Does greater institutional distance between a venture’s home country and its export destinations lead to greater competitive aggressiveness and financial performance? A configurational analysis

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Abstract

Despite earlier research efforts, evidence on how the institutional environment influences ventures' competitive aggressiveness remains limited. This study conceptualizes institutional distance as the difference between a focal venture's home-country institutional environment and that of its export markets. It further examines how this distance affects ventures' competitive aggressiveness and financial performance. The configurational analysis shows that greater institutional distance is associated with higher levels of competitive aggressiveness, which, in turn, corresponds to stronger financial performance.

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