

DOES THE ENTREPRENEURIAL ECOSYSTEM INFLUENCE THE INTERNATIONALIZATION OF SOFTWARE AND INFORMATION SERVICES FIRMS IN BANGLADESH? A MEDIATED MODERATION APPROACH

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The software and information technology (IT) sector of Bangladesh has been rapidly growing in recent years, and the government has declared it as a thrust subsector of its economy, targeting USD 5.00 billion in export earnings by 2025, where the entrepreneurial ecosystem (EE) plays a pivotal role. However, there is a lack of explanatory studies on the relationship between the entrepreneurial ecosystem (EE) and the internationalization of software and information technology/services firms in Bangladesh. Based on this fact, this paper investigates how the entrepreneurial ecosystem influences the internationalization of software and information services firms in Bangladesh with a mediated moderation approach. The study was explanatory, where the data was collected through a structured interview schedule. All the constructs were developed following well-established and standard literature, and a 5-point Likert scale was used. A total of 239 small and medium-sized software and information services firms were interviewed, adapting the convenience sampling technique. The structural equation modelling (SEM) technique based on the partial least square (PLS) method was used to capture the influence of the entrepreneurial ecosystem (EE) on firms' internationalization (INT), incorporating the mediating variables like environmental munificence (EM) and dynamic capabilities (DC) and the moderating variables like trade policy (TP) and resource orchestration (RO) using the SMART PLS 4.1.0.0 software. After checking and satisfying all sorts of validity and reliability criteria of the measurement model, the structural model of the study revealed that the entrepreneurial ecosystem (EE) has a statistically significant positive direct effect on firms' internationalization (EE->INT). Besides, it was also found that there are statistically significant positive indirect effects of entrepreneurial ecosystem on internationalization via environmental munificence (EM) and dynamic capabilities (DC) (EE->EM->DC->INT; EE->EM->INT; and EE->DC->INT), meaning that environmental munificence and dynamic capabilities play a partial mediating role between entrepreneurial ecosystem and internationalization. However, the moderating role of the trade policy (TP) between the entrepreneurial ecosystem and internationalization (TPxEE->INT)

and resource orchestration (RO) between dynamic capabilities (DC) and internationalization (ROxDC->INT) was found to be insignificant. Therefore, the study concludes that the entrepreneurial ecosystem influences the firms' internationalization directly and indirectly through mediators like environmental munificence and dynamic capabilities without any moderation effects. Thus, the findings provide valuable insights specific to the internationalization of Bangladesh's software and information services firms and contribute to a broader understanding of how the entrepreneurial ecosystem influences the internationalization of firms in other industries nationally and globally. In addition, this study fulfils the need for an explanatory study on the entrepreneurial ecosystem and internationalization of small and medium firms.

Keywords: Dynamic capabilities, Entrepreneurial ecosystem, Internationalization, Software and information services firms, Trade policy