Global Entrepreneurial Orientation, Inward Internationalization, and Business Survival

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Firms of all types and sizes are increasingly being affected by adverse changes in their macro-economic environment due to the growing intensity of global competition. The increasing globalization due to ICT and other technological innovations is causing intensified competition in domestic markets, requiring local firms to undertake drastic changes in their operations and inducing them to seek opportunities in international markets, which entails significant challenges and differs significantly to the realization of entrepreneurial opportunities in home market. The predominant focus of International Entrepreneurship (IE) literature on expanding sales into overseas markets (‘outward’ internationalization) has led to the neglect of the phenomenon of ‘inward’ internationalization, whereby domestic firms enter international resource markets defensively to acquire lower-cost resources in order to survive in their home markets. Potential new conceptual and measurements issues related to international new entry may upgrade the prevailing entrepreneurship concepts to better capturing such aspects. This gap is manifested as an incomplete theory of Entrepreneurial Orientation (EO) or International Entrepreneurial Orientation (IEO) in the global business context, such that the construct of EO/IEO and other international business and IE theories does not adequately address the inward (or defensive) internationalization of domestic firms that is necessitated by the outward (or offensive) internationalization of foreign firms. Accordingly, we will try to expand the conceptual model of EO to include missing variables and to explore the various forms in which international entry can occur. By doing so, we will integrate the prevailing theories of SME internationalization (stage theories of internationalization) and IE (born global firms) in the new proposed concept of Global Entrepreneurial Orientation (GEO).

Key research objectives are to develop and empirically test a new concept of GEO, and verify its influence on firm level outputs of EO for companies’ internationalization, growth and survival, as well as provide important implications for performance improvements of Slovenian and other SMEs. No past study has tried to integrate the changed environmental conditions, with prevailing theories of SME internationalization and entrepreneurship in a new concept of GEO, relating it to company outputs within a model and tested it on empirical data. With such expected results, the contributions may have a global impact on the research domains of IE, entrepreneurship and strategic management, thus paving the way to new directions of research streams or basic theories.

Concept elements and questionnaire items will be developed. Representative sample of Slovenian managers will be used for data collection through survey research. Constructs and hypothesis will be testing using exploratory factor analysis, multiple regression an. and structural equation modelling. Case study analysis will complement quantitative research findings and concepts development.
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