

**Entrepreneurs' Culturally Imprinted International Experience: Effects on
Entrepreneurial Orientation and SME Internationalisation**

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Abstract

Despite the importance of returnee entrepreneurs' prior international experience (RIE), we have limited understanding of its conceptualisation and effect on firm outcomes. Drawing on experiential learning theory, we propose that ***prior experience host country*** is a critical learning context in which RIE was culturally imprinted. We examine the impact of culturally imprinted RIE on a firms' entrepreneurial orientation (EO), likelihood of becoming a born-global (BG), and post-entry speed of internationalisation (PSI).

Data from 216 Chinese exporting SMEs show that RIE positively predicted a firm's likelihood of becoming a BG and influenced PSI directly and indirectly through EO. Cultural distances between prior experience host country – returnees' home country – firm export country pairs, moderate these relationships. Our findings have important theoretical implications for the conceptualisation of international experience, and practical implications for returnee entrepreneurship.

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Introduction

The international entrepreneurship (IE) research shows that firms are able to internationalise at a high speed almost from their inception (Coviello, 2015; Oviatt and McDougall, 1994). IE scholars have attributed this leapfrogging manner of internationalisation to the role entrepreneurs (Oviatt and McDougall, 1994) that help overcome resource poverty of SMEs, and the lack of experiential learning in domestic and international markets that is seen as prerequisite for early and rapid internationalisation by the traditional Uppsala approach (Johanson and Vahlne, 1977). The role of entrepreneurs is critical in two aspects: (1) the provision of congenital knowledge at the onset of the firm, and (2) the innovative, proactive, and risk-taking behaviour to promote and acquire forward-looking knowledge about foreign markets from multiple resources of information.

Congenital knowledge, or knowledge available at the organisation's birth (Huber, 1991) is often captured by IE research in the identification of key entrepreneurs' prior international experience (Autio et al., 2000; Oviatt and McDougall, 1997), which has been found to compensate, or substitute for the time-consuming experiential learning in domestic and international markets to facilitate firms' rapid entry into international markets (Musteen et al., 2010), and international sales growth (Bruneel et al., 2010; Hashai and Zahra, 2022). The innovative, proactive, and risk-taking behaviour (Acedo and Jones, 2007; Oviatt and McDougall, 2000), known as entrepreneurial orientation (EO) is viewed as another mechanism to compensate for the accumulation of experiential knowledge by promoting a firm's willingness and dynamic ability to engage in market learning activities (Matsuno et al., 2002), and develop foreign market knowledge rapidly (Kocak and Abimbola, 2009; Zhou et al., 2007). This unique entrepreneurial posture has been found to facilitate the speed at which firms to commit the required resources for international expansion such as rapid sales growth in foreign markets (Dai et al., 2014; Ripollés-Meliá et al., 2007; Zhou, 2007).

Despite considerable IE research, notable gaps still need to be addressed to advance our understanding of the leapfrogging manner of internationalisation. First, unlike the Uppsala research, which defines and locates the acquisition of firm experiential knowledge within a robust theoretical framework, such as that provided by experiential learning perspectives (Casillas and Moreno-Menéndez, 2014), the prior international experience perspective in the IE research lacks in theoretical foundations to capture the various antecedent learning processes that precede the legal establishment of the firm (Weerawardena et al., 2007). The failure to incorporate this antecedent learning process may result in an incomplete conceptualisation of prior international experience, especially its multidimensional nature, which goes beyond length of time (Le and Kroll, 2017; Takeuchi et al., 2005). Another result of neglecting this antecedent learning process is a limited understanding of the nature of the knowledge held by entrepreneurs that may have a bearing on their international orientation (Casillas et al., 2009). This invites a novel approach that captures the antecedent learning process that precedes the legal establishment of the firm. Second, the leapfrogging manner of internationalisation in the IE approach has been mainly conceptualised as the speed at which internationalisation is first undertaken (Chetty et al., 2014). This limited focus on the initial speed of market entry is problematic, given the importance of post-entry speed of internationalisation and its relationship with various firm outcomes such as internationalisation success (Chetty et al., 2014) and firm performance (Hilmersson and Johanson, 2016). Third, recent IE research has documented no effect of entrepreneurs' prior international experience on post-entry speed of internationalisation (e.g., Ahmed and Brennan, 2019; Filatotchev et al., 2009; Hsieh et al., 2019). This reported insignificance echoes the view that prior international experience *per se*

offers limited explanatory power, pointing to the need for richer conceptualisations (ibid). This also raises the question of whether prior international experience may affect post-entry speed of internationalisation through an immediate outcome, that being EO.

To address the above gaps, this study draws insights from experiential learning theory (Kolb, 1984) to examine how returnee entrepreneurs' prior international experience (RIE) influences a firms' entrepreneurial orientation (EO), likelihood of becoming a born-global (BG), and post-entry speed of internationalisation (PSI). As applied to the antecedent learning process, experiential learning theory has three implications. First, prior experience host country with the greater cultural distance to the returnees' home country provides stimuli with a greater level of novelty and difference that triggers cognitive dissonance. The heightened dissonance, stimulates deep learning in prior experience host country, which gives rise to greater content knowledge as well as enhanced cognitive competencies (Le and Kroll, 2017). Second, learning in prior experience host country develops content knowledge that is cultural-specific. Hence, whether an individual acquires this content knowledge in the same cultural context in which they are currently seeking to apply it determines the relevance of the international experience. The experience with greater relevance may benefit entrepreneurs in recognising, evaluating, and developing ways to exploit international business opportunities more quickly and accurately (Hashai and Zahra, 2022). An experience host country with smaller cultural distance to the firm's export country may enhance the relevance of prior international experience and entrepreneurs' familiarity with the export country, thereby making it easy to apply the experience and skills effectively. Third, learning in prior experience host country leads to content knowledge and cognitive competencies that may indirectly impact post-entry speed of internationalisation through an immediate outcome, that being EO. We investigate EO as an immediate outcome of RIE because prior international experience has been found to be related to microfoundational determinants of EO such as overconfidence (Piaskowska et al., 2021), and global mindset (Lin et al., 2020). EO has also been established to positively influence post-entry speed of internationalisation (Li et al., 2021; Zhou, 2007).

We define RIE as the time returnees have spent in education/business/living/travelling abroad before starting the existing business; the likelihood of become a BG as whether a business organisation derives at least a 25% exports/total turnover ratio within three years from inception; and post-entry speed of internationalisation as the ratio of international to total sales divided by the number of years elapsed from the year when the firm was established to the date of data collection. Following Covin and Slevin (1989), we measure EO as a firm-level attribute represented by the singular quality that risk taking, innovative, and proactive behaviours have in common. We develop a framework for differentiating the components of prior international experience, which includes three components based on the international experience model by Takeuchi et al. (2005): (1) the length of time of returnees' international experience, hereafter referred to as length of time RIE; (2) the cultural distance between the prior experience host country and the returnees' home country, hereafter referred to as cultural distance RIE (CD); (3) the cultural distance between the prior experience host country and firm export country, hereafter referred to as cultural irrelevance RIE (CI). In our framework, the effect of length of time RIE is considered first, followed by the moderating effect of CD and CI. We propose that **prior experience host country** is a critical and intensive learning context in which individuals encounter external stimuli that create cognitive dissonance between themselves and the environment (Le and Kroll, 2017; Li et al., 2013). To diminish dissonance, individuals react to the stimuli by adjusting behaviour to the host cultural context, whereby they develop not only content knowledge about a specific cultural domain (Thomas et al., 2008) but also general cognitive development as a result of experiencing confusing cultural issues (Osland and Bird,

2000) and emotional culture shock (Shi and Wang, 2014). This is especially true for returnees whose home country is China that has a distinctive cultural environment. We test our hypotheses using first-hand data from 216 Chinese exporting small-and-medium-sized enterprises (SMEs) established and managed by returnees with extensive prior international experience. The findings show that length of time RIE positively predicted a firm's likelihood of becoming a BG and influenced post-entry speed of internationalisation directly and indirectly through EO. While the cultural distance between the prior experience host country and returnees' home country (CD) strengthened these relationships, the cultural distance between the prior experience host country and the firm export country (CI) weakened the relationships between RIE and a firm's likelihood of becoming a BG and EO, but not post-entry speed of internationalisation.

Our study has important contributions to the IE literature. **First**, it introduces a novel approach that captures the antecedent learning processes that precede the legal establishment of the firm and enriches the conceptualisation and operationalisation of international experience by proposing a novel multicultural distance framework that incorporates cultural distances between the bi-national country pairs of prior experience host country, returnee home country, and the firm export country. The results show how the culturally imprinted experiences interact with the length of international experience in complex ways to influence the speed of internationalisation. **Second**, our study extends the literature on the effect of entrepreneurs' prior international experience on firms' post-entry speed of internationalisation by exploring the mediating effect of EO. We depart from the traditional process model that posits the incremental accumulation of experiential knowledge as the key driving force of speed of internationalisation, by offering preliminary evidence that content knowledge and cognitive competences indirectly connect with the firm's post-entry speed of internationalisation through EO. **Finally**, our study adds insights into returnee entrepreneurship. We provide empirical evidence on how returnee prior culturally imprinted international experience can be applied to facilitate entrepreneurial firms' speed of internationalisation.

Theoretical background and hypotheses

Learning theories are often used to explain the outcomes of international experience (e.g., Endicott et al., 2003; Fee et al., 2013; Suutari and Mäkelä, 2007). Kolb's experiential learning theory (1984) remains one of the most pervasive theories on how managers learn from experience (Yamazaki and Kayes, 2004). It emphasises that experience plays a central role in two learning processes: assimilation and accommodation learning whereby content knowledge and cognitive schema are created through a process that involves the integrated functioning of experience, reflection, conceptualisation, and experimentation. Content knowledge involves contextual specific knowledge that can be used only certain fields of domain; cognitive schema involves problem-solving skills, creative strategic thinking and information processing capability that can be applied in different contexts (Dragoni et al., 2014; Leung et al., 2008). Returnee entrepreneurs spend years of studying and/or working in foreign countries before returning to their home country to establish their firms (Dai and Liu, 2009). International experience in prior host countries provides a critical and intensive learning context in which returnees encounter many learning opportunities, including one-on-one interaction with individuals, professional events, and social engagements (Li et al., 2013). Individuals may experience confusing cultural issues (Osland and Bird, 2000) and emotional culture shock (Shi and Wang, 2014) through these learning opportunities. Accordingly, they may have experienced cognitive dissonance between their long-held belief and new observations. To diminish dissonance, they may have progressed through a series of stages ranging from reacting

to external stimuli to adjusting their behaviour in anticipation of subtle changes in the cultural context, which stimulates assimilation and accommodation learning that nurture content knowledge and add to their existing cognitive schemas (Fee et al., 2013; Le and Kroll, 2017). This has two implications. First, the prior experience host country with a greater cultural distance to returnees' home country provides stimuli with a greater level of novelty, difference, and cultural shocks (Chen and Hu, 2002; RP Cuypers et al., 2015) that stimulate learning (Black et al., 2013; Li et al., 2013). This deep learning process of greater socio-cultural adjustment may give rise to greater content knowledge and cognitive competencies (Le and Kroll, 2017). Second, the prior experience host country with a smaller cultural distance to firms' export country eases current socio-cultural adjustment to that country in which firms are currently operating because content knowledge acquired in prior experience host country has culture-specific contextualised components (Bhagat et al., 2002).

This study applies the above theoretical perspectives to investigate the impact of returnee entrepreneurs' prior international experience (RIE) on a firm's likelihood of becoming a BG, EO, and post-entry speed of internationalisation. To capture the antecedent learning, what is of interest here is the length of time RIE and the variations in the culturally imprinted RIE depending on the cultural distance between prior experience host country and returnee home country (CD), and the cultural distance between prior experience host country and firm export country that we termed cultural irrelevance (CI). Accordingly, we developed two theoretical models. The first model looks at how the culturally imprinted prior international experience influences the likelihood of becoming a BG. The second model examines how the culturally imprinted prior international experience influences the post-entry speed of internationalisation through EO as a mediating outcome.

Returnee prior international experience

The imprinting theoretical perspective notes that experiences in the early stages of life will exert a significant influence on personal characteristics and psychological traits despite time passing and the environmental changes (Marquis and Tilcsik, 2013). Returnees tend to have extensive experiences of working and/or studying in foreign countries in adolescence or young adulthood; thus, prior experience abroad and prior experience host countries as sources of imprint may play a part in shaping their personal characteristics and psychological traits. Through the lens of their personal characteristics and psychological traits, prior experiences influence what opportunities returnees identify and how they evaluate, select, and ultimately act upon them (Mathias et al., 2015). These influences on perceptions imprint their firms by bringing in a set of givens (i.e., knowledge, values, and abilities) at the onset of the firm (Boeker, 1988; Johnson, 2007). The set of givens that returnees bring in at the onset of the firm have been found to clarify or cloud the returnee entrepreneur's decision-making (Oviatt and McDougall, 2005) and have an important imprinting effect on their perceptions and attitudes towards opportunities and risks associated with internationalisation (Acedo and Jones, 2007) and their capabilities to formulate and execute internationalisation strategies such as the likelihood of following the BG approach to internationalisation (Hashai and Zahra, 2022; Lin et al., 2016; Schwens and Kabst, 2009) and the speed of international sales growth (Ahmed and Brennan, 2019; Child and Hsieh, 2014; Hsieh et al., 2019).

Following the upper echelons tradition, the role of executives' knowledge, values, and abilities shapes firms' decision-making and outcomes (Hambrick, 2007). This is particularly likely to happen in exporting SMEs that tend to be characterised by individualised leadership (Hsieh et al., 2019) and in which entrepreneurs play key roles in decision-making processes

related to exports (Chittoor et al., 2019). The likelihood of becoming a BG is associated with an increased efficiency to identify, evaluate, and exploit opportunities (Oviatt and McDougall, 2005). SME returnee entrepreneurs have accumulated the knowledge to identify an opportunity, and the cognitive properties necessary to value it from prior international experience, hence increasing the effectiveness in the opportunity identification, evaluation, and exploitation (Ardichvili et al., 2003; Shane and Venkataraman, 2000).

The significant role played by SME entrepreneurs as key decision-makers means that EO may become a reflection of its returnee entrepreneurs' know-how and characteristics as imprinted by their prior international experience (Zahra, 1993). The prior international experience can provide entrepreneurs with social networks as key sources of information (Cao et al., 2015; Ripollés and Blesa, 2005) that favours the proactive pursuit of new opportunities, international knowledge as inputs for generating and implementing creative innovations (Godart et al., 2015), and cognitive competencies such as tolerance for ambiguity (Okhomina, 2010) and self-confidence (Simek, 2010) that lessen the perceived risks associated with innovations, and global mindset for formulating novel strategic initiatives (Leung et al., 2008; Maddux and Galinsky, 2009).

The post-entry speed of internationalisation is a function of a firm's experiential knowledge in international markets (Casillas and Moreno-Menéndez, 2014; Johanson and Vahlne, 1977). SME entrepreneurs' prior international experience can compensate for this experiential knowledge by adding to the knowledge and schemas that entrepreneurs can draw on (Bruneel et al., 2010; Hashai and Zahra, 2022) to mitigate the perceived risks and uncertainties in foreign markets (Reuber & Fischer, 1997), give rise to a greater awareness of potential and emerging international opportunities (Weerawardena et al., 2007), and delay less in obtaining foreign sales growth after start-up (Guldiken, 2016; Love et al., 2016).

As a starting point, this study uses the length of time returnees' prior international experience (RIE) followed by cultural distance RIE and cultural irrelevance RIE.

Length of time RIE

The impact of returnees' prior international experience on a firm's EO, likelihood of becoming a BG and post-entry speed is determined by length of time as it takes some time for an individual to understand and learn from a new culture. Individuals need to overcome an initial adjustment period during which they experience cultural shock and tend to use rely on their home-country cultural values and beliefs to give meaning to what they observe in the host countries (Black and Mendenhall, 1991). Individuals do not start learning from the complex and deep layers of host country cultures until they have worked through this adjustment (Godart et al., 2015; Le and Kroll, 2017). The time that returnees previously spent in foreign countries nurtures the content knowledge and cognitive schemas required to proactively recognise, evaluate, and exploit opportunities across borders, and to apply it to new commercial ends (Cohen and Levinthal, 1990; De Clercq et al., 2012; Weerawardena et al., 2007). Hence, we posit:

Hypothesis 1: The greater length of RIE will be positively related to a firm's a) likelihood of becoming a BG, b) EO and c) post-entry speed of internationalisation

Cultural distance RIE

Foreign countries that are more culturally distant to returnees' home country provide stronger stimuli with a greater level of novel and different ideas, behaviours that may even conflict their existing value systems and worldviews (Chen and Hu, 2002; Cuypers et al., 2015). The stronger the stimuli, the more heightened the resulting sense of cognitive dissonance that in turn triggers a conscious and intensive assimilation learning, whereby individuals searches the new environment for cues that leads to the greater expansion of content knowledge (Endicott et al., 2003; Fee et al., 2013), and accommodation learning, whereby individuals experience fundamental changes in their cognitive structure that results in enhanced cognitive competencies (Le and Kroll, 2017; Piaget, 1955).

Greater cultural distance may interact with returnee entrepreneurs' previous international experience to influence a firm's EO, likelihood of becoming a BG and post-entry speed as a result of greater content knowledge and cognitive competencies. The enhanced learning outcomes help returnees be better informed as to identify, evaluate opportunities, reduce the uncertainty of operating abroad and take a more receptive and proactive approach to the exploitation of those such opportunities. Hence, we posit:

Hypothesis 2: The greater cultural distance between prior international experience host country and the returnee's home country will positively moderate the relationship between RIE and a firm's a) likelihood of becoming a BG, b) EO and c) post-entry speed of internationalisation

Cultural irrelevance RIE

The context in which returnees have gained experience can significantly influence the relevance of their experience and skills (Hashai and Zahra, 2022). Context irrelevance is defined as whether founders have acquired their international experience in the same context in which they are will apply it (Armanios et al., 2017). Hence, we included a novel moderator for cultural irrelevance international experience defined as whether returnees have acquired their prior international experience in the same country in which they are will apply it. Foreign countries that are more culturally distant to firm export country may make it difficult to apply the knowledge and capabilities returnees derived from such experiences effectively in the new context. In contrast, experience in foreign countries with a cultural distance smaller to the firm export country may enhance returnees' familiarity with the foreign markets and thereby facilitate the effective application of apply their experience and skills. Accordingly, the greater relevance of experience may make returnees more comfortable with challenging the status quo, as they will have a greater ability to recognise opportunities (Godart et al., 2015), and initiate strategic changes (Le and Kroll, 2017). It may also help them accelerate their decisions on internationalisation, lead their firms to become BGs and delay less in achieving foreign sales. Hence, we posit:

Hypothesis 3: The greater cultural distance between prior international experience host country and firm export country will negatively moderate the relationship between RIE and a firm's a) likelihood of becoming a BG, b) EO and c) post-entry speed of internationalisation

Entrepreneurial orientation

If returnees with prior international experience of greater length of time, greater cultural distance, and greater cultural relevance would lead their firms to exhibit a greater EO, the question then becomes whether these conditions also facilitate the post-entry speed of internationalisation. Firms that possess a strong EO perceive new business opportunities more quickly than their competitors, and their proactive character and willingness to take higher risks

facilitate the exploitation of these opportunities before their competitors (Li et al., 2021; Zahra and Dess, 2001). Additionally, EO promotes strategic initiatives that augment knowledge of foreign markets, and the gained knowledge gained is conducive to rapid sales growth in foreign markets (Zhou, 2007). Finally, SMEs with a strong EO tend to fear less costly failure and thus may perceive opportunities as more imperative than threats (Dai et al., 2014), which is necessary for firms to initiate commitment in international markets (Vermeulen and Barkema, 2002). Hence, we posit:

Hypothesis 4: The interaction between length of time RIE is positively related to the post-entry speed of internationalisation mediated through EO.

Hypothesis 5: The interaction between cultural distance RIE is positively related the post-entry speed of internationalisation mediated through EO.
mediated through EO.

Hypothesis 6: The interaction between cultural irrelevance RIE is negatively related the post-entry speed of internationalisation mediated through EO.

Conceptual framework

Our conceptual framework and summary of hypotheses are illustrated in Figure 1.

[Insert Figure 1 here]

Methodology

Data and samples

We collected our data by surveying returnee-founded Chinese exporting SMEs. A survey questionnaire was developed based on our research objectives and an extensive review of prior theoretical and empirical work. To reduce the possibility of a low response rate and to increase the validity of the data, we decided to approach the respondents personally even though this process entails a greater level of commitment and cost (Yamakawa et al., 2013). The survey was administered during the second and third quarters, from May to November 2021 on a face-to-face basis at each sample firm. The survey questionnaire was pre-tested with founders of three exporting firms before administering the survey as a pilot study. In the pilot study, the founders were asked to identify any unclear questions. The feedback received from the pilot study revealed no major problems within the questionnaire. Since the survey was conducted in the Chinese context, the English version of the questionnaire was translated into Chinese and back translated by our two research assistants to eliminate misunderstandings. We obtained responses from 240 returnee founders. Our independent variables from 240 questionnaires had missing values; therefore, we decided to remove the corresponding 24 responses, resulting in 216 usable questionnaires.

There are three important sampling criteria. First, we ensured that the firm was in fact created and managed by a returnee. Second, the firm had to be an exporting firm. Finally, the firm had to meet the criteria of being qualified as an SME in the manufacturing industry following the official Chinese definition. Figure 2 shows the number of firms classified by sectors. The mean number of employees in the sample returnee entrepreneurial firms used in the analyses is 51.9, with a mean revenue of RMB below 50 million RMB. The mean of the sample firm age used in the analyses is 12.1 years after establishment. The mean of the sample

firm years taken to first export is 5.82 years. Figure 3 shows the frequency of firms by the years taken to first export. Close to 30% of the returnee entrepreneurial firms (64) targeted the host country which the returnee entrepreneur obtained prior international experience from. United Kingdom (46, or 21%) and Australia (36, or 17%) were the most frequent cases. Figure 4 shows the frequency of firms by the RIE host country – export country pairs. Figure 5 shows the distribution of the export/turnover ratio, classified by the years taken for the first export. Out of 216 firms, 97 met these criteria and were categorised as BGs (45%), while the remaining 119 firms were classified as non-BGs (55%).

[Insert Figure 2 here]

[Insert Figure 3 here]

[Insert Figure 4 here]

[Insert Figure 5 here]

Measures

Independent and Moderator Variables

Length of time returnee prior international experience (RIE) was measured as the number of years spent abroad before a returnee went back to China in line with previous studies (Bai et al., 2017; Musteen et al., 2010). Cultural distance (CD) of RIE and contextual irrelevance (CI) of RIE were measured following the (Kogut and Singh, 1988) cultural distance measure based on (Hofstede, 2001) power distance, individualism, masculinity, and uncertainty avoidance scores using the following formula,

$$Cultural\ distance_j = \sum_{i=1}^4 [(I_{ij} - I_{ik})^2 / V_i] / 4$$

where I_{ij} represents the index for the i^{th} cultural dimension and j^{th} prior experience host country; V_i stands for the variance of the index of the i^{th} dimension; k indicates China and/or firm export country. *Cultural distance_j* is the cultural distance between the j^{th} prior experience host country and China (CD), and/or the cultural distance between the j^{th} country and firm export country (CI). Table 1 provides Hofstede's cultural distances between the RIE host country and China in the sample. Table 2 provides Hofstede's cultural distances between the RIE host country and firm export country in the sample.

[Insert Table 1 here]

[Insert Table 2 here]

Mediator Variable: Entrepreneurial Orientation (EO)

We measured EO using the nine-item semantic differential scale developed and validated by (Covin and Slevin, 1989). This scale assesses each of the three EO components – innovativeness (Items 1,2,3), proactiveness (Items 4,5,6) and risk-taking (Items 7,8,9) but treats EO as a latent, umbrella construct of a firm's overall entrepreneurial activities. We followed previous studies (Brouthers et al., 2015; Rauch et al., 2009) and created a unidimensional construct by adding the nine items and then dividing by nine (Cronbach's alpha = 0.689).

Dependent variables

Likelihood of becoming a born–global (BG)

Following previous studies (Amorós and Basco, 2016; Muralidharan and Pathak, 2017), we considered firms to be qualified as born–globals if they have 1) started their foreign operations within three years of inception and 2) derived at least 25% of their turnovers from outside their home market within three years. Thus, we combine the two criteria to identify born–global firms by constructing a dependent dummy variable to represent each of the alternatives, where a value of 0 is given for a non–BG firm and 1 for a BG firm.

Post–entry speed of internationalisation (PSI)

Following previous studies (Hilmersson and Johanson, 2016; Hsieh et al., 2019; Prashantham and Young, 2011), we measured the post–entry speed of internationalisation by dividing the ratio of international to total sales by time. The denominator, time, was measured as the number of years elapsed from the year the firms were established to the date of data collection.

Control variables

Following previous studies (Ahmed and Brennan, 2019; Luo et al., 2005; Teixeira and Coimbra, 2014), we controlled for returnees’ prior MNE working experience (RME), measured as the number of years returnees have spent working in their home country based on MNE before the returnee entrepreneurs established their firms; returnees’ prior entrepreneurship experience (REE) by asking respondents whether they have established, purchased, or inherited a business before they established their firms; returnees’ prior industry–specific working experience (RWE) by asking respondents the time in years they had spent in a similar industry before establishing their firms. We also controlled for the impact of the returnees’ age (RAGE), gender, (GENDER), education (REDU), top management team (TMT), and firm size (FSIZE), firm R&D investment (R&D) and the cultural distance between China and the country to which export, named cultural barrier (CB). These conceptualizations and measurements can be found in Table 3.

[Insert Table 3 here]

Methods

We used a logistic regression model to corroborate our hypotheses in Model 1 as our dependent variable is categorical–binomial (BGs and non–BGs). Other studies have used this technique with similar objectives (Amorós and Basco, 2016; Munari et al., 2010; Westhead et al., 2001). We employed variants of ordinary least squares to test our hypotheses in Model 2 as we employ cross–sectional data with a single observation for each sample firm. Figure 6 illustrates our conceptual and statistical models for Model 1. Figure 7 illustrates our conceptual and statistical models for Model 2.

[Insert Figure 6 here]

[Insert Figure 7 here]

Results

Descriptive statistics and correlations

To assess for potential multicollinearity, we examined the bi-variate correlation coefficients for each independent variable. For both models, the correlations between independent variables are well below the standard threshold of $r = .70$. We further examined variance inflation factors (VIFs). All independent variables generated low VIFs well below the threshold of 10 (Kennedy, 2008). Thus, the results showed that multicollinearity is not a concern. Summary statistics are summarized in Table 4.

[Insert Table 4 here]

Factor analysis: EFA and CFA

In accordance with accepted practice (Anderson and Gerbing, 1988; Zhou et al., 2010), we used AMOS to assess the properties of measurement scales of EO for convergent and discriminant validity, unidimensionality and composite reliability. For assessing the goodness of fit of our research model, we expected the CFI NFI, RFI, IFI, TLI values to be close to 1 (Byrne, 2001) and root mean square error of approximation (RMSEA) values of 0.08 or less (DiLalla, 2000). The three-factor measurement model of EO provided a good overall fit with our data ($\chi^2=66.69$, $df=24$) with fit indices that suggest acceptable fit with the data (CFI=0.92; RMSEA=0.091; SRMR=0.068). Table 5 shows the confirmatory factor analysis results. As further evidence of convergent validity, all the items have highly significant standardized loadings and Cronbach's alpha for this measure of 0.70. We then calculated the average variance extracted (AVE) and composite reliability on this basis for the proactiveness, risk-taking and innovativeness dimensions of EO. Table 6 shows the factor loadings (ranging from 0.721 to 0.857), the values of AVE (0.643, 0.699, 0.611, respectively, all exceeding the benchmark of 0.50 for convergent validity (Fornell and Larcker, 1981), and the values of CR (ranging from 0.824 to 0.874).

[Insert Table 5 here]

[Insert Table 6 here]

Test of Hypotheses 1a, 2a, and 3a: The link between RIE and the likelihood of becoming a BG

Table 7 presents a series of models that test Hypotheses 1a, 2a, and 3a. In model 1, we included only the control variables. Returnees' prior industry working experience (RWE) was found to be positively related to the likelihood of becoming a BG ($\beta = 0.107$, $p < 0.05$). In model 2, we tested Hypothesis 1a by regressing our independent variable returnees' prior international experience (RIE), along with our control variables on our dependent variable. The statistical significance of results supported Hypothesis 1a ($\beta = 0.454$, $p < 0.001$). Model 3 and Model 4 tested the interactions effects. As our results indicated, cultural distance (CD) was found to significantly and positively interact with RIE to influence a firm to become a BG ($r = 0.235$, $p < 0.05$), providing support for Hypothesis 2a); cultural irrelevance (CI) was found negatively and significantly to interact with RIE to influence a firm to become a born-global ($r = -0.139$, $p < 0.05$), providing support for Hypothesis 3a).

[Insert Table 7 here]

Test of Hypothesis 1b, 2b, and 3b: The link between RIE and EO

Table 8 presents a series of models that test Hypotheses 1b, 2b, and 3b. In Model 1, we included only the control variables on EO. Returnees' previous multinational firm working experience (RME) was found to be positively related to EO ($\beta = 0.100$, $p < 0.1$); Returnees' prior industry working experience (RWE) was found to be positively related to EO ($\beta = 0.067$, $p < 0.05$). In Model 2, we regressed our independent variable returnees' prior international experience (RIE) along with our control variables on EO. RIE was proved to be positively and significantly related to EO ($\beta = 0.203$, $p < 0.001$), providing support for Hypothesis 1b. Model 3 and Model 4 tested the interactions effects. As our results indicated, cultural distance (CD) was found to significantly and positively interact with RIE to influence EO ($\beta = 0.153$, $p < 0.001$), providing support for Hypothesis 2b; cultural irrelevance (CI) was found to significantly and negatively interact with RIE to influence EO ($\beta = -0.064$, $p < 0.001$), providing support for Hypothesis 3b.

[Insert Table 8 here]

Test of Hypothesis 1c, 2c, and 3c

Table 9 presents a series of models that test Hypotheses 1c, 2c, and 3c. In Model 1, we regressed only the control variables on post-entry speed (PSI). Returnee previous multinational firm working experience (RME), previous similar industry working experience (RWE), age (RAGE), gender (GENDER) and top management team size (TMT) was found to be significantly related to PSI. In Model 2, we tested Hypothesis 1c by regressing our independent variable returnees' prior international experience (RIE), along with control variables on PSI. Results show that RIE was positively related to PSI ($\beta = 0.010$, $p < 0.001$), providing support for Hypothesis 1c. Model 3 and Model 4 tested the interactions effects. As our results indicated, the interactive term RIE*CD coefficient was positive and significant ($\beta = 0.008$, $p < 0.001$), suggesting support for Hypothesis 2c; the interactive term RIE*CI coefficient was not significant, suggesting **no** support for Hypothesis 3c.

[Insert Table 9 here]

Test of Hypotheses 4 and 5

According to Baron and Kenny (1986), a mediation effect is established when (1) there is a relation between the predictor and the outcome; (2) the predictor is related to the mediator; (3) the mediator is related to the outcome variable; and (4) the strength of the relation between the predictor and the outcome is significantly reduced when the mediator is added to the model (Baron and Kenny, 1986; Kenny, Kashy, and Bolger, 1998). Hence, hypothesis 6 that posit the mediation effect of EO between RIE*CI and PSI was **not** supported. We used multiple regression to test the effects of mediation. Table 10 provides the results of Hypotheses 4 and 5, which estimates the following equations (e.g., CD):

$$\begin{aligned}
 \text{Post-entry speed of internationalisation (PSI)} &= i_{PSI} + c_1 (RIE) + c_2 (CD) + c_3 (RIE * CD) + e_{PSI} \\
 EO &= i_{EO} + a_1 (RIE) + a_2 (CD) + a_3 (RIE * CD) + e_{EO} \\
 \text{Post-entry speed of internationalisation (PSI)} &= i'_{PSI} + c'_1 (RIE) + c'_2 (CD) + c'_3 (RIE * CD) \\
 &+ b_1 (EO) + e'_{PSI}
 \end{aligned}$$

As reported earlier, RIE was found to have a positive and significant impact upon firm

post-entry speed ($\beta = c1 = 0.010, p < 0.001$). The interactive term RIE*CD was found to have a positive and significant impact upon firm PSI ($\beta = c3 = 0.008, p < 0.001$). In Model 3, we regressed our independent variable RIE, moderator CD and CI, and interactive term RIE*CD and RIE*CI along with EO on PSI to estimate $c'1, c'2, c'3$ and b . RIE was found to have a positive and significant impact upon PSI ($\beta = c'1 = 0.008, p < 0.01$). The interactive term RIE*CD was found to have a positive and significant impact upon PSI ($\beta = c'3 = 0.006, p < 0.01$). EO was found to have a positive and significant impact upon PSI ($\beta = b = 0.011, p < 0.01$). In Model 4, we regressed our independent variable RIE, moderator CD and interactive term RIE*CD on EO to estimate $a1, a2$ and $a3$. RIE was found to have a positive and significant impact upon EO ($\beta = a1 = 0.194, p < 0.001$). The interactive term RIE*CD was found to have a positive and significant impact upon PSI ($\beta = a3 = 0.162, p < 0.001$), supporting Hypotheses 4 and 5.

[Insert Table 10 here]

For the mediating effect to be supported, the combined direct effect $c'1$ and indirect effect $a1 * b$ must be significant. Since RIE has a positive and significant impact upon PSI ($c1 = 0.010, p < 0.001$); RIE has a positive and significant impact upon EO ($a1 = 0.194, p < 0.001$); The coefficient reflecting the influence of EO on PSI is also positive and significant ($b = 0.011, p < 0.01$), while the direct effect of RIE is likewise positive and significant ($c'1 = 0.008, p < 0.01$), we thus assess the significance of the indirect or mediating effect by calculating $a1 * b = 0.002$. In terms of the total effect, we calculated $c'1 + (a1 * b)$ which equals to 0.010. To assess the indirect effect, we used the 95% bootstrap confidence intervals to test for significance by SPSS PROCESS system (Hayes, 2013). The results are reported in table 11.

[Insert Table 11 here]

Tests of robustness

For robustness, we used non-parametric means for robustness check by employing General Linear Model using Stata (version 17) to test our hypotheses. The results can be found in Table 12 – 15.

Discussion

This study aims at examining the effect of returnee prior culturally imprinted international experience on a firm's EO, the likelihood of becoming a BG, and post-entry speed of internationalisation. The results showed that RIE length of time positively influenced on a firm's EO, the likelihood of becoming a BG, and post-entry speed of internationalisation, while the cultural distance between the experience host country and the returnees' home country (CD) strengthened these relationships, the cultural distance between the experience host country and firm export country (CI) weakened the relationships between RIE and a firm's likelihood of becoming a BG and EO, but not post-entry speed of internationalisation.

Theoretical implications

Our study offers a number of contributions to the international entrepreneurship (IE) and international business (IB) literature by examining individuals' antecedent experiential learning that precedes the legal establishment of firms, which has been largely overlooked in both streams of literature. First, we contribute to the IE research by providing a multicultural distance framework to conceptualise and operationalise the returnees' international experience.

We suggested that returnees' international experience include three components: length of time, the cultural distance between prior experience host country from their own, and the cultural distance between prior experience host country and firm current exporting country. In providing nuanced explanations that these components interact in distinct ways to influence internationalisation, our study also provide empirical evidence in line with the argument by Weerawardena et al. (2007) that returnees' prior experience should capture the antecedent learning processes that are undertaken prior to firms' legal establishment to explain accelerated internationalisation. Second, we extend the IE research by offering preliminary evidence that returnees' content knowledge and cognitive competences indirectly connect with the firm's post-entry speed of internationalisation via EO. Thus, our study adds to the insight that EO transforms individualised experiential knowledge into foreign market knowledge that has been found to influence post-entry speed of internationalisation (Prashantham and Young, 2011; Zhou, 2007). Third, we contribute to IB research by revisiting a common presumption concerning the positive effect of congenital knowledge on firm speed of internationalisation (Reuber and Fischer, 1997). Our results show that culturally imprinted international experience brings variations in content knowledge that returnees hold to influence EO. Thus, our study provides empirical evidence in response to the call by (Casillas et al., 2009) to discover the nature of the knowledge held by entrepreneurs that may have a bearing on their international orientation.

Practical implications

Our study has managerial implications for human capital management for entrepreneurial firms in emerging markets. Firms aiming to enter and grow in international markets quickly could focus their talent search on individuals whose prior international experience was obtained from countries that are culturally distant to their home countries but similar to the firm export countries to tap into the specific knowledge and capabilities as a 'short cut' for speeding up internationalisation.

Limitations and Future Research Directions

Our study has several limitations that offer fruitful opportunities for future research. First, our conceptualisation of international experience was limited by the fact that all respondents in our sample had international experience in only one foreign country, which limits our understanding of the national diversity aspect of international experience. However, the national diversity of international experience has gained much attention in previous studies (Le and Kroll, 2017; Tasheva and Nielsen, 2020). In light of this, future studies could examine how returnees' prior international experience interacts with the diversity of foreign countries to influence a firm's likelihood of becoming become a BG, EO, and post-entry speed of internationalisation? Second, although our results show that great cultural distance from a returnee's home country facilitates content knowledge and cognitive competencies development, previous studies have also suggested that great cultural distance may limit the ability to absorb information in the environment (Godart et al., 2015). Future studies may look into these aspects to further examine if there is a U-shaped relationship between cultural distance and learning such that cultural distance at a moderate level would contribute to assimilation and accommodation learning to the maximum extent. Finally, as far as the generalisability of the findings is concerned, future studies can replicate our findings in different countries, industries, and MNEs to ensure the generalisability of our findings.

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Figure 1. Conceptual framework and hypotheses

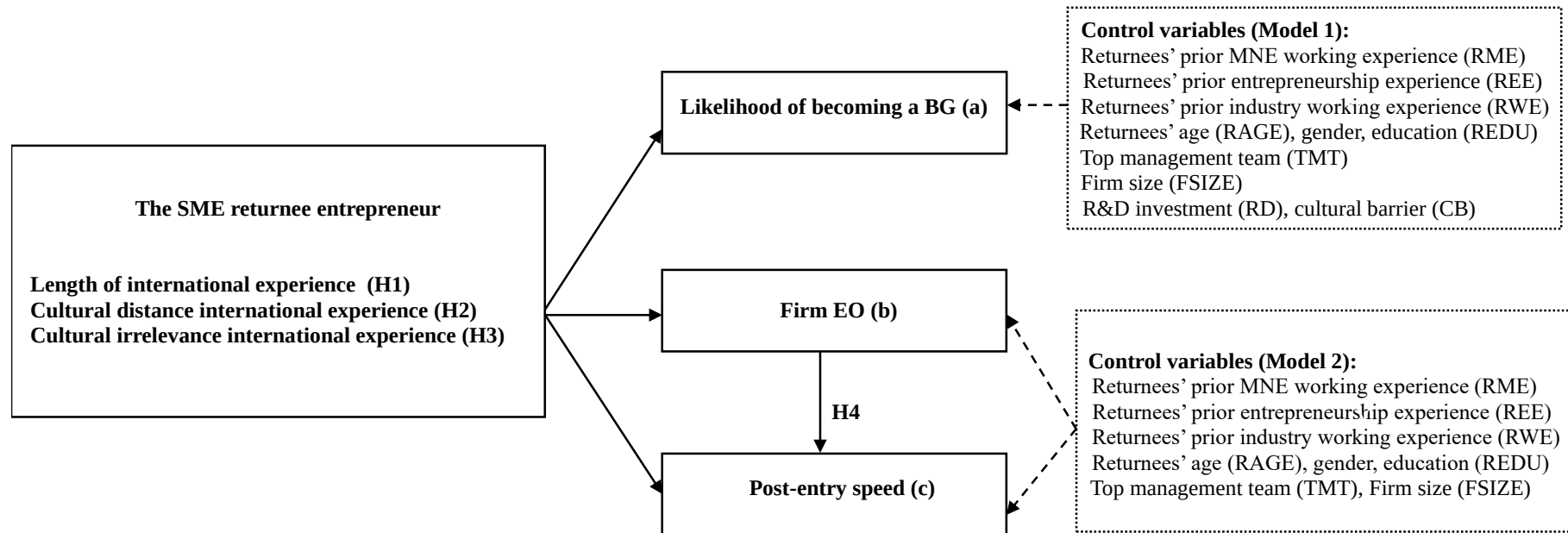


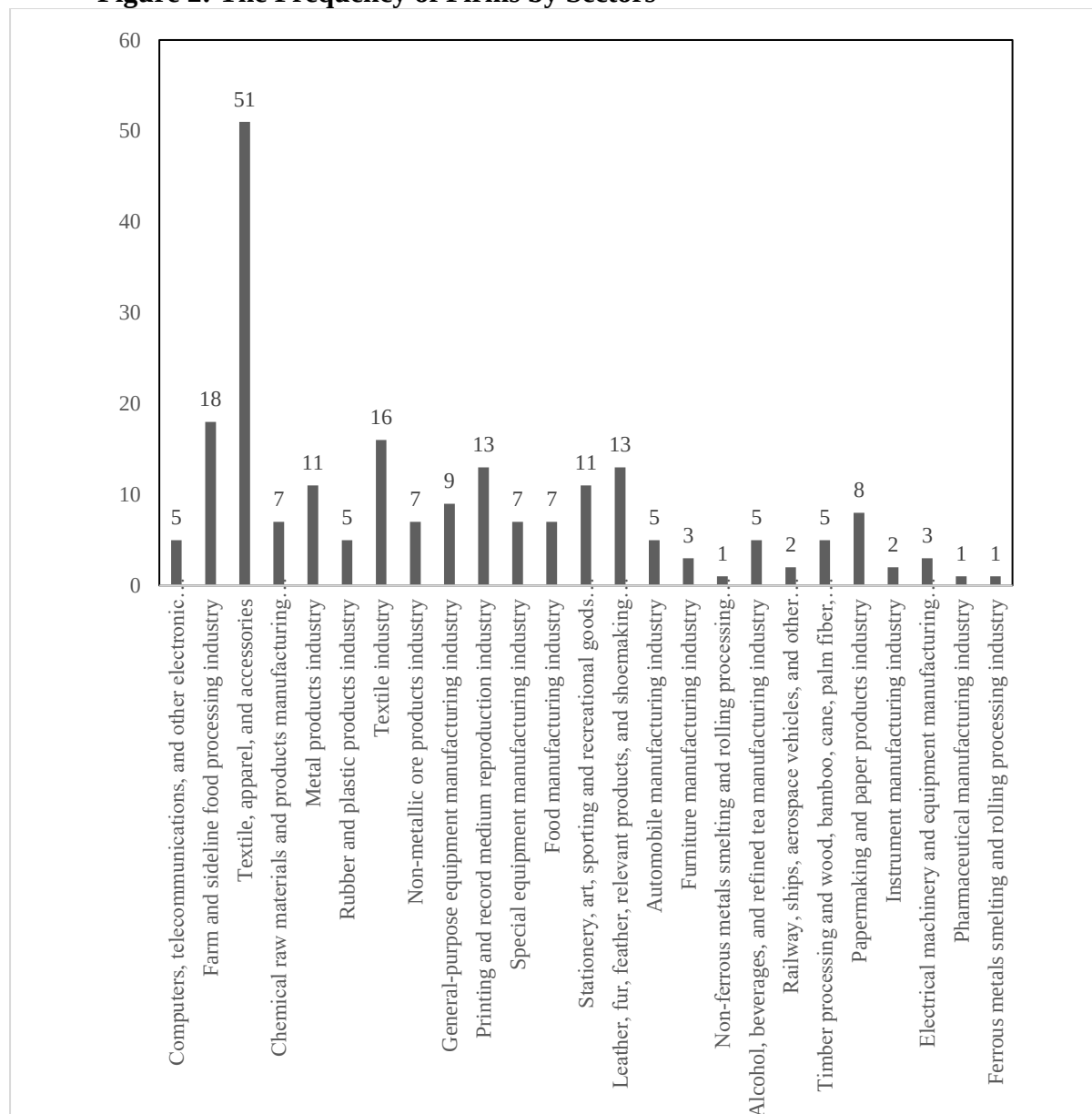
Figure 2: The Frequency of Firms by Sectors

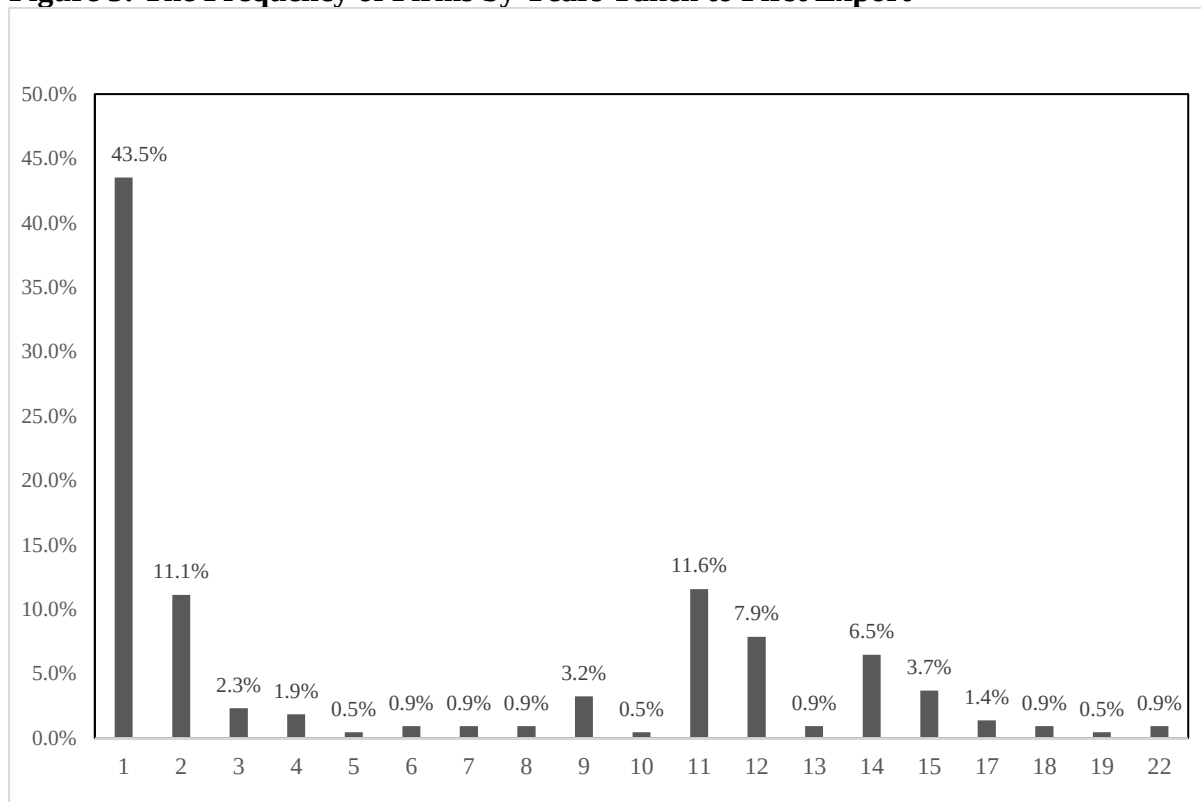
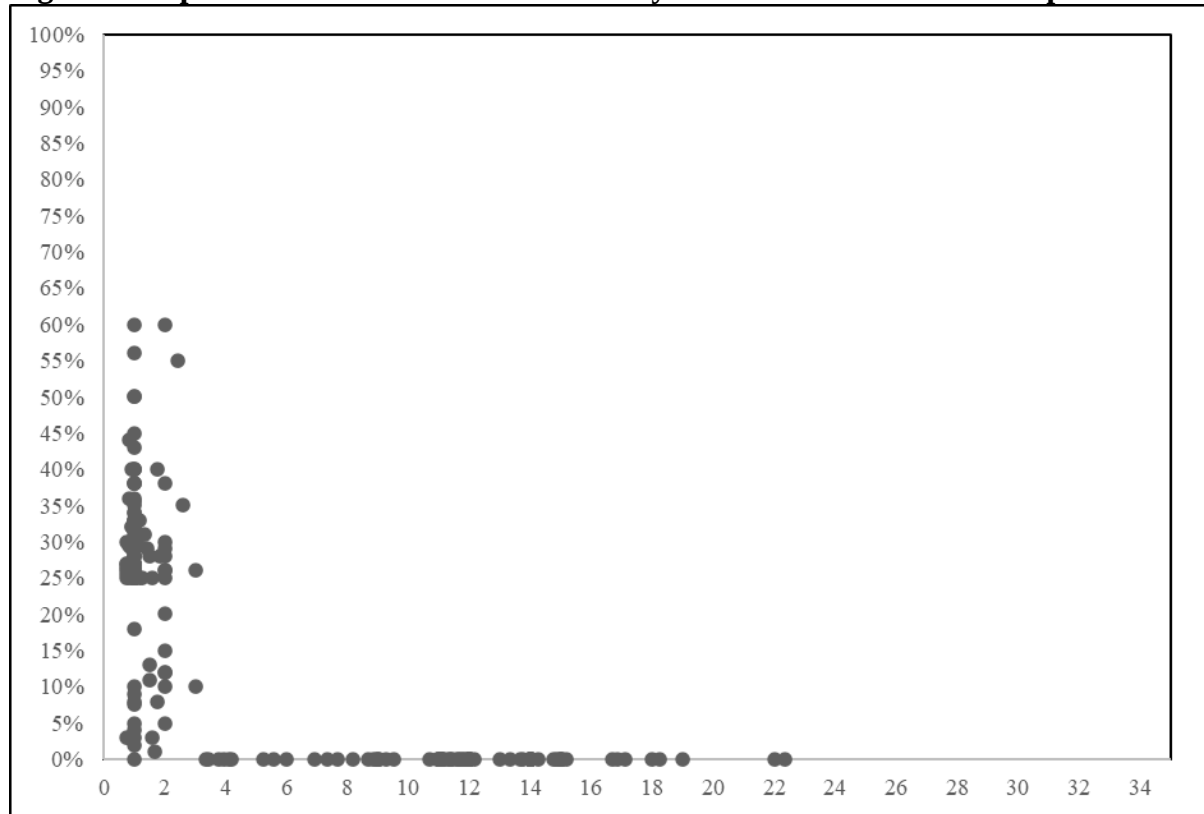
Figure 3: The Frequency of Firms by Years Taken to First Export

Figure 5: Export/turnover Ratio Distribution by the Time Taken to First Export**Table 1 Cultural distance (CD)**

RIE host country	Frequency	China – RIE host country CD
Australia	36	4.308517177
United Kingdom	46	4.402936937
Japan	28	3.571676003
Canada	27	3.838626478
Vietnam	2	0.745399451
United States	21	4.052081688
Singapore	17	0.551578504
Italy	3	3.209632849
South Korea	12	2.507694084
Thailand	3	1.770222051
Russia	3	3.003645845
France	4	2.960104695
Switzerland	3	3.992043198
Germany	6	4.014106497
Netherlands	1	6.309908322
Sweden	1	7.49321932
Myanmar	2	7.332277374
Argentina	1	2.972212264

Note: Myanmar is not included in the original or subsequent Hofstede studies. We obtained empirical data of Myanmar cultural values using the study by Rarick and Nickerson (2006).

Table 2 Contextual irrelevance (CI)

RIE host country – Export country pair		Context relevance (CR)
Australia	United States	0.017441649
United Kingdom	India	3.048006218
United Kingdom	United States	0.101731682
Canada	Vietnam	2.833491982
Vietnam	Japan	4.991152022
United Kingdom	Indonesia	4.901692141
United States	Japan	2.888216867
Canada	Singapore	3.622958228
Canada	South Korea	2.705045104
Singapore	United States	4.140262465
Japan	Australia	2.808099478
Italy	Argentina	0.55233053
Australia	Vietnam	3.70069806
Australia	Thailand	3.380405295
Australia	South Korea	3.432896271
France	Japan	2.948643956
United Kingdom	The Czech Republic	1.720574384
Canada	Turkey	2.268206727
Australia	Malaysia	6.78263976
Singapore	United Kingdom	4.331532193
United Kingdom	South Korea	4.37511408
Canada	Australia	0.114267835
Vietnam	Argentina	2.421609778
United Kingdom	Vietnam	3.950797069
Singapore	South Korea	2.910408021
United States	Thailand	3.414754389
Australia	United Kingdom	0.146151871
Italy	South Africa	0.382430211
United Kingdom	Malaysia	3.312397407
Canada	Argentina	6.057068656
United Kingdom	Netherlands	2.630920316
Thailand	Argentina	1.189033645
Russia	United Kingdom	7.746186317
South Korea	Netherlands	3.025493675
Japan	Singapore	5.838491922
Canada	United States	0.136795102
United Kingdom	South Africa	0.55945039
Canada	Malaysia	0.301106118
Australia	Argentina	0.389217439
Italy	Malaysia	1.068976797
Germany	Argentina	1.715979532
Australia	Turkey	2.778700142
United Kingdom	Sweden	3.523036127
United Kingdom	Argentina	2.140220466
Canada	Japan	3.227206998

Germany	Turkey	2.172796118
Australia	Sweden	3.244784565
United States	South Africa	0.353632287
Germany	Malaysia	6.818287899
Singapore	Argentina	3.772761723
Switzerland	Netherlands	2.924167801
Germany	Sweden	3.960399021
Australia	Singapore	4.427694118
Japan	Sweden	9.987580561
United Kingdom	Malaysia	7.269323332
United States	Malaysia	6.470520469
Thailand	Indonesia	0.515247279
Russia	United States	6.356843176
Japan	Netherlands	7.356491878
Australia	Indonesia	4.396210847
United States	Netherlands	2.156773499
Japan	The Czech Republic	1.512041147
France	Netherlands	2.461147063
Switzerland	Singapore	4.474596031
Germany	South Korea	2.521800571
South Korea	Argentina	0.702769702
Japan	South Korea	3.1894054
United Kingdom	Turkey	3.728019417
Australia	The Czech Republic	1.089695519
Canada	Netherlands	1.320202658
Japan	Malaysia	6.15436016
Japan	Indonesia	4.14719735
Australia	Netherlands	2.038367215
South Korea	Myanmar	2.137234068
Canada	Argentina	1.186836965
France	Singapore	3.640103417
Japan	Myanmar	5.622289904
United States	Germany	0.40991397

Note: Myanmar is not included in the original or subsequent Hofstede studies. We obtained empirical data of Myanmar cultural values using the study by Rarick and Nickerson (2006).

Table 3 Questionnaire questions and operational measures

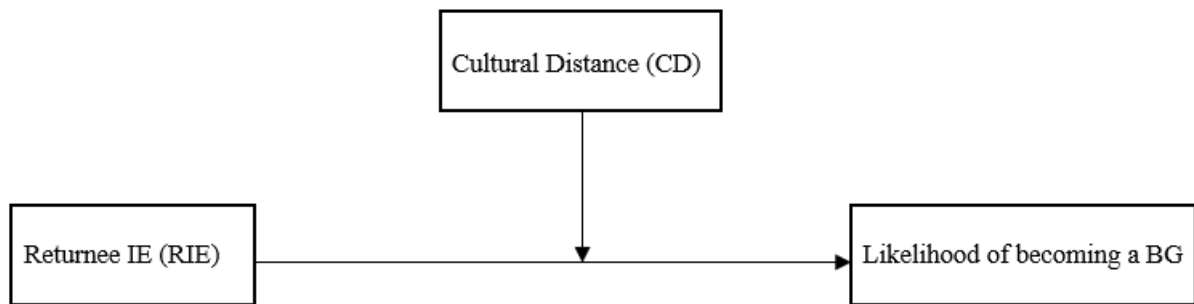
Variables	Survey questions	Operational measures
Dependent variable		
Likelihood of becoming a BG (BG)	Which year did your firm first made any sales abroad? Which year was your firm founded? Within three years from your firm's founding date, has your firm ever achieved more than (including) 25% foreign sales to total sales? What's is the maximum number of foreign sales to total sales within three years?	= 1 if the firm obtains more than 25% foreign sales to total sales within three years from inception
Post-entry speed of internationalisation (PSI)	Specify the average share of export sales to total sales	Export sales to total sales/ Firm age
Independent variable		
Returnee entrepreneur previous international experience (RIE)	How many years have you spent in education/business/living/travelling abroad before starting the existing business? List these countries	Total number of years the principal founder has spent abroad
Mediating variable		
Innovativeness (INNO)	INNO 1). My business places strong emphasis on innovation, technological leadership, & R&D	Likert scale 1 -7
	INNO 2). In the last three years, my business has marketed many new products or services.	Likert scale 1 -7
	INNO 3). In the last three years, changes in my products/services have been usually quite dramatic.	Likert scale 1 -7
Proactiveness (PRO)	PRO 1). My business typically initiates actions to which my competitor then responds.	Likert scale 1 -7

	PRO 2). My business is often the first to introduce new products/services, administrative techniques, and operating technologies, etc.	Likert scale 1 -7
	PRO 3). My business has a strong desire for defeating our rivals	Likert scale 1 -7
Risk-taking (RISKT)	RISK1 1). My business has a proclivity for high-risk projects with a chance of very high returns	Likert scale 1 -7
	RISK1 2). Due to the nature of the business environment in which I operate, it is best to take bold, wild-ranging actions to achieve the firm’s objectives	Likert scale 1 -7
	RISK1 3). When confronted with decision-making situations involving uncertainty, my business typically adopts a positive and bold posture even at the cost of making costly mistakes	Likert scale 1 -7
Entrepreneurial orientation (EO)	A unidimensional construct by adding the nine items and then dividing by nine	
Moderators		
Cultural distance (CD)	Which country did you spend in education/business/living/travelling abroad before starting the existing business?	RIE host country – China cultural distance
Cultural irrelevance (CI)	Which country did you spend in education/business/living/travelling abroad before starting the existing business? Which country did your firm first time make any sales abroad to?	RIE host country – export country cultural distance
Control variables		
Returnee entrepreneur previous MNE working experience (RME)	How many years did you spend working in an MNE based in China before starting the existing business?	Total number of years the principal founder has spent working in an MNE

Returnee entrepreneurs' previous entrepreneurship experience (REE)	Have you established, purchased, or inherited a business before starting the existing business?	= 1 yes, = 0 no
Returnee entrepreneurs' previous industry-specific working experience (RWE)	Have you had working experience in a similar industry before starting the existing business?	Total number of years the principal founder has spent working in a similar industry
Cultural barrier (CB)	Which country did your firm first time make any sales abroad to?	China – export country
Returnee entrepreneur's age (RAGE)	Specify your age	Numerical
Gender (GENDER)	Specify your gender	= 1 male, = 0 female
Education (REDU)	Have you achieved an undergraduate or above prior to establishing the focal business?	= 1 yes, = 0 no
Top management team (TMT)	How many people were involved in creating the focal business?	
Firm size (FSIZE)	How many staff does your firm have?	Numerical
Firm R&D investment (RD)	What's your firm's proportion of expenditure in R&D activities in the last year?	Numerical

Note: 1) There are a few nascent firms that have been just established for fewer than 3 years and that have yet achieved 25% foreign sales/total sales. In such cases, it is unknown if they will achieve this standard in the coming year(s). We see these firms as non-born-globals. 2) There is one firm that achieved 25% foreign sales to total sales in the 2nd year from its founding year, which falls within three years from inception. However, in the 3rd year from inception, its foreign sales drop below 25%. In this case, we still see it as a born-global because the respondent says the foreign sales drop is mostly because of Covid.

Figure 6. Model 1 Conceptual and Statistical Models
Conceptual Model 1 (i.e., cultural distance):



Statistical Model 1 (i.e., cultural distance):

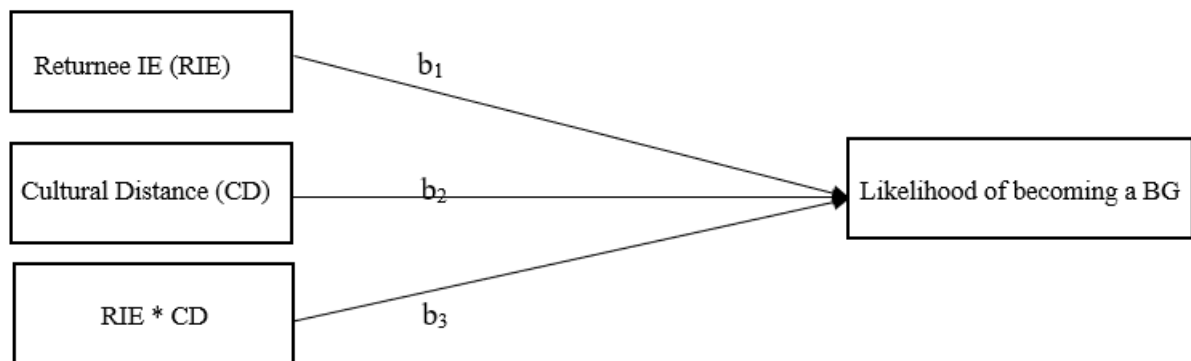
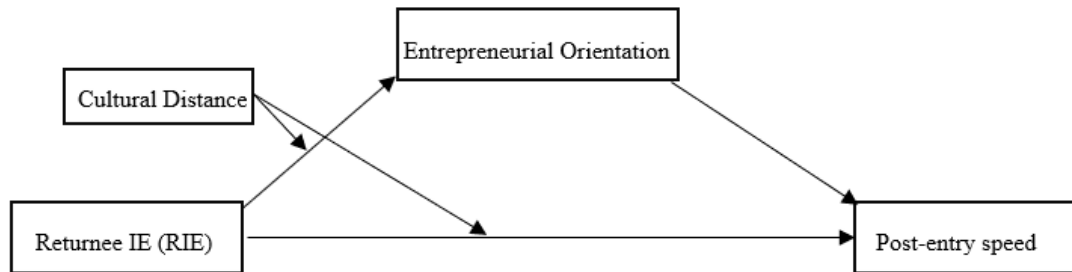


Figure 7. Model 2 Conceptual and Statistical Models

Conceptual Model 2 (i.e., cultural distance):



Statistical Model 2 (i.e., cultural distance):

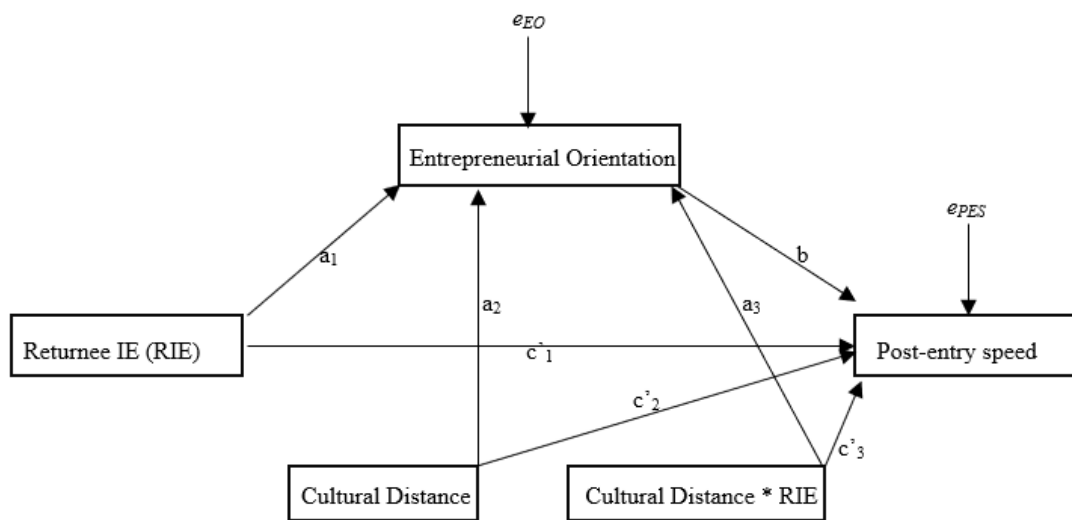


Table 4 Descriptive statistics and correlations*** $p < .001$; ** $p < .01$; * $p < .05$; † $p < .10$

Variable	Mean	S.D.	RIE	RME	REE	RWE	REDU	RAGE	GENDER	TMT	FSIZE	RD	CB	CD	CI	EO	BG	PSI
RIE	2.46	1.37	1															
RME	1.27	1.16	0.199**	1														
REE	0.53	0.50	-0.004	0.033	1													
RWE	4.83	3.30	-0.061	-0.059	-0.181**	1												
REDU	0.79	0.40	0.118†	0.135*	-0.006	-0.097	1											
RAGE	40.8	8.04	-0.163*	0.063	0.014	0.273***	-0.267***	1										
GENDER	0.74	0.44	-0.024	-0.021	-0.061	0.068	0.107	-0.007	1									
TMT	1.98	0.67	0.103	-0.066	-0.124†	-0.064	0.140*	-0.298***	0.015	1								
FSIZE	51.8	49	0.008	0.041	0.081	-0.084	0.032	0.066	-0.104	-0.010	1							
RD	9.02	4.25	-0.044	-0.044	-0.092	0.091	-0.025	-0.065	-0.040	-0.008	-0.080	1						
CB	3.22	1.75	-0.057	0.051	-0.016	0.045	-0.106	0.048	-0.003	-0.054	0.235***	-0.018	1					
CD	3.66	1.19	-0.057	-0.011	0.020	0.111	-0.117†	0.104	0.078	-0.075	-0.003	0.019	0.136*	1				
CI	2.12	2.17	0.074	-0.037	-0.032	-0.062	-0.001	0.002	-0.086	0.052	0.301***	-0.066	-0.240***	-0.078	1			
EO	4.14	0.97	0.287***	0.117†	-0.012	0.211**	0.105	0.024	0.096	-0.020	-0.089	-0.009	-0.093	0.192**	-0.154*	1		
BG	0.45	0.50	0.252***	0.082	0.034	0.156*	0.005	0.072	0.055	-0.101	-0.104	-0.033	-0.075	0.009	-0.155*	0.450***	1	
PSI	0.04	0.05	0.275***	0.112†	0.091	0.117†	0.065	-0.073	-0.099	-0.129†	-0.074	0.051	-0.046	0.092	-0.036	0.347***	0.534***	1

Table 5. CFA for EO

Model	Factors	χ^2	DF	CFI	NFI	RFI	IFI	TLI	RMSEA	SRMR
EO	INNO, PRO, RIST	66.69	24	0.92	0.89	0.83	0.92	0.88	0.091	0.068

Table 6. EFA for EO

Constructs/Items	Standardized loadings	Cronbach's Alpha	CR	AVE
Entrepreneurial orientation (Miller, 1983; and Covin and Slevin, 1989) Seven-point Likert scale: 1=strongly disagree; 7=strongly agree.				
Innovativeness				
INNO1. My business places strong emphasis on innovation, technological leadership, and R&D	0.827	0.707	0.844	0.643
INNO2. In the last three years, my business has marketed many new products or services.	0.805	0.663		
INNO3. In the last three years, changes in my products/services have been usually quite dramatic.	0.774	0.669		
Proactiveness				
PRO1. My business typically initiates actions to which my competitor then responds	0.857	0.641	0.874	0.699

PRO2. My business is often the first to introduce new products/services, administrative techniques, and operating technologies, etc.	0.857	0.654		
PRO3. My business has a strong desire for defeating our rivals	0.793	0.642		
<i>Risk-taking</i>				
RIST1. My business has a proclivity for high-risk projects with a chance of very high returns	0.854	0.631	0.824	0.611
RIST2. Due to the nature of the business environment in which I operate, it is best to take bold, wild-ranging actions to achieve the firm's objectives	0.721	0.668		
RIST3. When confronted with decision-making situations involving uncertainty, my business typically adopts a positive and bold posture even at the cost of making costly mistakes	0.764	0.689		

Table 7 Relationship between RIE and the likelihood of becoming a BG moderated by CD and CI

	Model 1	Model 2	Model 3	Model 4
RME	0.168	0.060	0.050	0.052
REE	0.238	0.281	0.213	0.302
RWE	0.107*	0.112*	0.112*	0.135**
REDU	0.050	0.008	-0.043	-0.043

RAGE	0.002	0.013	0.014	0.012
GENDER	0.205	0.267	0.253	0.174
TMT	-0.264	-0.342	-0.350	-0.478†
CB	-0.090	-0.071	-0.164	-0.135
FSIZE	-0.007	-0.008	-0.007	-0.007
RD	-0.022	-0.018	-0.023	-0.037
RIE		0.454***	0.492***	0.506***
CD			-0.011	-0.025
CI			-0.211*	-0.175*
RIE_CD				0.235*
RIE_CI				-0.139*
<i>Observations</i>	216	216	216	216
<i>Log Likelihood</i>	-141.4	-133.5	-130.0	-124.5
<i>LR chi2</i>	14.37	30.16	37.17	48.27
<i>Prob > chi2</i>	0.157	0.0015	0.0004	0.0000
<i>Pseudo R2</i>	0.0483	0.1015	0.1251	0.1624
<i>Correctly classified</i>	56.48%	65.74%	69.44%	70.37%

*** p < .001; ** p < .01; *p < .05; † p < .10 Dependent variable: 1=born-global, 0=non-born-global

Table 8 Relationship between RIE and EO moderated by CD, CI

	Model 1	Model 2	Model 3	Model 4
RME	0.100†	0.050	0.042	0.040
REE	0.067	0.068	0.041	0.085
RWE	0.067**	0.066**	0.060**	0.071***
RAGE	-0.002	0.003	0.003	-0.001
REDU	0.245	0.215	0.254	0.234
GENDER	0.147	0.163	0.114	0.073
TMT	-0.021	-0.049	-0.032	-0.097
FSIZE	-0.001	-0.001	-0.001	-0.001
RIE		0.203***	0.215***	0.202***
CD			0.146**	0.133**
CI			-0.058†	-0.041
RIE_CD				0.153***
RIE_CI				-0.064***
Observations	216	216	216	216
R-squared	0.085	0.162	0.211	0.323
F	2.406	4.420	4.972	7.422

† p<0.10, * p<0.05, ** p<0.01, *** p<0.001 Dependent variable: Entrepreneurial orientation

Table 9 Relationship between RIE and PSI moderated by CD, CI

	Model 1	Model 2	Model 3	Model 4
RME	0.005†	0.003	0.003	0.002
REE	0.011	0.011	0.011	0.012†
RWE	0.003*	0.003**	0.003*	0.003**
RAGE	-0.001*	-0.001	-0.001†	-0.001*
REDU	0.008	0.007	0.008	0.007
GENDER	-0.014†	-0.013†	-0.014†	-0.015†
TMT	-0.012*	-0.014*	-0.013*	-0.015**
FSIZE	-0.000	-0.000	-0.000	-0.000
RIE		0.010***	0.011***	0.010***
CD			0.005	0.004
CI			-0.000	-0.000
RIE_CD				0.008***
RIE_CI				-0.000
Observations	216	216	216	216
R-squared	0.095	0.161	0.17126	0.173
F	2.728	4.380	3.822	4.449

† p<0.10, * p<0.05, ** p<0.01, *** p<0.001 Dependent variable: Post-entry speed of internationalisation

Table 10. Relationship between RIE and PSI as mediated through EO and moderated by CD

	DV = post-entry speed (PSI)			DV = EO
	Model 1	Model 2	Model 3	Model 4
RME	0.005†	0.002	0.002	0.045
REE	0.011*	0.012†	0.011	0.080
RWE	0.003*	0.003**	0.002*	0.069***
RAGE	-0.001*	-0.001*	-0.001*	-0.002
REDU	0.008	0.007	0.004	0.240
GENDER	-0.014†	-0.014†	-0.016*	0.128
TMT	-0.012*	-0.015**	-0.014**	-0.083
FSIZE	-0.000	-0.000	-0.000	-0.001
RIE		0.010***	0.008**	0.194***
CD		0.004	0.002	0.135**
RIE_CD		0.008***	0.006**	0.162***
EO			0.011**	
Observations	216	216	216	216
R-squared	0.095	0.222	0.251	0.263
F	2.728	5.294	5.684	6.604

† p<0.10, * p<0.05, ** p<0.01, *** p<0.001

Table 11 Conditional indirect effects of RIE on PSI as moderated by CD and mediated through EO

Level of cultural distance	Indirect effect	Bootstrap lower bound	Bootstrap upper bound
– 1 SD	0.0002	– 0.0024	0.0023
Mean	0.0027	0.0010	0.0048
+ 1 SD	0.0051	0.0026	0.0086

Table 12 GLM: Relationship between RIE and the likelihood of becoming a BG moderated by CD and CI

	Model 1	Model 2	Model 3	Model 4
RME	0.038	0.014	0.011	0.010
REE	0.054	0.056	0.042	0.055
RWE	0.025*	0.024*	0.024*	0.027**
REDU	0.015	0.003	-0.009	-0.014
RAGE	0.000	0.003	0.003	0.002
GENDER	0.043	0.052	0.043	0.027
TMT	-0.062	-0.075	-0.071	-0.091†
CB	-0.020	-0.016	-0.032	-0.028
FSIZE	-0.001	-0.001	-0.000	-0.000
RD	-0.005	-0.004	-0.005	-0.008
RIE		0.098***	0.102***	0.099***
CD			-0.003	-0.007
CI			-0.041*	-0.034*
RIE_CD				0.042*
RIE_CI				-0.022*
<i>Observations</i>	216	216	216	216
<i>P value</i>	0.206	0.002	0.000	0.000

*** p < .001; ** p < .01; *p < .05; † p < .10 Dependent variable: 1=born-global, 0=non-born-global

Table 13 GLM: Relationship between RIE and EO moderated by CD, CI

	Model 1	Model 2	Model 3	Model 4
RME	0.100†	0.050	0.042	0.040
REE	0.067	0.068	0.041	0.085
RWE	0.067**	0.066**	0.060**	0.071***
RAGE	-0.002	0.003	0.003	-0.001
REDU	0.245	0.215	0.254	0.234
GENDER	0.147	0.163	0.114	0.073
TMT	-0.021	-0.049	-0.032	-0.097
FSIZE	-0.001	-0.001	-0.001	-0.001
RIE		0.203***	0.215***	0.202***

CD			0.146**	0.133**
CI			-0.058†	-0.041
RIE_CD				0.153***
RIE_CI				-0.064***
Observations	216	216	216	216
P value	0.017	0.000	0.000	0.000

† p<0.10, * p<0.05, ** p<0.01, *** p<0.001 Dependent variable: Entrepreneurial orientation

Table 14 GLM: Relationship between RIE and PSI moderated by CD, CI

	Model 1	Model 2	Model 3	Model 4
RME	0.005†	0.003	0.003	0.002
REE	0.011	0.011	0.011	0.012†
RWE	0.003**	0.003**	0.003*	0.003**
RAGE	-0.001*	-0.001	-0.001†	-0.001*
REDU	0.008	0.007	0.008	0.007
GENDER	-0.014†	-0.013†	-0.014†	-0.015†
TMT	-0.012*	-0.014*	-0.013*	-0.015**
FSIZE	-0.000	-0.000	-0.000	-0.000
RIE		0.010***	0.011***	0.010***
CD			0.005	0.004
CI			-0.000	-0.000
RIE_CD				0.008***
RIE_CI				-0.000
Observations	216	216	216	216
P value	0.005	0.000	0.000	0.000

† p<0.10, * p<0.05, ** p<0.01, *** p<0.001 Dependent variable: Post-entry speed of internationalisation

Table 15. GLM: Relationship between RIE and PSI as mediated through EO and moderated by CD

	DV = post-entry speed (PSI)		DV = EO	
	Model 1	Model 2	Model 3	Model 4
RME	0.005†	0.002	0.002	0.045
REE	0.011*	0.012†	0.011†	0.080
RWE	0.003**	0.003**	0.002*	0.069***
RAGE	-0.001*	-0.001*	-0.001*	-0.002
REDU	0.008	0.007	0.004	0.240
GENDER	-0.014†	-0.014†	-0.016*	0.128
TMT	-0.012*	-0.015**	-0.014**	-0.083
FSIZE	-0.000	-0.000	-0.000	-0.001
RIE		0.010***	0.008**	0.194***
CD		0.004	0.002	0.135**
RIE_CD		0.008***	0.006**	0.162***

EO			0.011**	
Observations	216	216	216	216
<i>P value</i>	0.005	0.000	0.000	0.000
† p<0.10, * p<0.05, ** p<0.01, *** p<0.001				