

**Impacts of dynamic managerial capability and international opportunity identification on firm performance**

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## List of Table

**Table 1** Data characteristics of the sample ( $N = 390$ )

Characteristics	Number of Enterprises	Percentage (%)	Cumulative
<i>No of employee</i>			
< 150	3	0.7	0.7
151 - 200	7	1.7	2.6
201 - 500	92	23.6	26.2
501 - 1000	84	21.6	47.7
1001 - 2000	103	26.4	74.1
> 2001	101	25.9	100
<i>Firm age</i>			
1 to 5	78	20	20
6 to 10	92	23.58	43.58
11 to 15	93	23.85	67.43
16 to 20	79	20.26	87.7
More than 20	48	12.3	100

**Table 2** Descriptive statistics, correlation matrix of constructs and CFA summary

<b>Constructs in the model</b>	1	2	3	4	5	6
(1) Managerial human capital	<b>0.816</b>					
(2) Managerial social capital	0.529**	<b>0.790</b>				
(3) Managerial cognition	0.241***	0.289***	<b>0.774</b>			
(4) International opportunity identification	0.547**	0.417**	0.420**	<b>0.780</b>		
(5) Financial Performance	0.318**	0.326**	0.180**	0.164**	<b>0.936</b>	
(6) Non-financial performance	0.357**	0.423**	0.488**	0.416**	0.217***	<b>0.766</b>
<b>Control variables</b>						
Firm size	0.640**	0.574**	0.518**	0.598**	0.441**	0.575**
Firm age	0.572**	0.528**	0.473**	0.547**	0.411**	0.526**
Environmental dynamism	-0.160**	-0.192**	-0.168**	-0.198**	0.012	-0.219**
Mean Score	20.50	72.54	39.87	43.73	7.72	44.10
Standard Deviation	3.36	8.84	4.95	6.20	1.5	5.7
Skewness: Statistics (Std. Error)	-0.057 (0.124)	-0.194 (0.124)	-0.244 (0.124)	-0.142 (0.124)	0.918 (0.124)	-0.289 (0.124)
Kurtosis: Statistics (Std. Error)	-0.464 (0.247)	0.003 (0.247)	-0.317 (0.247)	-0.657 (0.247)	0.905 (0.247)	-0.409 (0.247)
VIF	1.859	2.237	2.255	2.381	1.142	2.738

Note: Diagonal is the square root of the AVE;

\*\*Correlations significant at the 0.05 level (two-tailed)

\*\*\*Correlations significant at the 0.01 level (two-tailed)

**Table 3** Summary of standard loadings, CR, AVE, MSV, ASV, and maximum reliability (H)

Items/Constructs	Std. loadings (critical ratio)	$\alpha$	CR	AVE	MSV	ASV	Max Reliability(H)
<b>Managerial human capital</b>		0.884	0.888	0.666	0.432	0.364	0.954
1. Prior entrepreneurial experiences	0.767 (18.034)						
2. Prior managerial experiences:	0.883 (22.418)						
3. Prior academic education	0.739 (17.060)						
4. Training experiences	0.866						
<b>Managerial social capital</b>		0.956	0.956	0.621	0.523	0.380	0.977
1. Top manager at buyer firms.	0.801 (17.007)						
2. Top manager at supplier firms.	0.790 (16.652)						
3. Top manager at competitor firms	0.811 (17.883)						
4. Political leader in various levels of the government.	0.786 (17.009)						
5. Officials in industry bureaus.	0.795 (17.402)						
6. Officials in regulatory and supporting organizations such as tax bureaus, state banks, commercial administration bureaus, and the like.	0.774 (17.163)						
7. I assumed that he or she would always look out my interest.	0.781 (18.006)						
8. I assumed that he or she would go out of his or her way to make sure I was not adversely affected.	0.796 (17.565)						
9. I felt like he or she cared what happened to me.	0.787 (17.550)						
10. I believed that this person approached his or her job with professionalism and dedication.	0.798 (16.605)						
11. Members of my business network believe that the needs of the whole network should take priority over personal needs.	0.811 (17.642)						
12. Members of your business network accept decisions taken within the network even when they have different opinions	0.748 (17.692)						
13. Problem-solving by many members of a business network give better results that those by individuals.	0.786						
<b>Managerial cognition</b>		0.908	0.912	0.584	0.518	0.385	0.982
1. It is important for our company to internationalize rapidly	0.643 (13.890)						
2. Internationalization is the only way to achieve our growth objective.	0.774 (15.111)						
3. We will, have to internationalize in order to succeed in the future.	0.796 (15.692)						
4. The growth we are aiming at can be achieved mainly through internationalization.	0.795 (14.174)						
5. The entrepreneur of the company is willing to take the company to the international markets.	0.832 (16.280)						
6. The company's management uses a lot of time in planning international operations.	0.794 (16.065)						
7. The company's management sees the whole world as a one big marketplace.	0.770						
<b>International opportunity identification</b>		0.929	0.925	0.511	0.518	0.510	0.985
1. How many international business ideas did you identify in the past three years?	0.714 (15.304)						
2. How many international business opportunities did you identify in the past three years?	0.793						
3. How much did you modify/develop an international opportunity from idea generation to opportunity identification?	0.832 (13.753)						
4. How many recognized international business opportunities were considered as novel or innovative?	0.704 (13.302)						
5. How many novel or innovative ideas were considered feasible and desirable?	0.746 (14.149)						
6. How many international opportunities have you pursued in the past three years?	0.718 (13.295)						
7. How much are you able to shift organizational resources to capitalize on emerging opportunities in international markets?	0.766 (13.477)						
8. How quickly can you respond to changes in the international market and adapt to respond to external opportunities?	0.813 (12.276)						
<b>Financial performance</b>		0.932	0.934	0.875	0.106	0.072	0.988
1. Return on assets	0.949						
2. Return on equity	0.922 (19.473)						
<b>Non-financial performance</b>		0.919	0.919	0.587	0.523	0.504	0.920
1. New product and service introduction in international markets.	0.788 (13.394)						

2. Time to market for new product and service internationally.	0.755 (12.380)
3. Number of successful new product and service in international markets.	0.798 (12.916)
4. Global reach (i.e., presence in strategically located countries worldwide).	0.758 (12.162)
5. International reputation of the firm.	0.744 (12.732)
6. Gaining a foothold in international markets.	0.763 (11.821)
7. Success of main international business.	0.791 (12.762)
8. Success of main international business from competitor perspective.	0.731

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Notes: Critical ratio greater than 1.96 is significant at  $**p < .05$ ,  $***p < 0.001$   
n.s.: not significant

**Table 4** HTMT correlation ratio

Construct	1	2	3	4	5	6	7	8
Managerial human capital	-							
Managerial social capital	0.642	-						
Managerial cognition	0.575	0.515	-					
International opportunity identification	0.569	0.621	0.748	-				
Financial performance	0.325	0.326	0.191	0.159	-			
Non-financial performance	0.668	0.722	0.718	0.714	0.216	-		
Scope of accelerated internationalization	0.668	0.607	0.599	0.591	0.303	0.702	-	
International opportunity identification * scope of accelerated internationalization	0.060	0.044	0.064	0.049	0.208	0.049	0.052	-

**Table 5** Model fit statistics

Model	$\chi^2$	<i>df</i>	$\chi^2/df$	(RMSEA)	RMSEA (90% C.I.)	GFI	CFI	NFI	RFI	IFI	TLI	SRMR	PCLOSE
Measurement Model	1446.453	795	1.819	0.046	0.042 – 0.050	0.854	0.947	0.819	0.882	0.948	0.943	0.0386	0.965
Structural Model	1719.848	981	1.753	0.044	0.041 – 0.047	0.846	0.947	0.882	0.876	0.947	0.942	0.0374	0.998

**Table 6** Results of hypothesized relationships in SEM model

Hypotheses	Std. Estimates	Critical ratio	p Value	Conclusions
H1	0.062 n.s	1.084	0.255	Not supported
H2	0.317***	5.953	0.000	Supported
H3	0.535***	9.566	0.000	Supported
H4a	-0.012n.s.	-0.80	0.201	Not supported
H4b	-0.060**	-1.93	0.022	Not supported
H4c	-0.101**	-2.06	0.025	Not supported
H5a	0.013n.s.	0.92	0.243	Not supported
H5b	0.065**	2.954	0.002	Supported
H5c	0.110**	2.823	0.002	Supported
H6	-0.024n.s.	-0.771	0.472	Not Supported
H7	0.106**	2.569	0.020	Supported

Notes: Critical ratio greater than 1.96 is significant at \*\* $p < .05$ , \*\*\* $p < 0.001$   
n.s.: not significant



Table 7 Standardized direct, indirect, and total effects of exogenous variable in SEM model

Type of effects		Endogenous variable								
		International opportunity identification			Financial performance			Non-financial performance		
		Beta	C.R.	p Value	Beta	C.R.	p Value	Beta	C.R.	p Value
Managerial human capital	Direct	0.062n.s	1.084	0.319	0.079n.s	1.034	0.944	0.194*	3.287	0.002
	Indirect	-	-	-	-0.012n.s	-0.8	0.201	0.013	0.92	0.243
	Total	0.062n.s	0.984	0.319	-0.007n.s	-0.078	0.942	0.207**	3.285	0.000
Managerial social capital	Direct	0.316**	5.953	0.000	0.242*	3.086	0.023	0.347**	6.297	0.000
	Indirect	-	-	-	-0.060*	-1.93	0.022	0.065*	2.954	0.002
	Total	0.316**	4.87	0.000	0.114n.s	1.676	0.111	0.409**	7.57	0.000
Managerial cognition	Direct	0.535**	9.566	0.000	0.004n.s	0.055	0.694	0.278**	4.717	0.000
	Indirect	-	-	-	-0.101*	-2.06	0.025	0.110*	2.82	0.002
	Total	0.535**	8.629	0.000	-0.133*	-2.111	0.034	0.385**	8.02	0.000
International opportunity identification	Direct				-0.166*	-2.013	0.031	0.203**	3.562	0.000
	Indirect				-	-	-	-	-	-
	Total				-0.189*	-2.12	0.031	0.203**	3.562	0.000
International opportunity identification * Scope of accelerated international	Direct				0.106*	2.569	0.043	-0.024n.s	-0.771	0.479
	Indirect				-	-	-	-	-	-
	Total				0.106*	2.569	0.043	-0.024n.s	-0.705	0.479

Notes: Critical ratio greater than 1.96 is significant at \* $p < .05$ , \*\* $p < 0.001$   
n.s.: not significant