

Understanding the Impact of Target Country Risk and Institutional Structure on International Market Entry of NPOs

Amila Buddhika Sirisena*

Despite the growth and importance of NPOs as international business actors, internationalization of the nonprofit sector has been rarely studied, and the concept remains relatively absent from the mainstream management literature. The study examined the impact of target country risk and institutional structure using over six thousand decision alternatives faced by 32 non-profit organizations in their international market selection efforts. The subsequent logistic regression analysis revealed that NPO country selection decisions are positively influenced by both risks and weaker institutions. The counter intuitive findings provided by the study, being one of the first covering large numbers of countries in the context, highlight the need for more studies in the area.

Key Words: International Market Selection, Market Entry, Location Strategy, NPOs, Microfinance