Contractual Relations. <i>The Journal of Law and Economics</i>.</p>	<p>1979</p>	<p>Internationalization, Strategic Decision-Making</p>	<p>Transactions Cost, Contractual Relations, Vertical Integration</p>	<p>Affirms the proposition that transaction costs are central to the study of economics, identifies the critical dimensions for characterizing transactions, describes the main governance structures of transactions, and indicates how and why transactions can be matched with institutions in a discriminating way.</p>
<p>Dunning, J. H. Toward an Eclectic Theory of International Production: Some Empirical Tests. <i>Journal of International Business Studies</i>.</p>	<p>1980</p>	<p>Internationalization, Strategic Decision-Making</p>	<p>FDI, Locational, Ownership, International Production</p>	<p>This paper first sets out the main features of the eclectic theory of international production and then seeks to evaluate its significance of <i>ownership</i> - and <i>location</i> - specific variables in explaining the industrial pattern and geographical distribution of the sales of U.S. affiliates in fourteen manufacturing industries in seven countries in 1970.</p>
<p>Welch, L., & Luostarinen, R. Internationalization: Evolution of a Concept. <i>Journal of General Management</i></p>	<p>1988</p>	<p>Internationalization</p>	<p>Internationalization, Concept</p>	<p>Discusses a 'theory of internationalization' because even the term itself has not been clearly defined. Although widely used, the term 'internationalization' needs clarification. The review focuses on three themes that help shed light on internationalization as a strategy process: stage models of internationalization, studies of the link between strategy and structure in MNCs, and studies of administrative processes in MNCs and recent organizational models for MNCs.</p>
<p>Melin, L. Internationalization as a strategy process. <i>Strategic management journal</i></p>	<p>1992</p>	<p>Internationalization, Strategic Decision-Making</p>	<p>Internationalization, Strategy Process, Multinational Corporation, Stage Models, Global Integration, Local Responsiveness</p>	<p>The review focuses on three themes that help shed light on internationalization as a strategy process: stage models of internationalization, studies of the link between strategy and structure in MNCs, and studies of administrative processes in MNCs and recent organizational models for MNCs.</p>

Phillips McDougall, P., Shane, S., & Oviatt, B. M. Explaining the formation of international new ventures: The limits of theories from international business	1994	Internationalization	FDI, Global Strategy, International Business	Explaining the formation of international new ventures
P. Rivoli, E. Salorio. Foreign direct investment and investment under uncertainty. <i>Journal of International Business Studies</i>	1996	Internationalization, Strategic Decision-Making	FDI, Internationalization, Risk Management, Uncertainty	Enriches the “who,” “where” and “why” explanations offered by current FDI theory to incorporate the question of “when”.
Andersson, S. The Internationalization of the Firm from an Entrepreneurial Perspective. <i>International Studies of Management & Organization</i>	2000	Internationalization	International Business, Economic, Process	There are two dominant views in international business research: the economic and the process view. This study it is shown that these views give us some insight into the complex phenomenon of the internationalization of the firm
Shrader, R. C., Oviatt, B. M., & McDougall, P. P. How new ventures exploit trade-offs among international risk factors: Lessons for the accelerated internationalization of the 21st century. <i>Academy of Management Journal</i>	2000	Internationalization, Strategic Decision-Making	Trade-offs, Risk Management, Internationalization	Examines how the risks of accelerated internationalization may be managed. Findings suggested that ventures managed strategic international risks by exploiting simultaneous trade-offs among foreign revenue exposure, country risk, and entry mode commitment in each country.
Zahra, S. A., Ireland, R. D., & Hitt, M. International Expansion by New Venture Firms: International Diversity, Mode of Market Entry, Technological Learning, and Performance. <i>Academy of Management Journal</i>	2000	Internationalization, Strategic Decision-Making	International Expansion, Entry Modes, Performance, Strategy	This study examined the effects of international expansion, as measured by international diversity and mode of market entry, on a firm's technological learning and the effects of this learning on the firm's financial performance.
Welch, C., & Paavilainen-Mäntymäki, E. Putting Process (Back) In: Research on the Internationalization Process of the Firm. <i>International Journal of management reviews</i>	2014	Internationalization	Internationalization Process	Provides a critique of existing research on the internationalization process of the firm and proposes an agenda for future inquiry
Yousuf, A. Transaction Costs: A Conceptual Framework. <i>International Journal of Engineering and Management Sciences</i>	2017	Internationalization	Transaction Cost, Profit, Comapny Activities	The aim of this paper is to shed light on the transaction costs concept, and provide a conceptual framework to understand the meaning of transaction costs. Publications including articles and research papers have explained the notion of transaction costs and the theoretical issues related to them.

<p>Sim, J., El Quardighi, F., & Kim, B. <i>Economic and environmental impacts of vertical and horizontal competition and integration</i>. <i>Naval Research Logistics (NRL)</i></p>	<p>2019</p>	<p>Internationalization, Strategic Decision-Making, Sustainable Development</p>	<p>Economic Competitiveness, Market structure, Polluting Emissions, Sustainability</p>	<p>Explore the economic and environmental impacts of market structures (competition or integration at vertical and horizontal levels)</p>
<p>Porter, M., & Linde, C. D. <i>Toward a New Conception of the Environment-Competitiveness Relationship</i>. <i>Journal of Economic Perspectives</i></p>	<p>1995</p>	<p>Sustainable Development, Strategic Decision-Making</p>	<p>Green, Competitive, Costs, Environmental Regulation</p>	<p>The relationship between environmental goals and industrial competitive-ness has normally been thought of as involving a tradeoff between social benefits and private costs. The issue was how to balance society's desire for environmental protection with the economic burden on industry. Framed this way, environmental improvement becomes a kind of arm-wrestling match. One side pushes for tougher standards; the other side tries to beat the standards back.</p>
<p>Choi, S., & Ng, A. <i>Environmental and economic dimensions of sustainability and price effects on consumer responses</i>. <i>Journal of business ethics</i></p>	<p>2011</p>	<p>Sustainable Development</p>	<p>Sustainability, Environment, Economical, Experiment, Consumer responses</p>	<p>Investigates how two sustainability dimensions (i.e., environmental and economic) and price can influence consumer responses.</p>
<p>Nielsen, A. E. <i>License to Operate</i>. In S. O. Idowu, N. Capaldi, L. Zu, & A. D. Gupta (Eds.), <i>Encyclopedia of Corporate Social Responsibility</i></p>	<p>2013</p>	<p>Sustainable Development, Strategic Decision-Making, Internationalization</p>	<p>License to Operate, CSR, Corporate Sustainability,</p>	<p>Get deep into the meaning of the concept of license to operate from an institutional and legitimate perspective.</p>
<p>Hahn, R. <i>ISO 26000 and the Standardization of Strategic Management Processes for Sustainability and Corporate Social Responsibility</i>. <i>Bus. Strat. Env</i></p>	<p>2013</p>	<p>Sustainable Development, Strategic Decision-Making</p>	<p>ISO 26000, Strategic Management, CSR, Sustainability, Management Process, Standardization</p>	<p>States that many companies lack a strategic approach to CSR and instead follow unsystematic procedures; thus, formal strategic planning could improve operational efficiency. Against this background, this article critically examines the contribution of ISO 26000 to the strategic management processes of different types of companies. This allows the potential of ISO 26000 for guiding companies on their path to sustainability to be identified</p>

Sachs, J. D. <i>The age of sustainable development, Ch. 1.1, "What is sustainable development?"</i> : Columbia University Press.	2015	Sustainable Development	Sustainable Development, Green Shift, Wealth	Explains sustainable development and the background behind the concept
Weinberger, K., Rankine, H., Amanuma, N., Surendra, L., Van Hull, H., Foran, T., Murray, J. <i>Integrating the three dimensions of sustainable development: A framework and tools</i> .	2015	Sustainable Development	Sustainable Development, Policymakers, Three Dimensions	This publication is intended to assist policymakers in dealing with the challenges of balanced integration by providing an overview of useful concepts and practical tools that enable the merging of the three dimensions of sustainable development into the public policy cycle.
Ilic-Krstic, I., Ilic, A., & Avramović, D. <i>THE THREE DIMENSIONS OF SUSTAINABLE DEVELOPMENT: ENVIRONMENT, ECONOMY AND SOCIETY</i> .	2018	Sustainable Development	Economy, Society, Environment, Three Dimensions, Sustainable Development	This paper discusses the concept of sustainable development, and specifically its three main dimensions. The aim of the paper is to point out the multidimensional and multifunctional aspect of the complex relationship between the environment, economy and society.
Tate, W. L., & Bals, L. Achieving Shared Triple Bottom Line (TBL) Value Creation: Toward a Social Resource-Based View (SRBV) of the Firm. <i>Journal of business ethics</i>	2018	Sustainable Development	Value Creation, Three Dimensions, Sustainability, Profit	By highlighting the social capabilities of social entrepreneurs, this research illuminates the micro-foundations of corporate social responsibility, emphasizing the value of individual level analyses.
Van Zanten, J. A., & Tulder, R. Multinational enterprises and the Sustainable Development Goals: An institutional approach to corporate engagement.	2018	Sustainable Development	SDGs, Sustainable Development, Value Creation	This article conceptualises the SDGs as a goal-based institution. Building on institutional theory, it develops propositions that help explain MNEs' engagement with SDGs
Godos-Diez, J.-L., Cabeza-García, L., & Fernández-González, C. Relationship between Corporate Social Responsibility (CSR) and Internationalisation Strategies: A Descriptive Study in the Spanish Context. <i>Administrative Sciences</i>	2018	Sustainable Development, Internationalization, Strategic Decision-Making	CSR; Internationalisation; Strategic management	The paper aims to analyse CSR and internationalisation strategies and their possible connection from a theoretical viewpoint.
Correia, M. Sustainability: An Overview of the Triple Bottom Line and Sustainability Implementation. <i>International Journal of Strategic Engineering</i>	2019	Sustainable Development	Economic, Social, Environmental, TBL, Sustainable Strategy	This article presents an overview of the concept and its Triple Bottom Line and describes the three dimensions of the most commonly accepted models of sustainability – environmental, economic and social.

Eisenhardt, K. M., & Zbaracki, M. J. Strategic Decision Making. <i>Strategic management journal</i>	1992	Strategic Decision-Making	Rationality, Bounded Rationality, Politics, Garbage Can, Strategic Decision-making	This article reviews the strategic decision making literature by focusing on the dominant paradigms—i.e., rationality and bounded rationality, politics and power, and garbage can.
Harrison, E. F. A process perspective on strategic decision making. <i>Management decision</i> .	1996	Strategic Decision-Making	Managerial, Strategic-decisions, Process Perspective	Posits that a process perspective on strategic decision making is more likely to yield a successful outcome. Conceives the strategic decision-making process as a composite of the concept of strategic gap and the managerial decision-making process.
Jensen, M. Value Maximization, Stakeholder Theory, and the Corporate Objective Function. <i>Business Ethics Quarterly</i> ,	2002	Strategic Decision-Making	Stakeholder Theory, Value Maximization, Decision-Making	Discusses maximization of the long-run value of the firm as the criterion for making the requisite tradeoffs among its stakeholders, and specifies long-term value maximization or value seeking as the firm's objective.
Porter, M., & Kramer, M. Strategy and society: the link between competitive advantage and corporate social responsibility. <i>Harv Bus Rev</i>	2006	Strategic Decision-Making, Sustainable Development	Corporate Social Sustainability, Shared Value, Business, Society	In this article, it is proposed a new way to look at the relationship between business and society that does not treat corporate growth and social welfare as a zero-sum game.
Musso, F., & Francioni, B. The Influence of Decision-Maker Characteristics on the International Strategic Decision-Making Process: An SME Perspective. <i>Procedia - Social and Behavioral Sciences</i>	2012	Strategic Decision-Making	Small and medium size enterprise, Strategic decision-making process, Internationalization, Decision-maker characteristics	The purpose of this paper is to explore different aspects of SMEs' strategic decision-making processes in international business. In particular, we want to understand if exist a relationship between SMEs' decision-maker characteristics, and the process of strategic decision-making in international field
Porter, M., & Kramer, M. Creating Shared Value. In G. G. Lensesen & N. C. Smith (Eds.), <i>Managing Sustainable Business: An Executive Education Case and Textbook, Ch 16</i>	2019	Sustainable Development, Strategic Decision-Making, Internationalization	Societal wellbeing, Profit, Sustainable Development, Corporate Social Responsibility	Creating shared value is a framework for creating economic value while simultaneously addressing societal needs and challenges. When businesses act as businesses—not as charitable donors—they can improve profitability while also improving environmental performance, public health and nutrition, affordable housing and financial security, and other key measures of societal wellbeing

Appendix 2

Interview-guide: (In Norwegian as this was the common language across all interviews)

Intervjuguide

Fase 1: Konseptuell Diskusjon og Idémyldring – Fra et Strategisk Beslutnings -, Internasjonaliserings- og Bærekraftperspektiv (Alle intervjuene foregår på norsk)

Innledning og bakgrunnsspørsmål

Begynner intervjuet med å presentere meg selv og forskingsprosjektet. Vil også informere om personvern og åpne opp for spørsmål relatert til det (samtykke skal være gitt skriftlig i forkant eller i starten av intervjuet). Videre stilles spørsmål i forbindelse med den registrertes akademiske og profesjonelle bakgrunn for å underbygge ekspertkarakteristikken ved intervjuet.

1. Kan du kort beskrive din akademiske bakgrunn og forskningsområdet?

Kunnskaps- og erfaringsbasert substansinformasjon

I denne delen av intervjuet vil generelle spørsmål relatert til den registrertes egen kunnskap, erfaring og vitenskapelig arbeid i forhold til hovedtemaene bli relevant, samt innspill og forslag til den foreløpige rent teoretisk forankrede modellen.

- a. Gjennom eksisterende litteratur innenfor feltet, skal denne masteroppgaven ta sikte på å undersøke linken mellom *bærekraft* og *strategiske beslutninger* for bedrifter som ønsker å *internasjonalisere* eller å *vokse internasjonalt*. En integrerende modell vil bli utviklet for å syntetisere rollen bærekraft spiller i internasjonaliseringsprosessen. *Modellen eller diagrammet som jeg har jobbet med fram til nå er å illustrere internasjonaliseringsprosessen i en vekstmodell (lignende Uppsala) hvor man har satt kompleksiteten av bærekraft på x-aksen – for å vise et nødvendig skifte fra ren 'Profit- tankegang' (rett opp) til å inkludere mer av 'People' og 'Planet' (et skifte mot høyre).*
- b. Hva er dine første tanker når det kommer til å utarbeide en modell som inkorporerer disse tre konseptene?
- c. Hva mener du kan være noen av de største utfordringene med å utvikle en slik modell?
- d. Tror du det vil være mulig å generalisere en slik modell for alle typer bedrifter med ulik kjernevirksomhet, men med samme mål om å vokse internasjonalt?
- e. I denne sammenhengen, hvilke komponenter, elementer eller litteratur fra et strategisk beslutnings/internasjonaliserings/bærekraftperspektiv mener du vil være viktig å vektlegge for å forklare linken mellom disse tre konseptene?

- f. Basert på din erfaring og kompetanse – hvilke umiddelbare linker identifiserer du mellom disse tre konseptene?
 - i. For eksempel – vil du si at man kan se på *Shared Value Creation* eller *Corporate Sustainability* som en link mellom bærekraft og strategiske beslutninger?
2. Ser du på det som viktig å implementere bærekraftighet i strategiske beslutninger for bedrifter som ønsker å vokse internasjonalt? I så tilfellet, på hvilken måte bør de inkluderes i de strategiske beslutningene?
 - a. Tror du kompleksiteten og nødvendigheten av å inkludere bærekraftighet øker desto høyere grad av internasjonalisering? Da sett i form av tyngre investeringer utenfor det nasjonale markedet – På hvilken måte?
3. Hvis man skal oppnå høyere grad av implementering på bærekrafts-nivå (*for eksempel ta større hensyn til Triple Bottom Line*) og samtidig internasjonalisere mer så må man jo gjøre noen veldig tydelig strategiske beslutninger. Har du noen umiddelbare tanker om hva som kan dominere disse strategiske beslutningene?
4. **Bærekraftrelatert:** Hvis jeg skulle tatt utgangspunkt i FNs bærekraftsmål som måleenhet for bærekraftig utvikling. Tror du det kunne det for eksempel vært tilstrekkelig å se på bærekraftsmålene gjennom Triple Bottom Line; samfunn, økonomi og miljø? Og sørge for at man dekker en eller to mål fra hver dimensjon – for å sikre et helhetlig bidrag til bærekrafts- rammeverket?
5. **Internasjonaliseringsrelatert:** Internasjonaliseringsprosessen kan jo sees på som en stegvis fremvoksende prosess med økende markedsengasjement og kunnskap som grunnlag for internasjonal fremvekst. Kan et forretningsstrategisk-perspektiv og samfunnsutviklings-perspektiv møtes gjennom denne prosessen?
6. **Strategi- og Bærekraftrelatert:** Artikkelen “XXX” tar for seg en bedrifts implementering av bærekraftsmålene.
 - a. I artikkelen kommer det frem at CEO av XXX relaterer rammeverket av bærekraftsmålene til nye markedsmuligheter og at det reflekteres over en voksende trend blant politikere og interesse organisasjoners’ bruk av bærekraftsmålene. Tror du bærekraftsmålene vil sette begrensinger eller nye (politiske) krav til en bedrift som ønsker å internasjonalisere eller å bevege seg videre i internasjonaliseringsprosessen?
 - b. Det nevnes også en spenning mellom strategisk prioritering av noen få mål og en

helhetlig vurdering av alle mål. Kunne det for eksempel vært tilstrekkelig å se på bærekraftsmålene gjennom de tre hoveddimensjonene; samfunn, økonomi og miljø? Og sørge for at man dekker en eller to mål fra hver dimensjon – for å sikre et helhetlig bidrag til bærekrafts-rammeverket?

- c. I artikkelen er det også antatt at integrasjonen av bærekraftsmålene i strategisk beslutningstaking inneholder egenskaper til en fremvoksende prosess. Internasjonaliseringsprosessen kan jo sees på som den type prosess med økende markedsengasjement og kunnskap som grunnlag for internasjonal fremvekst. Kan et forretningsstrategisk-perspektiv og samfunnsutviklings-perspektiv møtes gjennom denne prosessen?
 - i. Eller vil det være paradoksalt?

Avslutning

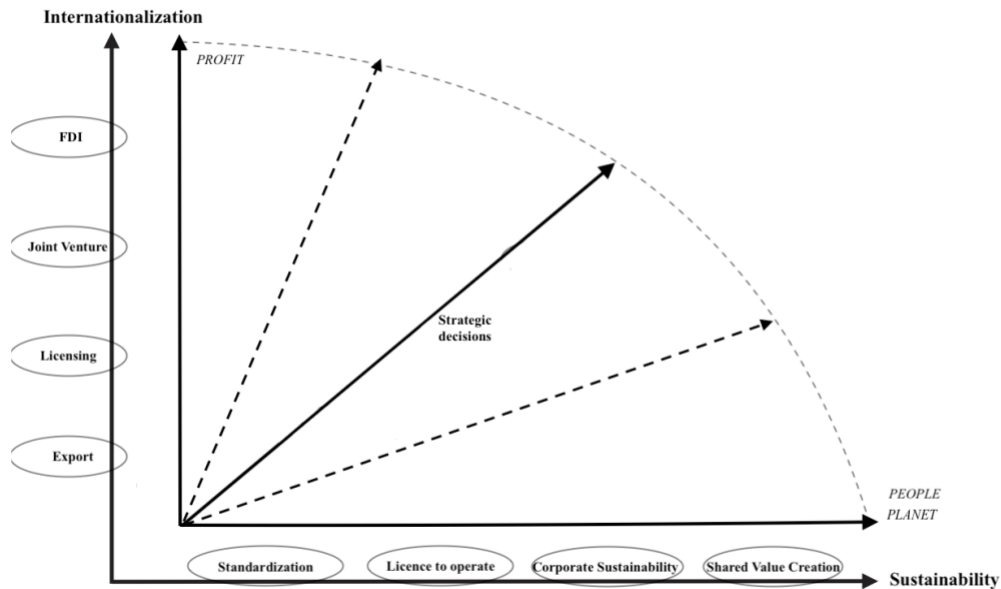
I den avsluttende delen av intervjuet vil det bli stilt oppfølgingsspørsmål ved eventuelle uklarheter, hvor det vil bli gjort eventuell korrigering og raffinering av utgitt informasjon. Til slutt vil intervjuet bli grovt oppsummert før veien videre vil bli lagt frem for den registrerte *(forklare at den registrerte vil potensielt få tilsendt et memo og eventuelt avtale et nytt intervju for validering av modellen)*

- 7. Er det noe du vil legge til?

Appendix 3

Descriptive information form (distributed in advance of the second interview round):

The Proposed Integrative Model (Tentative)



Descriptive information

Briefly explained, the thesis seeks to conceptualize and link three substantial concepts within the international business field by incorporating internationalization, sustainable development and strategic decision-making into a united theoretical framework. This is further illustrated in the proposed integrative model to synthesize the role of sustainable development in the internationalization process.

The imperative consideration of profitability drawn from the traditional approaches to internationalization and foreign direct investment decisions, represents the underlying measurement factor of the y-axis in the proposed model. The increasing internationalization is mediated through higher complexity of international activities and foreign direct investment.

The x-axis represents increased incorporation of sustainability through a higher level of complexity in the strategic measures incorporating sustainable development factors. The components of the x-axis represent strategical modes of combining sustainability through an international mind-set.

The relationship between the x-axis and y-axis can be explained through increased complexity in international activities, hence parallel complexity in factors of sustainability. As the international engagement increases, relatedly, the consideration of sustainability will intensify with greater approach to global challenges. The optimum is represented through a strategically balanced decision-making process which integrate the two concepts equally, in order to operate successfully as an international business on a long-term basis.

The basic idea of the proposed model is to illustrate how strategic thinking can result in decisions which compromise internationalization and sustainable development. It is desirable for the internationalizing firm to reside in the middle of the diagram, in order to achieve a balanced consideration of the firms profit and at the same time conserve the planet and people. The dotted lines represent the possibility of unequal balance in the distribution of consideration and emphasizes that imperfections will occur in such a peripheral model. If the focal firm moves along the bold line in their decision-making process, the strategy is developing optimally, *ceteris paribus*, in regard to internationalization and sustainability.

Appendix 4

Assessment form from NSD:

Meldeskjema for behandling av personopplysninger

27/05/2021, 17:30



NSD's assessment

Project title

Masteroppgave ved IIF, NTNU, Ålesund

Reference number

304371

Registered

25.02.2021 av Emilie Sætre Øvrebø - emilieov@stud.ntnu.no

Data controller (institution responsible for the project)

Norges teknisk-naturvitenskapelige universitet / Fakultet for økonomi (ØK) / Institutt for internasjonal forretningsdrift

Project leader (academic employee/supervisor or PhD candidate)

Dina Margrethe Aspen, dina.aspen@ntnu.no, tlf: 92416580

Type of project

Student project, Master's thesis

Contact information, student

Emilie Sætre Øvrebø, emilieov@stud.ntnu.no, tlf: 40329044

Project period

01.02.2021 - 18.06.2021

Status

22.03.2021 - Assessed

Assessment (2)

22.03.2021 - Assessed

Vi viser til endring registrert 12.03.2021. Vi kan ikke se at det er gjort noen oppdateringer i meldeskjemaet eller vedlegg som har innvirkning på NSD sin vurdering av hvordan personopplysninger

behandles i prosjektet.

Les mer om hvilke endringer som skal registreres hos NSD før endringer meldes inn i fremtiden:
<https://www.nsd.no/personverntjenester/fylle-ut-meldeskjema-for-personopplysninger/melde-endringer-i-meldeskjema>

OPPFØLGING AV PROSJEKTET

NSD vil følge ved planlagt avslutning for å avklare om behandlingen av personopplysningene er avsluttet.

Lykke til videre med prosjektet!

Kontaktperson hos NSD: Marita Ådnanes Helleland
Tlf. Personverntjenester: 55 58 21 17 (tast 1)

12.03.2021 - Assessed

Det er vår vurdering at behandlingen av personopplysninger i prosjektet vil være i samsvar med personvernlovgivningen så fremt den gjennomføres i tråd med det som er dokumentert i meldeskjemaet med vedlegg den 12.03.2021, samt i meldingsdialogen mellom innmelder og NSD. Behandlingen kan starte.

MELD VESENTLIGE ENDRINGER

Dersom det skjer vesentlige endringer i behandlingen av personopplysninger, kan det være nødvendig å melde dette til NSD ved å oppdatere meldeskjemaet. Før du melder inn en endring, oppfordrer vi deg til å lese om hvilke type endringer det er nødvendig å melde:

<https://www.nsd.no/personverntjenester/fylle-ut-meldeskjema-for-personopplysninger/melde-endringer-i-meldeskjema>

Du må vente på svar fra NSD før endringen gjennomføres.

TYPE OPPLYSNINGER OG VARIGHET

Prosjektet vil behandle alminnelige kategorier av personopplysninger frem til 18.06.2021.

LOVLIG GRUNNLAG

Prosjektet vil innhente samtykke fra de registrerte til behandlingen av personopplysninger. Vår vurdering er at prosjektet legger opp til et samtykke i samsvar med kravene i art. 4 og 7, ved at det er en frivillig, spesifikk, informert og utvetydig bekreftelse som kan dokumenteres, og som den registrerte kan trekke tilbake.

Lovlig grunnlag for behandlingen vil dermed være den registrertes samtykke, jf. personvernforordningen art. 6 nr. 1 bokstav a.

PERSONVERNPRINSIPPER

NSD vurderer at den planlagte behandlingen av personopplysninger vil følge prinsippene i personvernforordningen om:

- lovlighet, rettferdighet og åpenhet (art. 5.1 a), ved at de registrerte får tilfredsstillende informasjon om og samtykker til behandlingen
- formålsbegrensning (art. 5.1 b), ved at personopplysninger samles inn for spesifikke, uttrykkelig angitte og berettigede formål, og ikke behandles til nye, uforenlige formål

- dataminimering (art. 5.1 c), ved at det kun behandles opplysninger som er adekvate, relevante og nødvendige for formålet med prosjektet
- lagringsbegrensning (art. 5.1 e), ved at personopplysningene ikke lagres lengre enn nødvendig for å oppfylle formålet

DE REGISTRERTES RETTIGHETER

Så lenge de registrerte kan identifiseres i datamaterialet vil de ha følgende rettigheter: åpenhet (art. 12), informasjon (art. 13), innsyn (art. 15), retting (art. 16), sletting (art. 17), begrensning (art. 18), og dataportabilitet (art. 20).

NSD vurderer at informasjonen om behandlingen som de registrerte vil motta oppfyller lovens krav til form og innhold, jf. art. 12.1 og art. 13.

Vi minner om at hvis en registrert tar kontakt om sine rettigheter, har behandlingsansvarlig institusjon plikt til å svare innen en måned.

FØLG DIN INSTITUSJONS RETNINGSLINJER

NSD legger til grunn at behandlingen oppfyller kravene i personvernforordningen om riktighet (art. 5.1 d), integritet og konfidensialitet (art. 5.1. f) og sikkerhet (art. 32).

Ved bruk av databehandler (spørreskjemaleverandør, skylagring eller videosamtale) må behandlingen oppfylle kravene til bruk av databehandler, jf. art 28 og 29.

For å forsikre dere om at kravene oppfylles, må dere følge interne retningslinjer og/eller rådføre dere med behandlingsansvarlig institusjon.

OPPFØLGING AV PROSJEKTET

NSD vil følge opp ved planlagt avslutning for å avklare om behandlingen av personopplysningene er avsluttet.

Lykke til med prosjektet!

Tlf. Personverntjenester: 55 58 21 17 (tast 1)

Appendix 5

Information sheet and Consent form (In Norwegian as all the approached informants were Norwegian):

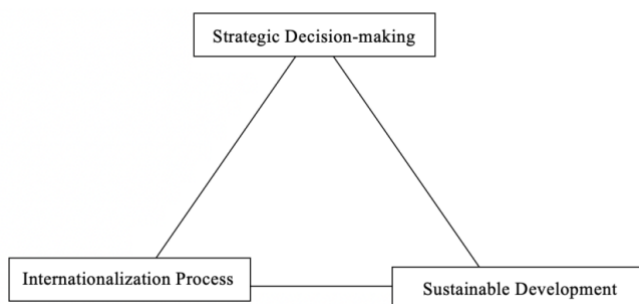
Vil du delta i forskningsprosjektet

The Role of Sustainable Development in the Internationalization Process: An Integrative Model Incorporating Sustainable Development in Strategic Decision-making

Dette er et spørsmål til deg om å delta i et forskningsprosjekt hvor formålet er å undersøke linken mellom bærekraft og strategiske beslutninger for bedrifter som ønsker å internasjonalisere eller å vokse internasjonalt, hvorav en integrerende modell vil bli utviklet for å syntetisere rollen bærekraft spiller i internasjonaliseringsprosessen. I dette skrivet vil du få informasjon om målene for prosjektet og hva deltakelse vil innebære for deg.

Formål

Dette er en masteroppgave skrevet i forbindelse med min Major i International Business ved Institutt for Internasjonal Forretningsdrift (IIF) ved NTNU, Ålesund. Masteroppgaven tar sikte på å konseptualisere og videre linke de tre hovedkonseptene illustrert i det tematiske triangelet fremstilt nedenfor:



Masteroppgaven tar sikte på å linke disse tre konseptene av relevans gjennom å utvikle en konseptuell modell som er teoretisk fundert, og som videre skal fungere som et verktøy for bedrifter i å forstå og styre implementeringen av bærekraftig utvikling i strategisk beslutningstaking i en eventuell internasjonaliseringsprosess.

Hvem er ansvarlig for forskningsprosjektet?

Norges teknisk-naturvitenskapelige universitet er ansvarlig for prosjektet.

Hvorfor får du spørsmål om å delta?

Utvalget er basert på behovet for å styrke den empiriske forskningsdelen av masteroppgaven, hvorav innspill fra eksperter på fagfeltet og andre med erfaring innenfor området vil komme til nytte i utarbeidelsen av den foreslåtte modellen.

Hva innebærer det for deg å delta?

Det meste av det teoretiske grunnlaget for utviklingen av modellen vil bli hentet fra tidligere forskning og litteratur innenfor fagfeltet. Det empiriske arbeidet i forbindelse med datainnsamlingen vil være ekspertintervju med et akademisk utvalg, hvor opplysningene vil bli registrert gjennom notater og midlertidig lagret på en maskinvare tilhørende behandlingsansvarlig institusjon (NTNU) hvor de blir analysert av meg og senere slettet ved prosjektslutt.

Semi-strukturerte intervjuer vil bli gjennomført, med akademiske eksperter i besittelse av relevant kompetanse og forskningserfaring innen internasjonal virksomhet. Intervjuobjektene er valgt relatert til det tematiske triangelet som undersøkes i denne oppgaven. Minimum tre informanter vil bli intervjuet, hver med vitenskapelig, profesjonelt og kunstnerisk arbeid innenfor ett av de tre relevante konseptene. Det er ønskelig å gjennomføre to intervjuer med de samme objektene. Første runde vil fokusere på å undersøke og avklare de viktigste aspektene ved en eventuell modell, både når det gjelder rollen til de tre konseptene og andre generelle innspill til modellegenskapene.

Andre runde vil fungere som en validering, der intervjuobjektene vil bli presentert med et utkast av den foreslåtte modellen, der det kan bli gitt kritiske innspill til videre utvikling av modellen gjennom kuraterede spørsmål.

Hver intervjuguide vil bestå av noen generaliserte spørsmål, mens hoveddelen vil være skreddersydd til informantens kompetanseområde. I utgangspunktet vil det være et rent akademisk utvalg. Intervjuene vil ha en varighet på anslagsvis en time hvor spørsmålene vil omhandle kompetanse og erfaring innenfor de tre hovedområdene oppgaven bygger på. Notater vil bli tatt i forbindelse med intervjuene, som senere vil bli transkribert.

Det er frivillig å delta

Det er frivillig å delta i prosjektet. Hvis du velger å delta, kan du når som helst trekke samtykket tilbake uten å oppgi noen grunn. Alle dine personopplysninger vil da bli slettet. Det vil ikke ha noen negative konsekvenser for deg hvis du ikke vil delta eller senere velger å trekke deg.

Ditt personvern – hvordan vi oppbevarer og bruker dine opplysninger

Jeg vil bare bruke opplysningene om deg til formålene jeg har fortalt om i dette skrevet. Jeg behandler opplysningene konfidensielt og i samsvar med personvernregelverket.

Det er vil hovedsakelig være jeg som student som vil behandle personopplysningene i forbindelse med innsamlingen av data og den videre analysen. Veiledere ved behandlingsansvarlig institusjon (NTNU) vil også ha tilgang til råmaterialet. Uvedkommende vil ikke få tilgang til personopplysningene, da det vil bli gjennomført anonymisering av opplysninger og opprettet adgangsbegrensning.

Vedrørende ferdigstilt publikasjon vil ikke intervjuobjektene være mulig å kjenne igjen, og ingen opplysninger av sensitiv personinformasjon vil bli etterspurt eller publisert. Kompetanseområdet er det som eventuelt ønskes gjengitt i den endelige masteroppgaven.

Hva skjer med opplysningene dine når vi avslutter forskningsprosjektet?

Opplysningene anonymiseres når prosjektet avsluttes/oppgaven er godkjent, noe som etter planen er 18.06.2021. Alle personopplysningene vil bli slettet ved prosjektslutt.

Dine rettigheter

Så lenge du kan identifiseres i datamaterialet, har du rett til:

- innsyn i hvilke personopplysninger som er registrert om deg, og å få utlevert en kopi av opplysningene,
- å få rettet personopplysninger om deg,
- å få slettet personopplysninger om deg, og
- å sende klage til Datatilsynet om behandlingen av dine personopplysninger.

Hva gir oss rett til å behandle personopplysninger om deg?

Jeg behandler opplysninger om deg basert på ditt samtykke.

På oppdrag fra NTNU har NSD – Norsk senter for forskningsdata AS vurdert at behandlingen av personopplysninger i dette prosjektet er i samsvar med personvernregelverket.

Hvor kan jeg finne ut mer?

Hvis du har spørsmål til studien, eller ønsker å benytte deg av dine rettigheter, ta kontakt med:

- NTNU – Student, Emilie Sætre Øvrebø, epost: (emilieov@stud.ntnu.no) eller telefon: + 47 40 32 90 44.
- NTNU – Veileder, Dina Margrethe Aspen, Førsteamanuensis og nestleder for forskning, epost:(dina.aspen@ntnu.no) eller telefon: + 47 92 41 65 80.
- NTNU - Vårt personvernombud: Thomas Helgesen (thomas.helgesen@ntnu.no) eller telefon: +47 93 07 90 38

Hvis du har spørsmål knyttet til NSD sin vurdering av prosjektet, kan du ta kontakt med:

- NSD – Norsk senter for forskningsdata AS på epost (personverntjenester@nsd.no) eller på telefon: 55 58 21 17.

Med vennlig hilsen

Prosjektansvarlig
Dina Margrethe Aspen

Masterstudent
Emilie Sætre Øvrebø

Samtykkeerklæring

Jeg har mottatt og forstått informasjon om prosjektet “*The Role of Sustainable Development in the Internationalization Process: An Integrative Model Incorporating Sustainable Development in Strategic Decision-making*”, og har fått anledning til å stille spørsmål. Jeg samtykker til:

- å delta i Intervju
- at opplysninger om generelt kompetanseområdet publiseres

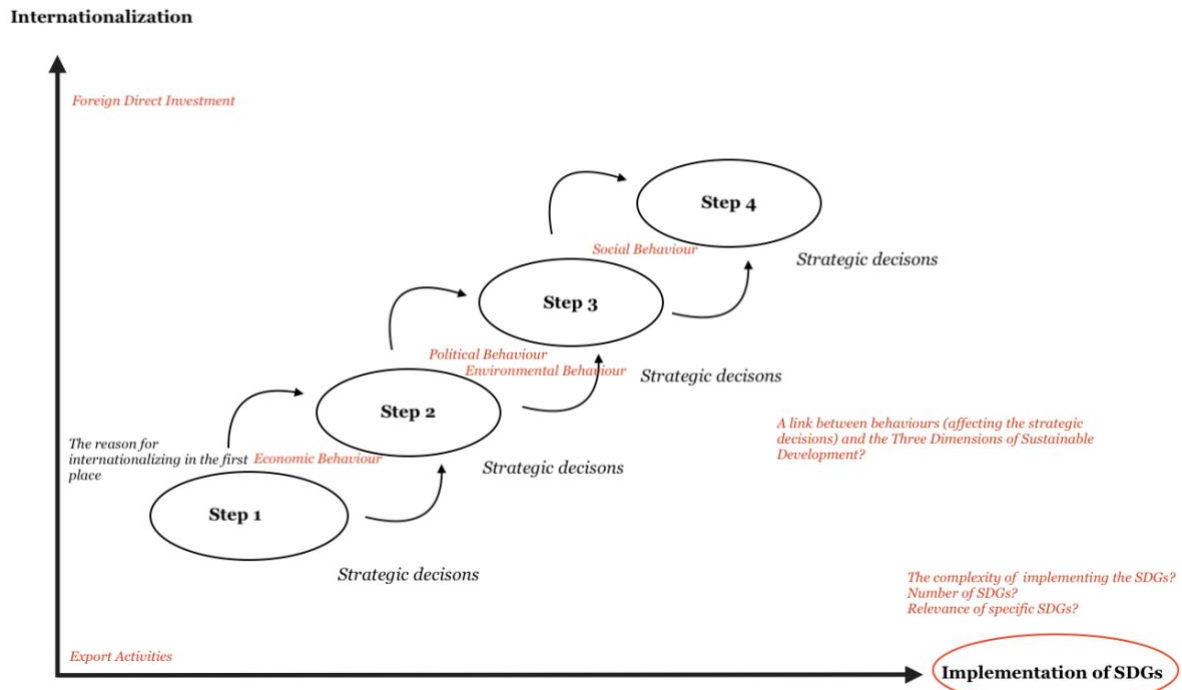
Jeg samtykker til at mine opplysninger behandles frem til prosjektet er avsluttet

(Signert av prosjektdeltaker, dato)

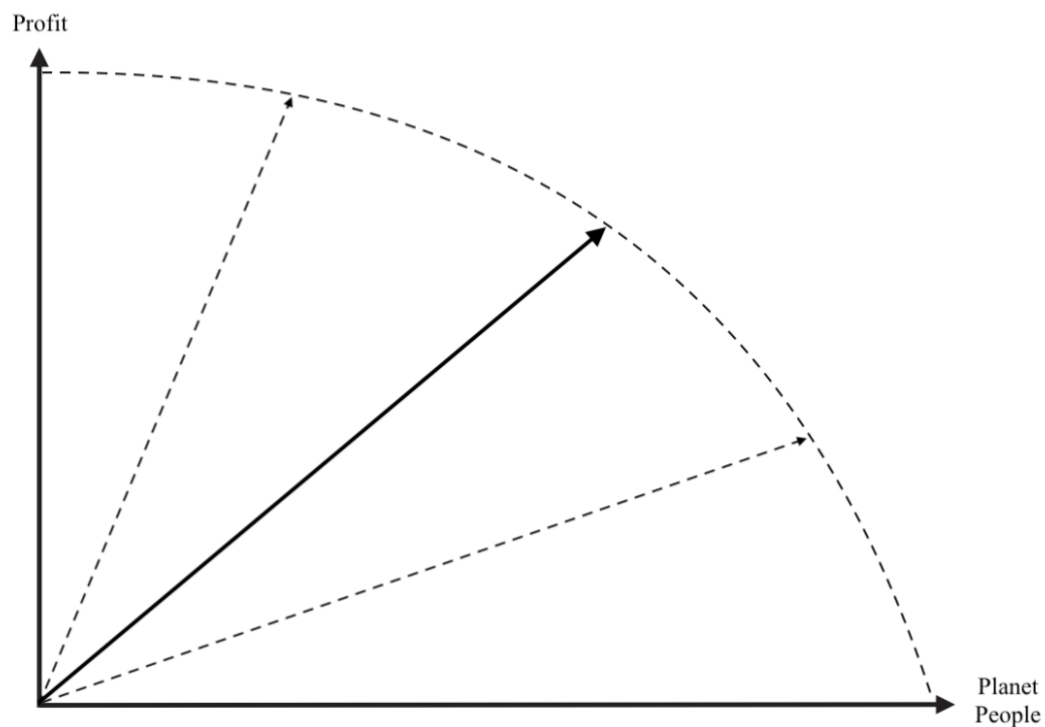
Appendix 6

Drafts from the process of model development

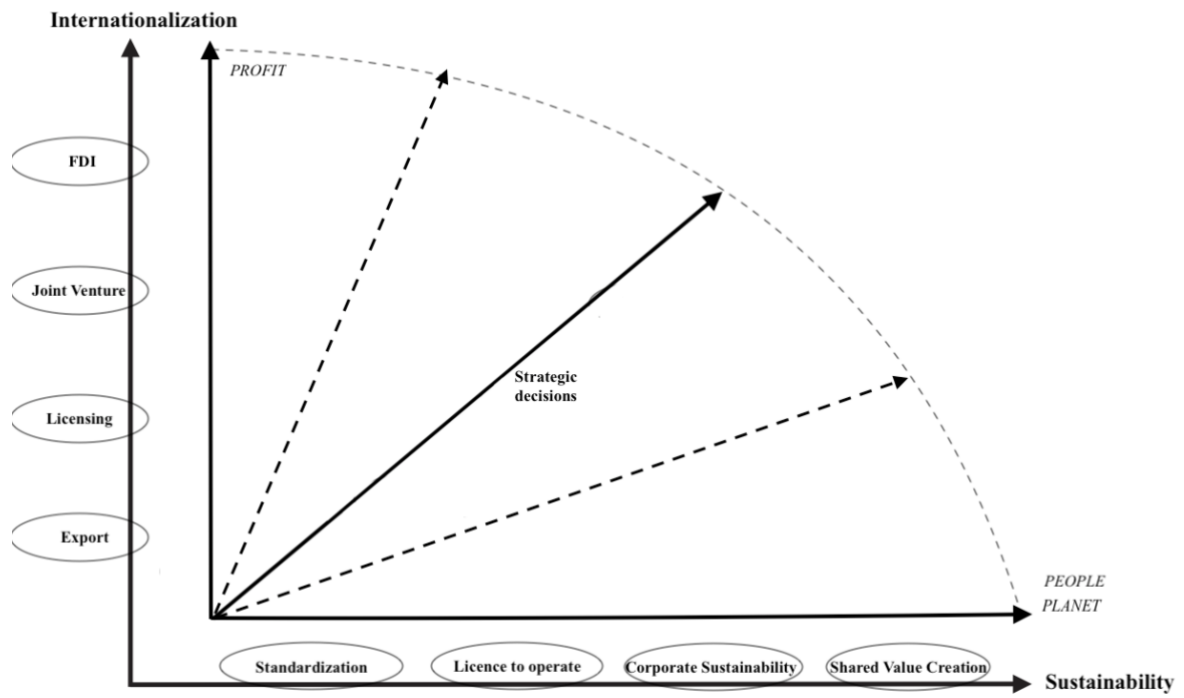
Draft 1:



Draft 2:



Draft 3:



Draft 4:

