

The Influence of Entrepreneurial Intensity and Capabilities on Internationalization and Firm Performance

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Abstract : International entrepreneurship represents the process of discovering and creatively exploiting opportunities that exist outside a firm's national borders in order to obtain a competitive advantage. Firms in emerging economies are increasingly looking towards internationalisation since they are faced with rising competition in their domestic markets and attracted to opportunities in foreign markets. This article investigates international entrepreneurship by examining how the influence of entrepreneurial intensity and capabilities at the firm level influence performance, while at the same time considering environmental influences on this relationship. Based on past theoretical and empirical findings, hypotheses are formulated and then tested using correlational and regression analysis. Generally, the results support the hypotheses where both entrepreneurial intensity and capabilities are positively related to internationalisation and firm performance, while weak evidence is found for environmental hostility as a moderating influence. Several recommendations are made in light of the findings, where it is suggested that firms foster higher levels of innovativeness, risk-taking and proactiveness while developing human, social and technology related capabilities in order to enhance their performance and increase their levels of internationalisation.

Keywords : international entrepreneurship, entrepreneurial intensity, capabilities, firm performance, exporting, South Africa

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