HUMAN RESOURCE ENDOWMENT AND NEW VENTURE INTERNATIONALIZATION (SUMMARY)

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SUMMARY

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Principal Topic:

With the changing competitive landscape brought about by the internet and other technological advancements, entrepreneurial opportunities are no longer restricted on the local arena. New ventures endowed with unique resources may be able to pursue international opportunities in a much more effective manner than large, established corporations (Shrader, Oviatt & McDougall, 2000). A resource-based view of the firm suggests that such unique resources are more likely to be vested in the key personnel of a new venture, the lead entrepreneur and his/her core team. The path dependency perspective suggests that resource endowment at founding influence the developmental paths of the firm. Drawing from these two theoretical perspectives, this study builds a conceptual model elaborating how intangible resources embedded in the cultural, educational and career background of the lead entrepreneur can influence the composition of the startup team as reflected in their cultural, educational and functional diversity, and their international work experience, which in turn contribute to characteristics of the venture’s international networks as reflected in the number of foreign strategic partners and their spread across different countries, and subsequently, the speed and intensity of the venture’s internationalization.

Method:

Literature review and qualitative case studies are drawn upon to develop constructs and a conceptual model to facilitate future empirical research.

Implications:

This study enriches extant literature on international entrepreneurship by focusing on firm resources embedded in the characteristics of entrepreneurial actors (Oviatt & McDougall, 2005). Tempting as it is for new ventures to pursue international opportunities, an appropriate understanding of the relationship between firm human resource endowment and internationalization are crucial for achieving potential success. The conceptual model built in this paper illustrates path dependent relationships linking characteristics of the lead entrepreneur to those of the core team, and how they then relate to the international networks of the venture, resulting to different speed and intensity of the venture’s internationalization. Such a model can serve as a frame of reference to help entrepreneurs and their teams in assessing their own management bandwidth and resource endowment in relation to decisions and steps to be made for internationalization.

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