

The availability of organizational resources and the degree of internationalization of furniture companies - the empirical research findings

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Abstract: *The availability of organizational resources and the degree of internationalization of furniture companies - the empirical research findings.* The article presents the results of empirical research carried out in 100 medium and large furniture companies. The availability of organizational resources was assessed in the group of furniture manufacturers using the Likert scale. The respondents indicated that the highest availability, taking into account the average score for all surveyed companies, was obtained in the case of financial and material resources. It should be emphasized, however, that the remaining categories of resources were also characterized by a relatively high level of availability. The differences were noticed in the groups of enterprises considering the degree of internationalization. The highest availability of all resources was indicated by respondents from companies operating mainly in foreign markets. Moreover, the relationship between the level of availability of organizational resources and the degree of internationalization of the surveyed enterprises was checked. For this purpose, the Spearman's rho correlation coefficient was used. Such a relationship was confirmed in the case of human resources and information resources. The research shows that higher availability of the indicated resources occurs in enterprises showing a greater degree of involvement in foreign activities.

Keywords: internationalization, furniture industry, organizational resources

INTRODUCTION

The internationalization of enterprises is currently one of the most important directions of enterprise development. There are many different definitions of internationalization in the literature. Daszkiewicz and Wach (2013) believe that it is not possible to define a universal definition of internationalization. This phenomenon is considered in various ways, i.e. at different levels, in different dimensions and different perspectives. Johansson and Wahlne (1977) - representatives of the internationalization of the Uppsala school proposed one of the first definitions. The authors treated internationalization as a process of staged, sequential involvement of a company on foreign markets. A similar view was presented by Merlin (1992), who emphasized that this is an evolutionary process consisting in increasing the international involvement of the company, and Welch and Loustarinen (1988) treated the discussed phenomenon as a process not only of increasing involvement in international operations across borders. In turn, Calof and Beamish (1995) emphasized that internationalization is not always associated with increased involvement in foreign markets, it may also mean a reduction in the dimension of foreign expansion.

Internationalization applies in particular to economic entities from industries that strongly focus on the development of exports. In the national economy of Poland, one of them is the furniture industry (Grzegorzewska et al. 2020; Grzegorzewska, Stasiak-Betlejewska 2014). It is worth emphasizing that Poland has been clearly recording a positive trade balance for these products for years (Ratajczak 2014; Grzegorzewska 2021). Over the past 20 years, the value of Polish furniture exports has increased almost fivefold and in 2020 reached the level of USD 11.9 billion. In the global ranking of furniture exporters, Poland is overtaken by China (USD 60.1 billion) and Germany (USD 12.1 billion) (ITC, 2021). However, it should be mentioned, that recently enterprises of virtually all industries around the world have been struggling with problems related to the slowdown in demand in global markets, related to the

coronavirus epidemic (Biernacka 2021). Although the COVID-19 pandemic has significantly changed the economic conditions and contributed to a change in the business model of most economic entities, the internationalization path still remains the main path of development of Polish furniture companies.

Analyzes in the field of the internationalization of furniture companies have been presented in domestic and foreign literature. These studies focused in particular on barriers to internationalization (Rembiasz 2011, Nooshabadi, Özşahin 2019), motives of internationalization (Rembiasz 2011, Kubičková et al. 2014, Nooshabadi, Özşahin 2019) or internationalization strategies (Jarosiński, Janiuk 2020). These studies included, especially, micro and small, and sometimes medium-sized enterprises.

Resources can be mentioned among the elements determining the development of enterprises' activities. The company's resources are assets of a different nature, and therefore a set of available factors controlled by a given company (Skowronek-Mielczarek 2012). In literature, one of the most common is the division into human, financial, material and information resources (Barney 1991, Sroka 2005, Skowronek-Mielczarek 2012). In the last decade, human resources in the process of organizational development are particularly appreciated.

The main purpose of the article was to assess the availability of resources in furniture companies operating abroad and to determine its links with the degree of internationalization of these economic entities.

MATERIALS

To achieve the main goal, quantitative research was carried out in medium and large furniture companies, i.e. those that employ at least 50 people, and additionally expand on the foreign market. Quantitative analyzes were carried out in 2021. 240 medium and large furniture companies were invited to participate in the study, and finally 100 entities from section 31 - Furniture production took part in the study. The analyzes were conducted with the use of a questionnaire consisting of 35 questions, divided into thematic parts. An important section was also a group of questions about the availability of resources in furniture companies operating abroad.

In the first part of the analysis, the average score for the availability of resources in furniture companies was conducted. The availability of these resources was assessed using a five-point Likert scale, where the number 1 meant the lowest availability, and the number 5 - the highest. In addition, the percentage of responses for each level of availability of these resources was established.

The results of the empirical research were presented for all furniture companies. However, to carry out in-depth analyzes, the differences in the groups of enterprises were also presented, distinguished on the basis of the criterion of the degree of internationalization, measured by the share of the revenue from foreign activity in the total sales revenue. Based on the quartile method, four groups were distinguished:

- Group I - share of revenue from foreign operations in the sales revenue amounting to less than 25%;
- Group II - share of revenue from foreign operations in sales revenue ranging from 25 to 50%;
- Group III - the share of revenue from foreign operations in the sales revenue ranging from 51 to 75%;
- Group IV - the share of revenue from foreign operations in the sales revenue exceeding 75%.

In the second part of the analysis, the dependence between the level of availability of human, financial, material and information resources and the degree of internationalization was

checked. For this purpose, the Spearman's rho correlation coefficient and the significance level p were used. In the case when p was lower than 0.05, it was assumed that there was a statistical dependence between the indicated factors. In another case, the existence of this relationship was not confirmed.

In order to achieve the research goal, the following research hypotheses were formulated:

H1: There is a relationship between the degree of internationalization of furniture companies and the assessment of the availability of human resources.

H2: There is a relationship between the degree of internationalization of furniture companies and the assessment of the availability of financial resources.

H3: There is a relationship between the degree of internationalization of furniture companies and the assessment of the availability of physical resources.

H4: There is a relationship between the degree of internationalization of furniture companies and the assessment of the availability of information resources.

RESULTS

The research shows that the furniture manufacturers participating in the study were characterized by extensive experience on the market, as nearly half of them have been operating for more than 20 years. Moreover, these companies showed a relatively high degree of internationalization. Over 1/3 of them confirmed that the percentage of revenue from export activity was over 75%. On the other hand, 26% of the respondents indicated that this indicator ranged from 51 to 75%. 38% of the surveyed entities were characterized by a lower degree of internationalization, of which, in the case of 16% of companies, the revenue from export activity constituted less than 1/4 of all sales revenue. In turn, 22% of the surveyed enterprises in this group confirmed the percentage of revenue related to foreign activity at the level from 25 to 50%.

In the conducted analyzes, the resources owned by the enterprise were divided into human, financial, material and information resources. The studies showed that the highest availability was obtained in the case of financial resources - this answer obtained an average of 4.04 points on the five-point Likert scale (1 - the lowest availability, 5 - the highest availability) (Figure 1). It is followed by physical resources (3.99 points), then information resources (3.95 points), and the last place is human resources (3.93 points). This means that all resources were rated as relatively highly available.

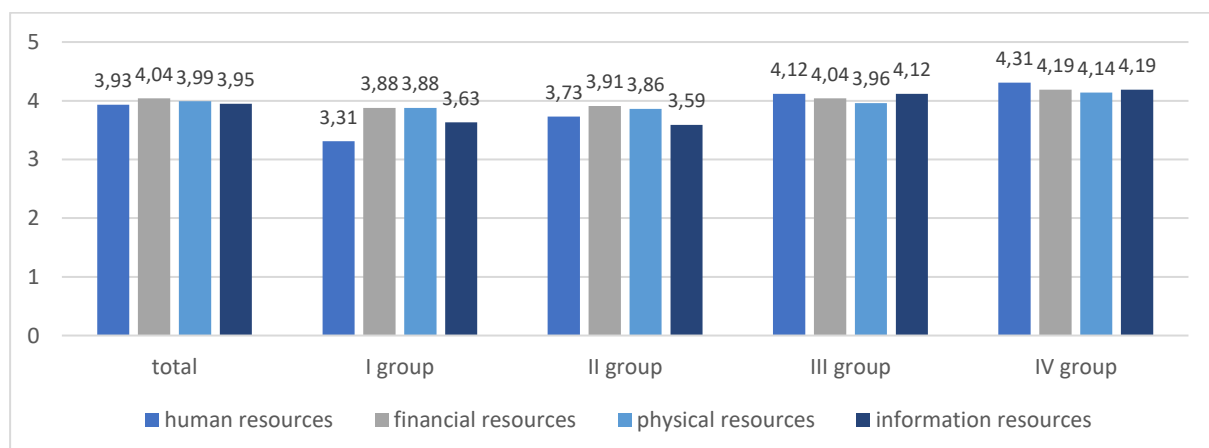


Figure 1. Average score for the availability of resources in furniture companies considering the degree of internationalization

Source: own preparation.

Human resources received the highest score from representatives of enterprises characterized by the highest degree of internationalization, i.e. those where the share of revenue

from abroad in the total sales revenue exceeded 75%. Respondents from this group rated the availability of human resources at 4.31 on a five-point Likert scale. Three fourths of the surveyed entrepreneurs indicated high or very high availability of this resource, and only 6% rated it with 2 points (Table 1). Importantly, none of the respondents confirmed the low level of human resources. Additionally, it should be emphasized that human resources were assessed relatively high by entrepreneurs from group III, where the share of foreign revenue in the total sales revenue ranged from 51 to 75%. The assessment of the availability of this category was similar to the opinions expressed by representatives of companies with the highest degree of internationalization. Furniture producers operating mainly on the domestic market confirmed a clearly lower evaluation of human resources (3.31 points). Every fourth respondent from group I pointed to the low availability of workforce, and in group II this view was confirmed by every fifth person. It follows that the availability of human resources in the surveyed furniture companies raised with the increase in involvement in foreign activities.

Table 1. Assessment of the availability of resources in furniture companies considering the criterion of the degree of internationalization of activities [%]

Specification	Rating	Resources			
		Human	Financial	Physical	Information
Total	1	3	0	2	0
	2	9	2	2	5
	3	18	20	17	23
	4	28	50	53	44
	5	42	28	26	28
I group	1	13	0	0	0
	2	13	0	0	6
	3	19	31	19	38
	4	44	50	75	44
	5	13	19	6	13
II group	1	5	0	5	0
	2	14	5	5	9
	3	18	18	14	36
	4	32	59	55	41
	5	32	18	23	14
III group	1	0	0	4	0
	2	8	0	0	0
	3	15	19	15	19
	4	35	58	58	50
	5	42	23	23	31
IV group	1	0	0	0	0
	2	6	3	3	6
	3	19	17	19	11
	4	14	39	39	42
	5	61	42	39	42

Source: own preparation.

The research confirmed that the availability of financial resources was on average at a relatively good level - nearly 80% of respondents rated this category at 4 or 5 on a 5-point scale. Moreover, this opinion is confirmed by the fact that none of the respondents assigned a note 1. Only 5% of respondents from group II and 3% of respondents from group IV indicated the low availability of financial resources (2 points). Again, these resources were most easily available

for enterprises with the highest involvement in foreign activities - in total 82% and 81% of producers from groups III and IV, respectively, assessed the availability of financial resources at a high or very high level. In the case of producers with the lowest degree of internationalization, this percentage decreased to 69%.

Again, material resources were most available for entrepreneurs characterized by the highest degree of foreign expansion. Producers from groups IV and III assigned the average score to this category at the level of 4.14 and 3.96. 78 and 81% of respondents, respectively, indicated the large possibilities of using the buildings, machinery and other devices. Only 3 and 4% of entrepreneurs from these groups confirmed their low availability. Interestingly, also for furniture companies with a lower level of involvement in foreign activities, material resources were relatively well available. In group I, where the share of revenue from foreign operations in the total sales revenue was below 25%, as many as 81% of respondents indicated large or very large possibilities of using material resources, and none of the respondents indicated their low level. In turn, in group II, characterized by a slightly higher degree of internationalization, 78% of producers indicated high or very high availability of material resources. However, every tenth of them confirmed that there was little possibility of using these resources. This may mean that enterprises that are slightly more involved in foreign activities should pay more attention to investment and modernization activities of available tangible assets. Probably the increase in the level of internationalization and the increase in the scale of activity forces the necessity to a greater commitment in this dimension.

The research also analyzes the availability of information resources, the role of which is increasing in the face of the current, very dynamic changes of management conditions. These resources were most available to entrepreneurs with a relatively higher degree of internationalization. The average point score for companies, where the percentage of revenue from foreign operations exceeded 75%, was 4.19 points - as many as 84% considered that information resources are highly available to them. On the other hand, for enterprises with a slightly lower degree of internationalization, this assessment was on the average level of 4.12 points - 81% assigned a score of 4 or 5, and none of the producers confirmed the low availability of information.

The enterprises showing lower involvement in foreign expansion were characterized by a clearly lower availability of the mentioned resources. The respondents from the group I assessed the possibilities of obtaining information at 3.63 points on a five-point scale - slightly more than half of them considered that these possibilities were relatively high, and 38% confirmed that they were at an average level. The situation was similar in the case of respondents representing producers, where the percentage of revenue from foreign activity ranged from 25 to 50%. In this group, every second respondent pointed to the high or very high availability of information resources, 36% considered its level to be average, and almost every tenth confirmed the relatively low possibilities of obtaining relevant information. This means that furniture enterprises show a differentiated assessment of the availability of information resources within the groups distinguished according to the degree of internationalization of their activities. As mentioned earlier, in the current turbulent environment, these resources are one of the most important elements of the correct shaping of the current business strategy, as well as efficient planning of the internationalization path.

In order to determine the relationship between the degree of internationalization of the furniture companies and the assessment of the availability of human, financial, material and information resources, the Spearman's rho correlation coefficient was used. The statistical analysis shows that a moderate dependence occurs in the case of human resources ($\rho = 0.316$, $p < 0.001$) and information resources ($\rho = 0.311$, $p < 0.002$) (Table 2).

Table 2. Analysis of dependencies between the assessment of resource availability and the level of internationalization in the examined furniture companies.

Specification	Resources			
	Human	Financial	Physical	Information
Spearman's rho coefficient	0.316**	0.187	0.154	0.311**
Significance level p	0.001	0.063	0.126	0.002

** - statistical dependance. Source: own preparation.

It follows that hypothesis 1, assuming the existence of a relationship between the degree of internationalization of furniture enterprises and the assessment of the availability of human resources, has been confirmed. The same situation was noticed in the case of hypothesis 4, which says that there is a relationship between the degree of internationalization of furniture enterprises and the assessment of the availability of information resources. Hypotheses 2 and 3 were not confirmed.

This means that in the case of the distinguished categories of resources, the assessment of their availability varies depending on the degree of internationalization, measured by the share of revenue from foreign operations in the total sales revenue. Therefore, it was confirmed that the availability of human resources and information resources is higher when the enterprise engages more in activities on foreign markets.

CONCLUSIONS

1. The Polish furniture industry is strongly export-oriented, and internationalization is currently one of the most important paths in the development of Polish furniture companies.
2. The surveyed enterprises showed a relatively high degree of internationalization. Over 60% of the respondents confirmed that the percentage of revenue from export activity exceeded 50%.
3. Organizational resources were assessed by the respondents as relatively highly available. The greatest availability was achieved in the case of financial and material resources.
4. Assessment of the availability of human resources and information resources varies depending on the degree of internationalization, measured by the share of revenues from foreign activity in the total sales revenue. The availability of human resources and information resources is higher when the enterprise engages in activities on foreign markets to a greater extent.
5. Enterprises with a lower degree of internationalization, which want to develop foreign expansion, should pay more attention to investment and modernization activities of available tangible assets.

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Streszczenie: *Dostępność zasobów organizacyjnych a stopień internacjonalizacji przedsiębiorstw meblarskich – wyniki badań empirycznych.* W artykule zaprezentowano wyniki badań empirycznych zrealizowanych w 100 średnich i dużych przedsiębiorstwach meblarskich. Podjęto próbę oceny dostępności zasobów organizacyjnych w grupie producentów mebli z wykorzystaniem skali Likerta. Respondenci wskazali, że najwyższą dostępność z uwzględnieniem średniej oceny punktowej dla ogółu badanych firm uzyskano w przypadku zasobów finansowych i rzeczowych. Należy jednak podkreślić, że pozostałe kategorie zasobów również charakteryzowały się względnie wysokim poziomem dostępności. Różnice zauważono w grupach przedsiębiorstw z uwzględnieniem stopnia internacjonalizacji. Najwyższą dostępność wszystkich zasobów wskazali respondenci z firm działających głównie na rynkach zagranicznych. Ponadto sprawdzono występowanie zależności pomiędzy poziomem dostępności zasobów organizacyjnych a stopniem internacjonalizacji badanych przedsiębiorstw. W tym celu wykorzystano współczynnik korelacji rho Spearmana. Taką zależność potwierdzono w przypadku zasobów ludzkich i zasobów informacyjnych. Z badań wynika, że większa dostępność wskazanych zasobów występuje w przedsiębiorstwach wykazujących wyższy stopień zaangażowania w działalność zagraniczną.

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