

Chapter 5

Facilitating Entrepreneurship, Internationalization, and Innovation in Global Business

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ABSTRACT

This chapter indicates the overview of entrepreneurship; the overview of corporate entrepreneurship; the overview of internationalization; the overview of innovation; the associations among entrepreneurship, internationalization, and innovation; the importance of entrepreneurship in global business; the importance of internationalization in global business; and the importance of innovation in global business. Entrepreneurship is the important approach to enhancing the innovative procedures with the support of internationalization. Internationalization can help entrepreneurial companies effectively plan and execute the creative products and services in global business. Innovation involves various sophisticated methods and systems toward gaining increased productivity and business growth. The chapter argues that facilitating entrepreneurship, internationalization, and innovation has the potential to increase business performance and reach business goals in global business.

INTRODUCTION

Entrepreneurship is considered as an important mechanism for national economic development through its contribution to the generation of employment and innovation (Baumol, 2002). Theories about entrepreneurship highlight the important role of certain factors, such as business size, market share, management and ownership, data relating to the survival and competitiveness of small and medium-sized enterprises (SMEs) and multinational corporations (MNCs), potential fundraising, sales, profitability and liquidity, lack of skilled personnel in the industry, distribution channels data and market information, barriers to entry in certain markets, changes taking place in markets, birth of niche markets, operation in a niche, closed or protected local or regional market, data on acquisition of a business, use of innovation or new technologies, organizational structure, customers, suppliers, creditors and relationship with public

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institutions and policies, lack of confidence in external consultants, resources control, networking, and clustering (Zaridis & Mousiolis, 2014).

Companies in the early stages of internationalization are motivated by markets and resource seeking, whereas efficiency seeking and strategic asset seeking are the significant motivators in the advanced stages of internationalization (Kowalewski & Radlo, 2014). It is required to consider the process that modern organizations manage through beginning from their decision of being international to their planning process, their initial actions during their first stages of internationalization, their reasoning behind business actions, their mobilization of internal resources in order to succeed with initial entries into international markets, their usage of internal organizational strengths and utilizing the external opportunities, minimizing their internal weaknesses, controlling against external threats in order to minimize their effects (Yener, Doğruoğlu, & Ergun, 2014).

In order to survive in the highly competitive arena in the new business era, manufacturing and service industries need to innovate (Karabay, 2015). Innovation means the generation, acceptance, and implementation of new ideas, processes, products, services, and technologies that are accepted by individuals, markets, governments, and society (Liébana-Cabanillas & Muñoz-Leiva, 2014). Innovation is desirable from both an economic mainstream perspective as well as in the interests of sustainable growth (von Hauff & Jörg, 2011). Innovation has wide implications to the social and economic aspects of a nation, and is treated as a recognized driver of economic prosperity of a country through the sustained growth of its entrepreneurship (Rahman, 2016a).

This chapter is based on a literature review of entrepreneurship, internationalization, and innovation. The extensive literatures of entrepreneurship, internationalization, and innovation provide a contribution to practitioners and researchers by indicating the aspects of entrepreneurship, internationalization, and innovation in order to maximize the business impact of entrepreneurship, internationalization, and innovation.

BACKGROUND

Entrepreneurship is founded on knowing or seeing something others do not see, and the sales force has long been recognized as an important source of knowledge about a firm's customers and environment (Javalgi, Hall, & Cavusgil, 2014). Entrepreneurship is an art to gain competitive advantage by utilizing the knowledge and capabilities (Javalgi et al., 2014). Entrepreneurship, creativity, and innovation have been increasingly recognized as engines to foster an entrepreneurial culture, driving forward socio-economic development (Kuratko, 2012).

Empirical research on entrepreneur characteristics has changed from studies investigating relatively stable trait-like individual dispositions for entrepreneurial success (Begley & Boyd, 1987) to more malleable individual characteristics. While the institutional conditions that facilitate entrepreneurial engagement may be difficult to influence for policy or strategy, they are the starting points for research to explain systems change that addresses complex social problems without recourse to unusually heroic and talented actors (Dorado & Ventresca, 2013).

Internationalization theory was built concerning the intellectual foundations of transaction cost established by Coase (1960) and first applied to multinational enterprises (MNEs) by Buckley and Casson (1976) and Hennart (1982). These latter two works suggest that firm-specific advantages determine a firm's domestic and international success, with the environment acting as a constraining or facilitating

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