What types of intangible resources are important for emerging market firms when going international?*

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The paper explores the use of different types of intangible resources on each phase of the process of internationalization in the context of emerging economies. Assuming that companies follow a gradual process, an internationalization index considering export, import and investment activities is built. The index allows identification of six stages of international expansion, using a database of more than 2,000 Russian companies. The findings reveal that relational capital has a significant positive impact on each stage of internationalization, and that organizational capital improves internationalization except in the last, multinational stage. A higher endowment of human capital is positively associated with first three stages of internationalization.

Keywords: internationalization, Uppsala model, intangible resources, emerging markets, Russian companies, logistic regression analysis
JEL: O30, O19, D22.

Introduction

Internationalization plays a pivotal role in the economic growth of emerging markets (Vaatanen et al. 2009). Companies in these markets use internationalization as a response to increased domestic competitive intensity. It occurs due to pro-market reforms and subsequent reductions in the tariff and investment barriers that allow multinational corporations to enter emerging markets. Consequently, companies in these markets confront the challenge of competing in the domestic arena and providing proactive international expansion, while very often suffering the disadvantages attending their latecomer status. This is the case notwithstanding empirical studies such as that by (Prange and Verdier 2011), who discovered that international activity has a significant positive effect on the performance of emerging market firms. In recent years, the phenomenon of international expansion of emerging market firms has attracted more and more attention on the parts of scholars and policymakers, who have explored the essence of this process and discovered its drivers.

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The internationalization process has been studied in different countries and environments. It has led to multiple models taking into account the characteristics and idiosyncrasies of national cultures. The latest theories of internationalization suggest two alternatives: internationalization as a gradual process (the gradual model) or internationalization as an instantaneous process (new venture theory). Both of the models are compatible with the resource-based- view (Barney 1991) as the companies need a pool of resources to internationalize. As noted by Ferencikova and Hluskova (2015) Uppsala model which assumes internationalization by incremental steps "stage by stage" (Johanson and Vahlne 1990) and resource-based view are appropriate for analysing internationalizaion of Central East European countries. In a particular period of time the companies are situated on different stages of internationalization. Identification of the phases of internationalization is an interesting issue in the international business literature. Geisler et al. (2007) reviewed different rates of internationalization. Taking into consideration the previous studies of (Fernández-Jardón et al. 2001) and (Sullivan 1994), the authors proposed a calculation approach for an internationalization index based on three components of international activities: exports, imports and investments. This approach can be used by other scholars who are investigating international business.

The internationalization process can be driven by external factors (transaction cost view) or internal factors (resource-based view). The Uppsala model, which is the basis of this study, links international expansion with learning processes (Johanson and Vahlne 1990). Such a focus supposes that intangible resources are one of the main drivers of international activities, because the learning process is usually based on the intangible capital of a company (Saint-Onge 1996). Therefore, it can be assumed that intangible capital increases internationalization, in particular, in the context of emerging markets. As noted by (Yang et al. 2009), when going international, companies from emerging markets need to dispose of a particular endowment of intangible resources in order to enter foreign markets. Meanwhile, by operating in the foreign market they acquire the opportunities to explore local competitive advantages such as access to more qualified personnel, to more advanced technologies and facilitate "back" knowledge flows from subsidiaries (Yang et al. 2009). This study concentrates on the first issue, considering the endowment of intangible capital when going global.

There are different sources of intangible capital. Following the concept of intellectual capital, three main sources could be considered: human resources, structural capital and relationships (Stewart 1997). If the impact of intangible capital on internationalization has been studied in depth, however, the link between different intangible resources and different stages of internationalization has not been considered fully. This study aims to fill the gap in such knowledge in international business research, taking into account the context of emerging coun-

tries. Therefore, the research question is formulated as follows: "What type of intellectual capital is required at each stage of the internationalization process?".

Internationalization process of the Russian companies is a promising topic as it presents the interesting case of an internationalization process that has been occurring since the 1990 s when the boarders were opened, privatization changed institutional conditions and when Russian companies faced the challenges of global opportunities (McCarthy et al. 2014; Thurner et al. 2015). The authors calculate an internationalization index using a sample of more than 2,000 Russian companies from the manufacturing industry. The Russian economy is an example of the emerging economy (Gay 2008).

This study extends our empirical knowledge of how intellectual capital improves the internationalization of Russian companies and identifies some practical implications for international cooperation with Russian companies.

The paper is organized as follows. Firstly, the theoretical background of the internalization process, the intellectual capital concept and their interconnection are presented. Secondly, a methodology for calculating the internationalization index based on the Uppsala model and the components of intellectual capital is described. Thirdly, the Russian companies are classified according to their level of internationalization and the impacts of different components of intellectual capital are estimated with the help of regression analysis. Finally, the study concludes with theoretical and practical implications and the identification of future research avenues.

Theoretical background and hypotheses' development

During the last two decades, the growth of internationalization in companies from emerging markets could be observed. According to UNCTAD (2015), in 2014 nine of the 20 largest investor countries were from developing or transition economies and the share of the outward FDI from these countries is constantly growing and reached 42.5 % of the total outward FDI in 2014. Consequently, researchers got the opportunity to test empirically the benefits and costs of emerging market firms that are expanding internationally, and to reveal the particular characteristics of the internationalization process undergone by such firms.

When investigating the process of internationalization, its incremental steps or stages of internationalization should be identified. There is a broad variety of measurement approaches and different indicators that are applied by scholars (Sullivan 1994). In this study, the authors propose considering three activities of a company oriented towards international expansion: exports, imports and foreign investments. At the initial stages of international activities, a level of exports, such as sporadic exports or exports integrated into a company's strategy, appears to be an indicator of the preliminary phases of internationalization. Furthermore, business relationships with foreign suppliers (in other words, import

activities) determine the next stages of internationalization. Another important characteristic of the degree of internationalization, according to Duran (1990), can be measured through indicators such as the "politics of ownership", which includes all types of investments and agreements involving capital transfer. This capital transfer can occur in both directions: if a company attracts foreign investors and if a company makes foreign investments. All indicators describe the internationalization process from different points of view. This study contributes to this field, developing an internationalization index that indicates six stages of international expansion. The measurement approach of this index is presented in more detail in the section "Methodology".

Another promising research topic in the international management area concerns the motives or drivers of the internationalization process. What factors, either external or internal, prevail when a company goes international? In analysing the literature, a shift is evident from well-known theories such as transaction cost theory (Westhead et al. 2001), oligopolistic reaction theory (Buckley and Casson 1976) and others towards theories such as network theory (O'Farrell et al. 1998) and stage theory (Johanson and Vahlne 1990). The second cluster of theories underlines the firms' heterogeneity and addresses resource-based approaches, in particular, the dynamic capability concept, by explaining international expansion through intangible factors. Teece (2014:10) has noted that multinational enterprises can be seen "*as an instrument for generating and harboring tacit and explicit knowledge, and for transferring technology and industrial know-how across borders*". Lu and Beamish (2004) revealed that intangible resources augment the value of international activities, providing positive significant effects on the relationship between geographical expansion and performance in all stages of internationalization. However, a range of studies discovered the positive impact of intangible resources on international activities, most of which were conducted in developed markets (Krist 2009) and only a few focused on emerging markets. Taking into account the importance of internationalization processes for the companies from emerging markets, study of the relationship between intangible resources and internationalization appears to be relevant and promises to reveal practical implications.

The companies from emerging markets very often occupy a "catching up" position in comparison to the foreign companies from developed markets. They need to learn and to develop capabilities for managing complexity by going international. As learning in the international environment tends to be incremental, the companies from emerging markets should increase their endowments of intangible resources at each stage of internationalization. Therefore, the authors suppose that intangible resources have a significant and positive impact on the internationalization of companies from emerging markets.

Moreover, this study differentiates three types of intangible resources: human capital, structural capital and relational capital (Stewart 1997). Human capital includes the knowledge, skills and experience of the company's employees (InCaS 2009). Structural capital shapes the knowledge that is possessed by the company, such as technological know-how, patents, databases, etc. (InCaS 2009). Relational capital identifies the company's external connections with a wide variety of economic agents: customers, suppliers, the government, mass media and other partners (InCaS 2009). What impact on international activities can be expected from each component of intellectual capital?

A higher quality of human resources or, in other words, a higher level of human capital suggests that people are better prepared for internationalization process. On analysing the literature, the following traits of human resources that support international expansion can be found: the management's commitment to internationalization (Dhanaraj and Beamish 2003), international experience (Reuber and Fisher 1997), the entrepreneurial orientation of managers (De Clercq et al. 2005) and other general human capital elements, such as foreign language skills or international business knowledge (Love and Roper 2015; Manolova et al. 2002; Onkelinx et al. 2015). As mentioned above, companies from emerging markets suffer from lower-quality intangible resources in comparison with their foreign competitors from developed markets, making them adopt a "catching up" position. This applies to human resources, as well, and can impede the companies' activities in foreign markets. Therefore, the companies face the challenge of improving the level of human capital in order to expand abroad. The authors of this study suppose that companies with higher levels of human capital have more chances to compete internationally. The first hypothesis put forward is:

H1: A higher endowment of human capital increases the level of the internationalization of a company in an emerging market.

Due to the stronger dynamics of the external environment, companies from emerging markets possess the ability to coordinate and absorb new knowledge, and to transfer it. Yang et al. (2009) showed that the speed of internationalization in these companies is higher than that of their rivals from developed markets. One of the prongs of international expansion is learning and coordination issues that are facilitated when technology and knowledge transfer occurs within a multinational company (Teece 2014).

Structural capital supports internal processes and systems, providing an environment for the creation of new knowledge and its transfer within a company, facilitating the organizational learning (Krist 2009). Structural capital is associated with better organizational systems and processes (Stewart 1997). In that sense, highly developed structural capital allows for better coordination across borders

if a company goes global. According to the internalization theory (Hymer 1976), a company can increase value by internalizing markets for certain of its intangible resources. Such internalizing means that resources located in different markets are distributed not through their purchase/sale in the external market but within the company. The ease of coordination, transfer and learning opportunities connected to structural capital tends to increase with the degree of internationalization of a company (Riahi-Belkaoui 2003). On the other hand, on average, the technological endowment of emerging markets firms is lower and should be increased to the sufficient level when entering the international arena. The second hypothesis is as follows:

H2: The higher endowment of structural capital increases the level of internationalization of a company in an emerging market.

The relations with stakeholders are complex in Russian companies. The Russian tradition is associated with the "blat/sviazi", a common practice among the Russian people. This issue facilitates the relationships among entrepreneurs and can have an important role in establishing new ventures in Russia (Rogers 2006). The entrepreneurs whose relatives or friends are participating in the internationalization processes, have higher opportunities for becoming internationalized (Djankov et al. 2006). Additionally, Michailova and Nechayeva, (2014) revealed that the personal networks play crucial role in Russian multinationals.

Relational capital is associated with cooperation activities during the processes of internationalization. Miller et al. (2008) noted that searching for closer connections between customers and partners in order to sustain the business improves international activities. The literature points to the role social networks can play in helping entrepreneurs overcome obstacles related to transaction costs, contract enforcement, and regulation (McCarthy and Puffer 2013). Having an extensive social network is a valuable asset that can help an entrepreneur to obtain an access to information (e.g., profitable business opportunities) as well as resources (e.g., credit) (McCarthy and Puffer 2013).

The reputation for having strong intangible resources can precede the entry into a foreign market and can create a supportive environment for successful international cooperation (Lu and Beamish 2004). To some extent, developing international activities is a part of relational capital. It appears that the particular endowment of relational capital is significant for the internationalization process and, at the same time during this process, the company acquires new relationships and experience that in turn increases relational capital. This study focuses on the first link, and the last hypothesis is:

H3: The higher endowment of relational capital increases the level of internationalization of a company within an emerging market.

Methodology and database

The research design of this study consists of two stages:

- identification of the internationalization phase of a particular company and its endowment of intangible resources: in particular, human capital, structural capital and relational capital, and
- estimation of the impact of intangible resources on each phase of internationalization.

The approach for the measurement of internationalization phases and the measurement of intellectual capital components is represented in the following subsections.

Measurement of internationalization index

The first hint of international activity, which is perceived by a company's employers, is its level of exports. A variable that serves as an indicator of this level is the percentage of foreign sales over the total sales of the company. This variable quantifies one of the first steps that usually draw businesses into the internationalization process (Krist 2009). This activity can be a consequence of domestic contracts or a consequence of a strategy of exports. In the first case, the exports are scarce and sporadic. In the second case, the exports are increasing. In the practice is difficult to define the differences between both cases. This paper assume that a firm exports sporadic when the exports account for less than 10% of total sales, regular export – between 10% and 50% and, finally, a company exports globally if exports account for more than 50%.

Another element to consider when analysing the international actions of a business is imports (Altomonte et al. 2013). It is proposed to measure this activity through the percentage of foreign purchases within the total purchases made by the company. In order to simplify, we determine only two levels. This metric allows for the identification of business relationships with foreign suppliers.

The third component of internationalization contains the investments that the company makes abroad (Duran 1990). The percentage of investments that are made abroad within the total investments of a company is one of the indicators of internationalization that are used traditionally. This paper distinguishes among introductory investments, when the investment is less than 5%; investments, if they are between 5% and 30%; and internationally oriented investments, when the investments are greater than 30%.

It should be noted that the ability to attract foreign investors who have businesses in the area is generally a sign of excellence, but is also an indicator of a company's internationalization. The authors propose to use the percentage of foreign investments within the total investments of a company as a metric for interna-

tionalization. When this percentage is higher than 50%, the firm really becomes a foreign company.

In order to calculate the internationalization index, the authors differentiate three levels of international activities: introduction activities, basic activities and principal activities. Introduction activities represent the ordinary operations of the firms in imports and exports, which are usually consequences of domestic contracts. Basic activities are based on an internationalization strategy, but one that is only incipient, including exports, investments and abroad investments. The principal activities are specific to multinational firms and include internationally oriented investments, global exports and foreign firms. Table 1 represents approaches for the codification of different levels of international activities.

Table 1. Approaches for the codification of levels of internationalization

Internationalization variables	Condition	Activities	Type
Exports	0	No exports	No activity
	0<X<10%	Sporadic exports	Introductory
	10%<X<50%	Exports	Basic
	X>50%	Global exports	Principal
Imports	0	No imports	No activity
	>0	Imports	Basic
Investments	0	No investment	No activity
	0<X<5%	Introductory investment	Introductory
	5%<X<30%	Investment	Basic
	X>30%	Internationally oriented investment	Principal

As a consequence of previous classification, the following assumption can be established:

A1: A firm that realizes an introduction activity is less than or equally internationalized to a firm that realizes a basic activity, and this latter firm is less than or equally internationalized to a firm that realizes a principal activity.

Usually the import is a consequence of the necessity, as the resources is not in the country, but this activity can open the internationalization process. However, the exports is view as an internationalization activity. Usually, when the company have especial interest to entry in a determined market, it invests on this country. Therefore, we can establish the following assumption:

A2: A firm that imports is less than or equally internationalized to a firm that exports, and this latter firm is less than or equally internationalized to a firm that invests or receives investment.

These assumptions allow us to build an internationalization index that is a monotonic, representative and additive metric (Konüs 1939). The index measures the level of internationalization, and it is a consequence of the logical combinations among the different activities (see Table 2).

Table 2. Approach for the estimation of the internationalization index

Internationalization level	Activities
Domestic	No international activities
Passive exports	Sporadic exports, imports or introductory investments
Exports	Exports, or investments and sporadic exports
Integrated exports	Exports and introductory investments, or exports and import s
Internationalized	Global exports and introductory investments, or investments and exports
Integrated internationalized	Internationally oriented investments and exports, or investments and global exports
Multinational	Internationally oriented investments and global exports

Measurement of intellectual capital components

There are different approaches to measuring the components of intellectual capital. The most common approach is based on principal components analysis, which allows the catching of the level of a corresponding component of a particular company. This study uses different metrics for human, structural and relational capitals, which were applied in previous studies such as those by Sveiby (2004) and Molodchik et al. (2012).

In considering Russian companies as examples of firms from emerging markets (Michailova et al. 2013), several particular characteristics of intangible resources should be noted. The study of (Mccarthy et al. 2008) has revealed that avoidance of uncertainty, resistance to change and a short-term orientation are particular behavioural traits of managers and employees. The dearth of entrepreneurship in Russian people is determined historically (McCarthy et al. 2014) and until now has been one the reasons for the lack of innovation activity. The endowment of structural capital is heterogeneous. Taking the position of R&D expenditures according to the Global Competitiveness Index, Russia scores only 3.2 points out of 10, and only 3.8 points for its innovation capabilities. At the same time, the indicator of patent usage is relatively high: 7.1 points out of 10. In spite of the fact that almost all companies use computers (the proportion of businesses using computers was 92.6% in 2013), only 40 per cent of Russian companies demonstrate a web presence (UNCTAD 2015). Considering the particular traits of relational capital, (Michailova and Nechayeva 2014) and (Bengoa & Kaufmann, 2015) have found that the relationships between group

members in Russian companies are much closer than those found in Western companies. This fact might lead to mistrust of outsiders in Russian companies and create barriers to communication. Notwithstanding this finding, the study of (Michailova and Nechayeva 2014) also discovered that personal networking is a critical resource for Russian multinational enterprises.

Database

The data for more than 2,000 Russian manufacturing companies were collected in 2013–2014 within the framework of the research project of NRU HSE: "Russian firms in global environment" (RuFIGE). The questionnaire was elaborated by the Institute of Industrial and Market Studies. The sample is representative according to the sector (Table 3) and size (Table 4) divisions.

Table 3 Distribution of companies according to industry

Industry	Percentage in the sample (%)
Food processing	23
Machinery	13
Metallurgy	12
Wood processing	11
Chemical production	10
Non-metallic products	9
Textiles	9
Electrical equipment	7
Transport vehicles	6
Total	100

Table 4 Distribution of companies according to industry

Number of employees	20–49	50–100	101–249	250–499	>500
Number of companies in the sample	344	504	339	329	171

Method of estimation

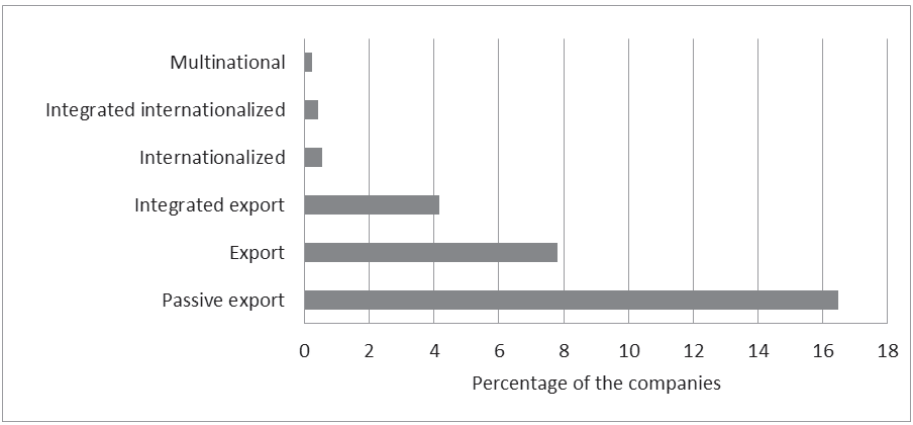
The authors conducted an empirical study using stepwise logistic regression analysis. The internationalization index presents dependent variables and is a categorical one. Consequently, the ordered logit model was applied to estimate the probability of a company being in a particular stage of internationalization. The independent variables are the intellectual capital components. The stepwise logistic regression was applied to determine the main effect of the regression. The following control variables are included: sector belonging, company size mea-

sured by the number of employees and the company location measured by city type (Moscow, capital of the region or another city).

Results

The study estimated an internationalization index based on the Uppsala model. According to the calculation approach presented above (Table 2), Russian companies are classified according to their level of internationalization. Estimations have shown that most of the Russian companies — 70.32% — are domestic. The other 30% of the companies occupy different levels of internationalization but most of them are at a low level of internationalization (see Figure 1).

Figure 1. The distribution of Russian companies according to the internationalization index



By further use of factor analysis, the authors created constructs for human, structural and relational capitals. Table 5 reflects the metrics used in this study and the correspondent loading values according to principal component analysis.

Table 5. Indicators of intellectual capital components and their loadings

Components of intellectual capital	Indicator	Loadings
Human capital % of variance = 70.782	Percentage of employees with higher education	.709
	Percentage of managers with higher education	.689
	Percentage of white-collar workers with higher education	.725
Structural capital % of variance = 52.901	The enterprise has an internal information system of planning and resource management (ERP, SAP, etc.)	.577
	The enterprise has international quality certificates issued by an accredited international organization	.560
	The enterprise has the management of sales	.450
Relational capital % of variance = 51.693	Cooperation with foreign strategic partners	.669
	R&D cooperation	.476
	Product cooperation	.594
	Service cooperation	.469
	Components cooperation	.377

In the next step of the study, the impact of intellectual capital components on the internationalization index was analysed.

In order to reveal what types of intangible resources are important for each stage of internationalization, the authors used a stepwise logistic regression. It allows the selection of predictive variables by an automatic procedure: after each step at which a variable was added, all included variables were checked for their significance level (more than 95%); if some of them became insignificant, then they were excluded from the model. The estimations were run in the software program Stata 12. Table 6 contains the results of the econometric estimations. The different stages of internationalization are dependent variables and three components of intellectual capital are the main independent variables. The independent variables that were treated as control variables are not presented in the table. For the main independent variables, the coefficients, standard errors, Wald statistic, degrees of freedom and significance are presented. Variables that were excluded by the automatic procedure of stepwise logistic regression analysis are indicated by the word "out". The value of the R-square of Nagelkerke for each model is presented as well.

Table 6 Results of the stepwise logistic regression analysis

Dependent variable	Enter	Independent variables	Coef (B)	St. Error	Wald	DF	p-value	exp(b)
Passive export								
R^2_{NK}=0.227	in	RC	.528	.118	20.107	1	.000	1.696
		SC	.541	.058	87.905	1	.000	1.718
		HC	.247	.0073	11.528	1	.001	1.281
		Constant	-1.632	.248	43.240	1	.000	.196
Normal export								
R^2_{NK}=0.232	in	RC	.316	.066	22.685	1	.000	1.371
		SC	.676	.068	100.000	1	.000	1.966
		HC	.344	.093	13.580	1	.000	1.411
		Constant	-2.587	.345	56.318	1	.000	.075
Integrated export								
R^2_{NK}=0.224	in	RC	.374	.068	30.447	1	.000	1.453
		SC	.095	.095	46.776	1	.000	1.913
		HC	.328	.133	6.062	1	.014	1.389
		Constant	-3.983	.638	38.958	1	.000	.019
Internationalized								
R^2_{NK}=0.305	in	RC	.340	.096	12.506	1	.000	1.405
		SC	1.047	.202	26.809	1	.007	2.848
		Constant	-5.520	1.158	22.714	1	.000	.004
	out	HC			2.216	1	.137	
Integrated internationalized								
R^2_{NK}=0.289	in	RC	.458	.116	15.556	1	.000	1.580
		SC	.746	.263	8.037	1	.005	2.108
		Constant	-5.433	1.237	19.304	1	.000	.004
	out	HC			.385	1	.332	
Multinational								
R^2_{NK}=0.413	in	RC	.604	.251	5.806	1	.016	1.829
		Constant	-5.478	1.505	13.254	1	.000	.004
	out	SC			.511	1	.475	
		HC			3.470	1	.063	

The results partly confirm the first hypothesis, regarding the significance of human resources when going international. For three early stages of internationalization, the higher endowment of human capital increases the probability of achieving a higher level of internationalization. However, for the last three stages, the variable "human capital" was excluded due to its low significance

level. Meanwhile, the possession of higher structural capital measured by R&D investments, quality certification and strategic decision-making is positively associated with Russian companies' levels of international activities. Only in the last stage structural capital shows an insignificant effect on multinational activities. The study partly confirms the second hypothesis regarding the role of structural capital on international expansion. The findings reveal that relational capital measured by cooperation metrics is significant for all stages of the internationalization of Russian companies. The third hypothesis is fully confirmed.

Conclusion and discussion

This paper examined the relationship between different intangible resources and the degree of internationalization in the context of emerging markets. Staying within the framework of the Uppsala model, the authors provided empirical support for its main claim that the heterogeneity of a company's resources is a driver for it going international. The authors revealed the significance of the higher endowment of intangible resources for achieving a higher level of internationalization.

The study discovered a large variety of measurement approaches for internationalization and attempted to construct an index considering the three main types of international activities: exports, imports and foreign investments. The authors consider this index as an appropriate indicator of incremental steps in internationalization, according to the Uppsala model. Using the elaborated index, the empirical evidence of the low internationalization development in Russian companies was obtained.

Addressing the issue of what type of intangible resources is important for staying in particular phase of internationalization, the authors established empirical evidence for a pivotal significance of relational capital for all phases. Structural and human capitals do not increase the probability of being at the highest level of internationalization. Meanwhile, human resources impact only the three early stages of internationalization. When the company has already acquired sufficient human capital, it becomes secondary, since the company is already internationalized. These issues contribute to the discussion the acknowledgement that the capability to develop relationships and partnerships at all stages of the value chain allow an emerging market firm to overcome a dearth of technological knowledge and a lack of high qualified personnel. This is consistent with the resource-based view on emerging market firms exploring local competitive advantages and facilitating knowledge flow from its subsidiaries to its headquarters (Teece, 2014).

Finally, relational capital is necessary at all stages of internationalization. This evidence has an implication for international business underlining the crucial role of relational capital when going global. Incremental steps of international

expansion are positively associated with the higher endowment of relational capital — in other words, with capabilities to overcome intercultural barriers, to bridge Eastern and Western mentalities and finding a balance between emotions and formal standards of doing business (Bengoa and Kaufmann 2015).

The findings suggest a number of practical implications. The fact of the low international involvement of Russian companies can be explained by different reasons. According to internationalization theories that are based on external factors, Russian companies are not pressed seriously to compete globally because they have a large domestic market. However, by following the resource-based view and using the results of this study, the authors claim that one of possible reasons of such low internationalization might be a dearth of intangible resources possessed by Russian companies. The implication for policymakers that can be derived from such findings might entail a shift from traditional institutional support of internationalization processes to a selective policy that develops special programmes for particular companies or group of companies, thus allowing for better management of intellectual resources.

All empirical findings were obtained from the database of Russian manufacturing companies, and this is one of the restrictions of the presented study when extending the results to another emerging market's companies. Notwithstanding this limitation, the research design is applicable for any sample of the companies from emerging markets and can be used by scholars for further investigation of the role of intangible resources when companies go global.

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