

Impact of Entrepreneurial Orientation on Global Mindset with the Mediation Effect of Dynamic capabilities: An Examination of the Sri Lankan ICT Born-Global Firms

CH Jayasuriya¹, GATR Perera²

LSEG Business Services Private Limited, Sri Lanka¹, Department of Management and Organization Studies², University of Colombo²

harshani.jayasooriya@gmail.com

Received: September 9, 2021

Accepted: January 26, 2022

ABSTRACT

The purpose of this study is to explain global mindset as a cognitive ability of business leaders based on entrepreneurial orientation and dynamic capabilities. This study attempted to answer the questions: Does entrepreneurial orientation impact the global mindset and do the three dimensions of dynamic capabilities mediate the relationship between entrepreneurial orientation and the global mindset? The data collected from 295 ICT born-global firms in Sri Lanka was analyzed using the structural equation modeling (SEM) analysis technique. The findings suggest that entrepreneurial orientation is a crucial driver of the global mindset. However, the effect of the entrepreneurial orientation is mediated by the seizing and reconfiguring dynamic capabilities. The conceptual framework and the findings of this study are part of the cause of the emerging literature on global mindset by understanding the global mindset through the lenses of entrepreneurial processes and dynamic capabilities. Further, entrepreneurs of born-globals should be aware that their global-mindset is determined not solely by their entrepreneurial processes but rather their entrepreneurial processes along with seizing and reconfiguration capabilities. This study can be regarded as an attempt to study global mindsets in a developing country context, incorporating entrepreneurial orientating and dynamic capabilities from two theories; entrepreneurship and strategic management.

Keywords: Entrepreneurial Orientation, Dynamic Capabilities, Global Mindset, Born-globals, ICT Firms

1. Introduction

1.1. Background of the study

Internationalization is of great importance for any type of organization (Felício, Duarte, and Rodrigues, 2016; Kuivalainen and Sundqvist, 2007; Zahra, Sapienza, and Davidsson, 2006) and is significantly important for the economy of a country (Paul and Gupta, 2014; Felício et al., 2016; Cahen, Lahiri, and Borini, 2016). With the early internationalization of new ventures, the stage theory of internationalization has been relegated (Oviatt and McDougall, 1997; Rennie, 1993; Saarenketo, Kuivalainen, and Puumalainen, 2001). The early internationalization of new firms has received considerable attention in international business literature (Knight and Cavusgil, 2005; Bell, 1995; Oviatt and McDougall, 1997; Rennie, 1993) and those firms are called "born-globals" (Rennie, 1993; Knight and Cavusgil, 2005; Madsen and Servais, 1997). Internationalization theory has only recently started to address the particular characteristics of born-globals (Paul and Gupta, 2014). Among the different definitions, Rennie (1993), Knight and Cavusgil (2005), and Luostarinen and Gabrielsson (2006) characterized these born-globals through their global mindset. Two major bodies of literature have evolved to explain why certain leaders have a global mindset while others stay trapped in their home countries, still unable to reap the benefits of globalization. Different theories on how managers of born globals pursue their global presence, regardless of resource constraints, include the entrepreneurship (Schumpeter 1934) and dynamic capabilities view (Eisenhardt and Martin, 2000; Teece et al., 1997; Zollo and Winter, 2002).

Individuals who take the initiative for this type of new entry are entrepreneurial founders, owners, and owner-managers (Jantunen, Puumalainen, Saarenketo, and Kyläheiko, 2005). In the literature, it is being argued that born-globals' global mindset to become global in their inception is driven by entrepreneurs' innovative, proactive, and risk-taking behavior (Knight and Cavusgil, 2004; Moen and Servais, 2002) which are the characteristics of entrepreneurial orientation. Further, not only are the entrepreneurial processes important for this strategic decision to internationalize (Mudambi and Zahra, 2007; Burgel and Murray, 2000) but also the firms' capabilities and resources are considered important (Peng, 2001) as they are constrained by tangible resources in their early periods (Knight and Cavusgil, 2004). Therefore, even if the tangible

resources are valuable, rare, non-imitable, and non-substitutable (Barney, 1991) and may provide a competitive advantage over rivals, they may not have a major role in new ventures (Knight and Cavusgil, 2004). Therefore, intangible capabilities, which are firms' capacity for "adapting, integrating, and reconfiguring internal and external skills, resources, and functional competencies to match the requirements of a changing environment" (Teece, Pisano and Shuen, 1997; Eisenhardt and Martin, 2000), are considered more important than tangible resources for new ventures (Peng, 2001).

Following their empirical research, Covin and Slevin (1988) propose that the impact of an entrepreneurial management style on performance is dependent on how governance mechanisms are integrated to enhance asset use. Jantunen et al. (2005) proposed that when analyzing sources of wealth formation, it is necessary to integrate entrepreneurship and strategic-management approaches. Upon the proposal of the integration of these theories, many scholars have integrated the two perspectives (McGrath and MacMillan, 2000; Hitt et al., 2001; Zahra and Dess, 2001; Ireland et al., 2003; Choi and Shepherd, 2004). In line with these integrated perspectives, scholars have examined and found entrepreneurial orientation as an important antecedent of dynamic capabilities (Eriksson, 2014). Some studies have found that entrepreneurial orientation has a positive impact on dynamic capabilities (Rabbil et al., 2017; Subha and Narasimha, 2011; Jiao et al., 2010; Zahra et al., 2006; Jantunen et al., 2005; Kim 2018). We propose that dynamic capabilities are a mechanism through which firms can take advantage of their entrepreneurial orientation to develop a global mindset. Those young firms' ability to integrate, build, and reconfigure internal and external competencies to address the dynamic global market requires proactive, risk-taking, and innovative orientations to truly direct those capabilities towards global thinking. Therefore, firms will only be able to develop a global mindset if they can transform their entrepreneurial orientation through their higher order capabilities. In this way, regardless of the direct effect of entrepreneurial orientation, if firms orient their entrepreneurial orientation (in any of its three dimensions) to the development of dynamic capabilities, it promotes a global mindset (Hruby, de Melo, Samunderu, and Hartel 2018; Hruby, Watkins-Mathys and Hanke 2016). Therefore, dynamic capabilities may have a huge role to play in shaping the global mindset of these early internationalizing firms.

1.2.Problem Statement

Sri Lanka has shown significant technological advancement in information and communication technologies over the years, with the most stringent internet protocol (IP) protection regimes in the region and an efficient information technology infrastructure; broadband, leased-line, and satellite connectivity are widely available, and the country has eight telecom operators and three international submarine cables in comparison to other countries in the region. A highly skilled talent pool combined with a cost-effective operational ability (low priced real estate, wage scale, and living) makes Sri Lanka's ICT industry one of the most profitable industries to date (Sri Lanka Export Development Board, 2020).

However, despite all those facilities and opportunities, the share of the sector in the global market is low compared to neighbouring countries like Singapore, Malaysia, Thailand, and Indonesia (The Government of Sri Lanka, 2020). Sri Lankan small and medium-sized enterprises' (SMEs) exports are composed mainly of primary goods with technologically stagnant production practices that could be copied by competitors easily (Kelegama, 2013 as cited in Mudalige, Ismail and Malek, 2016). To sum up, it can be noted that the technology and knowledge-intensive sectors' contribution to international activities is minimal in Sri Lanka compared to other countries, and they face unique challenges and issues in internationalization (Mudalige et al., 2016). Then it is discovered that, despite the fact that Sri Lanka provides a favorable environment for young companies in the ICT industries to compete in the global market, their representation is extremely limited. The aim of the research is to find possible reasons for this identified performance gap.

Further, there are limited empirical findings to generalize the impact of entrepreneurial orientation and dynamic capabilities on the global mindset in the context of developing countries like Sri Lanka. Interestingly, these developing markets and their indigenous businesses are different in many ways from their counterparts in developed nations.

1.3. Research Questions

The purpose of this article is to contribute to the relatively thin stream of research on the factors that may impact the global mindset of born-globals from a developing market.

- Does entrepreneurial orientation has an impact on the global mindset of Sri Lankan ICT born-globals?
- Does the sensing capabilities mediate the impact of entrepreneurial orientation on the global mindset of Sri Lankan ICT born-globals?
- Does the seizing capabilities mediate the impact of entrepreneurial orientation on the global mindset of Sri Lankan ICT born-globals?
- Does the reconfiguration capabilities mediate the impact of entrepreneurial orientation on the global mindset of Sri Lankan ICT born-globals?

1.4. Research Objectives

The review of the theory and relevant literature suggests that born-global firms are likely to be prevalent in knowledge-based ICT industries, especially in developing countries with open economies. Therefore, our research question addresses the ICT sector in Sri Lanka, as mentioned earlier. The research objectives of this study can be specified as follows:

- To investigate the relationship between the entrepreneurial orientation and the global mindset of Sri Lankan ICT born-globals.
- To investigate the mediation effect of the sensing capabilities on the relationship between entrepreneurial orientation and global mindset of Sri Lankan ICT born-globals.
- To investigate the mediation effect of the seizing capabilities on the relationship between entrepreneurial orientation and global mindset of Sri Lankan ICT born-globals.

- To investigate the mediation effect of the reconfiguration capabilities on the relationship between entrepreneurial orientation and global mindset of Sri Lankan ICT born-globals.

1.5. Significance of the study

The process of creation of born-globals and the characteristics of the entrepreneurs who successfully found these "special" new ventures have become important topics for practitioners and academics alike (Karra, Phillips, and Tracey, 2008). There are a few implications of this study for the literature of born globals. First and foremost, the findings of this study contribute to the calls from the scientific community to provide clarity to better understand the relationship between entrepreneurial orientation and global mindset. Secondly, the research contributes to the stream of literature on born-globals which has been calling for more research on entrepreneurial orientation and dynamic capabilities. This study provides insights from born-globals from Sri Lankan technology and knowledge intensive sector. Thirdly, this research contributes to the stream of literature on entrepreneurship which has been analyzing entrepreneurial orientation. In this research, entrepreneurial orientation is analyzed as a one-dimensional construct. The fourth contribution is to specific dynamic capability literature on how dynamic capability is related to entrepreneurial orientation. There is a paucity of research to fully understand how dynamic capabilities' dimensions, sensing, seizing, and reconfiguration capabilities mediate the relationship between entrepreneurial orientation and early internationalization decisions.

The importance of this study for the owners of born globals is as follows: As suggested by Teece et al. (1997), these dynamic capabilities provide a competitive advantage in increasingly demanding environments. Therefore, studying this phenomenon may help strategic management in the technology and knowledge-intensive sectors. Nonetheless, the owners of those start-ups in technology and knowledge-intensive industries may understand the importance of deciding on early internationalization and determining the capabilities of the company.

Born-globals are expected to contribute to the economic development of their home countries by allowing the international transference of knowledge, promoting activities high in added value, developing new global industries and

making a country a more attractive place for commerce and investment. For firms located in small economies with small domestic markets like Sri Lanka, spreading their operations into new geographic markets represents an important opportunity for growth and value creation (Lu and Beamish, 2001). Therefore, the results of the study will provide great insight.

Specifically, technology and knowledge-intensive industries are powerful wealth creators. It has experienced unparalleled job creation, extraordinary growth, and accelerated product cycles in any country (Li, Shang, and Slaughter, 2010). Furthermore, software is a prototypical "Schumpeterian" industry in which entry and exit barriers are low, marginal costs of production are minimal, product innovation occurs rapidly and disruptively, and firms' competencies and strategies are critical for competitive advantage (Li, Shang, and Slaughter, 2010). According to the Sri Lanka Export Development Board (2020), due to the availability of the world's most valuable resources and talent, the island is steadily transforming itself into the most preferred information and communication technology (ICT) hub in Asia. It has also become the fourth largest export earner in the country. This study provides implications for policy makers to better understand technology and knowledge-intensive sectors in Sri Lanka.

1.6. Research Overview

In order to address the research problem explained in the first section, this study points towards the development of a theoretical model that combines the impact of entrepreneurial orientation on the global mindset with the mediation impact of dynamic capabilities. The second section of the article elaborates on the past literature on entrepreneurial orientation, global mindset, and dynamic capabilities. This literature acts as a foundation to develop the research model and the hypotheses as an effort to seek answers to the research questions. The third section is devoted to the methodology being used in the article. Data collected from the survey is then examined and analyzed based on the structural equation modeling (SEM) approach proposed in section four. Section five is committed to discussing the findings with available literature both locally and globally. Finally, section six consists of the conclusions and discusses the possible managerial implications of the research that are relevant and related to the research problem and the context.

2. Literature Review

2.1. Born globals

The born-global concept states that firm internationalization does not have to go through the progressive accumulation of resources and capabilities (Paul and Gupta, 2014). It proposes that firms can start their international operations from the moment they are created, and it asserts that firms are capable of penetrating markets that are far away, despite having limited resources and little accumulated organizational learning. McKinsey and Co. coined the definition of born-global firms in a report that analyzed a sample of Australian exporting firms (McKinsey and Co., 1993). The term "born-global" was used to describe firms that, apparently, had undergone a faster process of internationalization than would have been expected for firms of similar size, age, and nature. They are primarily knowledge or technology-intensive and exploit the advantages of advancements in globalization and information and communication technologies, and they are smaller in size (Knight and Cavusgil, 2004). Knight and Cavusgil (2004) defined "born globals" as "entrepreneurial start-ups that, from or near their founding, seek to derive a substantial proportion of their revenue from the sale of products in international markets" (Cavusgil and Knight, 2015). The main difference between gradual internationalization and born-global models is demonstrated by management's global focus and the commitment of specific resources to international activities (Knight and Cavusgil, 2004). These early adopters of internationalization begin with a global view of their markets and develop the capabilities needed to achieve their international goals at or near the firm's founding (Knight and Cavusgil, 2004). Despite the scarce financial, human, and tangible resources that characterize most new businesses, born-globals progress toward internationalization relatively rapidly—the period from domestic establishment to initial foreign market entry is often three years or less (McDougall and Oviatt, 2000; Rennie, 1993; Knight and Cavusgil, 2004). Although at the start of the 1990s, the phenomenon of early appearance appeared as a new and unspecified concept, nowadays, such business ventures are much more frequent (Cavusgil and Knight, 2015; Coviello, 2015).

2.2. Global Mindset

The concept of global mindset can be traced back to Perlmutter (1969), who distinguished three types of mindsets that influence the way managers decide on their international strategy: ethnocentric, which views the world from the home country's perspective; polycentric, which views the world from the perspective of the host country; and geocentric, which views the world as a whole, which is the type most commonly related to the global mindset. The definition of the global mindset provided by Levy et al. (2007) includes two primary dimensions: cosmopolitanism and cognitive complexity, each of which emerged from a separate, yet related, stream of literature within the field of international business. The concept of cosmopolitanism emerged from the cultural stream of research and includes "a state of mind that is manifested as an orientation toward the outside, and which seeks to reconcile the global with the local and mediate between the familiar and the foreign" (Levy et al. 2007). Cognitive complexity, on the other hand, emphasizes the importance of managing environmental and strategic complexity and integrating geographically dispersed operations (Levy et al. 2007). However, while the global mindset has both a cultural dimension (cosmopolitanism) and a strategic dimension, which relates to cognitive complexity (Levy et al., 2007; Miocevic and Crnjak-Karanovic, 2011), the literature on small firms' internationalization tends to emphasize the dimensions presented by Nummela, Saarenketo, and Puumalainen (2004), which include proactiveness, international commitment, and vision. For example, Miocevic and Crnjak-Karanovic (2011) used measures based on Nummela et al. (2004) and examined born-global firms and those that adopt a more incremental approach to internationalization and found that the global mindset is directly and positively related to performance outcomes. Miocevic and Crnjak-Karanovic (2011) found that the global mindset mediates the relationship between market orientation and export performance. In a later study, the authors concluded that a global mindset contributed to small firms' export performance outcomes; however, they acknowledged their focus on the strategic dimension only as a limitation (Miocevic and Crnjak-Karanovic, 2012). More recently, Kyvik et al. (2013) identified the following characteristics of the global mindset: a positive attitude toward international business opportunities, openness to learning and developing international ideas, and a willingness to spend time planning the international process. The findings of Kyvik et al. (2013) show the multidimensionality of the global mindset.

However, they too tend to emphasize cosmopolitanism in their definition and operationalization of the global mindset. Furthermore, their operationalization was based more broadly on the related concept of global orientation. As noted by Nummela et al. (2004), it is essential to separate the global mindset as a distinct characteristic that is different from global orientation and other related terms such as international orientation and global vision. The literature on young firms' internationalization suggests that taking into consideration cognitive complexity is important. By drawing on the entrepreneurial orientation perspective, this paper aims to extend this literature to explore how the global mindset shapes the process by which international opportunities are identified by born-global firms in the ICT sector.

2.3. Entrepreneurial Orientation

The roots of entrepreneurial orientation research can be traced to the work of Mintzberg (1973), as he found that entrepreneurial firms tended to take more risks than other types of firms and were more proactive in searching for new business opportunities (George, 2011). Miller's (1983) paper was considered the seminal paper of entrepreneurial orientation research (George, 2011). Since the 18th-century work of early economists such as Richard Cantillon (credited with the first use of "the entrepreneur") and Adam Smith (who used it in translation as "undertaker"), economists have understood the entrepreneur as someone who bears capital risk to bring factors of production together to implement a money-making idea (Pesciarelli, 1988 as cited in Teece, 2012). According to Miller and Friesen (1982), "the entrepreneurial orientation of a firm is demonstrated by the degree to which senior executives are ready to take risks to stimulate change and innovation with a view to obtaining competitive advantage for their firm and competing with other firms in an aggressive way." The definition highlights the three dimensions of entrepreneurial orientation: innovation, risk assumption, and proactivity. According to Jiao, Wei and Cui (2010), a senior manager is the specific implementation unit of entrepreneurial orientation. Top management, by shaping the organization's structure and its culture, plays a large role in determining whether the organization as a whole is able to act entrepreneurially (Covin and Slevin, 1991). The roles of lower-level managers in the generation and implementation of entrepreneurial activities are less often explored than those of top management (Teece, 2012). The distinction between entrepreneurship and entrepreneurial orientation is comparable to the one made

in the strategic management literature between content and process (Bourgeois, 1980; Lumpkin and Dess, 1996). Entrepreneurial orientation refers to the strategy-making processes that provide organizations with a basis for entrepreneurial decisions and actions (Lumpkin and Dess, 1996; Wiklund and Shepherd, 2003). Entrepreneurial orientation has become a central concept in the domain of entrepreneurship that has received a substantial amount of theoretical and empirical attention (Covin, Green, and Slevin, 2006; Rauch, Wiklund, Lumpkin, and Frese, 2009). Drawing on prior strategy-making process and entrepreneurship research, measurement scales of entrepreneurial orientation have been developed and widely used, and their relationships with other variables have been examined (Rauch et al., 2009). The most notable distinction lies between the three-dimensional construct proposed by Miller (1983) and the five-dimensional construct by Lumpkin and Dess (1996) (Zhang, Zhang, Cai, Li, and Huang, 2014). While evidence suggests that the commonly employed entrepreneurial orientation measurement instrument is Covin-Slevin's (1989) three-dimensional measurement instruments scale (Zhang et al., 2014), Miller's (1983) paper studied entrepreneurial orientation as a firm-level phenomenon that was composed of three sub-dimensions: innovativeness, risk-taking, and proactiveness (Covin and Miller, 2014). However, there has been much debate regarding the dimensionality and measurement instruments of entrepreneurial orientation (Zhang et al., 2014). According to Lumpkin and Dess (1996), all of these factors; autonomy, innovativeness, risk-taking, proactiveness, and competitive aggression—may be present when a firm engages in new entry. George (2011) offered suggestions for improving the construct validity of entrepreneurial orientation. However, there is no reliable five-dimensional entrepreneurial orientation instrument accepted among scholars (Zhang et al., 2014). Thus, some prior research suggests that the dimensions of an entrepreneurial orientation vary (Covin and Slevin, 1989) and that autonomy, innovativeness, risk-taking, proactiveness, and competitive aggression may vary independently, depending on the environmental and organizational context.

2.3.1. Proactiveness

Lumpkin and Dess (1996) defined the proactiveness dimension of entrepreneurial orientation as "a forward-looking perspective characteristic of a marketplace leader that has the foresight to seize opportunities in anticipation of future demand". According to Rauch et al. (2009), proactiveness is an

opportunity-seeking, forward-looking perspective characterized by the introduction of new products and services ahead of the competition and acting in anticipation of future demand.

2.3.2. Innovativeness

Lumpkin and Dess (1996) defined the innovative dimension of entrepreneurial orientation as "a willingness to introduce newness and novelty through experimentation and creative processes aimed at developing new products and services, as well as new processes." According to Rauch et al. (2009), innovativeness is the predisposition to engage in creativity and experimentation through the introduction of new products and services as well as technological leadership via research and development in new processes.

2.3.3. Risk-taking

Lumpkin and Dess (1996) defined risk-taking dimension of entrepreneurial orientation as "making decisions and taking action without certain knowledge of probable outcomes; some undertakings may also involve making substantial resource commitments in the process of venturing forward". According to Rauch et al. (2009) risk-taking involves taking bold actions by venturing into the unknown, borrowing heavily, and/or committing significant resources to ventures in uncertain environments.

2.4. Theory of Entrepreneurial Orientation and Global Mindset

According to Lumpkin and Dess (1996), the essential act of entrepreneurship is new entry. Burgelman (1983) claims that new entry can be accomplished by entering new or established markets with new or existing goods or services. New entry is the act of launching a new venture, either by a start-up firm, through an existing firm, or via "internal corporate venturing" (Burgelman, 1983; Hisrich and Peters, 1989; Sandberg and Hofer, 1987; Vesper, 1980; Webster, 1977). Entrepreneurial orientation is relevant since it has been found that people with higher entrepreneurial potential usually have more entrepreneurial intentions (Jakopec, Krekar, and Suanj, 2013). Managers' willingness to commit to internationalisation may be moderated by their tolerance of risk and uncertainty (Johanson and Vahlne, 1977). Perceptions of uncertainty and risk are the root of decision makers' cognitive biases, which mediate the relationship between the decision-making context and

internationalisation (Liesch, Welch, and Buckley, 2014). These biases are further reflected in how managers make decisions about internationalisation, that is, whether they rely on causation-based or effectuation-based logic in their decision making (Sarasvathy, 2001). It has been discovered that the founders of small, rapidly internationalising high-tech companies are often active entrepreneurs who have a global mindset that gives them an international vision, proactiveness, and the commitment to search for international opportunities. (Nummela et al., 2004; Oviatt and McDougall, 1995; Torkkeli, Nummela, and Saarenketo, 2019)

2.5. Dynamic Capabilities

According to Peteraf, Di Stefano and Verona (2013, as cited in Rodrigo-Alarcón, García-Villaverde, Ruiz-Ortega, and Parra-Requena, 2018), the literature on dynamic capability has been contributed by mainly two papers: Teece et al. (1997) and Eisenhardt and Martin (2000). Teece et al. (1997) introduced "dynamic capabilities" as the skills of the firm at integrating, constructing, and reconfiguring both internal and external competences to face dynamic environments. Eisenhardt and Martin (2000) introduced the dynamic capabilities as processes of the firm that use resources, especially those that integrate, reconfigure, increase the value of, and free up resources to adjust or even create changes in the market. According to Rodríguez-Serrano and Martín-Armario (2019), the two views are similar.

The definition of dynamic capability adopted in this study is Teece's (1997) definition of dynamic capabilities as "a firm's processes that use resources, specifically the processes to integrate, build, and reconfigure their resources and competencies and, therefore, maintain performance in the face of changing business environments." Because Teece's (2007) study makes a major contribution to dynamic capability theory in presenting the micro-foundations for each of the three "sensing", "seizing" and "reconfiguration" capabilities (Bigler and Hsieh, 2016; and Čirjevskis, 2016; Bleadly, Ali, and Balal, 2019).

2.5.1. Sensing Capability

Ellonen, Jantunen, and Kuivalainen (2011) refer sensing capability to the building of the partner and industry contact network. Jiao, Alon, Koo, and Cui (2013) refers sensing capability as an "opportunity-sensing capability," and it involves top managers and technical experts deeply understanding market

development opportunities. As noted by Prahalad and Hamel (1990), they emphasize that companies should deepen their understanding of laws in their industries and seize upon changing trends. According to Karagouni, Protogerou and Caloghirou (2016), sensing capability (market and technological adaptation) is defined as the firm's activities in scanning and monitoring changes in operating environments and the capacity to identify new market and technological opportunities.

2.5.2. Seizing Capability

Once opportunities are properly sensed and calibrated, they need to be seized (Al-Aali and Teece, 2014). Seizing capability refers to the refinement of decision-making protocols, new partnerships, and platforms (Ellonen, Jantunen, and Kuivalainen, 2011). According to Teece (2012), seizing refers to the mobilization of resources to address needs and opportunities and capture value from doing so. The seizing of new business opportunities requires firms to quickly test, then update or replace ideas and business models that do not work (Ries, 2011). "Seizing," which indicates mobilization of resources to address an opportunity and derive benefits from it, has a significant influence on firms' success, especially for innovative e-business start-ups (Čirjevskis, 2017; Bleadly et al., 2019).

2.5.3. Reconfiguration Capability

Teece et al. (1997) refer the reconfiguring capability to the capability to integrating, innovating, and updating operational processes. Jiao et al. (2013) has used items such as; sufficient support for innovation activities, encouragement of innovative culture, sufficient stimulations and rewards to employees with innovative capabilities, adventuring and initiating spirit of employees to measure the reconfiguration capability. According to Teece (2016) transforming or in other words known as shifting capability, continued renewal. The firm's ability to build new capabilities, transform its asset base and reconfigure its processes and structures in order to achieve new valuable resource combinations is the firm's reconfiguration capability (Teece et al., 1997). Reconfiguration capability refers to the leadership and incentives foster commitment, knowledge sharing between different projects, investment in new resources (web analytics software and experts) (Ellonen et al., 2011). Aligning with the Teece et al. (1997) definition of reconfiguration capability, Jantunen et

al. (2008) similarly defined reconfiguration capabilities as the firm asset base for new processes, business models, complementary assets and methods.

2.6. Entrepreneurial orientation, Dynamic Capability and Global Mindset

Teece (2007) makes a special reference to the international business environment and highlights the importance and relevance of dynamic capabilities in internationalization. A number of past studies have used the theory of dynamic capabilities to understand small firms' internationalization (Mudalige et al., 2016; Griffith and Harvey, 2006; Luo 2000; Sapienza et al., 2006). The literature suggests that dynamic capabilities encourage and facilitate internationalization (Griffith and Harvey, 2006). Luo (2000) argues that dynamic capabilities are necessary for the existence of a firm under very dynamic international business conditions. Griffith and Harvey (2001) refer to 'global dynamic capabilities' as the resource adaptation, integration, and reconfiguring competences by which a firm can achieve both coherence at a global level as well as adequate recognition of the specifics of each country's environment.

Through a recent quantitative study, Villar, Alegre, and Pla-Barber (2014) found that dynamic capabilities play a mediating role in knowledge management practices and export performance relationships. In a case study on a Finnish IT sector SME, Kuuluvainen (2012) argued that dynamic capabilities are an important determinant of internationalization success. Knudsen and Madsen (2002) explain that absorptive capacity and informational architecture are critical dynamic capabilities that explain international expansion. A continuous process of building new capabilities and abandoning old, outdated ones, is the key factor in the sustainable competitive advantage of multinational organizations (Tallman and Fladmore-Lindquist, 2002). Erikson et al. (2014) illustrate management cognitive capabilities and organizational flexibility as key generators of dynamic capabilities in international expansion (Mudalige et al., 2016).

According to Evers (2011), Jantunen et al. (2008), Jiao et al. (2013), Knight and Cavusgil (2009), Kocak and Abimbola (2009), Lanza and Passarelli (2014), Sapienza et al. (2006), Weerawardena et al. (2007), the ideas of Teece et al. (1997) perspective of dynamic capability allows us to; "capture the nature of born-global SMEs and their successful expansion into dynamic, global markets,

as the entrepreneurial nature of these firms in the search and exploitation of opportunities, as the entrepreneurial nature of these firms in the search and exploitation of opportunities is determined by the deployment of dynamic strategic capabilities."

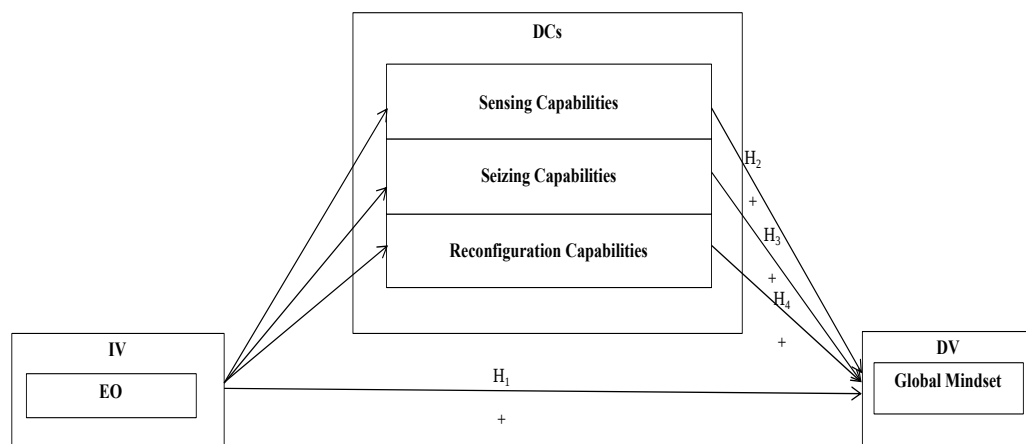
As claimed by Teece (2012), entrepreneurs' association with the resources of the company has been recognized even by Schumpeter (1942), who associated entrepreneurs with innovation and disruption. Even if they are "dependent" employees of a company, like managers, Schumpeter recognized that "anyone involved with implementing new combinations of resources to satisfy consumer desires is fulfilling the role of an entrepreneur" (Schumpeter, 1942 as cited in Teece, 2012). Teece (2007) argues that although the antecedents of each dimension of dynamic capability differ, they all include an entrepreneurial component. Therefore, given capability-building support, managers can devise the organizational context, such as organizational structure and organizational culture, to enhance efficiency and responsiveness of resource integration, combination, and deployment (Hult et al., 2005 as cited in Peng and Lin, 2017).

According to Teece (2012), the relationship between the entrepreneur and dynamic capabilities is that successfully developing strong dynamic capabilities allows firms to compete with competitors who fail to invest in internal entrepreneurs and change agents and are overly satisfied with the resources they currently have. According to Chetty, Johanson, and Martín (2014), managers allocating the resources required to seize international opportunities will expect faster and more sustainable internationalization. Within the dynamic capability view, recent born-global literature has assigned a prominent role to entrepreneurial decision makers in the formulation and implementation of competitive strategy (Weerawardena et al., 2007). Studies also support the view that entrepreneur-specific capabilities are important for international performance (Knight and Liesch 2016; Knight and Cavusgil, 2004; McDougall and Oviatt, 1996; Teece, 2014; Zucchella et al., 2007) and can influence the strategic management and direction of the firm (Weerawardena et al., 2007). Internationalization itself is considered more of an external dynamism and uncertainty to which a new firm is already subjected. Therefore, Andersson (2000) argues that to cope with uncertainty and dynamic environments, some entrepreneurs develop heuristics and inductive logic that enable them to identify and exploit international opportunities. In international dynamic environments,

top managers in INVs use and develop managerial capabilities to identify opportunities and combine and transform resources (Eisenhardt and Martin, 2000). Similarly, Weerawardena et al. (2007) and Adner and Helfat (2003) consider the owner-manager central to the development of dynamic capabilities for knowledge-intensive firms and allocate a more prominent role to managers within the dynamic capabilities perspective (Eisenhardt and Martin 2000; Teece et al. 1997). Therefore, it can be considered as it requires the entrepreneur to develop the organization through capability reconfiguration (Montealegre, 2002), the capacity of the founder-manager to mobilise resources and develop and reconfigure dynamic capabilities in changing business environments for firm performance (Weerawardena, Mort and Liesch 2019; Weerawardena et al., 2007; Zucchella et al., 2007). Zhou, Barnes, and Lu (2010) found out that entrepreneurs often have peculiar competence and knowledge that enables them to sense and seize possibilities that are not seen by others (Zhou et al., 2010). This evidence supports the fact that entrepreneurial factors are significant for the dynamic capabilities of companies, and born-global companies often possess this factor.

2.7. Research Design and Hypothesis Development

2.7.1. Conceptual Framework



Source: Developed by the researcher

Figure 1. Conceptual Framework

2.7.2. Research Hypotheses

Entrepreneurial orientation refers to the degree to which senior executives are ready to take risks to stimulate change and innovation with a view to obtaining competitive advantage for their firm and competing with other firms in an aggressive way (Miller and Friesen, 1983). The majority of studies on born-global SMEs consider entrepreneurial orientation to be a critical component of these firms' global mindset (Cavusgil and Knight, 2015; Knight and Cavusgil 2004; McDougall, Shane, and Oviatt 1994). According to the finding of Muoz, Sánchez, and Vos (2015), a nascent entrepreneur's propensity to export is positively associated with both their pro-activeness and their new venture's innovativeness. Felício et al. (2016), Felício et al. (2013), Felício et al. (2012), Felício et al. (2015), and Frank et al. (2007) have examined the relationship between entrepreneurial orientation and early internationalization decisions and have found a significant relationship. Thus, it is hypothesized that;

H1: Entrepreneurial orientation has positive effect on the global mindset.

Teece (2007) associates sensing capacity with scanning the external environment, whereby search, interpretation of available information, and learning activities are used to recognize market opportunities. According to Zollo and Winter (2002), sensing involves investing in technological and market research, thus making it possible to understand market trends and supplier and customer expectations. According to Wójcik and Ciszewska-Mlinarič (2020), Oviatt and McDougall (2005), and Yeoh (2004), market knowledge and the ability to assimilate information are important components of a firm's internationalization process because these abilities allow the firm to develop appropriate products and remain ahead of the competition (Knight et al., 2004; Knight and Liesch 2016). Information generated through scanning can help small firm managers reduce the uncertainty connected to foreign market operations (Swoboda and Olejnik, 2016). Thus, it is hypothesized that;

H2: Sensing capabilities mediate the relationship between the entrepreneurial orientation and global mindset.

According to Teece (2007), seizing capabilities involves prioritization of investment decisions and resource commitments in organizational structures, procedures, designs, and incentives. In particular, these activities involve selecting organizational boundaries, business model architecture, and decision-

making protocols and building loyalty and commitment among organizational members (Teece, 2007; Wójcik and Ciszewska-Mlinarič, 2020). International firms with a global mindset let them to improve their competitiveness (Gupta and Govindarajan 2002) seize international business opportunities (Bowen and Inkpen, 2009; Nadkarni, Herrmann, and Perez, 2010), and avoid globalization pitfalls (Dewhurst, Harris, and Heywood, 2011; Felício et al., 2016). As a result, entrepreneurs and managers must be able to seize opportunities abroad (by addressing the foreign market through exports or production, or by tapping new pools of individual and organizational capabilities) in these environments (Al-Aali and Teece, 2014; Yiu, Lau, and Bruton, 2007). According to Cui and Jiao (2011), seizing capability has a positive effect on rapid response to the market and innovation speed. According to Chirico and Nordqvist (2010), seized capability has a positive effect on the expansion of new markets and the adoption of new technology. According to Mudalige et al. (2016), the seizing capability effect positively affects the internationalization and international orientation of SMEs in Sri Lanka. Thus, it is hypothesized that;

H3: Seizing capabilities mediate the relationship between the entrepreneurial orientation and global mindset.

According to Teece et al. (2016), transformation involved in reconfiguration processes is hard for established enterprises but relatively easy for start-ups as these small new firms have minimum bureaucratic (and power) relationships. Knight and Cavusgil (2004) proposed that "firms must possess specific knowledge-based internal organizational capabilities that support both early internationalization decisions and subsequent success in foreign markets." According to Jantunen et al. (2008), when aiming to exploit existing resources and accumulate knowledge in new markets, firms need the ability to reconfigure their processes, practices, and structures to achieve a fit between their resources and capabilities and the requirements of new market environments. Transforming capabilities involves breaking with routine rigidities through the recombination and reconfiguration of organizational resources and structures to create new capabilities as markets and technologies change (Teece, 2007; Wójcik and Ciszewska-Mlinarič, 2020). According to the findings of Jantunen et al. (2005) the role of reconfiguring capabilities in the firm's expansion into new, in this case, foreign, markets is established. According to Cui and Jiao (2011), seizing capability has a positive effect on rapid response to the market

and innovation speed. According to Chirico and Nordqvist (2010), reconfiguration, capability has a positive effect on the expansion of new markets and the adoption of new technology. According to Mudalige et al. (2016), the reconfiguration capability effect positively affects the internationalization and international orientation of SMEs in Sri Lanka. Thus, it is hypothesized that;

H4: Reconfiguration capabilities mediate the relationship between the entrepreneurial orientation and global mindset.

3. Methodology

3.1. Research Design

This research would be built on positivism, a philosophy that allows for the observation of social reality as well as the development of correct data to address issues about fact gathering. The interpretations of the research findings are quantified and generalized using statistical analysis. The researcher utilized a logical technique to test the facts, developing a conceptual framework based on the literature. The researcher employed survey research as a research technique for this study, which is generally associated with the deductive approach. In this study, the mono approach is employed as the research method, which only collects quantitative data. Because the research is occur over a specific time period, the cross-sectional time horizon is used.

3.2. Population and Sampling Procedure

The sampling procedure used in this study is neither probability nor non-probability as the total population is considered for data collection. This paper is based on a sample of 295 startups in Sri Lanka from the technology-intensive ICT sector. The data collection was undertaken in 2020, from March to August. The firms in the sample were the startups registered on the "StartupSL" website (Digital Infrastructure and Information Technology Division, Ministry of Defense, Sri Lanka, 2020). Startup Sri Lanka was an initiative by the Ministry of Digital Infrastructure and Information Technology and is currently being operated under the Digital Infrastructure and Information Technology Division, Ministry of Defense, Sri Lanka. This platform is the single largest online platform for startups in Sri Lanka. There were 380 startups registered on the

website by 2020 March. Only 310 of those startups were in the technology-intensive ICT sector. The definition of a technology-intensive ICT industry is based on the definition of Kuivalainen, Sundqvist, and Servais (2007).

The unit of analysis of this study is firm level since the objective of the study is to investigate the impact of entrepreneurial orientation on global mindset with the moderating effect of dynamic capabilities in the technology and knowledge intensive sectors of Sri Lanka. Based on the previous literature, data was collected from upper-level managers or middle managers. Li and Liu (2014) mention the importance of collecting data from senior and middle managers to ensure a full understanding of a firm and to enhance the data quality. Kuar and Metha (2017) also used their respondents as managers who belong to the upper level, middle level, and lower level with good educational qualifications under the same theme.

All the questions were measured on seven-point Likert scales in order to retain the original scales of the authors as well as to avoid the common method variance (CMV). Scales ranged from "strongly disagree" to "moderately disagree" to "slightly disagree" to "uncertain" to "slightly agree" to "moderately agree" to "strongly agree". All constructs were measured using multiple items.

The current study used structural equation modeling (SEM) as the analysis technique as it utilizes confirmatory rather than exploratory data analysis, which helps it fit with hypothesis testing, can provide explicit estimates of error variance parameters, and can handle measurement error problems much better than traditional multivariate procedures, and can analyze both observed and unobserved measurements, while traditional methods can only analyze observed measurements. The results of the hypotheses, which are based on the Structural Equation Modeling technique (SEM), conducted using PLS-SEM, are presented. The researcher of the current study has selected the PLS-SEM method for data analysis over CB-SEM due to the limitation of not satisfying the normality assumption of the variables. In the PLS-SEM context, the structural model is identified as the inner model (Hair et al., 2011). The inner model explains the relationships between the latent constructs (Hair et al., 2011). When the measurement model is at a satisfactory level, the structural model is evaluated in PLS-SEM (Hair et al., 2019). PLS-SEM is not highly dependent on model fit, and it is recommended to be cautious when applying the measures of model fit (Hair et al., 2019). Standardized Root Mean Square

Residual (SRMR) which is a measure of the mean absolute correlation residual (the overall difference between the observed and predicted correlations) can be assessed under model fit (Chen, 2007). The threshold of SRMR is less than or equal to 0.08 (Chen, 2007). The SRMR value of the current study is 0.08, which is within the threshold value range, leading to a model fit. Since the model fit is achieved under PLS-SEM, the structural model is assessed in the aftermath.

3.3.Pre-Test and Pilot Test

The questionnaire, once developed, was sent to one of the three experts to view for comments. Then the questionnaire was sent to ten respondents; four founders, three senior managers, and three CEOs representing technology and knowledge-intensive service companies, for their comments. These participants were given the questionnaire and asked to examine it for meaningfulness, relevance, and clarity.

This study conducted a pilot survey on a small sample of respondents who were similar to those who actually completed it. The purpose of the pilot test is to refine the questionnaire so that respondents will have no problems in answering the questions and there will be no problems in recording the data. It will also enable you to obtain some assessment of the questions' validity and the likely reliability of the data that will be collected both for individual questions and, where appropriate, scales comprising a number of questions (Saunders et al., 2016). In this study, the pilot testing was carried out with 40 respondents, representing founders, CEOs, and senior managers from start-ups in technology and knowledge intensive start-ups.

Table 1. Operationalization

Construct	Variable	Indicator	Reference
Global mind-set		GM1: Internationalization is the only way for us to reach our growth target.	Felício et al. (2016)
		GM2: We must become internationalize to succeed in the future.	

Entrepreneurial Orientation	GM3: It is important for our company to become international quickly.	
	GM4: Management spends a large amount of time planning our international activities.	
	GM5: The growth we are aiming is reached mainly through internationalization.	
	GM6: Our company's founder/owner/ management is willing to take the organization to international market.	
	EO1: We are among the first to implement progressive and innovative production processes and practices.	Jantunen et al. (2008)
	EO2: The management of our company supports the projects that are associated with risks and expectations for higher-than-average returns.	
	EO3: We actively observe and adopt the best practices in our sector.	
	EO4: We actively observe the new practices developed in other sectors and exploit them in our own business.	
	EO5: We recognise early on technological changes that may have an effect on our business.	
	EO6: We are able to exploit unexpected opportunities.	
	EO7: We search for new practices all the time.	
	EO8: In uncertain decision-making situations we prefer bold actions to make sure that opportunities are exploited.	

		EO9: We consistently allocate resources to promising new operational areas.	
Dynamic Capabilities	Sensing Capability	DSC1: In my organization, people participate in professional association activities.	Nedzinskas et al. (2013)
		DSC2: In my organization, we use established processes to identify target market segments	
		DSC3: In my organization, we use established processes to identify changing customer needs	
		DSC4: In my organization, we use established processes to identify customer innovation.	
		DSC5: In my organization, we monitor the best practices in our industry sector.	
		DSC6: In my organization, we gather economic information on our operations and operational environment.	
	Seizing Capability	DZC1: In my organization, we invest in finding solutions for our customers.	Nedzinskas et al. (2013)
		DZC2: In my organization, we make use of the best practices in our industry sector.	
		DZC3: In my organization, we respond to defects pointed out by employees.	
		DZC4: In my organization, we change our practices when customer feedback gives us a reason to change.	
	Reconfiguration Capability	DRC1: In my organization, we often implement new kinds of management methods.	Nedzinskas et al. (2013)

		DRC2: In my organization, we often carry out new or substantially changed marketing method or strategy.	
		DRC3: In my organization, we often carry out substantial renewal of business processes.	
		DRC4: In my organization, we often carry out new or substantially changed ways of achieving our targets and objectives.	

Source: Developed by the researcher

Table 2. The Measures of Reliability of Pilot-Test Questionnaire

Variable	Cronbach's Alpha
Global mindset	0.861
Entrepreneurial Orientation	0.817
Sensing Capability	0.826
Seizing Capability	0.868
Reconfiguration Capability	0.876

Source: Developed by the researcher

4. Analysis

A total of 310 ICT born-global firms were surveyed, from which we received 299 valid responses, a response rate of 96%. The univariate statistical table obtained using SPSS shows that there are no missing values in the data set for scale variables. Then box-plot analysis was carried out item wise to diagnose the scores that are unusually high or low compared to all the others in a particular set of data. Based on the box-plot analysis, four outliers were identified. Then four outliers were removed from the data set after outlier designation, outlier description, and profiling. As a result, there were 295 responses for the final analysis.

Table 3. Univariate Analysis

Univariate Statistics					
	N	Mean	Std. Dev	Missing	
				Count	Percent
Entrepreneurial Orientation	299	5.2672	1.08657	0	0
Dynamic capabilities					
Sensing Capability	299	5.3216	1.29494	0	0
Seizing Capability	299	5.4398	1.47850	0	0
Reconfiguration Capability	299	5.1279	1.52157	0	0
Global Mindset	299	5.0240	1.48472	0	0

Source: Survey Data, 2020

As per the visual histogram tables of the variables (Annexure 1, Annexure 2, Annexure 3, Annexure 4, and Annexure 5), the researcher identified that the variables are not normally distributed. The scatter plots for all the variables are obtained and presented in order to show the linearity of the variables.

Table 4 highlights that the tolerance values are greater than 0.2 and the VIF values are less than 10 for every single variable in this study. Therefore, it can be concluded that there is no multicollinearity in existence.

Table 4. Multicollinearity Coefficients

Variables	Coefficients	
	Collinearity Statistics	
	Tolerance	VIF
Entrepreneurial Orientation	0.418	2.390
Dynamic Capability		
Sensing Capability	0.363	2.753
Seizing Capability	0.376	2.658
Reconfiguration Capability	0.463	2.162
Dependent Variable: Global Mindset		

Source: Survey Data, 2020

Table 5 confirms that the Kaiser-Meyer-Olkin value is $>.5$ as acceptable. Therefore, it can be concluded that factor analysis is appropriate for this data

set. Moreover, for this data set, Bartlett's test is highly significant ($p < 0.05$) and, therefore, factor analysis is appropriate.

Table 5. Test of Adequacy of Sample

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.911
Bartlett's Test of Sphericity	Approx. Chi-Square	3241.117
	Df	406
	Sig.	0.000

Source: Survey Data, 2020

Aligning with the theoretical prediction, entrepreneurial orientation is measured with three scales: proactiveness, innovativeness, and risk taking. As per the results (Table 6), entrepreneurial orientation has been loaded into one factor with all the factor loadings above 0.5.

Table 6. The EFA Results for Entrepreneurial Orientation

Rotated Component Matrix ^a	
	Factor
	1
EO1	0.552
EO2	0.657
EO3	0.765
EO4	0.829
EO5	0.786
EO6	0.739
EO7	0.768
EO8	0.631
EO9	0.515

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

Source: Survey Data, 2020

Table 7. The EFA Results for Dynamic Capabilities

Rotated Component Matrix^a			
	Factor		
	1	2	3
DS1	0.520	0.197	0.516
DS2	0.697	0.368	0.220
DS3	0.809	0.303	0.207
DS4	0.749	0.382	0.102
DS5	0.505	0.207	0.664
DS6	0.617	0.343	0.382
DZ1	0.683	-0.011	0.372
DZ2	0.367	0.187	0.761
DZ3	0.093	0.355	0.726
DZ4	0.238	0.398	0.647
DR1	0.199	0.671	0.413
DR2	0.352	0.769	0.205
DR3	0.215	0.827	0.169
DR4	0.237	0.716	0.334

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

Source: Survey Data, 2020

Dynamic capabilities are measured on three scales. As per the results generated (see Table 7), confirming the theoretical distinction of three capabilities: sensing, seizing, and reconfiguration capabilities, the dynamic capabilities have been loaded into three factors with factor loadings above 0.5.

Table 8. The EFA Results for Global Mindset

Rotated Component Matrix	
	Factor
	1
GM1	0.761
GM2	0.726
GM3	0.769
GM4	0.827

GM5	0.809
GM6	0.749

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

Source: Survey Data, 2020

One scale is used to assess global mindsets. As per the results generated (see Table 8), the global mindset has been loaded into one factor with factor loadings above 0.5.

According to Peterson (1994), coefficient alpha, developed by Cronbach (1951), is used as a measure of the internal consistency of a multi-item scale. According to Davidshofer and Murphy (2005), a coefficient alpha value below 0.6 indicates an unacceptable level, 0.7 indicates a low level, between 0.8 and 0.9 indicates a moderate to high level, and above 0.9 indicates a high level. Cronbach's alpha coefficient for this study for each construct was recorded above the threshold level of 0.70 (Table 9). Therefore, the constructs reflect a good degree of reliability.

Table 9. Results of the Reliability Analysis

Constructs	Cronbach's Alpha	No of items
Entrepreneurial Orientation	0.903	9
Dynamic Capability		
Sensing Capability	0.905	6
Seizing Capability	0.808	4
Reconfiguration Capability	0.808	4
Dependent Variable: Global Mindset	0.893	6

Source: Survey Data, 2020

The AVE for each construct was higher than the square of the correlation between that construct and other constructs (Table 10). Moreover, the correlation coefficients among the study constructs do not exceed 0.85 (Kline, 2011). Thus, all the constructs in the study represent different concepts, and there are no problems with discriminant validity.

Table 10. Convergent Validity

Construct	Measurement	Convergent Validity	
		CR	AVE
Entrepreneurial Orientation	EO	0.948	0.568
Dynamic Capability			
Sensing Capability	DSC	0.926	0.679
Seizing Capability	DZC	0.927	0.637
Reconfiguration Capability	DRC	0.875	0.523
Dependent Variable: Global Mindset	GM	0.921	0.757

Source: Survey Data, 2020

Table 11. Square of Inter-Construct Correlations and the AVE for All Constructs

Construct	Measurement	EO	DSC	DZC	DRC	GM
Entrepreneurial Orientation	EO	0.754				
Dynamic Capabilities						
Sensing Capability	DSC	0.762	0.824			
Seizing Capability	DZC	0.761	0.773	0.798		
Reconfiguration Capability	DRC	0.710	0.705	0.698	0.870	
Global Mindset	GM	0.471	0.435	0.514	0.530	0.844

Source: Survey Data, 2020

The path coefficient between the variables and the significance of them with relevance to the current study has been assessed using 5000 bootstrapping samples in PLS-SEM (Hair et al., 2011), which are associated with standardized values ranging from -1 to +1 (Hair et al., 2014). The values closer to +1 indicate a positive, strong relationship between the variables, whereas those closer to -1 indicate a strong negative relationship (Hair et al., 2014).

f^2 effect size, which is an assessment of how the removal of a certain predictor construct affects an endogenous construct's coefficient of determination (R^2) value. The values higher than 0.02, 0.15, and 0.35 are indications of the small, medium, and large f^2 effect sizes, respectively (Hair et al., 2019). The current study's endogenous variables' f^2 effect sizes have been calculated by removing exogenous variables from time to time, as depicted in Table 12. All the generated results of f^2 by removing entrepreneurial orientation, the f^2 effect size of dynamic capabilities, such as sensing capability, seizing capability, and reconfiguration capability, is above 0.35, indicating a large impact on the global mindset, while the f^2 effect by removing dynamic capabilities, f^2 is above 0.15, indicating a medium impact on the global mindset.

Table 12. f^2 Effect Size

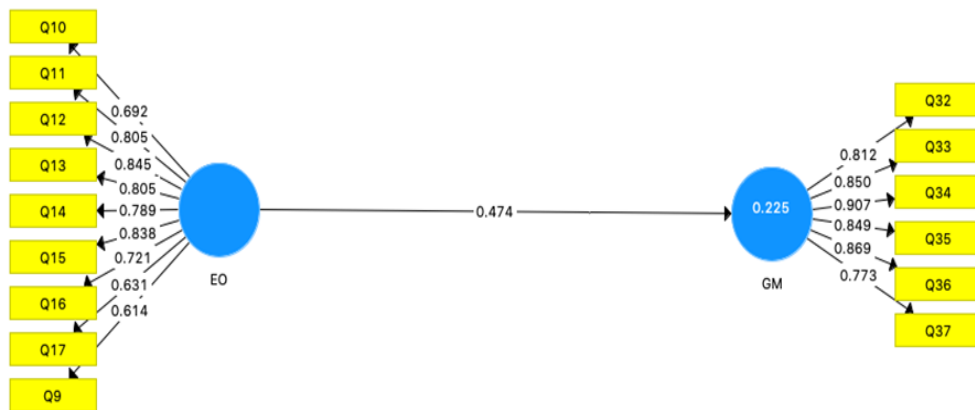
	Removal of Entrepreneurial Orientation				
Exogenous variable	Endogenous variable	Path Coefficient	f^2 Effect Size	Adjusted R^2 Value	Q^2 Value
Sensing	Global mindset	0.785	1.602	0.614	0.408
Seizing		0.769	1.450	0.590	0.364
Reconfiguration		0.712	1.030	0.506	0.377
Dynamic Capability		0.538	0.406	0.295	0.199
	Removal of Dynamic Capabilities				
	Endogenous variable	Path Coefficient	f^2 Effect Size	Adjusted R^2 Value	Q^2 Value
Entrepreneurial Orientation	Global mindset	0.474	0.290	0.225	0.156

Source: Survey Data, 2020

Table 13. Hypothesis Test Results for the H1

Effect	Path	Hypothesis	R ²	Path coefficients (β)	P-value	Result
Total	EO → GM	H1: Entrepreneurial Orientation has positive effect on the global mindset	0.225	0.474	0.000	Supported

Source: Survey Data, 2020



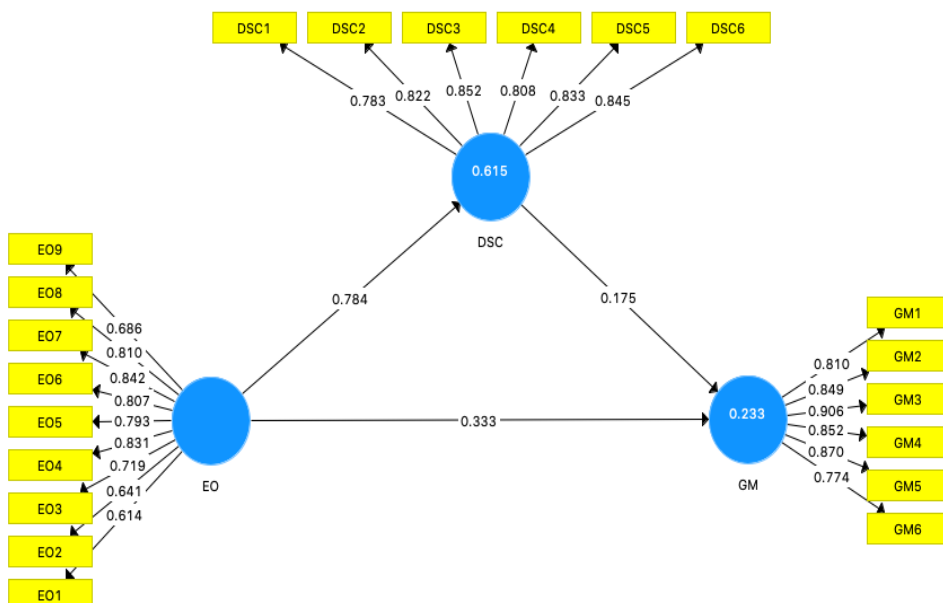
Source: Survey Data, 2020

Figure 2. Effect of entrepreneurial orientation and global mindset**Table 14. Analysis of Mediating Impact of Sensing Capability**

Without the Mediator					
Effect	Hypotheses (Path)	Path Coefficients (β)	T Statistic	P Values	Result
Total Effect	EO → GM	0.474	9.767	0.000	Supported
With the Mediator					
Direct	EO → GM	0.333	3.783	0.000	Supported

Effect					
Direct Effect	EO → DSC	0.784	24.830	0.000	Supported
Direct Effect	DSC → GM	0.175	1.779	0.000	Supported
Indirect Effect (H2)	(EO → DSC) * (EO → GM) or EO → DSC → GM	0.138	1.793	0.074	Not Supported

Source: Survey Data, 2020



Source: Survey Data, 2020

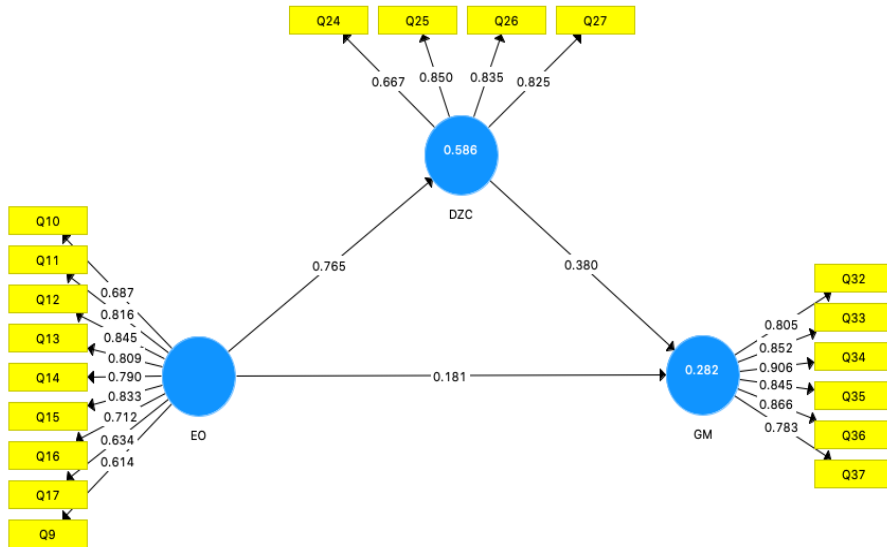
Figure 3: Mediating effect of sensing capability on entrepreneurial orientation and international decision

Hypothesis three investigated the mediation effect of dynamic seizing capability (DZC) on the relationship between entrepreneurial orientation (EO) and global mindset (GM). Table 15 demonstrates significant partial mediation. The generated result on the indirect effect is significant at the 95% significance level with a p-value of 0.000.

Table 15. Analysis of Mediating Impact of Seizing Capability

Without the Mediator					
Effect	Hypotheses (Path)	Path Coefficients (β)	T Statistic	P Values	Decision
Total Effect	EO $\rightarrow$ GM	0.474	9.767	0.000	Supported
With the Mediator					
Direct Effect	EO $\rightarrow$ GM	0.181	2.081	0.038	Supported
Direct Effect	EO $\rightarrow$ DZC	0.765	27.720	0.000	Supported
Direct Effect	DZC $\rightarrow$ GM	0.380	4.265	0.000	Supported
Indirect Effect (H3)	(EO $\rightarrow$ DZC) * (EO $\rightarrow$ GM) or EO $\rightarrow$ DZC $\rightarrow$ GM	0.291	4.129	0.000	Supported

Source: Survey Data, 2020



Source: Survey Data, 2020

Figure 4: Mediating effect of seizing capability on entrepreneurial orientation and international decision

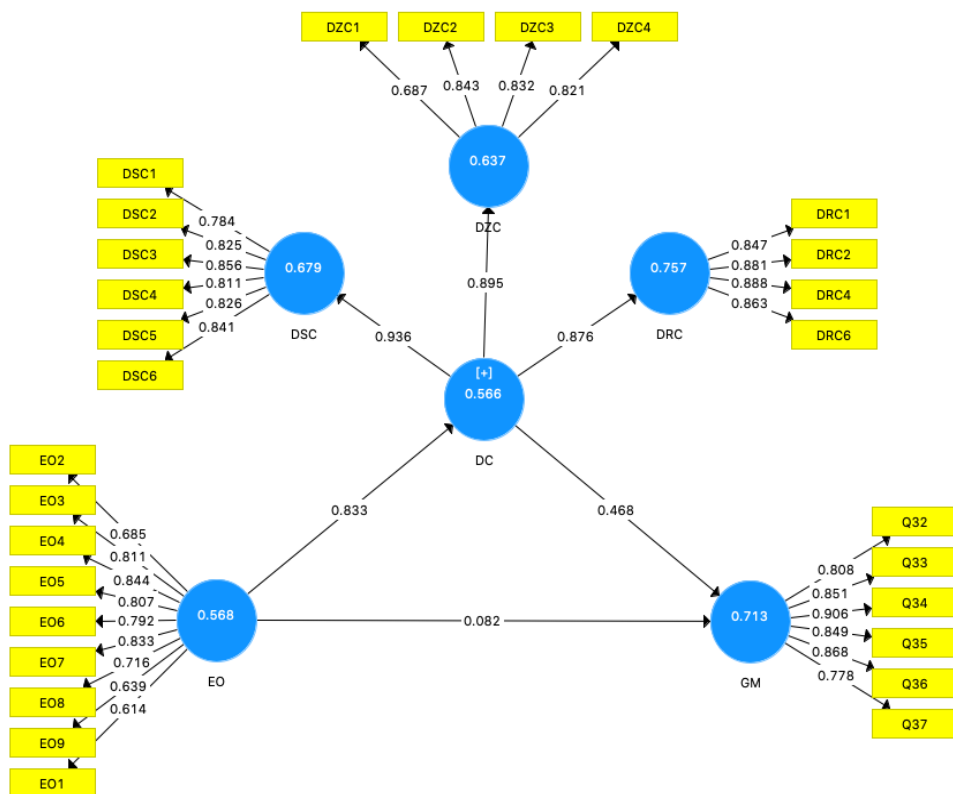
Hypothesis four investigated the mediation effect of dynamic reconfiguration capability (DRC) on the relationship between entrepreneurial orientation (EO) and global mindset (GM). Table 16 demonstrates significant partial mediation. The generated result on the indirect effect is significant at the 95% significance level with a p-value of 0.000.

Table 16. Analysis of Mediating Impact of Reconfiguration Capability

Without the Mediator					
Effect	Hypotheses (Path)	Path Coefficients (β)	T Statistic	P Values	Decision
Total Effect	EO $\rightarrow$ GM	0.474	9.767	0.000	Supported
With the Mediator					
Direct Effect	EO $\rightarrow$ GM	0.191	2.536	0.012	Supported
Direct Effect	EO $\rightarrow$ DRC	0.712	18.663	0.000	Supported

Direct Effect	DRC → GM	0.396	4.710	0.000	Supported
Indirect Effect (H4)	(EO → DRC)* (EO → GM) or EO → DRC → GM	0.282	4.560	0.000	Supported

Source: Survey Data, 2020



Source: Survey Data, 2020

Figure 5: Mediating effect of dynamic capability on entrepreneurial orientation and International Decision

5. Discussion

This study was conducted to achieve three objectives. The first research objective is to investigate the relationship between entrepreneurial orientation and a global mindset. The results of hypothesis one (H1) indicate that there is a significant positive relationship between entrepreneurial orientation and global mindset. Therefore, it can be concluded that the first research objective of this study has been achieved. Then, the second research objective as presented in chapter one is, to investigate the mediation effect of the dynamic capabilities on the relationship between entrepreneurial orientation and global mindset. Hypotheses two (H2), hypothesis three (H3) and hypothesis four (H4) were tested based on the data collected. The results of hypotheses indicating a no mediation effect of dynamic sensing capability while seizing and reconfiguration capability has a significant partial mediation on the relationship between the entrepreneurial orientation and early internationalization decision. Therefore, it can be concluded that the third research objective of this study is also achieved. The results are aligning with the findings of Dar and Joshi (2016), Nummela et al. (2004), Oviatt and McDougall (1995), and Torkkeli et al. (2018) who have discovered that the founders of small, rapidly internationalizing high-tech companies are often active entrepreneurs who have a global mindset that gives them an international vision, proactiveness and the commitment to search for international opportunities.

According to Knight and Cavusgil (2004) and McDougall, Shane, and Oviatt (1994), the majority of work that has been done on born-global SMEs considers entrepreneurial orientation as a key element in the early internationalization decisions of these firms. Also, according to Oviatt and McDougall (2005) and Yeoh (2004), market knowledge and the ability to assimilate information, which is the sensing capability of an organization, are important components of a firm's internationalization process. Cao and Ma (2009) discovered a link between sensing capability and early internationalization decisions. Also, according to Eriksson (2014), managerial orientation is one of the social antecedences of dynamic capabilities, and according to Rabbil et al. (2017), dynamic capabilities mediate the relationship between entrepreneurial orientation and firm performance.

According to Ries (2011), when pursuing international business, the firm should have the capability to quickly test, then update or replace ideas and business models that do not work. According to Teece (2016), this agility is supported by mainly new firms as the activities involved in seizing an opportunity require entrepreneurial orientation. According to Cui and Jiao (201), seizing capability has a positive effect on rapid response to the market. According to Chirico and Nordqvist (2010 as cited in Bleady et al., 2019), seizing capability has a positive effect on the expansion of new markets. Many studies have shown the positive effect of entrepreneurial orientation on reconfiguration capability in different contexts (Jantunen et al., 2005; Rabbil et al., 2017). Also, according to the findings of Jantunen et al. (2005), the role of reconfiguring capabilities in the firm's expansion into new, in this case, foreign, markets is established. According to Teece et al. (2016), transformation involved in reconfiguration processes is hard for established enterprises but relatively easy for start-ups as these small new firms have minimum bureaucratic (and power) relationships. However, smaller firms are less able to absorb the financial consequences of failed ideas than large firms and, therefore, must choose their initiatives carefully (Li et al., 2008).

6. Conclusion

Internationalization has been an ideal growth strategy for any type of organization and also for any economy (Leonidou and Katsikeas, 1996). It is even more important for companies emerging from developing economies due to the limitations in domestic markets (Zahra and George, 2002) to achieve a competitive advantage outside their domestic market (Peng, 2001) and even more important for small, young start-ups to make a profit from economies of scale with a low resource-laden approach (Fernández-Mesa and Alegre, 2015). A global mindset is considered the heart of global growth and opportunity for entrepreneurial ventures (Torkkeli, Nummela, and Saarenketo, 2018).

Entrepreneurs and their entrepreneurial orientations play a huge role in deciding the international focus, as internationalization is a strategic decision. The ability of the key decision-makers of these small and young born-globals to be proactive, innovative, and take risks, while devising effective strategic processes, contributes at the time they enter into the international market. Thus, the purpose of this study was to investigate the impact of entrepreneurial

orientation on the global mindset through the mediation effect of dynamic capabilities. In order to fulfill the aforesaid purpose, three research objectives, three research questions, and four hypotheses were developed. This study was built on two bodies of literature: entrepreneurial orientation and dynamic capability view.

The first objective was to identify the relationship between entrepreneurial orientation and a global mindset. The empirical evidence supports the idea that entrepreneurial orientation is related to a global mindset. Furthermore, this relationship is positive and significant, indicating that entrepreneurial processes can enhance the founder's cognitive ability to leverage global business opportunities. As pointed out by Nemkova (2017), the markets in which ICT born-globals operate appear to be among the most volatile and competitive (Tanev, 2012). Adding to that, in order to operate successfully with the resources at hand, these start-up companies have to put a lot of emphasis on their decision-making processes (Kuivalainen, Saarenketo, and Puumalainen, 2012). As a result, decision makers of these born-globals should be aware that their cognitive aspect of global growth, which is their global mindset, is influenced by their ability to predict future market change and create opportunities rather than identifying opportunities (Rauch et al., 2009; Saarenketo et al., 2001), their ability to be open to new ideas, to be creative in product and process design, and to pursue novel and creative or novel solutions that are innovative.

Then, as the second, third, and fourth objectives are examined, the mediation effects of dynamic sensing capability, dynamic seizing capability, and dynamic reconfiguration capability are examined. Empirical results show that the three dimensions together fully mediate the relationship between entrepreneurial orientation and global mindset significantly. However, separately, only seizing and reconfiguration capabilities show a partially significant relationship, while sensing capability does not show any mediation. Sensing capability involves top managers and technical experts deeply understanding market development opportunities (Jiao et al., 2013) and involving new knowledge configuration. There are fewer rigid rules governing the export of technology-intensive services compared to goods exported. In relation to the seizing capability; the refinement of the decision-making protocols, new partnerships, and platforms is slightly predicting the global mindset. It may be because the new networks

generated through seized capability may support these firms to begin international assignments earlier than those that do not have those networks. Further, the other partial mediation of reconfiguration capability indicates that the more firms are able to integrate, innovate, and update operational processes, the more they have a slight global mindset. The loose structure of those ICT firms may support innovation and frequent process improvements. According to Evers (2011), knowledge has usually been considered more relevant to high-tech sectors, especially in respect of ICT companies and other knowledge-intensive firms.

6.1.Implications

This study has made several theoretical and managerial contributions. First, by broadening the understanding of the born-global phenomena in relation to a developing country context using the Sri Lankan ICT sector. Previous research on born-globals has primarily been conducted in developed countries, including the United Kingdom, France, Canada, and China, and the extant literature addressing born-global firms is still scarce. The global mindset characteristic of born-globals coming from a developing country context and representing any industry has not been studied yet. This study was initiated to study the global mindset characteristic of born-globals. Secondly, this study attempted to open up the "black-box" of determinants of global mindset and extend theoretical gaps by examining the connections between; entrepreneurial orientation, dynamic capability, and the global mindset of ICT sector born-globals. Knight and Liesch (2016) highlighted the need for future studies to investigate the factors that support the development of born-global firms. This is one of the first studies to empirically explore the application of entrepreneurial orientation and dynamic capabilities interactively in relation to the born-globals. Thirdly, it is argued that entrepreneurship and dynamic capability views are two undeniable bodies of literature to explain why some firms thrive during strategic change while others do not, yet there has been relatively little empirical work done (Arend, 2014). This study contributes to both bodies of literature by incorporating dynamic capability as a mediator in the relationship between entrepreneurial orientation and global mindset.

Aside from the academic implications, there are a number of managerial implications for entrepreneurs in developing countries. First, our results indicate

that new venture managers can benefit from their entrepreneurial processes for their global mindset. Managers need to think about enhancing entrepreneurial orientations by thinking ahead of their competitors and initiating new products, services, and processes, considering radical and drastic changes in the ways things are done. Second, because seizing and reconfiguration abilities mediate the effect of entrepreneurial orientation on global mindset, entrepreneurs may need to improve their proactive orientation, risk-taking orientation, and innovative orientation, in addition to seizing and reconfiguration abilities. Seizing capability and reconfiguration capability can be enhanced by the mobilization of resources to face an opportunity and capture its value, and finally, continuous renewal.

6.2.Limitations and Future Research Directions

Despite its contributions, this study has several limitations. First, because the global mindset has been studied in a small number of studies, there is less theoretical and empirical literature to support the operationalization of the variable. Second, this study is aimed at born-global firms engaged in the ICT sector in Sri Lanka. Therefore, the results may not be applicable to generalizability across other industry sectors in other country contexts, such as developing or emerging. Countries differ in relation to various aspects: culture, demography, social elements, economic elements, and others. As a result, this study should be expanded to include contexts from both developed and developing countries. Third, the data was collected from born-globals, listed in the up-to-date website directory of the "StartupSL" website administered by the Digital Infrastructure and Information Technology Division, Ministry of Defense, Sri Lanka (2020), which may not represent the total population of born-globals in the ICT sector in Sri Lanka. The extension of this study can be conducted using other born-global firms not registered on the aforementioned website but relevant for this study.

References

Adner, R., & Helfat, C. E. (2003). Corporate effects and dynamic managerial capabilities. *Strategic management journal*, Vol 24 No.10, pp.1011-1025.

- Al-Aali, A., & Teece, D. J. (2014). International entrepreneurship and the theory of the (Long-Lived) international firm: a capabilities perspective. *Entrepreneurship Theory and Practice*, Vol 38 No.1, pp.95-116.
- Andersson, S. (2000). The internationalization of the firm from an entrepreneurial perspective. *International studies of management and organization*, Vol 30 No.1, pp.63-92.
- Arend, R. J. (2014). Entrepreneurship and dynamic capabilities: how firm age and size affect the 'capability enhancement-SME performance' relationship. *Small Business Economics*, Vol 42 No.1, pp.33-57.
- Barney, J. (1991). Special theory forum the resource-based model of the firm: origins, implications, and prospects. *Journal of management*, Vol 17 No. 1, pp.97-98.
- Bell, J. (1995). The internationalization of small computer software firms. *European Journal of Marketing*, Vol 29 No.8, pp.60-75.
- Bleady, A., Ali, A. H., & Balal, S. (2019). Towards an integrative model of dynamic capabilities empirical research: a systematic review *International Journal of Business Excellence*, Vol 18 No.2, pp.203-241.
- Bourgeois, I. J. (1980). Strategy and environment: A conceptual integration. *Academy of management review*, Vol 5 No.1, pp.25-39.
- Bowen, D. E., and Inkpen, A. C. (2009). Exploring the role of "global mindset" in leading change in international contexts. *The Journal of applied Behavioral science*, Vol 45 No.2 pp.239-260.
- Burgel, O., and Murray, G. C. (2000). The international market entry choices of start-up companies in high-technology industries. *Journal of International Marketing*, Vol 8 No.2, pp.33-62.
- Burgelman, R. A. (1983). Corporate entrepreneurship and strategic management: Insights from a process study. *Management science*, Vol 29 No.12, pp.1349-1364.
- Cahen, F. R., Lahiri, S., & Borini, F. M. (2016). Managerial perceptions of barriers to internationalization: An examination of Brazil's new

- technology-based firms. *Journal of business research*, Vol 69 No. 6, pp.1973-1979.
- Cao, C. X., & Ma, H. Y. (2009). Business, network, and entrepreneur: the drivers of rapid internationalization of the born global firms. In *2009 International Conference on Management and Service Science*, pp.1-4
- Cavusgil, S. T., & Knight, G. (2015). The born global firm: An entrepreneurial and capabilities perspective on early and rapid internationalization. *Journal of International Business Studies*, Vol 46 No.1, pp. 3-16.
- Chen, F. F. (2007). Sensitivity of goodness of fit indexes to lack of measurement invariance. *Structural equation modeling: A Multidisciplinary Journal*, Vol 14 No.3, pp.464-504.
- Chetty, S., Johanson, M., & Martín, O. M. 2014. Speed of internationalization: Conceptualization, measurement and validation. *Journal of World Business*, Vol 9 No.4, pp.633-650.
- Chirico, F., and Nordqvist, M. (2010). Dynamic capabilities and trans-generational value creation in family firms: The role of organizational culture. *International Small Business Journal*, Vol 28 No.5, pp.487-504.
- Coviello, N. (2015). Re-thinking research on born globals. *Journal of International Business Studies*, Vol 46 No.1, pp.17-26.
- Covin, J. G., & Miller, D. (2014). International entrepreneurial orientation: Conceptual considerations, research themes, measurement issues, and future research directions. *Entrepreneurship Theory and Practice*, Vol 38 No.1, pp.11-44.
- Covin, J. G., & Slevin, D. P. (1989). Strategic management of small firms in hostile and benign environments. *Strategic management journal*, Vol 10 No.1, pp.75-87.
- Cronbach, L. J. (1951). *Coefficient alpha and the internal structure of tests* Vol. 16. Psychometrika.
- Cui, Y., & Jiao, H. (2011). Dynamic capabilities, strategic stakeholder alliances and sustainable competitive advantage: evidence from China', *Corporate*

- Governance. *The International Journal of Business in Society*, Vol 11 No. 4, pp.386–398.
- Dar, I. A., and Joshi, M. C. 2016. Entrepreneurial orientation and global mindset: impact on internationalisation of SMEs in India. *Journal of General Management Research*, 3(2), pp.1-18.
- Davidshofer, K. R., and Murphy, C. O. 2005. *Psychological testing: principles and applications*. Englewood Cliffs, 2005: Prentice-Hall.
- Dewhurst, M., Harris, J., and Heywood, S. 2011. Understanding your ‘globalization penalty’. *McKinsey Quarterly*, 3, pp.12-15.
- Digital Infrastructure and Information Technology Division, Ministry of Defence, Sri Lanka. 2020. *Explore: Startup SL*. Retrieved 2019 September, from Startup SL: <https://www.startupsl.lk/>
- Eisenhardt, K. M., and Martin, J. A. 2000. Dynamic capabilities: what are they? *Strategic management journal*, 21(10-11), pp.1105-1121.
- Ellonen, H. K., Jantunen, A., and Kuivalainen, O. 2011. The role of dynamic capabilities in developing innovation-related capabilities. *International Journal of Innovation Management*, 15(3), pp.459-478.
- Eriksson, T. 2014. Processes, antecedents and outcomes of dynamic capabilities. *Scandinavian journal of management*, 30(1), pp.65-82.
- Evers, N. 2011. International new ventures in “low tech” sectors: a dynamic capabilities perspective. *Journal of Small Business and Enterprise Development*, 18(3), pp.502 - 528.
- Felício, J. A., Caldeirinha, V. R., and Ribeiro-Navarrete, B. 2015. Corporate and individual global mind-set and internationalization of European SMEs. *Journal of Business Research*, 68(4), pp.797-802.
- Felício, J. A., Caldeirinha, V. R., and Rodrigues, R. 2012. Global mindset and the internationalization of small firms: The importance of the characteristics of entrepreneurs. *International Entrepreneurship and Management Journal*, 8(4), pp.467-485.

- Felício, J. A., Duarte, M., and Rodrigues, R. 2016. Global mindset and SME internationalization: A fuzzy-set QCA approach. *Journal of Business Research*, 69(4), pp.1372-1378.
- Fernández-Mesa, A., and Alegre, J. 2015. Entrepreneurial orientation and export intensity: Examining the interplay of organizational learning and innovation. *International Business Review*, 24(1), pp.148-156.
- George, B. A. 2011. Entrepreneurial orientation: A theoretical and empirical examination of the consequences of differing construct representations . *Journal of Management Studies*, 48(6), pp.1291-1313.
- Griffith, D. A., and Harvey, M. G. 2001. A resource perspective of global dynamic capabilities. *Journal of international business studies*, 32(3), pp.597-606.
- Gupta, A. K., and Govindarajan, V. 2002. Cultivating a global mindset. *Academy of Management Perspectives*, 16(1), pp.116-126.
- Hair, J. F., Ringle, C. M., and Sarstedt, M. 2011. PLS-SEM: Indeed a silver bullet. *Journal of Marketing theory and Practice*, 19(2), pp.139-152.
- Hair, J. F., Ringle, C. M., Gudergan, S. P., and Fisch. 2019. Partial least squares structural equation modeling-based discrete choice modeling: an illustration in modeling retailer choice. *Business Research*, 12(1), pp.115-142.
- Hair, J. F., Sarstedt, M., Hopkins, L., and Kuppe. 2014. Partial least squares structural equation modeling (PLS-SEM). *European Business Review*.
- Hisrich, R. D., and Peters, M. P. 1989. Entrepreneurship: Starting. Developing, And Managing A New Enterprise . Homewood, IL: BPI, IrwinMcGraw-Hill.
- Hruby, J., de Melo, R. J., Samunderu, E., and Hartel. 2018. Unpacking the Complexities of Global Mindset: A Multi-Lens Analysis. , *Advances in Global Leadership*, 11.
- Hruby, J., Watkins-Mathys, L., and Hanke, T. 2016. Antecedents and outcomes of a global mindset: A thematic analysis of research from 1994 to 2013

- and future research agenda. *Advances in global leadership*, 9, pp.213-280.
- Jakopec, A., Krecar, I. M., and Sušanj, Z. 2013. Predictors Of Entrepreneurial Intentions Of Students Of Economics. *Studia psychologica*, 55(4).
- Jantunen, A., Nummela, N., Puumalainen, K., and Saar. 2008. Strategic orientations of born globals—Do they really matter? *Journal of World Business*, 43(2), pp.158-170.
- Jantunen, A., Puumalainen, K., Saarenketo, S., and Kyläheiko, K. 2005. Entrepreneurial orientation, dynamic capabilities and international performance. *Journal of International Entrepreneurship*, 3(3), pp.223-243.
- Jiao, H., Alon, I., Koo, C. K., and Cui, Y. 2013. When should organizational change be implemented? The moderating effect of environmental dynamism between dynamic capabilities and new venture performance. *Journal of Engineering and Technology Management* 30(2), pp.188-205.
- Jiao, H., Wei, J., and Cui, Y. 2010. An empirical study on paths to develop dynamic capabilities: From the perspectives of entrepreneurial orientation and organizational learning. *Frontiers of Literary Studies in China*, 4(1), pp.47-72.
- Johanson, J., and Vahlne, J. E. 1977. The internationalization process of the firm—a model of knowledge development and increasing foreign market commitments. *Journal of international business studies*, 8(1), pp.23-32.
- Karagouni, G., Protogerou, A., and Caloghirou, Y. 2016. Dynamic Entrepreneurial Capabilities and Dynamic Capabilities in Low-Tech Knowledge-Intensive Corporate Venturing.
- Karra, N., Phillips, N., and Tracey, P. 2008. Building the born global firm: developing entrepreneurial capabilities for international new venture success. *Long Range Planning*, 41(4), pp.440-458.
- Kim, H. J. 2018. Reconciling entrepreneurial orientation and dynamic capabilities: a strategic entrepreneurship perspective. *The Journal of Entrepreneurship*, 27(2), pp.180-208.

- Kline, R. B. 2011. Convergence of structural equation modeling and multilevel modeling. pp.562-589.
- Knight, G. A., and Cavusgil, S. T. 2004. Innovation, organizational capabilities, and the born-global firm. *Journal of international business studies*, 35(2), pp.124-141.
- Knight, G. A., and Liesch, P. W. 2011. Internationalization: From incremental to born global. *Journal of World Business*, 51(1), pp.93-102.
- Knight, G., Madsen, T. K., and Servais, P. 2004. An inquiry into born-global firms in Europe and the USA. *International Marketing Review*, 21(6), pp.645-665.
- Kuivalainen, O., and Sundqvist, S. 2007. Profitability of rapid internationalization: the relationship between internationalization intensity and firms' export performance. *Journal of Euromarketing*, 1(2), pp.59-69.
- Kuivalainen, O., Saarenketo, S., and Puumalainen, K. 2012. Start-up patterns of internationalization: A framework and its application in the context of knowledge-intensive SMEs. *European Management Journal*, 30(4), pp.372-385.
- Kuivalainen, O., Sundqvist, S., and Saarenketo, S. 2012. Early internationalization and performance of small high-tech "born-globals". *International Marketing Review*.
- Kuivalainen, O., Sundqvist, S., and Servais, P. 2007. Firms' degree of born-globalness, international entrepreneurial orientation and export performance. *Journal of World Business*, 42(3), pp.253-267.
- Kuivalainen, O., Sundqvist, S., and Servais, P. 2007. Firms' degree of born-globalness, international entrepreneurial orientation and export performance. *Journal of world business*, 42(3), pp.253-267.
- Kyvik, O., Saris, W., Bonet, E., and Felício, J. A. 2013. The internationalization of small firms: The relationship between the global mindset and firms' internationalization behavior. *Journal of International Entrepreneurship*, 11(2), pp.172-195.

- Leonidou, L. C., and Katsikeas, C. S. 1996. The export development process: An integrative review of empirical models. *Journal of International Business Studies*, 27(3), pp.517-551.
- Levy, O., Taylor, S., Boyacigiller, and Beech. 2007. Global mindset: A review and proposed extensions. *Advances in international management: The global mindset*, 19, pp.11-47.
- Li, S., Shang, J., and Slaughter, S. A. 2010. Why do software firms fail? Capabilities, competitive actions, and firm survival in the software industry from 1995 to 2007. *Information Systems Research*, 21(3), pp.631-654.
- Liesch, P. W., Welch, L. S., and Buckley, P. J. 2014. Risk and uncertainty in internationalisation and international entrepreneurship studies. In *The multinational enterprise and the emergence of the global factory*. pp.52-77.
- Lu, J. W., and Beamish, P. W. 2001. The internationalization and performance of SMEs. *Strategic management journal*, 22(6-7), pp.565-586.
- Lumpkin, G. T., and Dess, G. G. 1996. Clarifying the entrepreneurial orientation construct and linking it to performance. *Academy of management Review*, 21(1), pp.135-172.
- Luo, Y. 2000. Dynamic capabilities in international expansion. *Journal of World Business*, 35(4), pp.355-378.
- Madsen, T. K., and Servais, P. (1997). The internationalization of born globals: an evolutionary process? *International business review*, 6(6), 561-583.
- Manolova, T. S., Eunni, R. V., and Gyoshev, B. S. (2008). Institutional environments for entrepreneurship: Evidence from emerging economies in Eastern Europe. *Entrepreneurship theory and practice*, 32(1), 203-218.
- McDougall, P. P., and Oviatt, B. M. (1996). New venture internationalization, strategic change, and performance: A follow-up study. *Journal of business venturing*, 11(1), 23-40.

- McDougall, P. P., and Oviatt, B. M. (2000). International entrepreneurship: The intersection of two research paths. *Academy of management Journal*, 43(5), 902-906.
- McDougall, P. P., Shane, S., and Oviatt, B. M. (1994). Explaining the formation of international new ventures: The limits of theories from international business research. *Journal of Business Venturing*, 9(6), 469-487.
- Miller, D., and Friesen, P. H. (1982). Innovation in conservative and entrepreneurial firms: Two models of strategic momentum. *Strategic management journal*, 3(1), 1-25.
- Miocevic, D., and Crnjak-Karanovic, B. (2011). Cognitive and information-based capabilities in the internationalization of small and medium-sized enterprises: The case of Croatian exporters. *Journal of Small Business Management*, 49(4), 537-557.
- Miocevic, D., and Crnjak-Karanovic, B. (2012). The mediating role of key supplier relationship management practices on supply chain orientation—The organizational buying effectiveness link. *Industrial Marketing Management*, 41(1), 115-124.
- Moen, Ø., and Servais, P. (2002). Born global or gradual global? Examining the export behavior of small and medium-sized enterprises. *Journal of international marketing*, 10(3), 49-72.
- Montealegre, R. (2002). A process model of capability development: Lessons from the electronic commerce strategy at Bolsa de Valores de Guayaquil. *Organization Science*, 13(5), 514-531.
- Montealegre, R. (2002). A process model of capability development: Lessons from the electronic commerce strategy at Bolsa de Valores de Guayaquil. *Organization Science*, 13(5), 514-531.
- Mudalige, D., Ismail, N. A., and Malek, M. M. (2016). Application of theory of dynamic capabilities to explicate internationalization of SMES in Sri Lanka. *International Postgraduate Business Journal*, 8(2), 1-18.
- Mudambi, R., and Zahra, S. A. (2007). The survival of international new ventures. *Journal of International Business Studies*, 38(2), 333-352.

- Nadkarni, S., Herrmann, P., and Perez, P. D. (2011). Domestic mindsets and early international performance: The moderating effect of global industry conditions. *Strategic Management Journal*, 32(5), 510-531.
- Nedzinskas, Š., Pundzienė, A., and Buožiūtė-Rafanaviči. (2013). The impact of dynamic capabilities on SME performance in a volatile environment as moderated by organizational inertia. *Baltic Journal of Management*, 8(4), 376 - 396.
- Nemkova, E. (2017). The impact of agility on the market performance of born-global firms: An exploratory study of the 'Tech City' innovation cluster. *Journal of Business Research*, 80, 257-265.
- Nordstrom, K. A., and Vahlne, J. E. (1990). The internationalization process of the firm: Searching for new patterns and explanations.
- Nummela, N., Saarenketo, S., and Puumalainen, K. (2004). A global mindset—a prerequisite for successful internationalization? *Canadian Journal of Administrative Sciences*, 21(1), 51-64.
- Osland, J. S., Bird, A., Mendenhall, M., and Osland. (2006). Developing global leadership capabilities and global mindset: A review. In *Handbook of Research in International Human Resource Management* (pp. 197-222). Edward Elgar Publishing.
- Oviatt, B. M., and McDougall, P. P. (1994). Toward a theory of international new ventures. *Journal of International Business Studies*, 25(1), 45-64.
- Oviatt, B. M., and McDougall, P. P. (1995). Global start-ups: Entrepreneurs on a worldwide stage. *Academy of Management Perspectives*, 9(2), 30-43.
- Oviatt, B. M., and McDougall, P. P. (1997). Challenges for internationalization process theory: The case of international new ventures. *Management International Review*, 85-99.
- Oviatt, B. M., and McDougall, P. P. (2005). Defining international entrepreneurship and modeling the speed of internationalization. *Entrepreneurship Theory and Practice*, 29(5), 537-553.

- Paul, J., and Gupta, P. (2014). Process and intensity of internationalization of IT firms – evidence from India. *International Business Review*, 23(3), 594-603.
- Paul, J., and Rosado-Serrano, A. (2019). Gradual internationalization vs born-global/international new venture models: A review and research agenda. *International Marketing Review*.
- Peng, M. W. (2001). The resource-based view and international business. *Journal of Management*, 27(6), 803-829.
- Peng, Y. P., and Lin, K. H. (2017). The effect of global dynamic capabilities on internationalizing SMEs performance. *Baltic Journal of Management*.
- Peterson, R. A. (1994). A meta-analysis of Cronbach's coefficient alpha. *Journal of Consumer Research*, 21(2), 381-391.
- Prahalad, C. H., and Hamel, G. (1990). The Core Competence of the Corporation. *Harvard Business Review*, 68(3), 295-336.
- Rabbil, M. Z., Yasmine, N. S., and Comm, M. (2017). Analysis of effects of environmental dynamism, entrepreneurial orientation, and dynamic capability on the performance of SMEs. *International Journal of Humanities and Management Sciences*, 5(1).
- Rasmussen, E. S., and Madsen, T. K. 2002. The born global concept. *In Paper for the EIBA conference*, pp.1-26.
- Rauch, A., Wiklund, J., Lumpkin, G. T., and Frese, M. 2009. Entrepreneurial orientation and business performance: An assessment of past research and suggestions for the future. *Entrepreneurship Theory and Practice*, 33(3), pp.761-787.
- Rennie, M. W. 1993. Born global. *The McKinsey Quarterly*, 4, pp.45-53.
- Rodrigo-Alarcón, J., García-Villaverde, P. M., Ruiz-Ortega, M. J., and Parra-Requena, G. 2018. From social capital to entrepreneurial orientation: The mediating role of dynamic capabilities. *European Management Journal*, 36(2), pp.195-209.

- Rodríguez-Serrano, M. A., and Martín-Armario, E. 2019. Born-global SMEs, performance, and dynamic absorptive capacity: evidence from Spanish firms. *Journal of Small Business Management*, 57(2), pp.298-326.
- Saarenketo, S., Kuivalainen, O., & Puumalainen, K. (2001). Emergence of born global firms: Internationalization patterns of infocom SMEs as an example. In *4th McGill Conference on International Entrepreneurship*. Vol 2, pp. 442-468. Glasgow, UK: University of Strathclyde.
- Salvato, C., & Vassolo, R. (2018). The sources of dynamism in dynamic capabilities. *Strategic Management Journal*, Vol 39 No. 6, pp.1728-1752.
- Sandberg, W. R., & Hofer, C. W. (1987). Improving new venture performance: The role of strategy, industry structure, and the entrepreneur. *Journal of Business venturing*, Vol 2 No. 1, pp.5-28.
- Sapienza, H. J., Autio, E., George, G., & Zahra, S. (2006). A capabilities perspective on the effects of early internationalization on firm survival and growth. *Academy of Management Review*, Vol 31 No.4, pp.914-933.
- Sarasvathy, S. D. (2001). Effectual reasoning in entrepreneurial decision making: existence and bounds. *Academy of Management*, pp.243-263.
- Schumpeter, J. (1942). Creative destruction. Capitalism, socialism and democracy. Vol 825, pp.82-85.
- Swoboda, B., & Olejnik, E. (2016). Linking processes and dynamic capabilities of international SMEs: the mediating effect of international entrepreneurial orientation. *Journal of Small Business Management*, Vol 54(1), pp.139-161.
- Tanev, S. (2012). Global from the start: The characteristics of born-global firms in the technology sector. *Technology Innovation Management Review*, Vol 2 No. 3.
- Teece, D. J. (1984). Economic analysis and strategic management. *California Management Review*, Vol 87.
- Teece, D. J. (1988). Capturing value from technological innovation: Integration, strategic partnering, and licensing decisions. *Interfaces*, Vol 18 No.3, pp.46-61.

- Teece, D. J. (2007). Explicating dynamic capabilities: the nature and microfoundations of (sustainable) enterprise performance. *Strategic management journal*, Vol 28 No.13, pp.1319-1350.
- Teece, D. J. (2012). Dynamic capabilities: Routines versus entrepreneurial action. *Journal of Management Studies*, Vol 49 No. 8, pp.1395-1401.
- Teece, D. J. (2014). The foundations of enterprise performance: Dynamic and ordinary capabilities in an (economic) theory of firms. *Academy of management perspectives*, Vol 28 No.4, pp.328-352.
- Teece, D. J. (2016). Dynamic capabilities and entrepreneurial management in large organizations: Toward a theory of the (entrepreneurial) firm. *European Economic Review*, Vol 86, pp.202-216.
- Teece, D. J., and Pisano, G. (2003). The dynamic capabilities of firms. In *In Handbook on knowledge management*, pp. 195-213. Berlin, Heidelberg: Springer.
- Teece, D. J., Peteraf, M., & Leih, S. (2016). Dynamic capabilities and organizational agility: Risk, uncertainty, and strategy in the innovation economy. *California Management Review*, Vol 58 No.4, pp.13-35.
- Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal*, Vol 18 No. 7, pp.509-533.
- Teece, D. J., Rumelt, R., Dosi, G., & Winter, S. (1994). Understanding corporate coherence: Theory and evidence. *Journal of Economic Behavior and Organization*, Vol 23 No. 1, pp.1-30.
- Torkkeli, L., Nummela, N., & Saarenketo, S. (2018). A global mindset–still a prerequisite for successful SME internationalisation?. In *Key success factors of SME internationalisation: A cross-country perspective*. Emerald Publishing Limited.
- Vesper, K. H. (1980). New venture planning. *Journal of Business Strategy*.
- Villar, C., Alegre, J., & Pla-Barber, J. (2014). Exploring the role of knowledge management practices on exports: A dynamic capabilities view. *International Business Review*, Vol 23 No.1, pp.38-44.

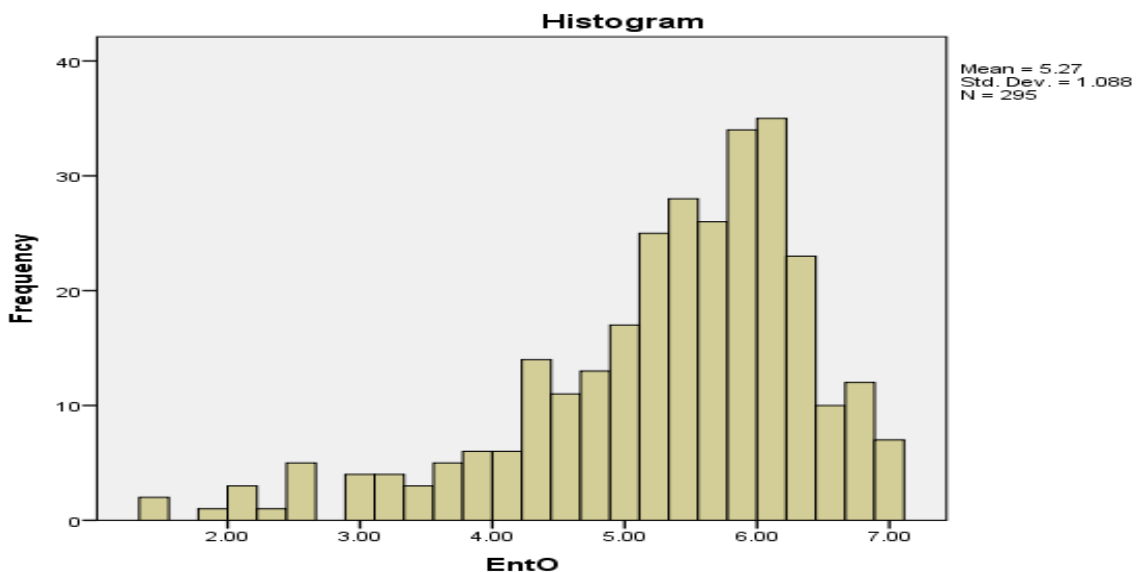
- Weerawardena, J., Mort, G. S., & Liesch, P. W. (2019). Capabilities development and deployment activities in born global B-to-B firms for early entry into international markets. *Industrial Marketing Management*, Vol 78, pp.122-136.
- Weerawardena, J., Mort, G., Liesch, P. W., & Knight, G. (2007). Conceptualizing accelerated internationalization in the born global firm: A dynamic capabilities perspective. *Journal of world business*, Vol 42 No. 3, pp.294-306.
- Wiklund, J., & Shepherd, D. (2003). Aspiring for, and achieving growth: The moderating role of resources and opportunities. *Journal of Management Studies*, Vol 40 No. 8, pp.1919-1941.
- Wójcik, P., & Ciszewska-Mlinarič, M. (2020). The impact of cognitive and behavioral factors on the export performance: a dynamic capabilities perspective. *European Business Review*.
- Yeoh, P. L. (2004). International learning: Antecedents and performance implications among newly internationalizing companies in an exporting context. *International Marketing Review*.
- Yiu, D. W., Lau, C., & Bruton, G. D. (2007). International venturing by emerging economy firms: The effects of firm capabilities, home country networks, and corporate entrepreneurship. *Journal of International Business Studies*, Vol 38 No.4, pp.519-540.
- Zahra, S. A., Sapienza, H. J., & Davidsson, P. (2006). Entrepreneurship and dynamic capabilities: A review, model and research agenda. *Journal of Management studies*, Vol 43 No.4, pp.917-955.
- Zahra, S. A., & George, G. (2002). Absorptive capacity: A review, reconceptualization, and extension. *Academy of management review*, Vol 27 No.2, pp.185-203.
- Zhang, H., Zhang, T., Cai, H., Li, Y., & Huang, W. W. (2014). Proposing and validating a five-dimensional scale for measuring entrepreneurial orientation. *Journal of Entrepreneurship in Emerging Economies*.
- Zhou, L., Barnes, B. R., & Lu, Y. (2010). Entrepreneurial proclivity, capability upgrading and performance advantage of newness among international

new ventures. *Journal of International Business Studies*, Vol 41 No.5, pp.882-905.

Zollo, M., & Winter, S. G. (2002). Deliberate learning and the evolution of dynamic capabilities. *Organization Science*, Vol 13 No.3, pp.339-351.

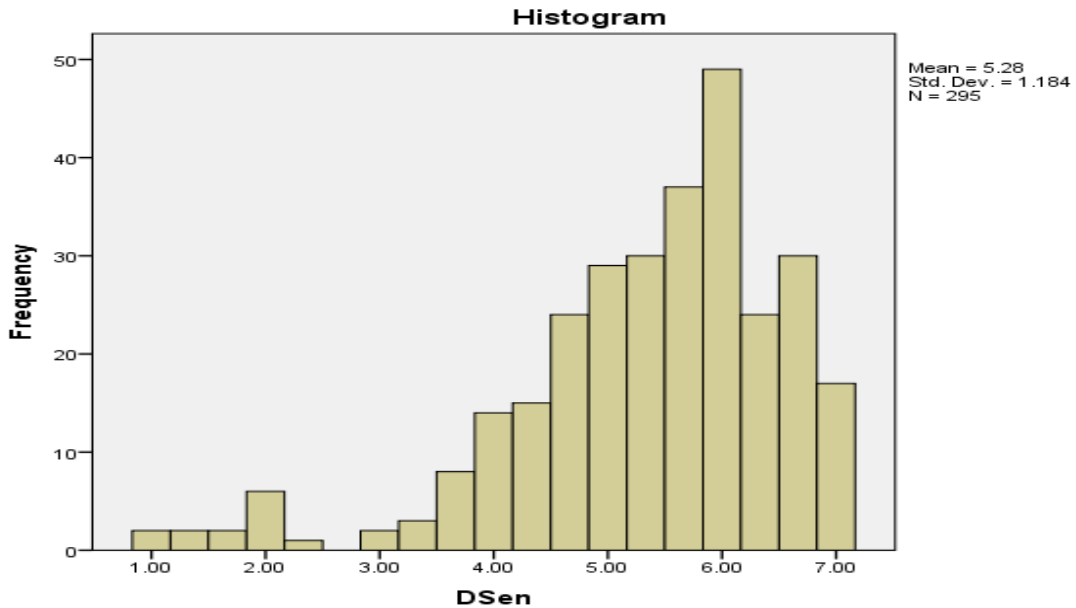
Zucchella, A., Palamara, G., & Denicolai, S. (2007). The drivers of the early internationalization of the firm. *Journal of World Business*, Vol 42 No.3, pp.268-280.

Annexures



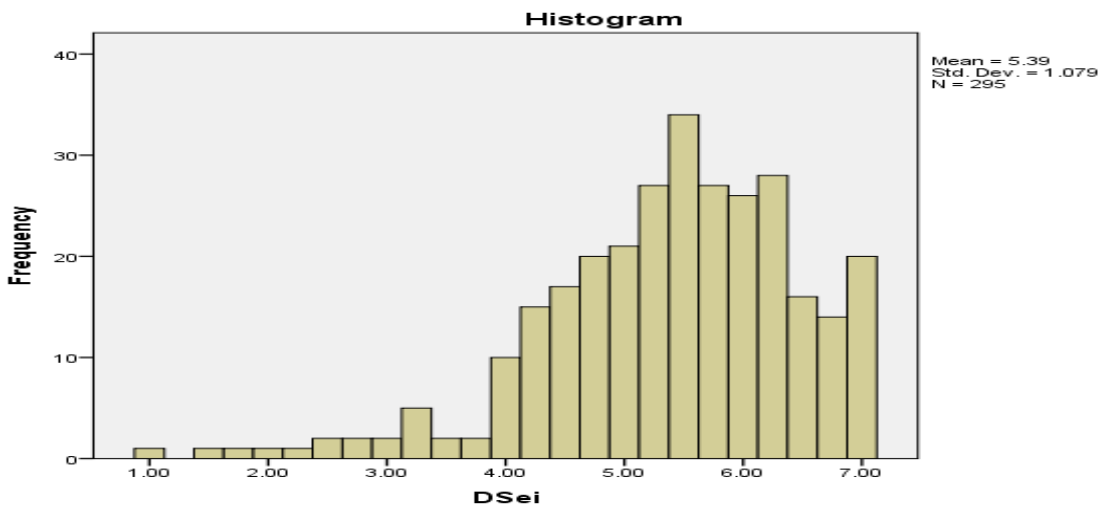
Annexure 1: Histogram for Normality Test of Entrepreneurial Orientation.

Source: Survey Data, 2020



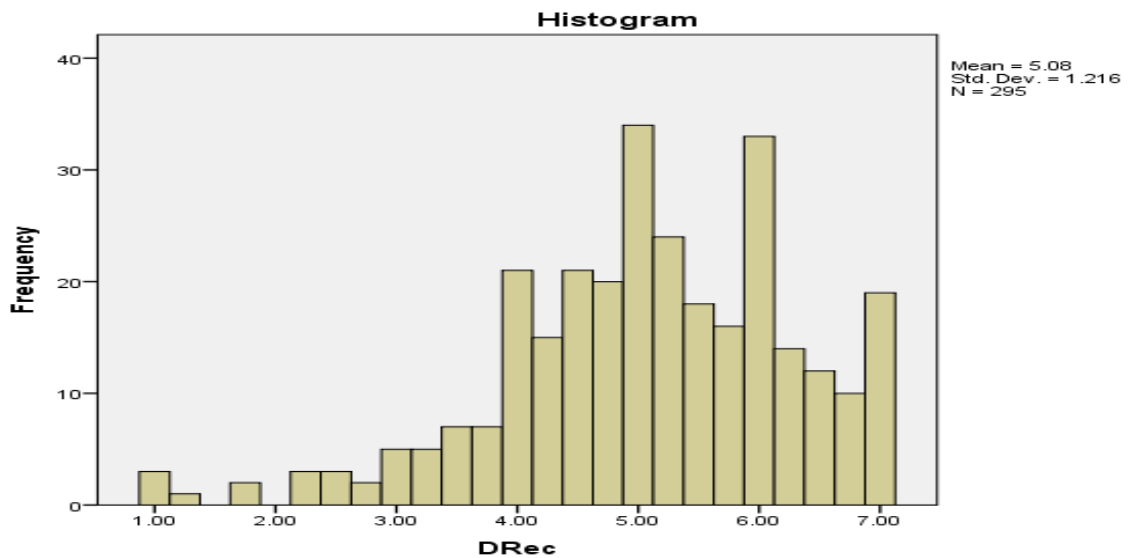
Annexure 2: Histogram for Normality Test of Dynamic Sensing Capability.

Source: Survey Data, 2020



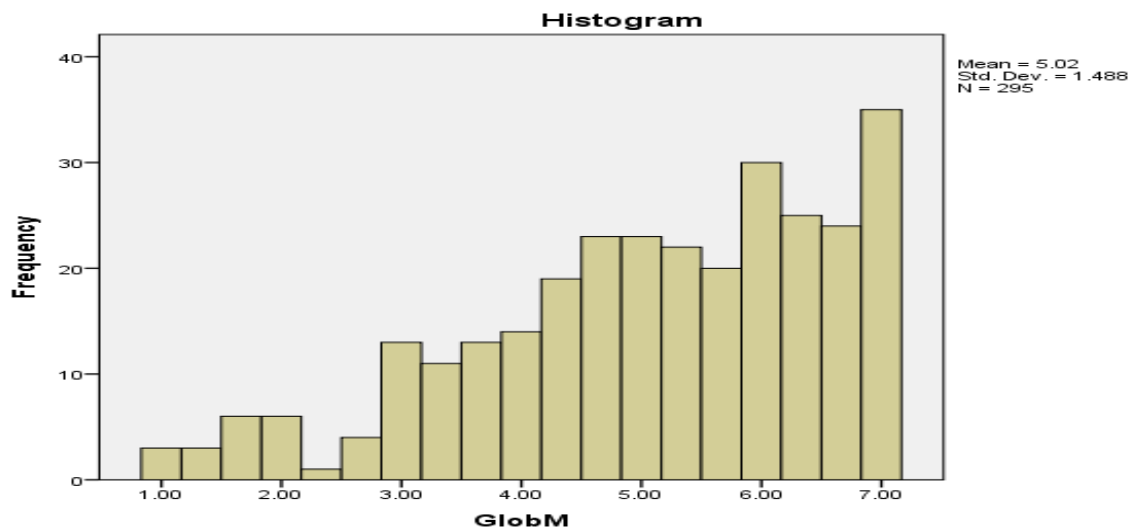
Annexure 3: Histogram for Normality Test of Dynamic Seizing Capability.

Source: Survey Data, 2020



Annexure 4: Histogram for Normality Test of Dynamic Reconfiguration Capability.

Source: Survey Data, 2020



Annexure 5: Histogram for Normality Test of Global Mindset.

Source: Survey Data, 2020