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DESIRABILITY AND FEASIBILITY IN INTERNATIONALIZATION INTENTIONS: THE IMPACT OF PSYCHOLOGICAL DISTANCE (SUMMARY)

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SUMMARY

DESIRABILITY AND FEASIBILITY IN INTERNATIONALIZATION INTENTIONS: THE IMPACT OF PSYCHOLOGICAL DISTANCE

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Principal Topic

Entrepreneurial internationalization entails the evaluation and exploitation of opportunities across national borders. Understanding the determinants of such behavior in the pre-internationalization phase is of scholarly and practical interest. In this paper we tackle this issue adopting a cognitive perspective, studying how entrepreneurs, evaluating different elements of desirability and feasibility of international opportunities, develop intentions to internationalize their businesses. In particular, acknowledging the relevance of time in internationalization processes, we investigate how temporal distance with prospective internationalization opportunities influences entrepreneurs’ intentions to internationalize. Building on Construal Level Theory (Liberman & Trope, 1998), we hold that temporal distance represents a form of psychological distance. Psychologically distant opportunities are those not in the realm of entrepreneurs’ direct experience and are thus mentally construed, i.e. imagined and abstracted, at high-mental-level, being therefore associated with desirability facets. Following this line of reasoning, we propose that entrepreneurs’ intentions to internationalize will be more likely driven by desirability considerations when opportunities are temporally distant, and by feasibility considerations when opportunities are temporally close.

Method

We test our model on a novel sample of 169 entrepreneurs, owners of newly established high-tech SMEs (not yet internationalized) in Italy. We collected data through personal interviews, asking each respondent to consider two internationalization scenarios (export and foreign-direct-investment). Using a quasi-experimental design, each respondent was randomly assigned to either a condition of short temporal distance (1-2 months) or of long one (1 year) with respect to each of the scenarios. All the psychometric scales were taken from existing literature. Analysis of data was carried out using Structural Equation Models.

Results and Implications

We find that entrepreneurs’ intentions to internationalize are positively influenced by internal-driven desirability and feasibility (attitudes and skills) and not by external-driven elements (subjective norms and external support). Intentions to internationalize are always more strongly influenced by feasibility considerations. However, entrepreneurs’ intentions to internationalize in the far future are relatively more influenced by desirability, while in the close future by feasibility considerations. This study, through a quasi-experimental design using entrepreneurs, sheds light on the micro-foundations of internationalization and on the importance of psychological distance in evaluation and decision-making.

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