

Entrepreneurial orientation and international performance of born global firms: the mediating role of entrepreneurial competencies

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Abstract

Purpose – This study aims to extend the understanding of entrepreneurial orientation (EO) by investigating the international EO (IEO) from the perspective of the international performance of born global firms. The born global firm's EOs toward global firms led to innovation and dynamic organizational capabilities and to improve the firms' international performance and development.

Design/methodology/approach – It is a hypothesis that IEO predicted that utilization of export promotion programs (EPPs) would be positively associated with international performance. The samples of 405 respondents were collected from born global firms to acquire higher international performance of firms in China. Structural equation modeling (SEM) and mediation analysis are processed to test the proposed hypotheses empirically.

Findings – The results from the SEM test revealed that the network relationships and utilization of EPPs fully mediate the effect of IEO on international performance. These results indicate that not only IEO is an important factor of network relationships but also the utilization of EPPs and international performance for born global firms. IEO can motivate managers to find the right network relationships and ultimately improve company performance. The IEO of the initiative has strong impact on the performance of international firms.

Originality/value – There is a comprehensive view among the relationships of IEO, entrepreneurial competencies and the network utilization of government EPPs, international performance in the context of born global firms. Theoretical and practical implications are discussed in detail.

Keywords Entrepreneurial orientation, Entrepreneurial competencies, Born global firms, International entrepreneurial orientation, International performance, Export promotion program

Paper type Research paper



Introduction

From the past three decades, academic scholars have given more attention to entrepreneurial orientation (EO), which is continuously developing very fast (Covin and Wales, 2019). EO in international entrepreneurship, this perspective has a newly grown impetus, generally increased rapidly in the international markets. International EO (IEO) is well-defined by finding, performing, evaluating and utilizing of opportunities, and these attributes apprehended all around the world (Covin *et al.*, 2006; Oviatt and McDougall, 2005). In this context, entrance in the foreign market is described as a development of opportunity like (Jones *et al.*, 2011), other practice of market entry; this is an entrepreneurial performance (Aziz and Hameed, 2019; Knight and Cavusgil, 2004; Lumpkin and Dess, 1996). The reason why it plays a vital role is that entering a foreign market needs an entirely different approach and business model to raise the worth of any company to familiar with the new market (Abebe, 2014).

While the IEO notions are established on novelty and manipulating economic prospects through EO (Covin *et al.*, 2006). EO is covenanted with the change of world culture to more environmental, societal and economic stability from IEO (Dost *et al.*, 2018). Although, the sustainable environment is developed based on the “born global firms” to produce an innovative effect on traditional perceptions in the area of international entrepreneurship business (Hernández-Perlines and Ibarra Cisneros, 2018). This revolution, in the born global marvel, given a stimulus to a new academic field that focuses on IEO (Harris and Wheeler, 2005; Hashai, 2011). EO is stated as a combination of innovative, proactive and risk-seeking behaviors that cross national borders and aim to create the value of the organizations (Andersson and Wictor, 2003; Saji and Nair, 2018).

The development of an increasing number of firms that have an international podium to provide the international environment, meanwhile their beginning is also known as born global firms getting to the considerable attention of scholars (Abebe, 2014; Andersson and Wictor, 2003; Cortez and Johnston, 2018). The wide range of manifestations born an increasing trend toward globalization influences global firms and industrial expansion in an international environment and many industries (Cavusgil and Knight, 2009). Born-global firms have qualities to create innovative opportunities (Falahat *et al.*, 2018; Fernhaber *et al.*, 2014) and provide support to employment and economic growth in the national economy through IEO (Dikova and Sahib, 2013; Ellis, 2011). Therefore, this is the beginning of born-global firms presenting a significant challenge for both managers and public policymakers for developing proper measures in support of the firm’s early multinational companies. In general, global business has been almost completely subjected by large MNEs such as Wal-Mart and Siemens (Covin *et al.*, 2006; Cui *et al.*, 2018).

Entrepreneurship orientation reveals the company’s inclinations and engagement in intentional activities to achieve results in the global marketplace. IEO has conducted numerous studies to explore the initial internationalization and international entrepreneurship growth in existing companies, and the performance of small- and medium-sized enterprises (SMEs) from now and so on (Dost *et al.*, 2018). Prior studies proposed that IEO referred to as EO is among the most important factors in international performance and tends to drive various key strategies (Covin *et al.*, 2006; George *et al.*, 2001). IEO represents the firm’s primary culture that provides a base for entrepreneurial decisions and activities (Coviello and Munro, 1995). It is also acknowledged that born global firms generally tend to have EO, which supports the dynamic investigations and opportunities, with management implementing a relatively destructive attitude in a foreign market (Aziz and Hameed, 2019; Cui *et al.*, 2018). An empirical study shows that international business scholars are required to understand the relationship of EO with the firm performance or in the same intent, EO

and performance in the international markets (Eshima and Anderson, 2017). Therefore, considerable attention towards EO is given in the literature to create a relationship with mediator EO and firm performance (Engelen *et al.*, 2015).

The importance of EO for economic growth in the developing economies was perceived in numerous studies (He *et al.*, 2018; Eshima and Anderson, 2017; Coviello and Munro, 1995). China is an example of this kind of economy, where their entrepreneurship, startups and self-employment have been continuously practiced. Even in this period of centrally strategic economy, China's situation varied from other countries in the socialist region. However, its real expansion has occurred with the economic transformation since 1985. China eliminated all legal blocks that had stalled the progress of private enterprises in a state-controlled economy so people can start their business (He *et al.*, 2018). The new economic environments provided for development and create a unique opportunity, especially for the development of born global firms. In China, from the last two decades, the continuous development of international entrepreneurship and EO has been apparent in china (Covin and Wales, 2019). The promotion of international entrepreneurship and EO is involved in a vital role in planning the developed forms of China (Jiang *et al.*, 2018). Nearly a quarter of poles are considering launching a new business in the next ten years.

The main objective of this study is to investigate how IEO, entrepreneurial competencies and the utilization of export promotion programs (EPPs) engaged in affecting international performance by using a sample of born-global firms in Guangzhou, China. Whether the exploration of a global EO enhances the entrepreneurial competencies and the utilization of EPPs, if so, how the consequences led to an international performance. Today is a general trend of the business situation in the short life cycles of product and business model by He *et al.* (2018). Therefore, the future profit streams from existing operations are undefined, and business needs to search out new opportunities constantly. As an international EO, supports and providing opportunity recognition in new markets, it is presumed to have a positive effect on international performance. The unique thing in this study is this type of research is never done before; the results and analysis would form the basis for implications and suggestions for practitioners, policy-makers and scholars in the field of born-global firms and internationalization (of SMEs) as well.

Literature review, theory and hypothesis

Entrepreneurial orientation born global firms and international performance

Prior research has been studied to explain the SMEs' performance by investigating a firm's EO, especially in the entrepreneurship literature (Knight, 1996; Knight, 2000; Knight and Cavusgil, 2004). IEO has a strategic orientation that holds specific firm-level entrepreneurial characteristics of decision-making styles, techniques and practices (Lomberg *et al.*, 2017; Martin and Javalgi, 2016). Several researchers explore that IEO has a combination of the three dimensions, such as risk-taking, proactivity and innovativeness (Autio, 2005; Rauch *et al.*, 2009). Risk-taking has the propensity to represent the willingness to make investments in projects involving significant chances of costly failure (Martin and Javalgi, 2016; Petković and Sorak, 2019).

Expanding the new businesses in global markets has one of the most important tracks for growth and value creation for SMEs (Martin and Javalgi, 2016). Firms' internationalization could be considered as an act of entrepreneurship. Generally, IEO reflected the firm's overall risk-taking, proactivity and innovativeness in pursuit of global markets (Rauch *et al.*, 2009). Therefore, international entrepreneurship has an organization's comprehensive process embedded in the firm's organizational value or management vision, and the firm strives to identify and leverage opportunities in the international market to

create value (Su and Wang, 2018). International entrepreneurial suggested that these businesses make an increase in global markets because of individual entrepreneurial abilities and perspective (Tajeddini and Mueller, 2018; Vora *et al.*, 2012).

Individuals, who have the entrepreneurial ability to do small businesses like global firms in the international market (Saji and Nair, 2018). They also expressed that born global firms need a strategy in a flexible way to set goals and to change the strategies instinctively. Several researchers have empirically studied the self-determining effect of EO on performance. There are reasons to believe that EO can have positive performance implications (Jantunen *et al.*, 2008; Knight and Cavusgil, 2004). Further studies did not find a relationship between IEO and international performance thus far (Mostafa *et al.*, 2005; Pawęta and Zbierowski, 2015).

Several studies have pointed to the deficiency of methodical empirical evidence that EO leads to improve firm performance (Sok *et al.*, 2017; Wiklund and Shepherd, 2005). International performance can be enriched when key variables properly related (Pawęta and Zbierowski, 2015). The basic idea of contingency theory, which proposed that business situations and organizational practices are difficult for attaining the best result. Literature has shown that different variables theoretically moderate the relationship between EO and performance (Nunnally, 1978). This is a little hard to find appropriate mediators or moderators, however, and both internal variables such as resources, competency strategies and various environmental variables have been included in studies of EO (Tajeddini and Mueller, 2018).

While the present frameworks of the empirical study of international performance have been acknowledged, such as determinants of different variable success in the global market, fill the gap (Sok *et al.*, 2017; Zhijie *et al.*, 2019a, 2019b). This consideration has particular to the influence of EO and institutions for business's international performance, which would be extremely meaningful to be explored (Petković and Sorak, 2019; Rauch *et al.*, 2009). The different emerging market needs to analyze with the systematic way, how the contextual variable effect on international entrepreneurial goal and international performance (Oviatt and McDougall, 2005). Institutional theory has been identified to provide understanding into emerging markets and, therefore, a strong need to better recognize the influence of institutions on entrepreneurs and entrepreneurship in emerging markets (Autio, 2005; Oviatt and McDougall, 2005).

Entrepreneurial orientation of born global firms, competencies of network and international performance

Entrepreneurial competencies network relationships have been broadly predicted as a significant resource that can be leveraged to produce international benefit and performance (Chen, 2003; Dikova and Sahib, 2013). The need to understand born global firms in the context of network theory has been highlighted by many researchers (Coviello and Munro, 1995; George *et al.*, 2001). One of the most important considerations in research on born global firms is to understand how born global acquires network relationships. IEO can be a driving force that positively affects born global firms' network relationships (Jantunen *et al.*, 2008; Peng and Luo, 2000). Based on network theory and the resource-based view (Coviello and Munro, 1995; Jiang *et al.*, 2018), it has been investigated whether born global firms lean toward positive resource obtaining over their networks and determine to explore international markets and particularly the stage of their early development. Born global firms were found to leverage their networks to generate organizational skills and competencies, also including technical capabilities (Jantunen *et al.*, 2005). The basis of the firm's network is that entrepreneurial relations intended to bear the global firm's beneficial

for resource network have appropriated and increased international performance. It can be generally expected that born global firms seeking the positive and active global partner network have to develop their relationships better and also get up-to-date information from the international market to increase the firm performance (Peng and Luo, 2000; Su and Wang, 2018).

Moreover, IEO has often stimulated firms to exclude the authoritarian and traditional types of hierarchical structures that hinder cooperative learning (Wiklund and Shepherd, 2005). Furthermore, the break-down of traditional and hierarchical structures also talks about organizational-wide communications that enable the expansion of a shared revelation (Hoang and Antoncic, 2003). Numerous studies have suggested that entrepreneurial firms usually involved in a positive and comprehensive environmental glance and continuously face the challenge of new and external information (Yan *et al.*, 2018; Yoon *et al.*, 2018). Many studies anticipated that firms with high EO tend to have a chance to find potential partners (Figure 1).

- H1a. IEO is positively associated with network relationships in the context of born global firms.
- H1b. The network competencies are positively associated with performance in the context of born global firms.

Theoretical framework

Several researchers have proposed that born global firms developed the new market and new venture of business; they provide opportunities to increase the market success and knowledge (Autio, 2005; Cavusgil and Knight, 2009; Yan *et al.*, 2018). Therefore hypothesize is of EO may be more strongly associated with performance when it is combined with high network capability.

International entrepreneurial orientation and utilization of export promotion programs of the born global firm, international performance

As discussed above of born global firms, competencies of network relationships are potent tools for pursuing international opportunities (Cavusgil and Naor, 1987; Wach *et al.*, 2018). Most born global firms have under resources constraints, including personal networks, to support their activities in foreign markets. Therefore, we may have anticipated that born global firms often seek support from the government in the form of export promotion

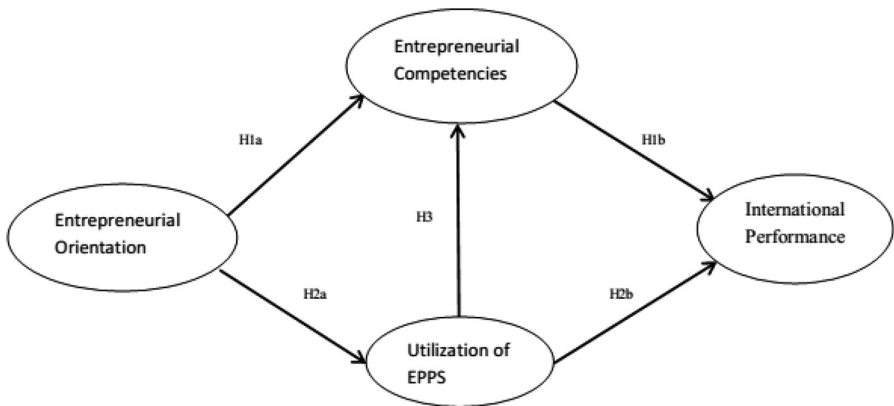


Figure 1. Theoretical framework

programs “referred to as EPPs” or export raise support. EPPs, generally facilitate to export platforms such as trade shows/fairs, trade missions and services offered overseas through foreign trade offices for potential exporters (Aziz and Hameed, 2019; Mostafa *et al.*, 2005; Wach *et al.*, 2018). Firms have faced many export barriers and often lack the internal capabilities that they need to overcome obstacles to exporting. These barriers include complex procedures and documentation, unfamiliar foreign business practices, difficulty identifying international customers and financial resources. Governments of most countries have designed EPPs to help firms overcome these obstacles in foreign markets when the opportunity or the need to expand internationally presents itself. The EPPs have received an increasing amount of research attention over the last two decades (Covin and Wales, 2019). Therefore, born global firms with high international EO may tend to seek EPPs constructively to develop export market opportunities.

H2a. IEO is positively related to the utilization of EPPs from the perspective of a born-global firm.

Prior studies have on EPPs, as long as mixed thoughts on the efficiency of the services obtained. Several studies have been supposed with empirical knowledge that persons who use extra EPPs of “private and government” interventions tend to increase the export growth (Rialp *et al.*, 2005; Zahra *et al.*, 2006). However, studies have shown the gap between firm demand, which makes no strong association between EPPs and export performance (Abebe, 2014; Cavusgil *et al.*, 1993). Further, many firms know little about EPP and do not use them. The purpose of these diverse inferences may be due to complications associated with assessing and relating the impact of EPPs (Hashai, 2011). We have followed the literature that indicates that EPPs can be fruitful because there is resource constrains in born global firms.

H2b. In the context of the born-global firms is a positive relationship between utilization of EPPs and international performance.

The utilization of EPPs similarly has shown an essential role play in establishing links among born global firms and external parties that contribute the firms in achieving their export goals (George *et al.*, 2001; Tajeddini and Mueller, 2018). Therefore, the utilization of EPPs may help born global firms to extend and strengthen external networks. Export promotion activities are often embedded in a wide range of national and global systems, most of which are promotional networks, connecting with major foreign participants linking with buyers and vendors and so on (Mostafa *et al.*, 2005). When an individual or particular group member encounters a problem, the agency can be the contact person, who proactively provides the solution. Export promotion activities have played a dynamic networking role in the global market. The extent and productivity of these relations may be open as the program grows (Jantunen *et al.*, 2008; Lomborg *et al.*, 2017). Therefore, hypothesized, whether proposed or not, a large part of EPPs may help born global firms to grow to interact, for example, making and managing the right networks in foreign markets.

H3. In a born-global firm, the utilization of EPPs is positively related to network relationships.

Material and methodology

Sample procedure

This study measures draw the hypothesis and target the firms based on IEO and entrepreneurial competencies to collect the data from born global firms in China (CN). Born

global firms play a significant role in (CN) economy, so this study used the quantitative technique and based on survey questionnaires and interviews, which they permissible us to measure the Chinese born global firms. We conducted an empirical study using mailing and distributing questionnaires to firms and companies. The study was involved in three main steps. First, detailed interviews were conducted with senior managers of randomly selected firms. Second, a questionnaire was developed. Third, a representative-mail survey was undertaken. The sample framework was derived from the new venture firms database and cooperation with the Ministry of Commerce People's Republic of China (MOFCOM, 2019). From those firms, we acquired a list of 550 venture firms in China. For data collection, a copy of the questionnaire was mailed via postal service and emailed. To improve the response rate, we met with representatives of each association and to receive the surveys. A total of 405 questionnaires was collected, resulting in a response rate of 73.63%. In this study, we operationalized the born global firms as firms from 3 to 4 years old or younger and generate at least 45% of total sales from abroad. This definition is consistent with those used to operationalize other studies on born global firms (Jantunen *et al.*, 2008; Pawęta and Zbierowski, 2015).

Measurement variables and reliability

We developed a survey questionnaire that was similar to prior research. Prior studies developed tools that have been investigated for data collection. The scale of items was designed to measure each construct, which was built in previous studies and modified to accommodate improvements in the research framework. These scale items were measured on a "5-point-Likert scale" ranging from ("1= strongly disagree"), ("5 = strongly agree"). To measure the "entrepreneurial orientation" to change the word "International entrepreneurial orientation," this study has adapted the scale from Knight and Cavusgil (2004). Regarding the notion of EO (Miller, 2011), argued that the concept of EO had related to three basic characteristics, innovative approach, willingness to take on controlled risks and proactiveness behavior, extended new theory and scale. This measure has been exploited in a wide-ranging of research settings and revealed high levels of reliability in several studies Martin and Javalgi (2016).

In this study, we designed four-item from (Knight and Cavusgil, 2004) in which specifically asked a question from "managers to evaluate the extent of their firms" actual international entrepreneurial orientation. The concept of "entrepreneurship Competencies and network relationships" that can be assessed through procedures and structures or dynamic perspectives. The scale of Peng and Luo (2000) accepted to measure the entrepreneurial competencies and network relationships, to evaluate the point to which the respondent firm had developed personal relations, networks and links with international sellers, wholesalers or consumers in the initial steps of global venturing. For the measurement, the utilization of EPPs has followed the qualitative measures of Anderson and Gerbing (1988), rather than quantitative responses such as the number of EPPs used. Therefore managers were asked to indicate and they are aware of the programs and whether they have used these programs. Also, including respondents, those who were unaware of these programs, we ask their intention to use them in the future if available.

We used multiple perceptual indicators to capture the international performance of the born global firms based on the study of Chen (2003), Jantunen *et al.* (2008). Prior studies found that perceived indicators are highly linked with objective financial data Hashai (2011). We examined the respondent rate towards the degree of fulfillment with their international actions during the preceding 3–4 years on three different extents of performance. The dimensions were market share, firm size, sales volume and profitability in foreign markets.

Result and analysis

All scale items and models identified and measured through confirmatory factor analysis (CFA) and “Structural Equation Modeling” (SEM) (Jöreskog and Sörbom, 1996). All items of parameters were estimated by using maximum probability. CFA and SEM measure two essential characteristics are the goodness of fit model and factor loading, which they consequently described. The overall measurement of quality was assessed through CFA concerning convergent and discriminant validity (Hair *et al.*, 2012). The overall measurement of χ^2 , “Incremental Fit Index” (IFI) and “Comparative Fit Index” (CFI) and also “Root Mean Square Error of Approximation” (RMSEA) and “Standardized Root Mean Square Residual” (SRMR) those tests used to calculate the best fit of the model. Moreover, the internal consistency of model, validity and reliability measured through the above inception = 0.70 (2019).

To examine the model and hypotheses, tested through the structural model and described the variance of each path and significance of structural paths (Asgar *et al.*, 2018). The “SEM” technique has numerous advantages in the meditation tests of models, and all structural paths are directly verified; there was no one misplaced, and “measurement error of difficulties and correlated measurement error” even response are combined right into the model’ (Baron and Kenny, 1986; Nitzl *et al.*, 2016).

Scale validation

Validity and reliability, the measurement test of the Cronbach’s α survey items were tested in several ways. Construct a reliability test that calculates the alpha coefficient for each set of survey items that contain the measured variables. Table 1 shows the mean and standard deviation of the structure, the correlation and the coefficient of Cronbach’s alpha. An alpha value greater than $> = 0.70$ is considered reliable. In this study, (EO) Cronbach’s alpha was 0.781, the network-related competencies, Cronbach’s alpha was 0.813, the EPPs utilization was 0.897, and the international performance was 0.804. Cronbach’s alpha confirmatory factor analysis examined reliability. Fornell and Larcker (1981) recommends combining the construct reliability and internal reliability of a multi-item scale consisting of models. Bagozzi (1980) suggested that the multiple reliabilities of each construct should be at least above 0.70.

The discriminant validity and the convergence validity test were completed to determine the construct validity using the results of the confirmatory factor analysis. The average variance of the standard loading extracted in Table 1 used to extend the convergence validity. Hair *et al.* (2012) recommended loading for all factors was statistically significant at the 5% level and exceeded 0.5 standards. Therefore, these measures prove sufficient convergent validity. In addition, the evaluation of all mean-variance extractions was higher than the 0.5 shown in Table 1. To measure the

Sr. No.	Variables	Mean	S.D	Alpha	AVE	1	2	3	4
1	IEO	5.108	1.112	0.781	0.587	1(0.764)			
2	Entrepreneurial Competencies	5.250	0.921	0.813	0.664	0.211**	1(0.764)		
3	Utilization of EPP	4.540	0.897	0.897	0.545	0.383**	0.239**	1(0.752)	
4	International Performance	4.600	1.23	0.804	0.694	0.335**	0.322**	0.314**	1(0.844)

Note: **Correlation is significant at the 0.01 level (two-tailed)

Sources: S.D = standard deviation; Alpha = Cronbach’s alpha coefficients; AVE= Average Variance Extracted; EO= International entrepreneurial orientation

Table 1.
Means, standard
deviations and
correlations, scale
reliabilities of
variables

discriminant validity recommended by [Fornell and Larcker \(1981\)](#), [Hair et al. \(2012\)](#). The square root of the average variance extracted in each construct was compared to the correlation coefficients between the two constructs ([Asghar et al., 2020](#)). The results have shown that the variables in the extent model appeared to have acceptable levels of discriminant validity ([Figure 2](#)).

Structural model

Study hypothesis relationships were tested by structural equation modeling. There was a significant correlation between the study variables. First, we tested the goodness-fit model with numerous indices. Overall, the model produces an overall acceptable fit ($\chi^2/df = 2.856$, $p < 0.001$), χ^2 to degrees of freedom ratios in the range 3–1 are revealing of satisfactory fit between the hypothetical model and the sample data as suggested by [Carmines and Zeller \(1979\)](#).

H1a, estimated that International EO would have a positive impact on network competence. The result of the hypothesis was originated to be 90% statistically significant ($\beta = 0.41$, $t = 4.12$, $p < 0.00$). *H1b*, hypothesizes a positive relationship between network relationships toward international performance. We have found that entrepreneurial competencies and network relationships to international performance were originated to be statistically significant ($\beta = 0.381$, $t = 4.627$, $p < 0.00$) and positive relationships.

H2a, predicted that IEO would have a positive impact on the utilization of EPPs. The hypothesized outcome on the utilization of EPPs was established to be statistically significant ($\beta = 0.455$, $t = 4.267$, $p < 0.00$). *H2b*, it was predicted that the utilization of EPPs would be positively associated with international performance. The hypothesized effect on international performance was found to be statistically significant ($\beta = 0.374$, $t = 3.473$, $p < 0.00$). *H3*, we examined the relationship between the utilization of EPPs on entrepreneurial competencies, network relationships. The hypothesized effect was found to be statistically significant ($\beta = 0.193$, $t = 2.585$, $p < 0.00$). These empirical findings of the model are presented below [Tables 2 and 3](#).

The results from the SEM test reveal that network relationships and utilization of EPPs fully mediate the effect of international IEO on International Performance with the guideline of [Baron and Kenny \(1986\)](#). The results provide the mediating impact of network relationships and the utilization of EPPs on EO-performance relationship in the international marketplace. These results indicate that not only IEO is an important factor of network relationships, but also the utilization of EPPs and international performance for born global firms, investigating only the direct effect of EO on

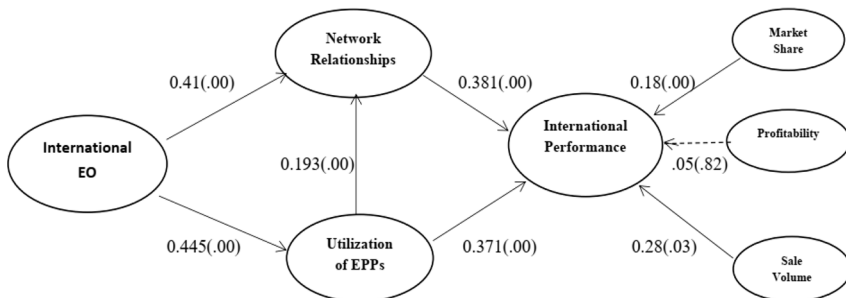


Figure 2.
Structural model

Indices	Abbreviation	Observed value	Recommended criteria	References
Normed chi square	χ^2/df	2.856	$1 < \chi^2/df < 3$	Byrne, 2005
Goodness-of-fit-index	GFI	0.914	>0.90	Jöreskog and Sörbom (1996)
Adjust GFI	AGFI	0.870	>0.80	Hair <i>et al.</i> (2012)
Normed fit index	NFI	0.942	>0.90	
Comparative fit index	CFI	0.963	>0.90	
Root mean square error of approximation	RMESA	0.042	<0.05	
Tucker-Lewis-index	TLI	0.951	< 1	

Table 2.
Goodness of
statistics of the
structural model

Hypothesis	S. Estimate	U. Estimate	t-value	Supported
H1a: IEO → Entrepreneurial Competencies	0.155	0.137	4.142	Yes
H1b: Entrepreneurial Competencies → International Performance	0.381	0.267	4.627	Yes
H2a: IEO → Utilization of EPPs	0.455	0.395	4.267	Yes
H2b: Utilization of EPPs → International Performance	0.374	0.266	3.473	Yes
H3: Utilization of EPPs → Entrepreneurial Competencies	0.193	0.195	2.582	Yes

Table 3.
Hypothesis path
analysis

Note: S. Standardized Estimate, U. Unstandardized Estimate

performance provides an incomplete understanding of born global firms unless a proper consideration of the firms' network relationships and the utilization of government EPPs is taken.

Discussion and conclusion

The global business study on international EO is very dynamic because it has been recommended that international EO will have a significant impact on the firm's competences, development and continued existence during the firm's global process. To increase the preposterous academic and empirical research on EO from the perspective of international entrepreneurship, this research has also explored how EO affects the performance of born-global firms in the international markets. By studying the role of entrepreneurial competencies in the improvement of situational intelligence and the network as the basic source of access to complementary resources to take advantage of opportunities. This study explain the new approaches are helping to SMEs and born global firms, adjust the distribution of earnings from their operating results. Through exploit so, reported to the [Martin and Javalgi \(2016\)](#) mandate for stronger research of the theory in EO academics by increasing, the sympathetic that how and why international EO improves international performance in the context of internationalization.

This research has made some contributions. First, outcomes of this research confirm the full mediation of network relationship and the Utilization of EPPs to term the indirect link between international EO and international performance. The prior IEO literature has interpreted internationalization as a responsibility to overcome externalities not explore the relationship between these variables and established an important role for experiential relationship and competencies. And utilization of EPPs for international companies. This

outcomes are also in line with the Resource-Based Perspective (RBV), which argues that different resources such as global contacts and international certificates can be measured as assets. While the 'RBV' is recommended as a likely direction for EO studies (Covin and Wales, 2019), there are apprehensions that these:

[...] resources may reduce the predictability of entrepreneurial orientation or international entrepreneurial orientation for internationalization, given the status and richness, the opportunity to open to the firm.

Therefore, IEO, as a preliminary resource for international born global firms, can be additional development in the network's relationship and Competencies through the utilization of resources and networking. The central point of this view is the dynamic nature of support. This view is closer to the resource competition (R-A) competition theory, which holds that any tangible and intangible resource is the basis for value creation.

As a result, by using IEO as a source and a key function of network relationship and utilization of EPPs in the born global firms' process and argued that apprehension that while the network relational can enhance the direct impact of EO on international performance. But these mechanisms accelerate the indirect effect of EO as a resource. Furthermore, this study helps to understand the effects of international EO, network relationship competencies and utilization of EPPs on the internationalization of born global firms in China. Although the effectiveness of IEO has been adequately studied in the international context, the impact of systematic evaluation of IEO on the international performance of born global firms remains little. Born global firms with higher IEO are more likely to find international opportunities; still, their novelty and efficiency, limited resources and absence of international experience make them unable to take advantage of these opportunities. In this respect, networking relationships with several investors in international markets can deliver explicit and implicit knowledge for born global firms key information and resources.

Therefore the relationship enables born global firms to draw on their experience and experience of sellers, consumers and contestants in the international market, which will help them adapt to the new technique. As a result, network competencies and utilization of EPPs can stimulate born global firms to take advantage of global opportunities and ultimately improve their international performance. This model also shows that it is important to study both network relationship and utilization of EPPs because of the part of public interaction in the generation and interchange of information and knowledge within the relationship of network (Martin and Javalgi, 2016) Overall, this study shows that EO provides a solid foundation for interpreting born global firms international performance across borders, extending the conversation of IEO to the internationalization of born global firms. At the last point, this study is particularly helpful in understanding born global firms in China, which are incredibly dependent on the internationalization of SMEs to promote their economic development (Chang *et al.*, 2019). As a large developed economy with developed institutions, China is geographically distant from the rest of the world. The few of the aspects that deter the stream of info into the international market" This geographical disinterestedness may lead to psychological distances, namely: differences in a language barrier, different religion, different business practices, industrial development, etc., "the sum of these factors that hinder the flow of information into the market".

Managerial implication

This study has established a theoretical perspective in the context of Chinese multinational companies. Based on these perspectives, this research is extracting some meaning from the

results. IEO can motivate managers to find the right network relationships and ultimately improve company performance. The results of this study show that high EO can lead global firms to use EPPs from the government proactively.

First, this study also provides a stimulus for the scholar. Research outcomes show that born global firms proved beneficial internationally. Therefore, the organizers and directors of born global firms should boost knowledge in the business because it can improve the company's international performance and long-term economic benefit; companies should "engage their high-potential employees in a specific local environment." In this way, they arrange a prospect for participants of the organization to reveal and study new international capabilities. This development can enhance the company's ability to take advantage of cross-border business opportunities and consistently encounter different circumstances in global markets, thereby contributing to the success of internationalization.

Second, this research shows that it is connected internally or externally to other successful SMEs. Network relationship increases the value of presently born global firms and tries to convert them into valuable assets. Therefore, it will be useful for the born global firm's managers to use their strengths efficiently. Establish existing network relationships in domestic and foreign markets through regular dialogues with their colleagues. This will permit them to develop existing resources further because the information and knowledge flow necessary to achieve corporate goals is well implemented. In addition, managers of born global firms should be cautious about finding out new network relations between the two national and international markets, to increase their access to essential information.

Third, it is clear from the study depict that IEO can establish a network of born global firms; hence, managers of multinational companies avail benefit from innovation, aggressiveness and new initiatives to pursue risk in global markets. Supporting this view, they found that IEO and the network are important indicators of international performance. Therefore, managers need to realize that they should seek to develop an international EO and promote it across the company.

Fourth, empirical findings provided evidence that international EO plays an important role in encouraging the utilization of EPPs and matching their international performance. Most emerging multinational companies are constrained by resources, such as networks, to strengthen their activities in foreign markets. Therefore, these natural-born global firms seek government support in the form of EPPs to supplement their resources and network constraints. It is particularly noteworthy that multinational companies born in China are almost unable to get as much help and guidance as possible from other external business organizations such as business incubators, accelerators and venture capitalists.

Five, the empirical study established that the utilization of EPPs positive role-plays in building network relationships among groups and external parties that will assist born global firms in improving its international performance. A more comprehensive range of connections is established through various EPPs by government agencies that can be of great value. Governmental EPPs such as seminars, overseas training programs on marketing can help to obtain valuable resources and information on entering new foreign markets, overcome many barriers and thus achieve higher performance.

Sixth, The utilization of EPPs plays a dynamic role that can create a network relationship between the group and external parties, which will help the born global firm improve its international performance. It may be of great value for government agencies to build broader relationships through various EPPs. The results of this study provide insights for public policymakers. The IEO of the initiative has a strong impact on the performance of international firms. As globalization develops and creates value for the growing demand of international markets, policy-makers need to explore new ways to encourage companies to seek growth

opportunities and external access resources. The results show that policy-makers should stimulate internationalization by helping companies develop IEO and develop an appropriate EPPs. These EPPs should be geared towards increasing the company's network relationships because such web-based support is more useful for Chinese-born global firms (such as underdeveloped business incubators or venture capitalists).

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