

Proceedings of the
54th Annual Meeting
of the



Academy of International Business

*" Rethinking the Roles of Business, Government and
NGOs in the Global Economy "*

Washington, DC, USA
June 30-July 3, 2012

Editors

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model. Further, it argues the timing decision is a decision variable that the firm can control, and is essentially a combination of the boundary and location decision. Therefore, one might benefit from applying the traditional theories about multinational enterprises, whereby the younger and smaller the firm, the stronger the influence of the entrepreneurial actor's perceptions. *(For more information, please contact: Masahiro Kotosaka, University of Oxford, United Kingdom: masahiro.kotosaka@sbs.ox.ac.uk)*

Cross-Listings, Stage of Internationalization and Firm Performance

Xueji Jessie Liang, National University of Singapore
Jane Lu, National University of Singapore

The internationalization process (IP) model suggests that firms internationalize through incremental steps in global markets, with accumulated knowledge and enhanced commitment. This study extends the IP model by arguing that cross-listing in global equity markets is a stage of internationalization process. More specifically, firms gain international recognition and legitimacy through cross-listings in major stock exchanges, which affect their knowledge accumulation and perceived opportunities in the global markets. Greater knowledge and more opportunities enhance firm commitment and thus facilitate further internationalization process. Our empirical results, based on a panel data analysis of Chinese firms, suggest that for firms from emerging market, global IPO increases the degree of internationalization and leads to better firm performance. Moreover, empirical evidence indicates that the strategic value of cross-listings is contingent on firm corporate governance structure, in which the better the corporate governance, the greater the value of cross-listings. *(For more information, please contact: Xueji Jessie Liang, National University of Singapore, Singapore: xuejiliang@nus.edu.sg)*

Understanding the Pre-Internationalization Phase Decision Heuristic of Australian SMEs

Alvin Tan, Queensland University of Technology
Paul Brewer, University of Queensland
Peter W. Liesch, University of Queensland

Since the 1970s, the Uppsala stages model has been one of the dominant explanations of firm internationalization. The model's focus on internationalization as a firm's gradual and incremental process of increasing international involvement has attracted much debate, with one criticism being that it is unclear in explaining how the internationalization process first originates within a firm. In this paper, the Uppsala model is extended through the incorporation of a pre-internationalization phase to explore the antecedents of firm internationalization. Adopting the Uppsala model's theoretical underpinnings, this paper develops and operationalizes a pre-internationalization phase decision heuristic in the form of an 'export readiness index'. Four constructs are proposed that drive and inhibit export commencement decision-making during a firm's pre-internationalization phase: export stimuli, attitudinal/psychological commitment, resources and lateral rigidity. Through a survey of Australian exporting and non-exporting small-medium sized enterprises (SMEs), the Export Readiness Index (ERI) is developed through factor analysis and tested using logistic regression. Results of the study and their potential implications are discussed. *(For more information, please contact: Alvin Tan, Queensland University of Technology, Australia: ac.tan@qut.edu.au)*

Session: 2.1.6 - Competitive

Track: 3 - IB Theory, FDI, and Entry Mode

M&As and Entry Mode Choices

Presented On: July 2, 2012 - 09:00-10:15

Chair: Olivier Bertrand, SKEMA Business School