

**LOOKING AT THE LAYERS: USING MULTILEVEL OF ANALYSIS TO EXPLORE  
THE RELATIONSHIP BETWEEN NETWORKS AND INTERNATIONALISATION  
FOR ENTREPRENEURIAL SMALL BUSINESSES**

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**Abstract**

The emerging field of international entrepreneurship (IE) consistently identifies network relationships as intangible internal resources affecting the ability of small and medium-sized enterprises to acquire and utilise external resources for internationalisation. Although extant IE research acknowledges the external environment's importance as a driver of internationalisation decisions, a gap exists in the literature explaining how external environments influence a firm's propensity to develop networks for internationalisation. The two concepts are seldom linked. For example, IE scholars recently identified two critical research questions for future development of the field to be 1) What role does the external environment play in international entrepreneurship and 2) How do networks influence internationalisation? The current paper argues that these two questions are interconnected. The choice to develop and leverage network relationships for internationalisation is a complex strategic decision influenced at multiple levels. Influences at the national level come from institutional and economic conditions within the country; at the industry level, from competitive positioning; at the firm level, from internal resource heterogeneity and at the entrepreneurial level from intermingled forms of capital. Integration of theoretical reasoning from institutional, industry, firm and entrepreneurial capital perspectives provides a holistic evaluation of the embedded nature of international business decision making. A framework is put forth for integration of country, industry, firm and entrepreneurial-level insights to identify factors influencing the multilevel relationship between networks and internationalisation for innovative entrepreneurial firms.

**Keywords:** Entrepreneurship, Internationalisation, Networks, Multilevel Analysis.

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