

Proceedings of the  
**54<sup>th</sup> 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*

Susan Feinberg, Program Chair  
Tunga Kiyak, AIB Managing Director

(c) 2012 Academy of International Business

Proceedings of the  
54<sup>th</sup> 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

ISSN: 2078-0435

© 2012 Academy of International Business

For more information, please contact:  
AIB Executive Secretariat  
G. Tomas M. Hult, Executive Director, or  
Tunga Kiyak, Managing Director  
Eppley Center  
465 N. Shaw Ln Rm 7  
Michigan State University  
East Lansing, MI 48824, USA  
Phone: +1 (517) 432-1452 • Fax: +1 (517) 432-1009  
E-mail: [aib@aib.msu.edu](mailto:aib@aib.msu.edu) • Web: <http://aib.msu.edu/>

*Capability Presence in the Newly Internationalizing Firm*

Jay Weerawardena, University of Queensland  
 Gillian Sullivan Mort, La Trobe University  
 Peter W. Liesch, University of Queensland  
 Gary Knight, Florida State University  
 Sandeep Salunke, Queensland University of Technology

We investigate the enablers of early internationalization of the firm. We posit that for firms to internationalize early in their lifecycles, sets of capabilities must be present at the firm's formative stage and that these capabilities build upon routines that the founders bring into the new firm. These capabilities are aligned to establish a platform for internationalization unencumbered by the administrative heritage often observed in well-established firms. We model this phenomenon, testing it in a cross-national setting of early internationalizing firms in Australia and the United States. To do so, we draw upon a dynamic capabilities framing, conceptualizing and measuring the dynamic capabilities that founders apply in their early internationalization activities. We then present and discuss the results of our analyses. In sum, we uncover and confirm a collection of vital capabilities – primarily innovation, learning, networks, and marketing – that drive early internationalization of the firm. *(For more information, please contact: Peter W. Liesch, University of Queensland, Australia: p.liesch@business.uq.edu.au)*

*SME Organisational Capabilities and Export Performance*

Serena Mascherpa, University of Pavia  
 Antonella Zucchella, University of Pavia  
 Roger Strange, University of Sussex

As a result of the increasing tendency towards a global economy, international business involvement is becoming particularly relevant for smaller companies. Exporting constitutes the most popular, quickest and easiest way for many small firms to internationalise. The aim of the paper is to provide a comprehensive picture of the export performance determinants of Italian small and medium sized companies (SMEs) by investigating the potential relationship between organisational capabilities and both objective and subjective measures of performance. Based on the literature review and mainly embedded in the resource-based view of the firm, we uncover a collection of organisational capabilities that are especially salient to these firms and their growing international involvement. The suggested conceptual model is tested within a sample of Italian exporting SMEs using regression analysis. The results show that entrepreneurial and innovative capabilities are the most influential antecedents of both objective and subjective measures of international performance. Environmental-learning capabilities are positively and significant related to the subjective indicator, whilst marketing capabilities are insignificantly related to both the measures. Finally, we discuss the managerial implications of our findings. *(For more information, please contact: Serena Mascherpa, University of Pavia, Italy: serena.mascherpa@libero.it)*

*How capabilities evolve in a knowledge intensive Born Global firm?: Case of an Indian Born Global firm*

Nishant Kumar, Stockholm University

In the recent studies on Born Global, emphasis has been on the question of where and how capabilities emerge in Born Global firms. The present paper is an attempt to address this question. On the basis of a longitudinal case study of knowledge intensive service firm from India, this study explores how global capabilities emerge and play an important role in the survival and international growth of the firm. The study shows that developing capabilities for global service delivery is crucial for the survival and growth of Born Global service firms; these capabilities are emerging through a mix of experiential and deliberate learning processes, and continuously evolving with the changes in the environment. Capability evolution follows different paths in the different phases of the evolution of Born Global firm. *(For more information, please contact: Nishant Kumar, Stockholm University, Sweden: nku@fek.su.se)*