

The Effects of Ownership and Governance on SMEs' International Knowledge-based Resources

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Small Business Economics 29.3 (Oct-07): 309-327
0921-898X (Print) 1573-0913 (Online)

Small- and medium-sized enterprises (SMEs) play an important role in today's global economy. However, there are significant differences in how they respond to the opportunities and threats in international markets. This study suggests SMEs' ownership and governance systems significantly influence the development of knowledge-based resources necessary for internationalization. Using a sample of 384 US SMEs, we find a positive relationship between both the equity held by top management team members and venture capitalists and the development of these important resources. This positive association is further accentuated by the presence of independent outside directors on SMEs' boards, supporting their monitoring and enterprising roles.