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Personal Motives and Factors Influencing the Intention to Internationalise a Social Enterprise

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Abstract

The objective of this study was to examine the individual factors and strategic motivations that influence the inclination to expand the operations of a social enterprise internationally. In order to fulfil the study's objectives, quantitative data was gathered through the use of a survey questionnaire. This data was obtained from senior managers or CEOs of 128 small enterprises and 40 medium enterprises that are currently operating within the geographical boundaries of Saudi Arabia. The data that was gathered was subjected to analysis through the use of simple linear regression in the Statistical Package for the Social Sciences (SPSS). The study's findings indicate that personal factors, such as risk-taking propensity and entrepreneurial self-efficacy, play a significant role in influencing the internationalisation intention of small and medium-sized enterprises (SMEs) in Saudi Arabia. Furthermore, the internationalisation intention of small and medium-sized enterprises (SMEs) in Saudi Arabia is significantly influenced by strategic motives such as the pursuit of markets and the acquisition of resources. Nevertheless, the study failed to yield substantial evidence regarding the correlation between the utilisation of technology and the intention of small and medium-sized enterprises (SMEs) in Saudi Arabia to engage in internationalisation activities. The current investigation makes a valuable contribution to the existing body of knowledge, as research on the internationalisation of social enterprises is limited and lacking. Therefore, this study holds significant importance in terms of its contribution to the literature. Furthermore, the examination of personal factors, such as risk-taking propensity and self-efficacy, remains unexplored within the realm of internationalisation of social enterprises. In addition, it is noteworthy that no prior research has examined the strategic motivations, such as the pursuit of technology, markets, and resources, for the internationalisation of social enterprises. This study thus serves as a significant contribution in addressing this research gap.

1. Introduction

In light of the escalating global challenges such as unemployment, poverty, health crises, lack of access to education, crime, housing shortages, environmental concerns, and others, there is a growing necessity for independent and private institutions and organisations to assume responsibility and play a proactive role rather than excessively depending on public or state entities to address these societal problems (Barnard, 2019; Prashantham, Eranova, & Couper, 2018). The proliferation of such organisations has become increasingly prevalent over time, as they prioritise not only financial gain but also the resolution of societal or community concerns. These organizations are known as social enterprises which can be defined as organizations “who carry out the mission of creating and maintaining social value with innovative solutions to various social issues which might have been neglected” (Tan, Le, & Xuan, 2020). These organisations are established with the objective of providing assistance to and

addressing social issues that have been neglected by government organisations or inadequately addressed by them, resulting in prolonged hardship for affected individuals (Sirisena & Shneor, 2018).

However, these organisations differ from not-for-profit charitable organisations that rely solely on funds provided by philanthropists and other contributors for their operations (Battilana, 2018). Social enterprises exhibit self-sufficiency by prioritising revenue generation and profit-making, thereby enabling autonomous operation without reliance on external entities (Alon, Mersland, Musteen, & Randøy, 2020). Social enterprises can help the society by utilizing the generated revenue to resolve community issues or by offering products and/or services aimed at resolving societal problems. The development of a social enterprise is a “process that begins with the formation of social ideas, identifying opportunities and solutions for sustainable social development” (Salamzadeh, Azimi, & Kirby, 2013). In recent years, numerous social enterprises have expressed interest in expanding their operations beyond national borders and entering international markets, with the aim of extending their value creation activities to foreign locations. The motivation may involve the creation of value in global markets or the utilisation of revenue generated from international markets to optimise the social impact within the domestic country through engagement in community development initiatives (Misbauddin & Nabi, 2019).

Nevertheless, the process of internationalising business operations, including those of social enterprises, necessitates meticulous planning, extensive research, and a focused approach. The primary objective of this research study is to examine the individual characteristics of entrepreneurs and their motivations for expanding their social enterprises internationally. The study focused on examining the influence of personal factors, specifically an entrepreneur's propensity for risk-taking and their entrepreneurial self-efficacy, on the intention to internationalise a social enterprise. Furthermore, this study examines the strategic motives that may serve as driving forces for the internationalisation of social enterprises, including the pursuit of technology, resources, and markets. The current investigation makes a valuable contribution to the existing body of knowledge, as research on the internationalisation of social enterprises is limited and lacking. Therefore, this study holds significant importance in terms of its contribution to the literature.

Furthermore, the examination of personal factors, such as an individual's inclination towards risk-taking and their belief in their own capabilities (self-efficacy), remains unexplored within the realm of social enterprise internationalisation. In addition, it is noteworthy that no prior research has examined the strategic motivations, such as the pursuit of technology, markets, and resources, for the internationalisation of social enterprises. This study thus represents a significant contribution to addressing this research gap.

2. Literature Review

2.1 Internationalization of Social Enterprise

Social enterprises are distinguished from traditional enterprises by their primary objective of addressing a social issue and meeting a critical societal need while simultaneously striving to promote the well-being of the community. Nevertheless, it is imperative for social enterprises to maintain a consistent flow of income in order to ensure their sustainability and continued commitment to promoting social welfare. Social enterprises are commonly recognised as hybrid organisations due to their dual motives of pursuing both profit-making and not-for-profit objectives, thereby achieving a balance between social and financial goals (Alon, Mersland, Musteen, & Randøy, 2020; Battilana, 2018; Misbauddin & Nabi, 2019).

Similar to conventional enterprises, social enterprises originate from the conception of an idea, specifically the recognition of a social need or problem that necessitates attention. This social opportunity is subsequently transformed into a viable business model, and the necessary resources are acquired to enable the implementation of the idea. Subsequently, the conceptualization is actualized and cultivated until the desired objective is achieved (Doherty, Haugh, & Lyon, 2014; Tiwari, Bhat, & Tikoria, 2017). The rationale behind a social enterprise diverges from that of corporate social responsibility initiatives undertaken by firms, which typically serve as a supplementary objective for organisations to contribute to society or the communities in which they operate. These initiatives often prioritise bolstering an organisation's marketing efforts (Pisani, Kourula, Kolk, & Meijer, 2017).

An organisation can be classified as a social enterprise when its primary focus and mission revolve around corporate social responsibility (CSR) activities, which are aimed at promoting social welfare. Furthermore, these CSR activities should be deeply integrated into the organisation's business model (Alon, Mersland, Musteen, & Randøy, 2020). A social enterprise is distinct from a charitable organisation in that the former relies primarily on donations to sustain its operations. In order to achieve financial sustainability, a social enterprise must engage in the provision of products and/or services in the marketplace at prices that align with prevailing market rates, thereby generating revenue. The products and/or services provided may have social ramifications, and the revenue generated can be allocated towards both operational needs and community development initiatives (Smith, Gonin, & Besharov, 2013).

A social enterprise primarily aims to address the shortcomings and gaps in service provision that public and private institutions are unable to adequately fill in relation to issues like poverty, education, unemployment, and similar

concerns (Barnard, 2019; Prashantham, Eranova, & Couper, 2018). Social enterprises prioritise the provision of goods and/or services that are either not offered by the public or private sectors, or if they are available, they do not meet the desired level of quality (Sirisena & Shneor, 2018). In recent times, a growing number of social enterprises have expressed interest in expanding their operations on a global scale. Their primary objective is to extend their socially beneficial activities beyond national boundaries.

Alternatively, some social enterprises seek to export their products and/or services to international markets with the aim of generating social impact solely within their domestic sphere. Hence, the rationale for the internationalisation of a social enterprise can be attributed to the desire to extend its social influence or generate supplementary income in order to optimise its social impact within the domestic context (Misbauddin & Nabi, 2019). Similar to other business endeavours, the decision and objective to expand a social enterprise internationally are influenced by various factors, encompassing those specific to the firm, the context, and the entrepreneur (Misbauddin & Nabi, 2019).

This study aims to examine the specific factors that are unique to entrepreneurs, with a particular focus on personal factors such as the risk-taking propensity and entrepreneurial self-efficacy of social entrepreneurs. These factors are believed to play a role in the decision-making process regarding the intention to internationalise a social enterprise. Additionally, this study also examines other motivational factors, namely the pursuit of markets, resources, and technology in international markets, which may exert an influence on the intention of a social enterprise to internationalise.

2.2 Personal Factors

a. Risk-taking Propensity

The concept of risk-taking propensity refers to an individual's inclination to participate in actions that have the potential to result in unfavourable outcomes, such as loss, harm, or failure (Zhang et al., 2018, p. 2). Within the realm of entrepreneurship, the inclination towards risk can alternatively be referred to as risk tolerance, denoting the degree to which an entrepreneur is amenable to making daring choices (Misbauddin & Nabi, 2019). Entrepreneurs are required to possess a propensity for risk-taking, as the initiation of any business endeavour inherently entails a certain degree of uncertainty and potential hazards. Nevertheless, the presence of risk persists beyond the commencement of a business endeavour during its nascent phases. In fact, risk permeates every stage of the entrepreneurial journey, necessitating critical decision-making by the entrepreneur pertaining to their business. The process of internationalising business operations is accompanied by significant risks, as entering foreign markets presents various obstacles and unpredictable factors.

Entrepreneurs typically engage in thorough research and analysis prior to embarking on the process of internationalising their business, aiming to minimise uncertainties. However, it is important to acknowledge that a certain degree of unpredictability remains inherent in such endeavours. Consequently, entrepreneurs may find themselves compelled to make daring decisions that carry an inherent risk of failure (Ruzzier, Douglas, Ruzzier, & Hojnik, 2020). Entrepreneurs encounter various risks when expanding their business internationally. These risks encompass factors such as disparities in consumer preferences, fluctuations in exchange rates, legal uncertainties, the political climate of the host country, transportation expenses and conditions, and most significantly, cultural and social disparities that can influence the reception of products and services in the foreign market (Pezderka & Sinkovics, 2011).

Nevertheless, an entrepreneur characterised by a high propensity for risk does not perceive these challenges as obstacles and instead maintains an optimistic perspective when it comes to venturing into novel markets. An entrepreneur exhibiting a high tolerance for risk demonstrates astute decision-making and effective risk management in various aspects of international business. This includes determining the opportune moment to enter a new market, carefully considering the timing and pace of strategic international entry, and efficiently conducting international activities. Additionally, the entrepreneur must make informed choices regarding the scope of internationalisation, such as the number of countries to consider and enter, the appropriate operational strategies to employ in these targeted countries, and the desired extent of international market penetration in terms of the proportion of sales to be generated from international markets (Kiss, Williams, & Houghton, 2013).

Entrepreneurs make decisions by carefully assessing the associated risks and strategically addressing each issue to optimise organisational benefits (Ruzzier, Douglas, Ruzzier, & Hojnik, 2020). The extent to which an entrepreneur perceives and tolerates risk plays a crucial role in shaping the potential for internationalisation of a firm and the anticipated growth in international markets. Individuals who possess a greater propensity for risk in the entrepreneurial context are anticipated to exhibit a greater inclination towards making audacious decisions in comparison to those individuals who possess a lower tolerance for risk. Entrepreneurs who possess a positive perspective towards uncertainties are more inclined to undertake riskier endeavours, such as establishing sales outlets in international markets or expanding production plant units on an international scale.

Conversely, entrepreneurs with a lower propensity for risk-taking are more likely to limit their internationalisation efforts to product exports (Covin & Miller, 2014). Empirical evidence substantiates the notion that social entrepreneurs exhibiting greater propensities for risk-taking and higher levels

of risk tolerance are inclined towards international expansion of their social enterprises (Ruzzier, Douglas, Ruzzier, & Hojnik, 2020). Similar to traditional business ventures, entrepreneurs operating social enterprises must also possess a willingness to take risks in order to explore untapped international markets, which inherently entail uncertainties and unpredictability. Therefore, based on the discussion above, the following hypothesis is proposed,

H1: An entrepreneur's risk-taking propensity is significantly related to internationalization intention of a social enterprise.

b. Entrepreneurial Self-efficacy

Self-efficacy can be defined as an individual's belief in their ability to effectively utilise their motivation, cognitive abilities, and strategies to meet the demands of a particular situation (Wood & Bandura, 1989). Entrepreneurial self-efficacy refers to an individual's perception and assurance regarding their ability to effectively manage and operate a business venture (Newman et al., 2019; Sánchez, 2011). The differentiation between an entrepreneur and a manager lies in an individual's confidence in their capacity to fulfil the duties and obligations associated with entrepreneurship. Self-efficacy is widely recognised as one of the most influential factors in an individual's decision-making process, particularly in relation to entrepreneurial intentions (Tiwari, Bhat, & Tikoria, 2017). Individuals who possess a higher level of self-efficacy exhibit greater confidence in their abilities and available resources to effectively pursue entrepreneurial endeavours. These individuals exhibit a high level of commitment towards their decision to engage in entrepreneurial activities, leading them to undertake thorough research and develop comprehensive plans for their business endeavours. Given their optimistic perspective and confidence in their own capabilities, individuals are inclined to wholeheartedly dedicate themselves to the achievement of their business objectives.

Consequently, they are more likely to leverage both tangible and intangible resources to capitalise on available opportunities (Newman et al., 2019). In contrast, individuals who possess low self-efficacy perceptions exhibit diminished levels of trust and confidence in their own abilities, skills, and capabilities. Consequently, they are less inclined to utilise the resources at their disposal in order to capitalise on potential opportunities. This hesitancy stems from their perception of these opportunities as being inherently risky, despite the potential for significant rewards upon successful pursuit. The individuals lack self-assurance in their capacity to identify suitable resources and opportunities for conducting business. Due to a lack of genuine commitment towards initiating a business venture, individuals exhibit minimal dedication and allocate limited time towards the process of planning and conducting research on viable opportunities. Even if these individuals embark on entrepreneurial endeavours, their motivations are primarily driven by shallow

by shallow objectives such as generating revenue and securing personal financial stability, without any overarching aspirations for the growth or development of the business itself.

Individuals often exhibit a preference for low-risk scenarios in which they can secure a steady income without placing significant emphasis on business expansion or development (Yang, Li, & Wang, 2020). In the context of enterprise internationalisation, self-efficacy refers to an entrepreneur's conviction in their ability to effectively navigate and thrive within a global marketplace (Wasowska, 2019). In a more precise sense, it can be conceptualised as "the identification, implementation, assessment, and utilisation of prospects—transcending geographical boundaries—with the aim of generating forthcoming commodities and services" (Oviatt & McDougall, 2005). Existing literature has presented empirical findings that support the significance of a social entrepreneur's self-efficacy beliefs in relation to their ability to identify international opportunities and their intention to expand their venture into international markets (Chhajer, Rose, & Joseph, 2018; Hannibal, Evers, & Servais, 2016; Lobo, Ferreira, Cordeiro, & Costa-Lobo, 2017; Loué, 2018; Muzychenko & Liesch, 2015; Schmutzler, Andonova, & Diaz-Serrano, 2019; Yang, Li, & Wang, 2020). Therefore, based on the discussion above and the evidence provided in the past literature, the study proposes the following hypothesis,

H2: An entrepreneur's self-efficacy is significantly related to internationalization intention of a social enterprise.

2.3 Strategic Internationalization Motives

Similar to traditional for-profit organisations, social enterprises also develop policies and strategies to facilitate business expansion, thereby accessing untapped markets and opportunities. This is due to the fact that a social enterprise may not operate in the same manner as not-for-profit organisations or non-governmental organisations (NGOs). Similar to conventional organisations, social enterprises also strive to achieve long-term sustainability for their business operations. In order to achieve this objective, it is necessary to establish specific financial objectives and expansion targets, thereby enabling the organisation to capitalise on emerging prospects. Operating in multiple localities beyond borders presents a significant expansion opportunity for businesses. In order to attain both sustainability and profitability, social enterprises actively pursue opportunities beyond their nation of origin. This strategic approach enables them to expand into new domains of social development or generate additional revenue to support further developmental initiatives within their home country (Ngo & Igwe, 2019).

The determination of internationalisation motives is accomplished through the formulation of strategic approaches. Organisations occasionally opt to expand their operations to foreign markets due to the unavailability or inadequate development of resources and assets necessary for the efficient management of their business activities (Angulo-Ruiz, Pergelova, & Wei, 2019). In similar situations, organisations endeavour to acquire resources and advanced technologies from foreign markets, which can yield long-term benefits and confer a competitive edge (Enderwick, 2017). The objective of internationalisation serves as a means for organisations, including social enterprises, to expand their operations into new markets and gain access to resources, assets, and technologies that were not readily accessible in their domestic market (Buckley, Munjal, Enderwick, & Forsans, 2018). The expansion into new markets, especially those in developed countries, provides access to enhanced assets and capabilities, such as human and intellectual capital (Angulo-Ruiz, Pergelova, & Wei, 2019). Organisations often choose to expand their operations to new countries due to the presence of superior and highly advanced research and development facilities, state-of-the-art automated equipment, machinery equipped with cutting-edge technology, and the availability of advanced software and systems (Ngo & Igwe, 2019).

Hence, the pursuit of technological advancements in a developed economy, where the necessary upgraded resources and assets are accessible, is a strategic objective for firms seeking to expand their business operations internationally. This principle also applies to the internationalisation of social enterprises (Ngo & Igwe, 2019). Therefore, given the argument above, the following hypothesis is proposed,

H3: The strategic motive of seeking technology is significantly related to internationalization intention of a social enterprise.

One additional strategic rationale for the internationalisation of firms is the pursuit of new markets, which represents a fundamental motive for the global expansion of businesses. This phenomenon occurs when a company possesses the knowledge and capabilities to achieve a competitive edge over its international rivals, stemming from factors such as a skilled workforce, cost advantages in labour, product or service innovation, or other unique attributes (Ngo & Igwe, 2019; Ramasamy, Yeung, & Laforet, 2012). Organisations strategically expand into new markets in order to optimise their financial gains once they have reached a point of saturation in terms of profit generation within their domestic market. Social enterprises also aim to enhance their financial gains by expanding into untapped markets in foreign countries where they identify potential opportunities or market gaps that align with their offerings, thereby generating profits through the provision of their products and services. Social enterprises demonstrate a high level of

proficiency in networking and political acumen, which contributes to their notable achievements in penetrating global markets (Williamson & Wan, 2018). They possess the requisite knowledge to effectively present their business proposition and successfully penetrate a new market. The incorporation of a social cause within their business operations facilitates smooth market entry into new territories. Furthermore, social enterprises, by virtue of their heightened awareness of the political landscape and their adeptness in navigating domestic politics, possess the capacity to swiftly acclimatise to the political climate of foreign nations. This proficiency enables them to effectively penetrate new markets (Buckley, Munjal, Enderwick, & Forsans, 2016). Thus, the strategic motivation for firms, including social enterprises, to expand their operations internationally is to tap into new global markets in order to maximise revenue and profits, as well as to gain a competitive advantage (Buckley, Munjal, Enderwick, & Forsans, 2018). Therefore, given the discussion above, the following hypothesis is proposed,

H4: The strategic motive of seeking markets is significantly related to internationalization intention of a social enterprise.

One additional strategic rationale for the internationalisation of firms, including social enterprises, is the utilisation of natural resources that are essential for business operations but are insufficiently accessible within the domestic country (Ngo & Igwe, 2019). Therefore, some organisations enter new international markets to seek resources, the basic aim of which is “to secure stable, low-cost, and high-quality natural resource supply, and typically the target in host countries is the supply of natural resources such as commodities or internal production inputs” (Angulo-Ruiz, Pergelova, & Wei, 2019). Certain natural resources that serve as inputs for production exhibit variations in availability and cost across different regions or countries.

When resources are readily available at a lower cost in another country, organisations can effectively optimise their supply chain by internationalising it or expanding their production functions internationally. This approach enables organisations to decrease production costs while maintaining high product and service quality through the utilisation of appropriate resources (Buckley, Munjal, Enderwick, & Forsans, 2016). The reduction of costs can lead to the maximisation of a firm's profit, thereby enabling a social enterprise to allocate their earnings towards community development, which aligns with the primary objective of their business. Therefore, given the discussion above, the following hypothesis can be stated,

H5: The strategic motive of seeking resources is significantly related to internationalization intention of a social enterprise.

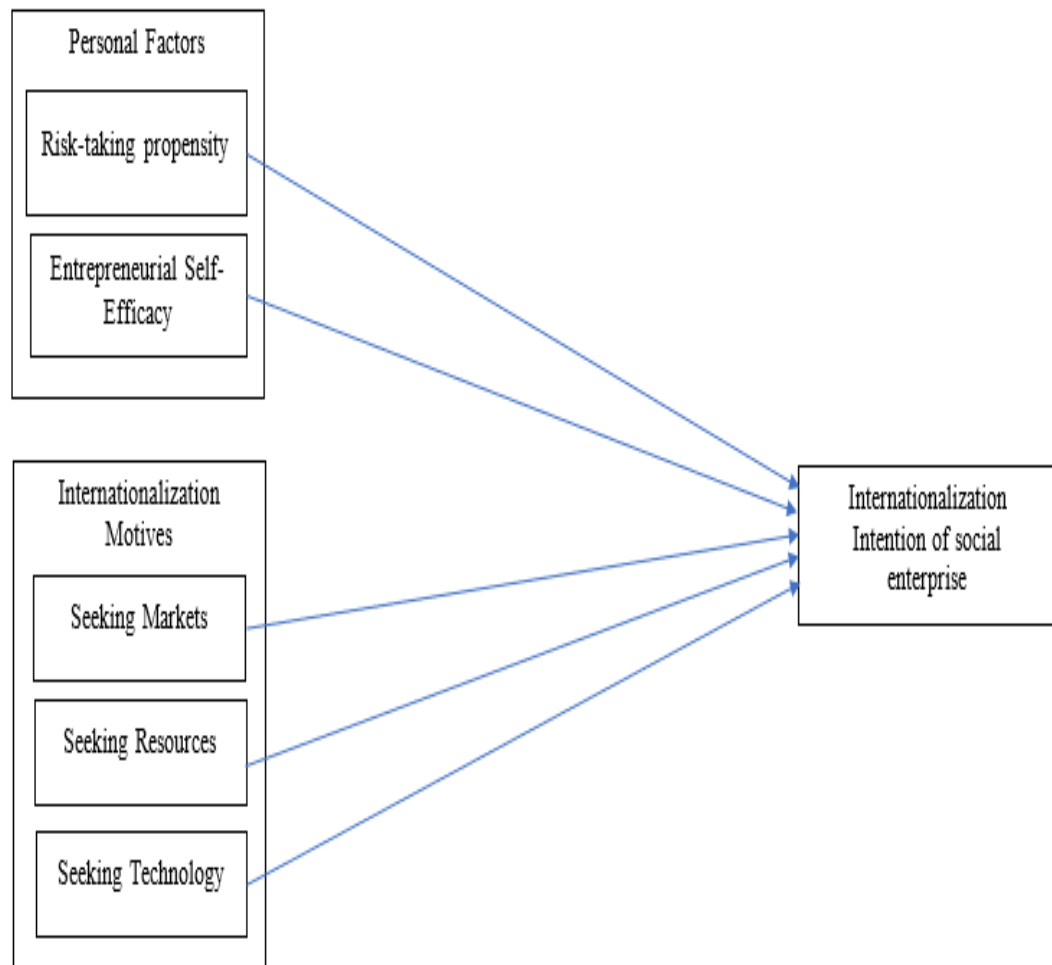


Fig.1. Conceptual model of the Study

3. Methodology

3.1 Measures

The variables utilised in this study were assessed using pre-existing measurement questionnaires that have been previously validated. The measurement scale utilised for assessing risk-taking propensity was derived from the empirical investigation conducted by [Zhang, Highhouse, and Nye \(2019\)](#). The measurement of entrepreneurial self-efficacy was conducted by modifying the instrument developed by [Wasowska \(2019\)](#). The measurement scales used for the variables of seeking markets, seeking resources, and seeking technology were derived from the research conducted by [Angulo-Ruiz, Pergelova, and Wei \(2019\)](#). The scale utilised for measuring the variable of internationalisation intention was derived from the work of [Wasowska \(2019\)](#). The variables were assessed using a 5-point Likert scale. Table 1 below displays the measurement items and statements for each variable, along with their respective sources.

“Table 1: Measurement Tools

“Items	References
Risk-taking Propensity	
Taking risks makes life more fun My friends would say that I'm a risk taker I enjoy taking risks in most aspects of my life I would take a risk even if it meant I might get hurt Taking risks is an important part of my life In general, I avoid taking risks I generally like to “play it safe” I commonly make risky decisions I am a believer of taking chances When taking a chance, I focus more on winning than on possibly losing I am attracted, rather than scared, by risk I generally avoid risky situations I focus more on the positive outcomes of risk, rather than negative ones You never get anywhere without taking chances	Zhang, Highhouse, and Nye (2019)
Entrepreneurial Self-efficacy	
I am confident in my ability to expand business abroad I am confident in my ability to adapt the product to the needs of foreign clients I am confident in my ability to find business partners abroad I am confident in my ability to communicate with individuals from a new culture when contacting individuals from other countries, I am confident in my ability to adapt own behaviour to circumstances	Wasowska (2019)
Seeking Markets (1 – Not Important to 5 – Very Important)	
expand upstream and downstream industry chain expand sales in international markets avoid saturated domestic market	Angulo-Ruiz, Pergelova, and Wei (2019)
Seeking Resources (1 – Not Important to 5 – Very Important)	
acquire overseas energy and raw materials acquire overseas parts supply	Angulo-Ruiz, Pergelova, and Wei (2019)
Seeking Technology (1 – Not Important to 5 – Very Important)	
acquire overseas assets with intellectual property rights acquire overseas R&D team acquire overseas R&D management experience	Angulo-Ruiz, Pergelova, and Wei (2019)
Internationalization Intention	
There is a likelihood of entering a foreign market in the future We have an interest in internationalization There is a likelihood of starting to sell the company’s products within a year The company has intention to expand investments abroad in the upcoming year We intend to increase the number of countries in which the company operates.”	Ramsey et al. (2016); Wasowska (2019)

3.2 Data Collection

In order to fulfil the study's objectives, the collection of quantitative numerical

data for this research was conducted by obtaining responses from senior managers or CEOs of small and medium enterprises (SMEs) that are currently operating within the geographical region of Saudi Arabia. The data was collected through the use of self-administered survey questionnaires, employing the convenience sampling technique. The participants were provided with the assurance that their data would exclusively be used for academic objectives and would be maintained in a confidential manner. A survey was conducted in Saudi Arabia, wherein a total of 300 questionnaires were administered to a sample of 200 small enterprises and 100 medium-sized enterprises. A total of 200 questionnaires were distributed among small enterprises, resulting in 123 completed questionnaires being returned. Similarly, 100 questionnaires were distributed among medium enterprises, with 40 completed questionnaires being returned. In total, 168 completed questionnaires were used for analysis. The analysis was performed utilising the Statistical Package for the Social Sciences (SPSS), and a simple linear regression model was employed to examine and evaluate the study hypotheses.

4. Analysis

During the initial phase of the analysis, the primary objective was to present the descriptive statistics pertaining to all variables under investigation in the study. Descriptive statistics encompass measures such as the mean and standard deviation of variables, as well as correlation statistics that capture the relationships between all variables. Additionally, the table below presents Cronbach's alpha, a measure of reliability. The table provided below demonstrates that the Cronbach's alpha coefficient for all variables exceeded the threshold value of 0.7, indicating the reliability of all variables. Furthermore, the observed correlation between the variables exhibits a moderate level, suggesting the absence of any multicollinearity concerns.

4.1. Descriptive Statistics

Variable	Mean	SD	Cronbach's alpha	1	2	3	4	5	6
Risk-taking propensity	3.24	1.21	0.784	1					
Entrepreneurial Self-efficacy	2.98	1.39	0.700	0.35**	1				
Seeking markets	2.97	0.39	0.701	0.60**	0.42**	1			
Seeking technology	3.21	0.89	0.761	0.54**	0.27**	0.50**	1		
Seeking resources	3.01	1.34	0.758	0.39**	0.34**	0.51*	0.44*	1	
Internationalization Intention	3.30	1.59	0.709	0.48**	0.22**	0.37*	0.29*	0.38**	1

*. Correlation is significant at the 0.05 level (2-tailed).

** . Correlation is significant at the 0.01 level (2-tailed).

4.2. Testing of Hypotheses

Following the assessment of variable reliability and the examination of potential multicollinearity concerns, the subsequent stage involved the evaluation of the study hypotheses through the utilisation of regression analysis. The study employed simple linear regression to examine the direct relationships. The initial stage of regression analysis yields the R-squared value, which indicates the extent to which independent variables account for the variance observed in dependent variables. The table presented below demonstrates that the collective influence of the independent variables examined in this study, namely risk-taking propensity, entrepreneurial self-efficacy, seeking markets, seeking resources, and seeking technology, accounts for 58% of the variability observed in the dependent variable, specifically the internationalisation intention of social enterprise. The remaining 42% represents unexplained variance. Furthermore, the regression coefficients of different variables indicate the extent to which each variable contributes to the dependent variable.

The presented table provides empirical evidence supporting the first hypothesis (H1) of the study, indicating a significant relationship between risk-taking propensity and the internationalisation intention of social enterprises in Saudi Arabia. This implies that entrepreneurs with a higher inclination towards risk-taking are more likely to engage in international business expansion. Expanding a business on an international scale entails a significant amount of uncertainty and unpredictability due to variations in business policies, cultural norms, and operating environments across different countries. In order to make an informed decision regarding international expansion, it is imperative for an entrepreneur to possess the willingness to assume the potential risk of failure. The risk-taking propensity or risk tolerance of an entrepreneur is of significant importance for this reason. Furthermore, the findings also demonstrate a significant correlation between entrepreneurial self-efficacy and the intention to internationalise among social enterprises in Saudi Arabia. This provides empirical support for Hypothesis 2, as posited in the study. This implies that there is a positive correlation between an entrepreneur's level of self-efficacy beliefs and their propensity to engage in international business expansion. The decision to expand a business to international markets is contingent upon an entrepreneur's confidence in their capabilities, skills, and abilities. Only when an entrepreneur possesses such confidence can they exhibit the necessary boldness to take a leap of faith in pursuing international growth.

In order to explore new markets, particularly those beyond national boundaries, it is imperative for an entrepreneur to possess a sufficient level of confidence to assume leadership and accountability for their decisions. Experiencing a lack of confidence in one's own abilities diminishes self-assurance, thereby impeding an entrepreneur's capacity to effectively address

issues and challenges. Consequently, this heightened vulnerability to failure arises from an inability to assert control over adverse circumstances. In addition to individual factors, the study also examined the strategic motivations behind internationalisation efforts. The findings of the study indicate that there is no significant correlation between the adoption of technology and the intention of social enterprises in Saudi Arabia to engage in internationalisation. This finding contradicts hypothesis H3. Many businesses choose to expand their operations to international markets in order to leverage the advanced technologies, capabilities, resources, assets, intellectual capital, and techniques available in those markets.

Based on the findings of the current study, it is evident that small and medium-sized enterprises (SMEs) in Saudi Arabia exhibit a lack of intention to engage in internationalisation efforts due to their reliance on external sources for technology acquisition. One possible explanation for this phenomenon could be that Saudi small and medium-sized enterprise (SME) managers perceive their domestic market as capable of providing them with access to advanced technology, thereby obviating the need to pursue such resources from foreign countries through international business expansion. One possible explanation is that the small and medium-sized enterprises (SMEs) in Saudi Arabia may not currently prioritise technology adoption, resulting in a lesser demand for advanced technologies available in international markets.

Furthermore, the findings of the analysis indicate a significant correlation between the pursuit of markets and the intention of small and medium-sized enterprises (SMEs) in Saudi Arabia to engage in internationalisation. This outcome supports the fourth hypothesis (H4) of the study. This implies that small and medium-sized enterprises (SMEs) in Saudi Arabia are driven to expand their market presence beyond national borders with the aim of optimising their financial gains, attracting fresh clientele, and offering their products and services to address the unmet demands in foreign markets.

These enterprises perceive their offerings as capable of satisfying the needs of these markets, thereby enabling them to attain a competitive edge. The primary objective of every business is to generate revenue and maximise profits.

Consequently, small and medium-sized enterprises (SMEs) are quick to capitalise on opportunities to achieve these goals by engaging in business operations in foreign markets. Furthermore, the examination of the data demonstrates a significant correlation between the motive of internationalisation for resource acquisition and the intention of SMEs in Saudi Arabia to internationalise. This finding provides empirical support for Hypothesis 5 of the research. This implies that small and medium-sized enterprises (SMEs) actively seek opportunities to expand their business operations internationally, driven by the belief that other countries possess

abundant natural resources that are limited within their domestic market. When presented with the opportunity, businesses opt to procure valuable resources from foreign markets at a reduced cost and enhanced quality. This strategic decision enables them to manufacture superior products or deliver exceptional services at a significantly lower cost while adhering to higher quality standards.

Table 2: Regression Analysis

Regression Statistics					
Multiple R	0.61				
R ²	0.52				
Adjusted R ²	0.58				
Standard Error	0.41				
Observations	168				
ANOVA					
	df	SS	MS	F	Significant F
Regression	28	66.31	9.29	52.39	8.9
Residual	72	15.67	0.33		
Total	100	81.98			
	Coefficients	SE	t value	P-value	
Constant	0.030	0.29	1.96	0.015	
Risk-taking propensity	0.029	0.24	2.25	0.021	
Entrepreneurial Self-efficacy	0.028	0.31	3.24	0.034	
Seeking markets	0.047	0.33	4.21	0.019	
Seeking technology	0.020	0.41	1.02	0.147	
Seeking resources	0.034	0.27	2.61	0.033	

P<0.05 (Hair, Money, Samouel, & Page, 2007), t> 1.96 (Hair, Money, Samouel, & Page, 2007)

5. Discussion

The primary objective of this research study was to examine the individual characteristics of entrepreneurs and their motivations for expanding their social enterprises internationally. The study focused on evaluating the impact of an entrepreneur's inclination towards risk-taking and their belief in their own abilities (entrepreneurial self-efficacy) on the intention to internationalise a social enterprise. These factors fall under the category of personal influences on the decision to expand globally. Additionally, this study also examined the strategic motives that may serve as driving forces for the internationalisation of social enterprises, including the pursuit of technology, resources, and markets. In order to fulfil the study's objectives, quantitative data was gathered through the utilisation of a survey questionnaire. The respondents consisted of senior managers or CEOs from a total of 128 small enterprises and 40 medium enterprises that are currently operating within the geographical boundaries of Saudi Arabia. The data that was gathered was

subjected to analysis through the utilisation of simple linear regression in the Statistical Package for the Social Sciences (SPSS).

The study's findings indicate that personal factors, such as risk-taking propensity and entrepreneurial self-efficacy, play a significant role in influencing the internationalisation intention of small and medium-sized enterprises (SMEs) in Saudi Arabia. The process of internationalising business operations inherently carries a degree of risk, as it is subject to uncertainties and unpredictability associated with the foreign market context. It is challenging for entrepreneurs to ascertain with certainty the potential success of their business ventures in foreign markets ([Ruzzier, Douglas, Ruzzier, & Hojnik, 2020](#)). Certain entrepreneurs exhibit a tendency to refrain from taking proactive measures in order to mitigate potential failures.

However, individuals with a high tolerance for risk perceive uncertainties and associated risks as manageable challenges, leading them to embrace the opportunity to expand their business internationally with a positive outlook. The degree and breadth of internationalisation of a business are contingent upon the entrepreneur's level of risk tolerance, as it is the entrepreneur who must make the decision. Individuals who possess a greater propensity for risk in the entrepreneurial context are anticipated to exhibit a greater inclination towards making audacious decisions compared to those individuals with a lower tolerance for risk. Entrepreneurs who possess a favourable outlook towards uncertainties are inclined to perceive them in a positive light. They are more inclined to undertake riskier endeavours, such as establishing sales outlets in international markets or expanding production plant units on an international scale. Conversely, entrepreneurs with a lower propensity for risk-taking are more likely to limit their internationalisation efforts to product exports ([Covin & Miller, 2014](#)).

Furthermore, there is a significant correlation between entrepreneurial self-efficacy and the intention to internationalise small and medium-sized enterprises (SMEs) in Saudi Arabia. Entrepreneurs who possess a strong sense of self-efficacy tend to exhibit optimistic attitudes and anticipate favourable outcomes for their business endeavours as a result of their confidence in their own capabilities. Consequently, they are more inclined to wholeheartedly dedicate themselves to achieving success in their ventures and effectively leverage both tangible and intangible resources to capitalise on available opportunities ([Newman et al., 2019](#)). Within the framework of business internationalisation, self-efficacy refers to the entrepreneur's conviction in their ability to effectively navigate and thrive in a global market ([Wasowska, 2019](#)).

To undertake a significant decision such as expanding internationally, an entrepreneur must possess a sense of self-assurance regarding their skills and competencies to effectively navigate the complexities associated with

internationalisation, even in the presence of inherent risks. This finding is in alignment with the existing literature, which has previously demonstrated a correlation between self-efficacy and the intention to internationalise (Chhajer, Rose, & Joseph, 2018; Loué, 2018; Schmutzler, Andonova, & Diaz-Serrano, 2019; Yang, Li, & Wang, 2020). Additionally, the study's findings indicate a significant relationship between the strategic motives of internationalisation, such as market-seeking and resource-seeking, and the intention of small and medium-sized enterprises (SMEs) in Saudi Arabia to engage in internationalisation. Social enterprises aim to expand their operations beyond their country of origin in order to explore new avenues for social development or generate additional revenue to support further development initiatives within their home country (Ngo & Igwe, 2019).

The aim of market expansion is for businesses to gain a competitive edge in international markets by identifying and targeting market gaps where they can make a valuable contribution. Organisations can achieve a competitive edge by offering their products and services at a reduced cost while maintaining high quality standards and fostering innovation (Ramasamy, Yeung, & Laforet, 2012). Small and medium-sized enterprises (SMEs) also engage in international expansion in order to broaden their revenue generation and maximise profits through the acquisition of new customers and the cultivation of their interests (Buckley, Munjal, Enderwick, & Forsans, 2018). Furthermore, the pursuit of resources serves as a strategic motive that contributes to the internationalisation of small and medium-sized enterprises (SMEs). Companies engage in international expansion to leverage the abundant natural resources present in the host country, which are often scarce or non-existent in their domestic market (Ngo & Igwe, 2019). These organisations employ strategies such as internationalising their supply chain or expanding their production functions globally in order to optimise resource utilisation.

This approach enables them to achieve cost reduction in production while simultaneously delivering high-quality products and services by leveraging appropriate resources (Buckley, Munjal, Enderwick, & Forsans, 2016). Furthermore, the study did not yield empirical support for the correlation between the utilisation of technology and the intention of small and medium-sized enterprises (SMEs) in Saudi Arabia to engage in internationalisation activities. One possible explanation for this phenomenon is that Saudi small and medium-sized enterprise (SME) managers perceive their domestic market as capable of providing them with access to advanced technology, thereby obviating the need to pursue such resources abroad through international business expansion. One possible explanation is that the small and medium-sized enterprises (SMEs) in Saudi Arabia may not currently prioritise technology adoption, resulting in a lesser demand for advanced technologies available in international markets.

5.1. Theoretical Implications

The current investigation makes a valuable scholarly contribution by addressing the limited and scarce research on the internationalisation of social enterprises. Consequently, this study holds significant importance in expanding the existing literature on this topic. Furthermore, the examination of personal factors, such as an individual's inclination towards risk-taking and their level of self-efficacy, remains unexplored within the realm of social enterprise internationalisation. In addition, it is noteworthy that no prior research has examined the strategic motivations behind the internationalisation of social enterprises, specifically in terms of seeking technology, markets, and resources. Consequently, this study holds significant value as it contributes to filling this research gap.

5.2. Practical Implications

The study's findings have practical implications for owners and managers of small and medium-sized enterprises (SMEs) in Saudi Arabia. These findings offer evidence of the general factors that contribute to the intention of SMEs to internationalise. In order to make bold decisions such as internationalising business operations, it is imperative for an entrepreneur to possess a propensity for high-risk taking or a high level of risk tolerance. Adopting a risk-averse approach may not always yield the most advantageous or astute outcomes. Occasionally, an entrepreneur may find it necessary to engage in a leap of faith.

Additionally, the entrepreneur's confidence in their abilities and capabilities plays a crucial role in enabling them to transcend the confines of local markets and venture into new territories. Additionally, it is important for an entrepreneur to evaluate and determine the optimal timing and location to capitalise on the various advantages and resources that foreign markets can provide. These advantages include access to new markets, which can offer a competitive edge and attract new customers, access to cutting-edge technologies available in foreign markets, and access to abundant natural resources in other countries. An entrepreneur must make a strategic decision regarding the optimal timing to leverage the potential of the resources that are accessible beyond the confines of the domestic market.

5.3. Limitations and Future Research Directions

The current investigation possesses certain limitations that can be effectively addressed through subsequent studies. The scope of this study is limited to small and medium-sized enterprises (SMEs), specifically in Saudi Arabia. Future research endeavours may explore the internationalisation motives of SMEs in different contexts. This research employs a quantitative approach,

utilising solely numerical data and statistical analysis. Future research endeavours may employ qualitative methodologies to obtain comprehensive understandings from senior managers or chief executive officers (CEOs) of small and medium-sized enterprises (SMEs). These methodologies can shed light on the underlying motives and factors that influence the intention of SMEs to engage in internationalisation.

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