

Entrepreneurship Summit: Relationship between Entrepreneurship Innovation, Human Capital and Internationalization Potential of Global Entrepreneurships

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Abstract

This paper examines the relationship between entrepreneurship innovation, human capital capability and internationalization potential of entrepreneurship businesses across global countries. This paper is pertinent given the acclaimed contribution of entrepreneurship to economic growth of the host country. The paper contributes a nuance to the literature in two main areas. First, whilst previous researchers in this phenomenon have dwelt on a single country or regional analysis, this paper analyses data from 137 countries of the world covering developed, emerging and developing countries to arrive at a more comprehensive conclusion. Secondly, the paper moderates the main independent variables (innovation) by introducing human capital capability and start-up skill as additional variables. Data for this research were collected from the Global Entrepreneurship and Development Institute (GEDI) entrepreneurship index data for 137 countries. The statistical analysis section applied the binary logit regression as the dependent variable was categorized into a binary fashion. Findings from the analysis show that innovation is significantly and positively related to entrepreneurship internationalization with P-values of 0.012 for product innovation and 0.004 for process innovation. Human capital capability showed the strongest significant

Relationship with a P-value of 0.0004, but start-up skill is not significantly related to entrepreneurship internationalization. It was also evident that entrepreneurship internationalization is dominated by developed countries' entrepreneurship followed by emerging countries. Developing countries have little or no internationalization of entrepreneurship, which can be accounted by very low levels of innovation and quality of human capital. The implication is that process innovation is very essential for internationalization; however, it must also be accompanied with product innovation to match international trends. Furthermore, lack of start-up skills should not be a deterrent for aspiring entrepreneurs as this could be compensated by hiring or co-opting capable human capital to steer the business to an international arena. Developing countries' entrepreneurship need to improve upon their level of product innovation, process innovation and human capital capabilities in order to be internationally competitive. Further research on developing countries' entrepreneurship is suggested to articulate an innovation model that could more effectively enhance internationalization of developing countries' entrepreneurship beyond regional borders.

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