Investigating the Impact of Innovation on Internationalization and Business System Growth among Entrepreneurs

Hamidreza Jalaei[1], Ali Khozein[2*], Ebrahim Abbasi[3], Hossein Didehkhani[4]

[1]Department of International Entrepreneurship, Aliabad Katoul Branch, Islamic Azad University, Aliabad Katoul, Iran
[2*]Department of Financial Accounting, Aliabad Katoul Branch, Islamic Azad University, Aliabad Katoul, Iran
[3]Department of Business Administration, Finance tendency University of Al-Zahra, Iran
[4]Department of Industrial Engineering, Aliabad Katoul Branch, Islamic Azad University, Aliabad Katoul, Iran

Abstract:
With the advent of globalization, entrepreneurs are faced with new opportunities through access to new markets to offer products. Therefore, the purpose of this study is to investigate the impact of innovation on internationalization and business growth among entrepreneurs. The method of this research is descriptive survey and applied in terms of purpose, which has been done with a mixed approach. The data of this research were collected through library studies and in the field method through the distribution of questionnaires. In the qualitative section, the opinions of 15 academic experts in the fields of entrepreneurship and business management, as well as the managers of the Industry, Mining and Trade Organization of Golestan Province, who were purposefully selected, were used. The statistical population includes senior managers of manufacturing companies in Golestan province. According to the Krejcie-Morgan table, 196 samples were selected by a simple random sampling method. In the quantitative part, the parameters of the research model are estimated by the structural equation modeling method. Findings showed that factors such as technology level, entrepreneurial human capital, and human capital of the society, potential competition, and economic performance are effective in creating innovation in manufacturing industries, and promoting the level of innovation leads to more internationalization and creating expectations. Growth is in entrepreneurs. Market accessibility, in turn, creates positive expectations for business growth, which leads to more competition and innovation, and ultimately contributes to a higher level of internationalization of the company's product.

Keywords: Innovation, Internationalization, Entrepreneurship, Business Growth, Services.

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*Corresponding Author's Email: khozain@yahoo.com

Introduction

For economic and sustainable development, innovation is one of the necessities of the regions (Singh and Guar, 2018). In today's modern world, entrepreneurship is recognized as a key resource in the improvement and growth of the economy which is considered the driving force of innovation (Wadho and Chaudhry, 2018). Also, the quality of entrepreneurial activities resulting from innovation creates value (Nair, 2019). Entrepreneurship is considered a turning point in the path of economic development and accounts for a large share in the quality and growth of a country's economy. In the current economic climate, which is mostly influenced by technological change, globalization and intense competition, companies use ideas to maintain global competition (Shaw and Williams, 2009). To stay in the field of competition, they need continuous innovation and application of technology (Hojnik et al., 2018).

On the other hand, economic research has paid special attention to the role of entrepreneurs in the economy and the views of entrepreneurs as the main factors of economic growth and prosperity of countries (Andersen, 2011; Chilton, Bloodgood, 2010). Due to the capacity and ability of entrepreneurs to produce goods and products, and especially their ability to use productive resources to introduce innovations (new products), scientific resources and studies, entrepreneurs are now considered as producers of wealth and employment. (Hamilton, 2007; Noseleit, 2013). Researchers should not only consider the behavior of these economic agents in the country, but also examine whether entrepreneurs are taking advantage of the opportunities provided by the global economy and enabling them to grow their businesses. The global economy always gives entrepreneurs access to emerging markets and more corners in other countries and higher demand, and at the same time, they are able to meet the demand in their own countries, thus surviving and sometimes even expanding their activities. Find. However, achieving this depends on several factors, the most important of which is product innovation. Product innovation allows them to compete in the markets they want to enter (Acs et al., 2012).

On the other hand, past studies and studies in general have analyzed the way in which innovation affects business activity; In addition, conventional theories that explain corporate internationalization strategies consider that successful companies are companies that are looking for emerging markets and corners in foreign markets (Gabrielson, et al., 2008; Wu and Huarng, 2015). Innovation is one of the most important factors in business activity, which in turn has direct and indirect effects on economic growth (Audretsch, 2005). In this regard, Drucker (1998) notes

that innovation is at the forefront of entrepreneurial activity and allows many entrepreneurs to do business. In this way, innovation creates a feedback effect in which entrepreneurs innovate and their innovations enable other entrepreneurs to take action (De Cleyn and Braet, 2012; Zortea-Johnston et al., 2012).

Given the importance of creating innovation and its many effects on the economy, the present study examines the effects of various factors on innovation and then examines the consequences and consequences of innovation in small and medium-sized businesses in the manufacturing and industrial sectors.

Theoretical Foundations

Many studies have shown that internationalization is a prominent strategic choice for the growth and profitability of small and medium enterprises. However, there is still no explicit agreement on how internationally affects the performance of businesses. Similarly, the role of innovation in performance has long been emphasized, but the implications of technological innovation on international performance and its performance effects are unclear (Bagherian, et al., 2019). The effect of innovation on the internationalization of entrepreneurial activity needs to be considered for various reasons. A product can be more competitive in terms of technology and price or both because of its innovation. In this

way, the product enters more markets and this higher potential competition increases product innovation (Yang and Li, 2011). These underpin the first research hypothesis, which acknowledges that higher potential competition leads to more innovative entrepreneurs.

Uppsala Internationalization Model considers internationalization as a gradual process that depends on the experience and knowledge gained by the business through entering new and successful foreign markets. Globalization, greater freedom of trade, and a shorter product life cycle have led entrepreneurs whose goods and services are based on innovative and innovative technology to benefit from an internationalization strategy. Such cases lead to the claim that product innovation improves and promotes the internationalization of industrial entrepreneurs and creates positive expectations of business growth, and manufacturing entrepreneurs who use advanced technologies are more innovative and internationalize their activities. Growing business (Autio and Sapienza, 2000).

According to Van Ark et al. (2003), innovation is a multidimensional concept that refers to new or modified concepts, customer engagement channels, service systems, or technology concepts that individually or in combination lead to one or more functions. It has new services for a company. These innovations make it possible to make changes in the supply of services and

goods in the market. Innovation also requires new technological, human and organizational capabilities and capacities. It can be stated that the determinants of a product's innovation have an indirect positive effect on the company's internationalization and growth expectations. Among the factors that improve the innovation process, two are the most important. First, human capital means that entrepreneurs with more skills and training not only facilitate innovation but also introduce new technologies in the production process (Castano et al., 2016; Shaw, & Williams, 2009). In the age of knowledge and technology, the competitive advantage of organizations depends more on knowledge assets and their ability to absorb knowledge and technology than on physical resources (Ababtain and Akinwale, 2017). Innovation without technology (i.e., modern equipment, up-to-date technology, internal development of process technologies, internal product technology development) and technological knowledge is impossible (Rialp et al., 2005). In addition, entrepreneurial human capital (ie, international or professional training and experience) is an important factor in early-stage business success (Autio, & Sapienza, 2000; Rialp et al., 2005) and therefore it can be argued that the human capital of entrepreneurs and society has positive effects on the product innovation of entrepreneurs.

Economic performance also has many positive effects on the economy as a whole and social welfare; Because more economic activity leads entrepreneurs to search for new untouched markets for competitive products (Drucker, 1998), then it is argued that economic performance has a positive effect on product innovation. Ultimately, internationalization leads to positive expectations among entrepreneurs. Internationalization allows entrepreneurs to access new markets that are positively related to growth expectations (Gabrielson, et al., 2008). Therefore, this study also examines the claim that internationalization raises the expectations of entrepreneurs from the growth of business in the manufacturing and industrial sectors.

Research background

According to Van Ark et al. (2003), innovation is a multidimensional concept that refers to new or modified concepts, customer engagement channels, service systems, or technology concepts that individually or in combination lead to one or more functions. It has new services for a company. These innovations make it possible to make changes in the supply of services and goods in the market. Innovation also requires new technological, human and organizational capabilities and capacities. Perhaps it can be stated that the determinants of innovation of a product have a positive effect.

The results of Anokhin et al., (2018) showed that intellectual capital has a positive and strong effect on organizational ambiguity. In addition, human capital, organizational capital, and communication capital had a positive effect on organizational duality. Innovative culture also moderates the impact of intellectual capital on organizational ambiguity. Feyz et al. (2015) stated that the development of international businesses is one of the most important tools of economic development. As a result of his research, it was found that "entrepreneurial institution", "enterprise", "government" and "economic ecosystem" are distinct dimensions in congenital international enterprises. The entrepreneurial institution is the most prominent dimension of the firm's success in internationalization, and contrary to some studies, government support has a destructive role in the firm's entry into international markets.

Bagheri, Michour, Bamiatzi and Nikolopoulos (2019) surveyed British companies and concluded that international orientation has a significant effect on their international performance, although small and medium-sized companies simultaneously have one direction. ¬ Adopt internal and external international engagement to achieve superior results. The results show that there is an inverse U-shaped relationship between technological innovation and international enterprise performance. The researchers said they were aware that technology innovation would have a positive effect on international orientation and firm performance, especially for medium- and medium-sized companies with moderate levels of technology innovation activities. Had. The findings of this study suggest that managers can improve international performance by combining internal and external international orientation with technology innovation activities in their strategic decisions.

Pradan et al. (2020) studied the dynamics between entrepreneurship, innovation and economic growth of euro area countries and showed that due to increasing global competition, financial and economic crises and political uncertainties, the economic growth of the euro area is low. Also, the vector error correction model showed that in the long run both entrepreneurship and innovation lead to economic growth and in the short run there is a strong Granger causality relationship but this relationship will not always be uniform.

Studies by Ababtin and Akinwal (2019) showed that entrepreneurship is a turning point in wealth creation and economic growth because it makes a huge contribution to the quality of life of people, sectors of the economy and the economy as a whole. In other words, entrepreneurs contribute to the creation of wealth, employment and economic growth in society by creating innovation.

Wadho and Chaudhry (2018) in a study aimed at examining the relationship between innovation and firm performance in developing countries stated that the innovation process accelerates product completion. According to this study, small and medium-sized companies have limited access to financial and human resources. Technology innovation can provide competitive advantages for the internationalization of small and medium-sized enterprises, and of course it can be risky because it requires a lot of investment in research and development, which carries the risk of non-return on investment. Therefore, different techniques can be used for innovation. The results of Hojnik et al. (2018) showed that economic performance leads to internationalization and innovation through mediation intensifies this relationship. Foreign markets are sensitive to innovation, and innovation increases the possibility of penetrating international markets. Castano et al., (2016) believe that globalization is expanding rapidly and is affecting global economies. Globalization offers many opportunities for entrepreneurs and introduces many emerging markets for their products. The findings of this study indicate that social human capital in different countries has increased innovation and more innovation has a positive relationship with internationalization and economic performance.

The research of Kafouros et al. (2008) aimed to study and analyze the effects of innovation on internationalization. The results of the study confirmed that entrepreneurs who choose innovation are more inclined to internationalize their activities. In addition, according to research by Autio and Sapienza (2000), innovative companies that use advanced technology and choose the method of internationalization can achieve higher levels of growth than other companies.

Research Hypotheses

Hypothesis 1: Entrepreneurs who use advanced technologies are more innovative and the internationalization of their activities leads to more business growth.

Hypothesis 2: Entrepreneurs 'human capital has a positive effect on entrepreneurs' product innovation.

Hypothesis 3: The human capital of society has a positive effect on product innovation of entrepreneurs.

Hypothesis 4: Higher potential competition has a positive effect on the innovation of manufacturing entrepreneurs.

Hypothesis 5: Economic performance affects the product innovation of entrepreneurs.

Hypothesis 6: The determinants of a product's innovation have an indirect positive effect on the internationalization of the company and its growth expectation.

Hypothesis 7: Innovation raises entrepreneurs' expectations of business growth in the manufacturing and industrial sectors.

Hypothesis 8: Internationalization raises entrepreneurs' expectations of business growth in the manufacturing and industrial sectors.

Research methodology

The method of the present study is descriptive-survey and applied in terms of purpose, which has been done with a mixed approach. Library studies and field methods have been used to collect the required information in this research. In the qualitative section, in order to identify the factors affecting the internationalization of business, first, preliminary data were extracted by conducting semi-structured interviews with theoretical experts including university professors in the fields of entrepreneurship and business management and experimental experts including managers of Golestan Province Industry, Mining and Trade Organization. The selection of experts by sampling method was purposeful and since the answers were basically repeated after the interview with the 15th expert, the interview process was saturated. The statistical population of the study in a small part included the senior managers of manufacturing companies in industrial towns of Golestan province, whose number was 196 based on Krejcie-Morgan table, which was selected by simple random sampling. Then, the text of the interviews was studied repeatedly and the main and sub-factors were extracted through coding (open, axial and selective). The identified agents were then submitted to experts for approval. Then, using the findings of this section, a research questionnaire was prepared, the draft of which was first sent to several professors and experts in the field to comment on the content, transparency and scaling of the questionnaires. Due to the feedback of these experts, slight changes were made in the questionnaire. Questionnaires prepared for each company were completed by one of their senior managers. Then, in order to calculate Cronbach's alpha, to confirm the reliability of the questionnaire, 30 of them were distributed among the sample population. As can be seen in Table 1, the Cronbach's alpha of all questionnaires was above 0.7, which means that the reliability of the questionnaires used in this study was confirmed.

Table 1. Cronbach's alpha

Concealed variables	Symbol	Cronbach's Alpha (Alpha> 0/7)

Technology level	TEC	0/895
Entrepreneurial human capital	HCE	0/865
Human capital of society	HCS	0/902
Potential competition	COMP	0/845
Economic performance	EP	0/745
Entrepreneurial Innovation	INN	0/793
Entrepreneurial internationalization	INT	0/922
Expecting entrepreneurial growth	EG	0/935

Figure1 shows a conceptual view of the model. Hidden variables also allow you to work with theoretical concepts and sometimes abstract concepts. In this study, these structures have been measured using different indicators and based on the structural equation modeling method. The indexes that contain the hidden variables are as follows**:**

Figure 1. General model for estimation
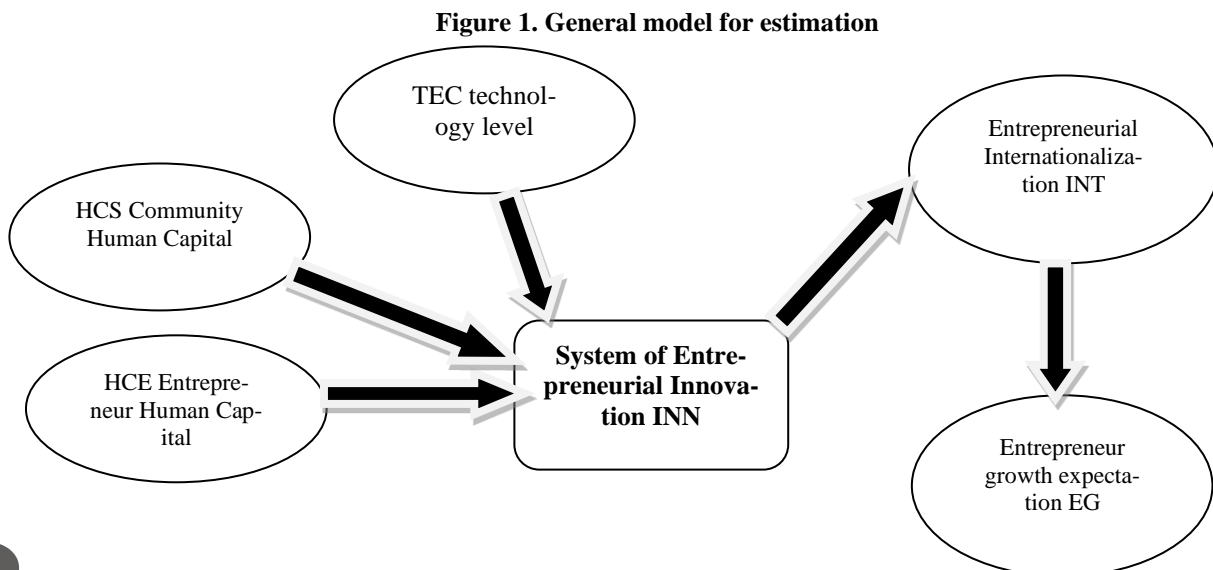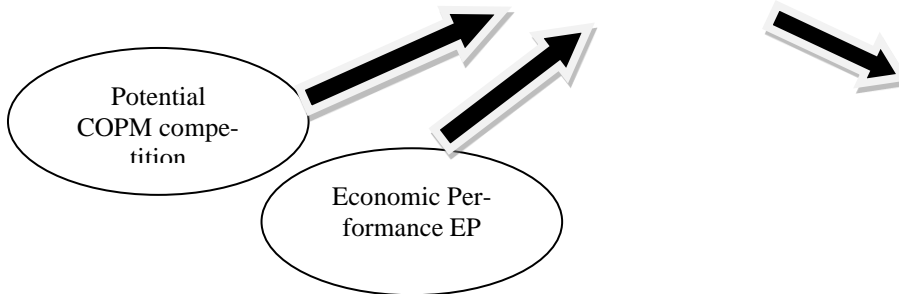
The present study uses structural modeling and partial least squares (PLS) to test the relationship between latent variables because these second-generation multivariate techniques allow the introduction of latent variables with multiple indices. These methods are more suitable when the sample size is smaller and the models are complex and causal, there is no need for multivariate data to be normal, and they produce continuous parametric estimates. In this research, two sub-models or sub-models are used: the measurement sub-model and the structural sub-model. The measurement sub-model defines the relationship between observable variables (ie, indicators) and hidden variables. The structural sub-model measures the relationships between latent variables and shows which latent variable directly and indirectly affects other latent variables.

Findings

The qualitative part of this research has been done in order to identify the factors affecting internationalization and business growth. The demographic status of the experts participating in the interview process is described in Table 2.

Table 2. Demographic status of experts

Property	Condition	Abundance	Relative frequency
Gender	Male	10	60
	Female	5	40
Years of service	5-10 years	1	30
	years 11-16	4	7
	years 17-22	7	26
	years 23-28	3	47
Education level	Bachelor	6	40
	MA	6	40
	Ph. D	3	20

In the qualitative stage, the data obtained from consultants in several stages are reviewed and analyzed. In order to validate the codes and concepts, the research findings were provided to the group of experts, the results of which are presented in Table 3.

Factor	Symbol	Sub-factor	Symbol
Business technology level	TEC	Medium or high technology level business	TEC1
		Total start-up entrepreneurial activities	TEC2
		Duration of availability of technology required by the business	TEC3
Entrepreneurial human capital	HCE	Knowledge, skills and experience required to start a business	HCE1
		Academic achievement in line with business at the university	HCE2
		Academic achievement coordinated with business in the intermediate course	HCE3
Human capital of society	HCS	Number of high school registrations	HCS1
		Number of enrollments in university courses	HCS2
Potential competition	COP	There are good opportunities to start a business in the next six months	COMP1
		Entrepreneur's vision for a good opportunity to start a business in the next six months	COMP2
Economic performance	EP	Possibility of capital formation	EP1
		GDP growth	EP2
Entrepreneur product innovation	INN	New product	INN1
		New product for all or some customers	INN2
Entrepreneur Internationalization	INT	Export intensity	INT1
		Methods of internationalization	INT2
		Foreign customers	INT3
Expecting entrepreneurial growth	EG	Expect job creation in 5 years	EG1
		Expect production growth compared to the previous year	EG2

abnormalities, and sample size. The software output, after testing the research model, is presented in Figures 2 and 3 in two parts measurement model tests and structural model tests.

Testing the conceptual model and research hypotheses

Software such as Smart-Pls, which uses structural equation modeling, are compatible with conditions such as the alignment of independent variables, data
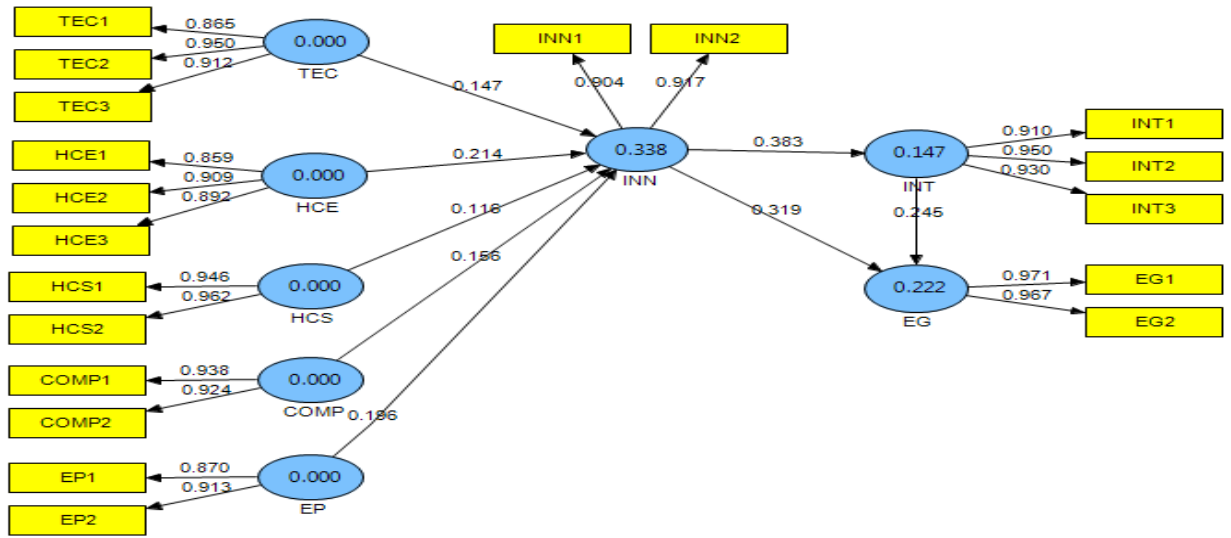
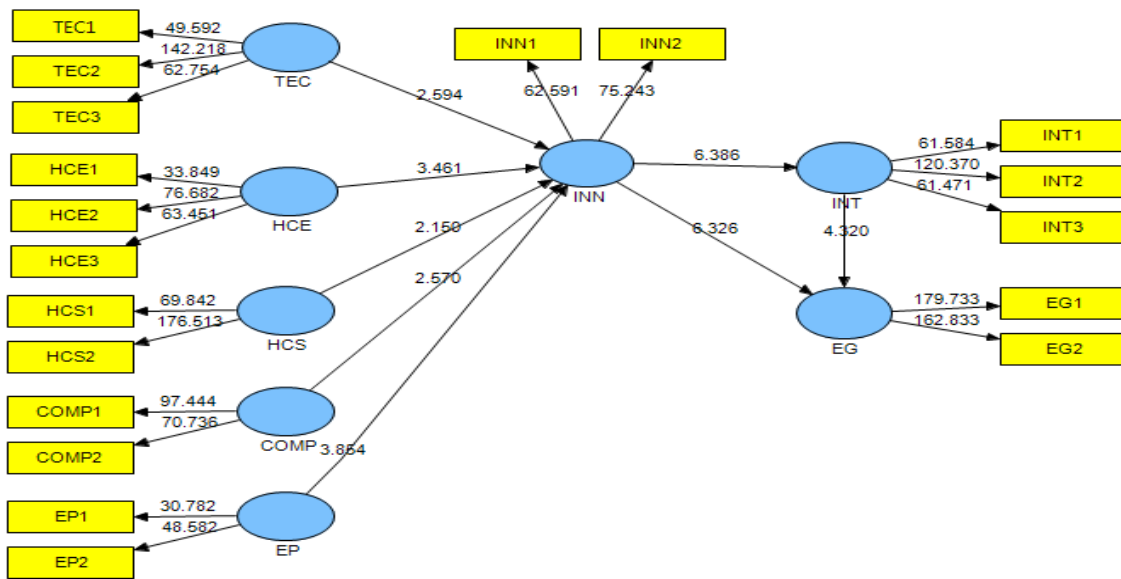**Figure 2. Conceptual model of standard research**

Figure 3 - Conceptual model of research with significant coefficients (T-values)

Structural equation models are usually a combination of measurement models (representing sub-components of latent variables) and structural models (representing relationships between independent and dependent variables).

Evaluation of measurement model test: Index reliability, convergent validity and divergent validity were used to measure the fit of the measurement model. To examine the validity of structures (Fornell, Larcker, 1982), they introduced three criteria, which include the validity of each item, the combined reliability (CR) of each structure, and the mean variance extracted (AVE). To be. Values greater than 0.4 for the factor load coefficients, greater than 0.5 for the mean variance extracted (AVE), and greater than 0.7 for the composite reliability (CR) indicate a good fit of the measurement models and that Reliability and validity are convergent. The results of these indicators are shown in Table 4.

Table 4 - Descriptive statistics and results of confirmatory factor analysis (CFA)

Concealed variable	Obvious variables	AVE		Operating load (FL)	Obvious variables	C. R
Technology level	TEC1			0/865		
	TEC2	0/827	0/975	0/950	0/827	0/935
	TEC3			0/912		
Entrepreneurial human capital	HCE1			0/859		
	HCE2	0/787	0/925	0/909	0/787	0/917
	HCE3			0/892		
Human capital of society	HCS1	0/910	1/045	0/946	0/910	0/953
	HCS2			0/962		
Potential competition	COMP1	0/867	0/915	0/938	0/867	0/929
	COMP2			0/924		
Economic performance	EP1	0/795	0/919	0/870	0/795	0/886
	EP2			0/913		
Entrepreneurial Innovation	INN1	0/829	1/002	0/904	0/829	0/906
	INN2			0/917		
Internationalization of Entrepreneurship	INT1			0/910		
	INT2	0/865	1/096	0/950	0/865	0/951
	INT3			0/930		
	EG1	0/939	1/006	0/971	0/939	0/969

Expecting entrepreneurial growth	EG2	0/967

After performing the confirmatory factor analysis, the results of which were shown in Table 2, it was found that all items had a factor load higher than 0.4, the average extracted variance above 0.7 and a composite reliability above 0.5. Are indicative of the appropriateness of this criterion and the appropriate reliability of measurement models. Acceptable divergence validity of a model indicates that one structure in the model has more interaction with its characteristics than other structures. Fornell (1982) states that divergent validity is at an acceptable level when the AVE for each structure is greater than the common variance between that structure and the other structures in the model. This is done by a matrix in which the cells of this matrix contain the values of the correlation coefficients between the structures and the square root of the AVE values for each structure. Based on the results of correlations and AVE root, which was placed on the diameter of Table 5, it is possible to conclude the divergent validity of the model at the structural level in terms of the Fornell-Larker criterion.

Table 5. Correlations between latent variables and AVE values

TEC	INT	INN	HCS	HCE	EP	EG	COMP	
							0/931	**COMP**
						0/969	0/419	**EG**
					0/892	0/332	0/190	**EP**
				0/887	0/403	0/413	0/480	**HCE**
			0/954	0/328	0/279	0/377	0/473	**HCS**
		0/910	0/382	0/453	0/387	0/413	0/409	**INN**
	0/930	0/383	0/243	0/589	0/226	0/367	0/348	**INT**
0/909	0/178	0/388	0/462	0/320	0/293	0/409	0/396	**TEC**

After measuring the validity and reliability of the measurement model, the structural model was evaluated through the relationships between latent variables. In the present study,

two criteria of coefficient of determination (R2) and coefficient of predictive power (Q2) have been used. Determination coefficient (R2) and predictive power factor (Q2) : R2 is a criterion that indicates the effect of an exogenous variable on an endogenous variable and three values of 0.19, 0.33 and 0.67 as the criterion value. R2 is considered for weak, medium and strong values. According to Figure 2, the value of R2 is calculated for the endogenous structures of the research, which according to the three values of the criterion, can confirm the appropriateness of the fit of the structural model. In addition, a criterion called Q2 was used to evaluate the predictive power of the model. According to the results of this criterion in Table 6, it can be concluded that the model has a "strong" predictive power.

Table 6- Values of coefficient of determination (R2) and coefficient of predictive power (Q2)

Entrepreneur Innovation (INN)	Entrepreneurship Internationalization (INT)	Entrepreneurship Growth Expectation (EG)	
0/338	0/147	0/222	R^2
0/284	0/130	0/190	Q^2

After fitting the measurement and structural part of the present study, in order to control the overall fit of the model, a criterion called GOF was used, which introduced three values of 0.01, 0.25 and 0.36 as weak, medium and strong values.

$$GOF = \sqrt{\overline{communalities} \times \overline{R^2}}$$

$$\overline{Communalities}$$

The mean values of the latent variables of the research are obtained from the average.

Table 7. Results of fitting the general model of research variables

Concealed variables	Symbol	$\overline{Communality}$	R^2	Communality	$\overline{R2}$	GOF
Technology level	TEC	0/935	0/000			
Entrepreneurial Human capital	HCE	0/917	0/000			
Human capital of society	HCS	0/953	0/000			
Potential competition	COMP	0/929	0/000			
Economic performance	EP	0/886	0/000	0/931	0/236	0/469
Entrepreneurial Innovation	INN	0/906	0/338			
Internationalization of Entrepreneurship	INT	0/951	0/147			
Expecting entrepreneurial growth	EG	0/969	0/222			

Given that the GOF criterion is 0.469, the overall fit of the model is confirmed as "strong".

Hypotheses Test

After examining the fit of the measurement models and the structural model and having a suitable fit of the models, the research hypotheses are examined and tested. In the following, the results of significant coefficients for each hypothesis, standardized coefficients of paths related to each hypothesis and the results of hypothesis testing at the 95% confidence level are presented in Table 8.

Table 8. Test of research hypotheses

Hypothesis	Causal relationships between research variables	Symbol	Route coefficient (b)	Significance factor	Test re- sult
1	Technology-Innovation Level of Entrepreneurs	TEC-INN	0/147	2/594	Confirma- tion
2	Entrepreneurial Human Capital - Entrepreneurs' Innovation	HCE-INN	0/214	3/461	Confirma- tion
3	Human capital of society- entrepreneurship innovation	HCS-INN	0/116	2/150	Confirma- tion
4	Potential competition- entrepreneurial innovation	COMP- INN	0/156	2/570	Confirma- tion
5	Economic Performance- Innovation of Entrepreneurs	EP-INN	0/196	3/854	Confirma- tion
6	Entrepreneurial Innovation - International Entrepreneurship	INN-INT	0/383	6/386	Confirma- tion
7	Entrepreneurial Innovation- Expecting Entrepreneurial Growth	INN-EG	0/319	6/326	Confirma- tion
8	Entrepreneurship Internationalization - Expecting Entrepreneurial Growth	INT-EG	0/245	4/320	Confirma- tion

Yang and Li (2011) has shown that competition and innovation interact and companies need innovation to survive in a competitive environment. Innovation also intensifies the competitive environment, and other companies realize that they need innovation to stay in business, and that this trade-off between innovation and competition is driven by the economic growth of a society (De Cleyn, & Braet, 2012; Zortea-Johnston et al., 2012). Consistent with the research of Castano et al., (2016), the results show that product innovation improves and promotes the internationalization of entrepreneurs and creates positive expectations of business growth, as well as entrepreneurs who use advanced

The significance coefficients of the variables are expressed in Figure 3 and Table 8. Given that the significance coefficients of the variables are greater than the absolute value of 1.96, the hypotheses are confirmed.

Conclusions and suggestions

With the change in human lifestyles and the principles of globalization, the product life cycle has been shortened and constant innovation has become a key element in preventing the collapse of businesses. Testing the research hypotheses showed that higher potential competition makes entrepreneurs in the manufacturing sector more innovative.

product innovation of entrepreneurs. The more profitable and economic value the company has, the more financial resources it spends on research and development and the creation or acquisition of technology, and the faster the process of innovation in its products. Optimal financial and economic performance provides more incentive to find new markets and new market characteristics. Targeting to expand competitive markets and find new customers makes entrepreneurs more innovative (Drucker, 1998). Finally, in this study, it was found that internationalization raises the expectations of entrepreneurs from business growth in the manufacturing and industrial sectors. This result is consistent with the research of Gabrielson et al. (2008). With the internationalization of entrepreneurs and companies, access to new markets and the possibility of more sales and production, and thus growth in this category of companies will increase. Manufacturing entrepreneurs who innovate are those who do their business internationally and show higher business growth. Based on the results of the research, it is suggested that entrepreneurs use advanced technologies for more innovative and through this, by internationalizing their activities, they can further grow their business. In this way, they will benefit from the promotion of entrepreneurial human capital and human capital of the society. This is more effective for companies with higher economic performance. Entrepreneurs are advised not to avoid entering areas with higher potential competition because it leads to more innovation. Also, if entrepreneurs want to become international, it is better to innovate more.

technologies are more innovative. And the internationalization of their activities leads to further business growth. The innovation cycle leads to the development of innovative business, thus preparing companies to participate in the international and global business process. Technology transfer is possible if there is an acceptable level of relevant knowledge base in the firm. Nair (2019) as the findings of Autio and Sapienza (2000), new and innovative companies that use advanced technology and seek internationalization have more growth and the stages of internationalization with They go faster. On the other hand, this study showed that the determinants of innovation of a product have an indirect positive effect on the internationalization of the company and its growth expectation. Prerequisites for innovation include the ability to create or access cutting-edge technology, new intellectual and organizational capital. These factors have a direct effect on innovation and an indirect effect on internationalization. Thus, it can be argued that the human capital of entrepreneurs and society has positive effects on the product innovation of entrepreneurs. Along with the research of Castano et al., (2016) and Shaw and Williams (2009), human capital and skilled and trained staff have the ability to create new technologies and accelerate the movement towards innovation. Such valuable intellectual capital, by participating in the development of innovation capacities in the organization, leads to the creation of value and is essential for the development of international business. (Rialp et al., 2005) In addition, if the business is in the early stages of its life, the human capital of the entrepreneur and trained and experienced international and professionals prevent the early failure of the business and the way to success in the internationalization process. (Autio and Sapienza, 2000; Rialp et al., 2005). Another result of the study indicates that economic performance has a positive effect on

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