A Review of Current International Business and International Entrepreneurship Research and its Policy-making Implications

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Executive Summary

Since the development of academic research is fast-paced, it is important for practitioners and policy-makers to be informed with the latest theoretical development and scholarly findings. Hence, this report serves this purpose by providing a holistic literature review on the international business (IB) and international entrepreneurship (IE) research. While IB is the study of those firms who do businesses across national borders, IE, as a relatively young field where IB and entrepreneurship intersect, focuses on opportunity-driven entrepreneurial ventures that are international oriented at or immediately after founding. Both fields are crucial for understanding firm internationalisation.

We applied a few criteria to ensure the review is comprehensive and reliable such as adopting a snowballing approach on the bibliography section of the papers and reviewing international management journals with high citation records. Especially, the title and abstract of all 2,840 research articles ranging from January 2009 to March 2013 in fifteen influential journals were carefully examined. As a result, we compiled and appended a list of key journal articles, compromising 44 IB and 45 IE papers. Only papers published after 2000 are included, as relatively recent key papers should be based upon classic ones even before 2000. In this way, we were able to take account of the recency and reliability of our review.

The IB review has the following topics. To begin with, exporting constitutes the basic and the initial preferred way of internationalisation for firms. Exporting research primarily focuses on three key areas: antecedents to export performance, export channel selection, and export performance evaluation. In addition, a firm’s internationalisation strategy mainly deals with which national markets they should enter and the order in which the chosen markets should be entered. Several internationalisation theories were introduced, such as the Uppsala model, the eclectic paradigm, and network theory. Modes and timing of entry are also important topics in this theme. Besides, the dynamic capability perspective has drawn increasing attention from researchers and practitioners since this perspective specifically focuses on how firms can change their valuable resources over time and do so persistently. Further, institutional influences are concerned with regulatory, social, and cultural influences that
promote survival and legitimacy of an organization rather than focusing solely on efficiency-seeking behaviour. Finally, we discussed the internationalisation from emerging markets, such as the institutional difference with the developed economies, the rise of China from the world’s factory to the world’s buyer, and the informal networking as a distinct feature of many emerging economies. Equally, the definitional issues and early internationalisation theory are the first topics in the IE review. The definition of IE has been evolving as the field becomes mature and IE is largely concerned with small and young internationals such as born-globals and international new ventures. Second, the construct and manifestations of international entrepreneurial orientation (IEO) within the domain of IE research have garnered considerable attention from researchers over the years. Third, learning and knowledge are critical for firms because entrepreneurial internationalisation can be viewed as a process of learning and of accumulation of knowledge. Fourth, IE is fundamentally about the identification and exploitation of opportunities for international exchange. The opportunity theme has a rich potential in IE scholarship. Lastly, ethnic entrepreneurial venturing has been more and more visible in the IE, especially for those transitional entrepreneurial firms. For those ethnic entrepreneurs, the cultural issue needs to be considered.

Key policy implications that arise from the review were offered. In addition, we also presented ideas from discussions at two workshops held in Scotland by the Universities of Glasgow and Edinburgh in April 2013, which focused on IE. There are three key inter-related aspects discussed in this section, which we consider worthy of highlighting for Scottish Enterprise policy implications. First, the issues concerning firm specific aspects: firm capabilities in learning, networking and dynamic capabilities. Second, external environmental issues: institutional aspects, inspiring an IE culture, social entrepreneurship, immigrant and transnational entrepreneurship. Finally, we consider the specific case of China.
Introduction

Firms succeed by building and retaining a competitive advantage. This may often require them to go across national borders. **The greater the firm’s exposure to internationalisation activity, the higher its subsequent chance of survival and success** (Ojala, 2009). International business (IB) is a multi-dimensional field of research across organisational, national, and cultural boundaries. As economies become more interconnected with growing global trade and investment patterns, small- and medium-sized enterprises (SMEs) are becoming an increasingly important pillar of the economies of the major trading partners.

A considerable number of theories from IB research have been used in the literature to describe and explain aspects of SME internationalisation. For instance, export development approaches, while describing a process of internationalisation through incremental stages of innovation for the firm, are concerned more with the predetermined stages that a firm might have reached, than with its process of getting there. Moreover, the transaction cost and resource-based approaches tend to emphasise rational and strategic decision-making criteria such as costs, investment, risk and control. They assume that foreign market entry decisions consist of discrete alternatives, and occur at specific and identified points in time. In contrast, the network/resource-dependency and organisation-learning approaches to internationalisation emphasise a process of internationalisation that takes place, or has taken place over a period of time.

In addition, the recent and robust international entrepreneurship (IE) research stream has challenged many of the traditional IB theories encouraged researchers to examine international business activities from many and new perspectives (McDougall et al., 2003). It asks a key question that why, when, and how different means of actions are employed to seize opportunities abroad (Shane and Venkataraman, 2000). To address this question, the international new venture approaches have recently emerged (Oviatt and McDougall, 2005). Such an approach tends to be hybrid combinations of their aforementioned predecessors, and have attempted to explain early or rapid internationalisation and the born-global phenomenon. Their emphasis is on internationalisation as firm-level behaviour and a process of development, but they also accommodate the idea that certain conditions, that is, firm and environmental factors, must be necessary and sufficient to explain internationalisation (Oviatt and McDougall, 1994).
Recent developments in the literature suggest that a contemporary understanding of internationalisation is informed by the convergent integrating of multiple theoretical perspectives in a manner that is both pluralistic and holistic. Especially, the IB researchers have shown a great deal of interests in emerging markets such as the BRIC countries; this trend further stimulates the growth of the institutional theory strand. Different from multinational corporations, the owner or senior management of international SMEs can have a bigger impact on the firm’s success in the foreign market. This requires a greater understanding of entrepreneurial behaviour, and thus it is necessary to study the international entrepreneurship literature to enhance our understanding of SME internationalisation.

Since the evolvement of academic research is fast-paced, it is important for practitioners and policy-makers to be informed with the latest theoretical development and empirical findings. Hence, this report serves this purpose by providing an in-depth literature review with policy-making implications. After introducing the research method, we review a number of IB and IE topics and offer pertinent policy-making implications.

**Our Approach to the Review**

The literature review is divided into two strands, namely IB and IE. To ensure that the review is inclusive of recent, influential, and relevant studies, we adopt the following approach. First, all journals included in our review should have an impact factor rating above “1.00” on the *Web of Science’s Social Sciences Citation Index*. Second, based on the latest version of academic journal ranking published by the Association of Business Schools in 2010, we only review papers in Band 4* and 3* (Association of Business Schools journal list) journals among the categories of “Entrepreneurship and Small Business Management”, “General Management”, and “International Business and Area Studies”. However, journals with low publication frequency on IB and IE (e.g. *California Management Review*) will be excluded. As a result, the fifteen key journals included for the review are indexed in Table 1; however, there are several other journals listed as they contain some selected key papers.

<table>
<thead>
<tr>
<th>Journal Title</th>
<th>No. of Articles</th>
</tr>
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<tbody>
<tr>
<td>(1) Academy of Management Journal</td>
<td>0</td>
</tr>
<tr>
<td>(2) Academy of Management Review</td>
<td>0</td>
</tr>
<tr>
<td>(3) British Journal of Management</td>
<td>4</td>
</tr>
</tbody>
</table>

Table 1. Summary of Journals Included in the Review
The title and abstract of all 2,840 research articles ranging from January 2009 to March 2013 in the fifteen aforementioned top international management journals were carefully examined. For relevant papers, we read the full text. A snowballing technique was also adopted where the bibliography section of relevant papers are carefully checked to identify any useful articles. Furthermore, in order to identify and include any rent influential conference proceedings and working papers, an intensive keyword-search on Google Scholar are conducted to be reasonably assured all relevant and current studies are considered. Consequently, as Table 1 shows, we have identified 89 key articles (44 IB and 45 IE) with a one-page summary and an electronic copy of each paper, available on a CD and on Dropbox. Only papers published after 2000 are included, as relatively recent key papers should be based upon classic ones even before 2000. It can be seen that Journal of International Business Studies and Entrepreneurship Theory and Practice are the major outlets for IB and IE studies; however, we were unable to find any relevant key papers from Academy of Management Journal and Academy of Management Review. We aim to first introduce the theoretical background for each of these sub-topics; and, incorporate the recent studies into
the review or have a separate section where applicable. Essentially, we put the identified key articles into the following sub-categories in IB or IE:

**International Business**

- Exporting
- Internationalisation strategy
- Dynamic capabilities and internationalisation
- Institutional influences
- Emerging markets

**International Entrepreneurship**

- Definitional issues and early internationalisation theories
- International entrepreneurial orientation
- Network theory
- Learning and knowledge
- Opportunity
- Ethnic minorities in entrepreneurship

**A Review of IB theories**

**Exporting**

Overview

Exporting is a critically important strategy for firms to grow across borders. It is largely used in the entry into foreign markets of manufactured goods firms, especially those in the earlier stages of internationalisation. **Policy-makers view exporting as a way of accumulating foreign exchange reserves, increasing employment levels, improving productivity, and thereby enhancing prosperity.** There are usually two kinds of exporting arrangements: (1) direct exporting, which includes selling directly to a foreign distributor or to one’s own foreign-based subsidiary; and, (2) indirect exporting, which includes selling domestically to a foreign importer or a national middleman. In their integrative assessment of empirical research related to export performance during the period 1960-2007, Leonidou and Katsikeas (2010) point out the increasing number of specific topics on research on exporting, covering export barriers, factors stimulating exports, organizational and managerial antecedents of exporting, export developing models, export information, export marketing strategy, export
performance antecedents, and export performance measurement. The review by Leonidou and Katsikeas (2010) indicates a gap in literature concerning how controls may affect export performance. According to He et al. (2013), exporting research primarily focuses on three key areas: antecedents to export performance (Hitt et al., 2006), export channel selection (Brouthers and Hennart, 2007), and export performance evaluation (Sousa et al., 2008).

Exporting constitutes the initial preferred way of internationalisation for firms (Johanson and Vahlne, 1977). Export activities may not only generate financial benefits for the firm, but can also be viewed as a process of learning and of accumulation of knowledge and technology (Blalock and Gertler, 2004). The experience that firms gain from exporting may lead them to explore new foreign markets and become involved in other forms of internationalisation, such as licensing, joint ventures or direct investment abroad (Lages and Montgomery, 2004).

Antecedents to export performance

Since exporting is the most popular mechanism by which firms engage with international markets, understanding the drivers of export market performance is key to explaining firms’ international competitiveness. Firms’ survival and expansion and the consequent economic growth of numerous countries are strongly contingent upon a better comprehension of the determinants that influence their export performance. Firm size, R&D expenditure, advertising expenditure and business group affiliation can be important antecedents of level of exporting activities of a firm. In particular, export sales and domestic sales are interdependent and affect each other. R&D expenditure and business group affiliation positively affect export sales, but advertising expenditure negatively affects export sales (Singh, 2009).

Also, the determinants of SME export performance vary in line with the geographic scope of internationalisation. While product innovation (innovation) positively impacts on SME export performance, irrespective of export destination, other factors do so selectively. For example, location in industrial districts (networking) and the deployment of external managers (human resource management) exclusively exert their positive impact respectively on regional and global export performance. The firm’s age (i.e. experience) does not seem to guarantee success on regional or global export markets. Thus, for practitioners, Investing in product innovation and hiring specialist non-family executives are associated with success on global export markets. From a policy perspective, SMEs with greater size and R&D
competencies may perform better on exports market. Since R&D employees are associated with firm size, fiscal and innovation policies should promote firms’ R&D and enlargement through merger and acquisitions, even among SMEs (D’Angelo et al., 2013).

Exporting is by definition a risk-taking activity, as the firm operates in an environment that is characterised by a certain degree of uncertainty (D’Angelo et al., 2013). So, firms need to correctly recognise the determinants of performance drivers to successfully overcome obstacles to foreign development and to manage a process of international growth. Many researchers are interested in developing and testing models of the determinants of export performance. Through reviewing four top IB journals, *Journal of International Business Studies, International Business Review, Management International Review, and Journal of World Business*, Singh (2009) presents a summary of the studies (Table 2) on export performance at both macro level as well as micro level that appeared in these journals during 2001–2008 period.

**Table 2. Antecedents of export performance (Singh, 2009)**
Export channel selection

Internationalisation is largely connected with how the channels through which a company reaches foreign markets evolve over time (Ford, 2002). Selecting a channel of distribution for exports and determining the extent to which a firm assumes portions of distribution responsibility are both complex and difficult decisions (Rialp et al., 2005). These decisions have profound impacts on the firm’s export success. For example, distribution channel relationships have a positive impact on the export performance of the firm (Sousa et al., 2002).
Multinational corporations generally use internalized modes or structures for their production or distribution functions. However, SMEs, whose limited resource endowment does not allow them to internalize easily, seem to be experimenting with more and more forward vertical integration decisions in foreign markets (Khemakhem, 2010).

Peng and Ilinitch (1998) suggests that strategy choices like export channel selection are endogenous and self-selected based on a firm’s own capabilities and industry conditions. Exporting channel traditionally relies on the transaction cost theory and indicates that exporters normally choose between hierarchal and hybrid channel structures (Anderson and Gatignon, 1986). He et al. (2013) criticise the transaction cost approach that it fails to recognise the value creation aspect of exporting, the performance consequences of the firm’s channel choice, and the institutional differences between countries. Instead, they claim that a resource-based view (RBV) should be taken into consideration when firms employs an exporting strategy through a learning capability such as market orientation (MO).

MO encompasses a set of processes and routines that encourages firms to generate, disseminate, and respond to information about customers, competitors, and the external environment (He et al., 2013). The RBV suggests that to garner value from capabilities like MO, firms must create the right organisational structure (Barney et al., 2001); they must select an appropriate export channel. MO capabilities may be particularly important within the context of exporting because these capabilities help firms learn about the foreign market and adjust strategies and products to conform to market demand, which should result in superior export performance. Firms with strong MO capabilities have the ability to tap information in the market (customer, competitor, and external environmental information), process that information internally, and use that information to respond effectively (Kohli and Jaworski, 1990). Such firms will want to use hierarchal export channels so that they can get the greatest value from these MO capabilities in the export market. In contrast, firms with weak MO capabilities do not have this ability to get information, process it, and use it. Instead, they may benefit from partnering with a target market firm that can provide information and advice. In short, aligning export channel choice with firm-level MO capabilities and institutional distance yields better export performance.
Export performance

The literature on export performance is probably one of the most widely researched and least understood areas of international business (Sousa et al., 2008). The current literature on export performance is (a) fragmented, consisting of numerous studies that are characterized for adopting a variety of analytical techniques and methodological approaches, (b) diverse, investigating a substantial number of different determinants of export performance, and (c) inconsistent, reporting different and often contradicting findings on the influence of various determinants of export performance, causing confusion and misunderstanding with regard to those constructs that significantly affect performance in this respect. The extant literature on exporting performance can be divided into two categories—macro level research and micro level research. At the macro level, scholars have modelled export performance based on international trade theories such as the Heckscher–Ohlin (H–O) framework. Some of the issues investigated include export competitiveness of nations, magnitude and direction of trade flows between nations and how public policy affects exporting activities in specific sectors and industries.

There is no agreement on the best way to assess export performance (Sousa et al., 2008). Two important aspects of export venture performance are: market performance, the extent to which the venture achieves desirable product market–based goals such as high customer acquisition rates, sales revenue growth, and market share in the target export marketplace; and, financial performance, that is, the financial cost/benefit outcomes of the venture’s market performance captured in metrics pertaining to profit, margins, return on investment.

At the micro level, scholars have focused on establishing a link between different firm level characteristics, such as firm size, technological capabilities, and managerial motivation to export performance (Wilkinson and Brouthers, 2006; Zou and Stan, 1998). For example, there is a positive association between international entrepreneurial orientation and export performance (Kuivalainen et al., 2007). The relationship between firm size and export performance has been extensively discussed in the literature (Sousa et al., 2008). However, despite a large number of studies, there is little consensus regarding the impact of this variable on a firm’s export performance. While some authors report a non-significant relationship between the size of the firm and export performance, others have found firm size to be positively related to export performance (cf. Sousa and Novello, 2012).
Khemakhem’s (2010) study identifies some of the circumstances under which direct exporting modes might be deployed to enhance performance in a foreign market. Direct exporting should be considered by managers entering foreign markets when customisation or adaptation of the product is needed, little or no sales service is required and technological and marketing-based assets can be protected by means other than controlling the export structure.

Similarly, decision maker's foreign language skills and international business knowledge, firm's export commitment and the technological intensity of the industry constitute company's most important assets for attaining export success. However, their impact may vary between the objective and subjective export performance dimensions as well as according to the indicators included in these two categories (Stoian et al., 2011).

**There is also a positive relation between exporting and macroeconomic growth.** Examining data for a sample of 34 countries over the period 2002–2008, Hessels and van Stel (2011) find that on top of a positive relation between entrepreneurial activity in general and subsequent macroeconomic growth, there is an additional positive effect of export-oriented early stage entrepreneurship in higher-income countries (though, interestingly, not in lower-income countries).

**Summary**

A noticeable trend in exporting research is its emerging association with institutional theory (Acs et al., 2001; Hessels and van Stel, 2011; Shinkle and Kriauciunas, 2010). It is generally acknowledged that new venture creation as well as export activity may both be important strategies for achieving national economic growth. Although institutional theory will be explicitly discussed in the later section, it is worth mentioning that institutional factors may play an important role in contributing to superior export performance.

From a policy-making perspective, these findings suggest that **it may be beneficial for governments in higher income countries to focus on stimulating strong export ambitions among new ventures.** As part of such a strategy governments could strive to stimulate new ventures with a moderate export orientation to become high-level exporters. **Also, governments could introduce new ventures’ export growth possibilities and ambitions as a selection criterion in export promotion programs.**
Equivalently, policy makers should expand the focus of export assistance programs beyond the traditional realm of export promotion. In particular, the literature indicates that **policy makers focused on improving international competitiveness and economic development via enhanced exporting success should consider ways in which they can help firms improve their marketing capabilities.** Morgan et al. (2011) suggest such efforts could usefully focus on supporting projects aimed at: (1) benchmarking marketing capabilities across firms to identify export marketing “best practices”; (2) codifying such practices to lower “stickiness” barriers to their transfer among exporters; and, (3) marketing training and development for export venture employees to aid the individual-level skills that are brought together by the routines underpinning firms’ export marketing capabilities.

***Internationalisation strategy***

Overview

“Internationalisation” is defined by Welch and Luostarinen (1988) as “the process of increasing involvement in international markets”. Internationalisation can be (and has been) viewed as a process of learning, of network positioning, of internal politics and of capability development (Welch and Paavilainen-Mäntymäki, 2013). Except for exporting, firms may choose a higher commitment mode to internationalisation. The important questions in a firm’s internationalisation strategy deal with which national markets they should enter and the order in which the chosen markets should be entered (Anderson, 2004). Choosing the right internationalisation strategy is crucial to firms’ post-internationalisation performance and sustainability in the global marketplace because firms in mature industries and firms in growing industries face different situations.

Firms in an early stage of internationalisation in a mature industry can succeed by means of a slow, incremental internationalisation strategy (Anderson, 2004). Markets that are psychically close to the home market should be the first target. **Firms should make use of the knowledge and experience gained from their first international venture in their subsequent development.** When a firm in a mature industry has grown and become an experienced player, its choice of market is more dependent on its competitors’ actions. When the industry is mature, the firm will not introduce new resources into the market. The firm should choose to select markets where it presents no threat to their competitors and where it
is not threatened by its competitors. Acquisitions and mergers are used to restructure the industry.

In a similar vein, in growing industries, the logic behind market choice is different. Since the industry is volatile, it is hard to learn about it before the situation changes. Market choice in the early international stages is therefore a consequence of the firm’s internal resources. The knowledge of entrepreneurs and key personnel, as well as networks in different markets, is important. In later stages, other players will affect the firm’s international strategy in a growing industry. To obtain knowledge, it is important to be close to other important players in the industry. As the market is growing there, there will be sufficient space for many players.

A considerable number of theories from international business research have been used in the literature to describe and explain aspects of internationalisation. Dating back to Adam Smith, Anderson (2004) summarises the classic internationalisation literature (Table 3).

Table 3. Factors influencing firms’ internationalisation (Anderson, 2004)
<table>
<thead>
<tr>
<th>Internationalization literature</th>
<th>Factors influencing firms’ internationalization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smith (1776), Ricardo (1817) and Heckscher and Ohlin (1991)</td>
<td>Factor conditions</td>
</tr>
<tr>
<td>Burenstam-Linder (1961)</td>
<td>Demand conditions</td>
</tr>
<tr>
<td>Vernon (1966)</td>
<td>Technological development</td>
</tr>
<tr>
<td>Porter (1990)</td>
<td>As above plus industry structure, domestic rivalry, company strategy</td>
</tr>
<tr>
<td>Hymer (1960) and Kindleberger (1969)</td>
<td>Market imperfections</td>
</tr>
<tr>
<td>Knickerbocker (1973)</td>
<td>Oligopolistic reactions</td>
</tr>
<tr>
<td>Dunning (1988)</td>
<td>Market imperfections, transaction costs, localization advantages</td>
</tr>
<tr>
<td>Hömell et al. (1973) and Johanson and Wiedersheim-Paul (1975)</td>
<td>Psychic distance</td>
</tr>
<tr>
<td>Johansson and Vahlne (1977) and Luostarinen (1979)</td>
<td>Organizational learning</td>
</tr>
<tr>
<td>Forsgren (1989) and Johansson and Vahlne (1990)</td>
<td>Networks, organizational learning</td>
</tr>
<tr>
<td>Nordström (1991)</td>
<td>Market potential, industry structure</td>
</tr>
<tr>
<td>Lindqvist (1991)</td>
<td>Ownership structure, product characteristics, industry structure, managers’ previous experience, marketing requirements</td>
</tr>
<tr>
<td>Aharoni (1966) and Dichtl et al. (1990)</td>
<td>Managerial decisions</td>
</tr>
<tr>
<td>Bilkey and Tesar (1977) and Cavusgil (1980)</td>
<td>Different factors at different stages of the internationalization process Individual managers have a considerable influence in the early stages of the internationalization process</td>
</tr>
<tr>
<td>Root (1982), Reid (1983) and Turnbull (1987)</td>
<td>Strategic choice</td>
</tr>
<tr>
<td>Bell (1995)</td>
<td>Sectoral targeting, client followership, industry trends</td>
</tr>
<tr>
<td>Crick and Jones (2000) and Precece et al. (1998)</td>
<td>High technology industry</td>
</tr>
<tr>
<td>Andersson (2000)</td>
<td>Type of entrepreneur</td>
</tr>
<tr>
<td>Autio et al. (2000)</td>
<td>Age at international entry</td>
</tr>
<tr>
<td>Shrader et al. (2000)</td>
<td>Risk management</td>
</tr>
</tbody>
</table>

Drawing these views together, the internalisation/transaction cost, resource-based and export development approaches have tended to focus on factors influencing internationalisation. In contrast, the network and organisational learning approaches have been more concerned with identifying and describing the behavioural processes underlying internationalisation.

Theoretical perspectives of entry mode selection

Much of the internationalisation strategy literature deals with the entry mode selection. Entry modes refer to the methods utilised by firms to enter international markets (Erramilli and Rao, 1990). Entry modes represent a spectrum of commitment (and consequently risk) from exporting at the lowest end, collaborative entry modes such as licensing and non-equity alliances at the intermediate level, through to foreign direct investment via equity joint ventures or wholly owned subsidiaries at the highest end. Entry mode choices in international
markets are essentially means of business organisation employed by firms to enter foreign markets for the purpose of undertaking value-adding activities (Jones and Young, 2009). **Entry mode usage and SME performance are significantly related, indicating the critical importance of making the right mode choice** (Lu and Beamish, 2006).

Gallego et al. (2009) posit a continuum of five entry modes: exports, licensing, sales office, joint venture, and subsidiary. Crick and Jones (2000, p. 63) assert that some SMEs “have been shown to follow routes other than the export development mode prescribed by much of the internationalisation literature”. There is scope to usefully consider the issue of entry modes through a social capital lens given that inter-firm social capital helps provide access to resources beyond the firm’s own boundaries, thereby enabling an SME to overcome its resource constraints (Chetty and Agndal, 2007).

A number of approaches have been proposed to explain firm behaviour in the international theatre. To begin with, the transaction-cost framework (Buckley and Casson, 2009; Williamson, 1985) suggests that the each mode is associated with different degrees of transaction costs, and hence, the firm would seek to minimize the sum of its transaction and production costs. The large body of research on entry mode choice is based on the transaction cost paradigm. According to Williamson’s (1985) framework, three factors affect decisions: asset specificity, uncertainty (both internal and external), and frequency. Meta-analysis evidence by Zhao et al. (2004) confirms the validity of these three transaction cost attributes. Brouthers and Nakos (2004) find SMEs that used transaction coast-predicted mode choices performed significantly better than firms using other modes. Also, it has been employed to explain the advanced (foreign direct investment) modes. For example, knowledge-intensive firms often employ the wholly-owned subsidiary mode, but they are less likely to choose multiple servicing modes due to higher transaction costs (Hashai 2011).

Next, Dunning’s eclectic paradigm highlights the importance of the advantages of ownership in shaping internationalisation decisions. His approach has been proven powerful and, over time, has become one of the most influential streams of thought in the international business literature. The eclectic paradigm explains three types of competitive advantage: ownership advantage, location advantage and internalization advantage (aka. OLI). This school of thought refers to the combined impact of ownership advantage, location advantage and internalization advantage on foreign entry mode selection by internationalising firms.
Ownership advantage is a firm characteristic. It is manifested by firm-specific ownership of intangible assets such as technological or marketing knowledge, as well as by superior managerial capabilities to control and coordinate international transactions. The factors constituting ownership advantage are viewed as an “intra-firm public good”, transferable between different units of an MNE around the world. Moreover, location advantage is a country-specific characteristic. Conceptually it is similar to comparative advantage, familiar from international trade theory. Location advantage is represented by the comparative cost of country-specific inputs (e.g., materials, labour, natural resources) accessible by enterprises operating within that country’s borders, or by the cost of trade barriers between countries, which may include transportation costs, tariffs and non-tariff barriers. The factors that constitute location advantage are country specific and are location bound – they are internationally immobile. Lastly, internalization advantage is a transaction attribute. It stems from the fact that the factors constituting ownership advantage become a private good once transferred outside the boundaries of the firm. Internalization advantage applies to the case where the firm prefers to exploit its ownership advantage internally, rather than by licensing or any other collaborative mode, in order to minimize the transaction costs associated with the inter-firm transfer of proprietary knowledge and capabilities.

Equivalently, the following two theories adopt a resource-based view perspective. The RBV suggests a holistic view of the firm, in which the coordinated deployment of resources and capabilities provides the foundation for creating, producing, and marketing products. The stage theorists (Bilkey and Tesar, 1977; Johanson and Vahlne, 1977) posit that the firm would commit resources in the foreign market incrementally as experiential knowledge is acquired. Increase in knowledge results in decrease in uncertainty about foreign markets (Cavusgil, 1984), leading to a deeper commitment to the foreign market as a lasting cycle (Hennart, 2009). So procedurally, a firm may initially internationalise via indirect export, and then eventually open their subsidiary in the foreign country. This model would support multiple entry mode in the way that firms may preserve their original way of trading abroad even if they have developed a rather advanced mode. On the other hand, for international new ventures that internationalise quickly at or after their founding, some may choose to forgo some of these stages and undertake "high-control" transactions (e.g. mergers and acquisitions) which interact closely with multiple international market stakeholders (Oviatt and McDougall, 1994). However, the stage approach has its limitations to explain single/multiple market serving modes. It attempts to explain dynamic and interactive non-linear behaviour with
linear models (Anderson, 1997; Bell et al., 2004); and, the cooperative modes of entry is absent in the stage approach (Anderson, 1997).

Based on theories of resource dependency and social exchange, the network theory (Coviello and Munro, 1997) suggests that firms are involved in systems in both national and international markets where organizations from numerous industries participate: suppliers, competitors, consultants, customers and government agencies. These relationships ease the development of the firm abroad and lead to increased resource commitments (Johanson and Vahlne, 2009). Indeed, this theory has mainly been used to illuminate collaborative modes and their advancement in foreign markets. Also, this approach gives reciprocity between inward-outward activities (Crick and Jones, 2000), acting as a bridge to domestic and foreign markets. In short, as there are various routes that a firm can enter a foreign market network, the network theory lends supports to multiple market entry mode, especially to a psychically distant market (Ojala, 2009).

Timing of entry

Depending on the industry type, an entrepreneur’s decision of when to enter an industry may be a crucial one. **The longer entrepreneurs wait, the more they learn from others. Nonetheless, the waiting reduces their ability to learn directly from foreign markets and the possibility of locking in (first-mover) competitive advantages.** Regardless of firm size, entry is an inherently entrepreneurial action. Lumpkin and Dess (1996, p.136) write: “The essential act of entrepreneurship is new entry. New entry can be accomplished by entering new or established markets with new or existing goods or services. New entry is the act of launching a new venture, either by a start-up firm, through an existing firm, or via internal corporate venturing”. With respect to entry timing, most research on market entry indicates that timing is a key factor for success. Numerous measures of performance have been used in entry timing research, thus providing some guidance on what may influence the entry decision. These measures include profitability, survival, market share, and multiple measures.

Depending on the type of industry, an entrepreneur’s decision of when to enter an industry may be a crucial one. The longer entrepreneurs wait, the more they learn from others. However, by waiting, they reduce their ability to learn directly and the possibility of locking in competitive advantages (Burt, 1992). Lévesque et al. (2009) show that, under certain conditions, comparing the information acquired by an entrepreneur before entry relative to
the information available to later entrants allows the identification of a unique optimal time of industry entry which maximises the entrepreneur’s expected performance as a function of profit potential and mortality risk. It is possible to identify a unique optimal time of entry. A unique optimal time of entry, however, cannot always be univocally determined. In fact, although increases in learning correspond to higher profit potential, mortality risk can be lower or higher. Moreover, the role of the environment on the optimal time to enter an industry needs to be investigated in terms of its impact on learning from participation and/or vicariously. In short, they found that entry performance is determined by a combination of profitability and risk.

Some recent key findings

First, Arregle et al. (2009) and Dimitratos et al. (2009) call for a regional perspective to strategically complement firms’ decisions at the country and firm levels because the regional-level effects can be significant and different from country-level effects for all foreign subsidiaries.

Second, Coeurderoy et al. (2012) assess the determinants of internationalisation and firm survival, using a longitudinal dataset of UK and German small firms. They report that high absorptive capacity increases survival probabilities; specific customer-supplier relationships enhance survival; and the greater the firm’s exposure to internationalisation activity, the higher its subsequent chance of survival. They conclude that young firms are more likely to survive when they pursue an internationalisation strategy based on resource consolidation (i.e. the maintenance of the relationship between access to a resource and the exploitation of consequent advantage).

Third, Liesch et al. (2012) introduce the worldwide market for market transactions concept, by which they offer a novel modelling approach to represent a firm of any scale and scope in the world economy. Foreign involvement and investment shape the scale and scope of the firm as the internationalisation of productive capabilities, coordinated through the worldwide market for market transactions, redefines the modern economy.

Fourth, alliances with non-competitors are positively associated with international performance, whereby entrepreneurial orientation helps SMEs increase international
performance. Conversely, alliances with competitors are negatively related and entrepreneurial orientation simply reduces the negative impact (Nakos et al., 2013).

Fifth, the processes and effectiveness of entry mode decision-making have received little attention (Nielsen and Nielsen, 2011). Adopting a strategic decision-making process approach which is drawn from the behavioural theory of the firm (Dimitratos et al., 2011), Ji and Dimitratos (2013) found that, with a sample of 233 internationalised Chinese private firms, decision rationality positively influences the effectiveness of entry mode decision-making but hierarchical centralisation negatively affects it.

Lastly, Ren et al. (2009) conceptualise international joint venture (IJV) performance in terms of the combination of two dimensions: profitability and exposure to mortality risk; and, they propose a comprehensive model that relates drivers to IJV performance measures. They explore 10 determinants of IJV performance summarised from 54 studies (see Table 4).

Table 4.
Dynamic capabilities and internationalisation

Overview

The strategic management with a resource-based view is largely concerned with how firms generate and sustain competitive advantage, given that resources are valuable, rare,
imperfectly imitable and imperfectly substitutable are a source of competitive advantage (Barney, 2001). The dynamic capability (or often “dynamic capabilities” interchangeably) perspective has drawn increasing attention from researchers and practitioners since this perspective specifically focuses on how firms can change their valuable resources over time and do so persistently (Di Stefano et al., 2010; Eisenhardt and Martin, 2000).

Dynamic capabilities are widely considered to incorporate those processes that enable organizations to sustain superior performance over time (Wilden et al., 2013). Dynamic capabilities positively influence firm performance in multiple ways; they match the resource base with changing environments (Teece et al., 1997), create market change (Eisenhardt and Martin, 2000); support both the resource-picking and capability-building rent-generating mechanisms (Makadok, 2001); and improve inter-firm performance (Gudergan et al., 2012). Dynamic capabilities improve the effectiveness, speed and efficiency of organizational responses to environmental turbulence (Chmielewski and Paladino, 2007), which ultimately strengthens performance. They allow “the firm to take advantage of revenue enhancing opportunities and adjust its operations to reduce costs” (Drnevich and Kriauciuinas, 2011, p. 258). Through sensing opportunities and reconfiguration, dynamic capabilities provide the organization with a new set of decision options, which have the potential to increase firm performance (Teece, 2007).

Despite the substantial body of work that has examined dynamic capabilities, the approach has been subject to some important criticism. For instance, Hambrick (2004) and Di Stefano et al. (2010) consider dynamic capability as one of the constructs that appeared to be most detrimental to the stability of strategic management field. Such a criticism is largely caused by a plethora of definitions, a lengthy list of types (e.g. managerial, marketing, etc.), and a variety of formulaic expressions (e.g. Adner and Helfat, 2003). Newbert (2007) found a low level of support for a limited subset of empirical tests employing the dynamic capabilities approach. Thus, the field would benefit from an enlarged overview of the research produced so far to assess whether and to what extent such recurring criticisms are justifiable and, more importantly, which specific procedures should be followed in future research.

We conducted an additional keyword search on dynamic capabilities in order to retrieve all the influential papers in the field. On top of the fifteen journals we had selected, Strategic Management Journal (SMJ) was additionally included because it publishes most of key dynamic capability papers. The very first landmark paper of the field was published in 1997.
(Teece) so we started our search from then. We have found 54 key papers, detailed in Appendix 2.

These papers highlight the research focuses of dynamic capabilities. The first category contains papers that extend the definition or theory of dynamic capabilities. Dynamic capabilities have been defined as capacities but also as processes or routines. The literature has tended to consider the central role of dynamic capabilities as related to the change of key internal components of the firm, although the chosen locus of change has varied across elements such as resources and capabilities (e.g., Eisenhardt & Martin, 2000; Teece et al., 1997; Winter, 2003), operating routines (Zollo & Winter, 2002), and resources and routines (Zahra et al., 2006). Secondly, some models/mechanisms that guide the genesis and evolution of dynamic capabilities have been proposed. Following an evolutionary economics perspective, the main emphasis has been directed toward learning mechanisms. Eisenhardt and Martin (2000) suggested that the main mechanisms are likely to be repeated practice (and consequent experience), past mistakes, and the pace of experience. Moreover, they considered variation and selection to be two crucial elements of dynamic capability evolution, variation being more important in moderately dynamic markets, selection more relevant in high-velocity markets, given the additional difficulty in choosing which experiences should be generalized. Zollo and Winter (2002) also stated the role of learning mechanisms in the creation and development of dynamic capabilities. Zahra et al. (2006) added several other mechanisms for the genesis and evolution of dynamic capabilities, namely, trial and error, improvisation, and imitation. They contended that although learning from experience is more relevant for established firms, trial and error, and improvisation processes are more likely for new ventures. The last category contains papers that discuss the likely performance outcomes of dynamic capabilities.

The results have also revealed that the rapid growth of the dynamic capabilities literature as well as its diversity have led to a rich but complex, and somewhat disconnected, body of research pointing in disparate directions. For instance, some researchers have used firm performance as the relevant outcome, whereas others have explored processes or organizational outcomes instead. Some works have conceptualised dynamic capabilities as idiosyncratic factors, whereas others have accepted them also as commonalities across firms. And, some researchers have suggested dynamic capabilities as related to rapidly changing environments, whereas others have also considered more stable external contexts.
Definitional issues

The growing literature on this novel topic has provided successive and distinct definitions of the construct. Such a proliferation of definitions (summarised in Table 5 in a chronological order) shows the dynamism generated by the topic and is justified by the youth of the approach, but it also produces some confusion that may hinder more effective progress within the field. So, it seems that a consolidation of the dynamic capabilities concept is required before further research steps are taken in the field to ensure that proper assumptions, variables, and relationships are considered.

These definitions often include an explicit purpose for dynamic capabilities. In Teece et al.’s (1997, p.516) definition, the purpose of changing competences that matter is “to address rapidly changing environments.” For Eisenhardt and Martin (2000), the relevant aim of the resource base change is not only to match but also to create market change, whereas Zollo and Winter’s (2002) definition focused on pursuing improved effectiveness. For Zahra et al. (2006), the reconfigurations of interest are those aligned with the desires of the principal decision makers. Further, Helfat et al.’s (2007) definition requires only that the resource base change be “purposefully” made. Eventually, Barreto (2010) defined dynamic capabilities by viewed it as a multidimensional construct since it refers to four distinct but related dimensions or facets treated as a single theoretical concept.

Table 5. Dynamic capabilities definitions

<table>
<thead>
<tr>
<th>Source</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Teece et al. (1997, p.516)</td>
<td>“The firm's ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments”.</td>
</tr>
<tr>
<td>Eisenhardt and Martin (2000, p.1107)</td>
<td>“The firm's processes that use resources – specifically the processes to integrate, reconfigure, gain and release resources – to match or even create market change. Dynamic capabilities thus are the organizational and strategic routines by which firms achieve new resources configurations as markets emerge, collide, split, evolve and die”.</td>
</tr>
<tr>
<td>Zollo and Winter (2002, p.340)</td>
<td>“…a learned and stable pattern of collective activity through which the organization systematically generates and modifies its operating routines in pursuit of improved effectiveness”.</td>
</tr>
<tr>
<td>Winter (2003, p.991)</td>
<td>“…those that operate to extend, modify or create</td>
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 ordinary capabilities”.

<table>
<thead>
<tr>
<th>Source</th>
<th>Definition</th>
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<tr>
<td>Zahra et al. (2006, p.918)</td>
<td>“The abilities to reconfigure a firm's resources and routines in the manner envisioned and deemed appropriate by its principal decision-maker”.</td>
</tr>
<tr>
<td>Wang and Ahmed (2007, p.35)</td>
<td>“A firm's behavioural orientation constantly to integrate, reconfigure, renew and recreate its resources and capabilities and, most importantly, upgrade and reconstruct its core capabilities in response to the changing environment to attain and sustain competitive advantage”.</td>
</tr>
<tr>
<td>Helfat et al. (2007, p.1)</td>
<td>“The capacity of an organization to purposefully create, extend or modify its resource base.”</td>
</tr>
<tr>
<td>Teece (2007, p.1319)</td>
<td>“Dynamic capabilities can be disaggregated into the capacity (a) to sense and shape opportunities and threats, (b) to seize opportunities, and (c) to maintain competitiveness through enhancing, combining, protecting, and, when necessary, reconfiguring the business enterprise’s intangible and tangible assets.”</td>
</tr>
<tr>
<td>Barreto (2010, p.271)</td>
<td>“A dynamic capability is the firm’s potential to systematically solve problems, formed by its propensity to sense opportunities and threats, to make timely and market-oriented decisions, and to change its resource base.”</td>
</tr>
</tbody>
</table>

Listing these definitions allows us to see that there is a consensus about the dynamic capabilities construct with a certain degree of variations. Dynamic capabilities thus describe intentional effort to change the firm’s resource base; and, we cannot equate strategic change with dynamic capabilities alone (Ambrosini and Bowman, 2009). The definitions have also revealed that the rapid growth of the dynamic capabilities literature as well as its diversity have led to a rich but complex, and somewhat disconnected, body of research pointing in disparate directions. For instance, some researchers have used firm performance as the relevant outcome, whereas others have explored processes or organizational outcomes instead. Some works have conceptualised dynamic capabilities as idiosyncratic factors, whereas others have accepted them also as commonalities across firms. And, some researchers have suggested dynamic capabilities as related to rapidly changing environments, whereas others have also considered more stable external contexts.
Dynamic capabilities in the internationalisation context

Firms’ internationalisation is considered to be a dynamic process, encompassing a large number of different factors from inside and outside the firm. The dynamic capabilities perspective may be of particular value to studying the internationalisation of firms (Rugman, 2008). For example, Weerawardena et al. (2007) maintain that firms require internal, marketing and market-focused, and networking capabilities. **These dynamic capabilities may affect firm’s international performance** (Sapienza et al., 2006). However, there has been virtually little research done on identifying which particular dynamic capabilities underpins internationalisation. Knight and Kim (year) identify a collection of intangible capabilities especially salient to internationalising firms as international business competence (IBC). The IBC dimensions include international orientation, international marketing skills, international innovativeness, and international market orientation, all of which are instrumental in SME international performance.

That being said, the resource-based view has been widely employed in internationalisation research. While the importance of capabilities and resources is recognised, we yet know little about how internal entrepreneurs acquire or develop them, where they are originated, and how they change as the firm changes (Jones et al., 2011). Based on Teece et al. (1997) and Teece (2007), the dynamic capabilities for internationalisation can be seen as the firms’ continuous adjustment towards both the dynamic external environment and the changing circumstances since the firm’s move to internationalise. Teece (2007) proposed three types of dynamic capabilities: the dynamic capabilities of **sensing** the need to make strategic adjustments; of **seizing** the right opportunity which balances between the firm’s internal operations and resources, and the external environment; lastly, of **reconfiguration** which refers to the strategy formation process of organisational change and learning. He argues that reconfiguration does not only require the ability to detect the needs to change and capture the rightful resources and time to change, but it also requires the ability to destroy existing structures and routine, if necessary, in order to build new ones. To extend, Ambrosini et al. (2009) find **incremental** dynamic capabilities concerned with the continuous improvement of the firm’s resource base; secondly, **renewing** dynamic capabilities that refresh adapt and augment the resource base; finally, **regenerative** dynamic capabilities which holistically impact on the current set of dynamic capabilities in the firm. The last category may either
come from inside the firm or enter the firm from outside, via changes in leadership or the
intervention of external change agents.

In its internationalisation context, Fletcher, Harris and Mahnke (2012) recently apply Teece
(2007)’s framework, which can be understood as: the dynamic capabilities of sensing and
seizing opportunities and knowledge for market entry (e.g. Barney, 1991; Johanson and
Vahlne, 2006; McDougall et al., 1994); that of sensing and seizing networks that facilitate
internationalisation (e.g. Johanson and Mattson, 1988); that of international strategic
reconfiguration (e.g. Freeman and Cavusgil, 2007). To begin with, being able to explore and
exploit opportunities, and gain foreign market knowledge plays an important role to
successful internationalisation (Chandra et al., 2012; Javalgi et al., 2011). Bingham (2009)
argues that even if entrepreneurial firms may be improvisational when selecting foreign
market opportunities, seizing opportunity is a dynamic process with a recursive and fluid
relationship that requires cognition and action. While experiential foreign market knowledge
is a rare and valuable resource (Barney, 1991), it is essential for market entry, especially for
rapid internationalisation (Reuber and Fischer, 1997). These skills, however, “typically must
be built because they cannot be bought” (Teece et al., 1997, p. 517). Next, networks can be
valuable resources to facilitate internationalisation (Coviello and Munro, 1997; Oviatte and
McDougall, 2005). The capability to develop and sustain networks could thus be vital
dynamic capabilities for successful internationalisation (Freeman and Cavusgil, 2007),
because networks can allow firms to access local marketing knowledge (Chetty and
Campbell-Hunt, 2004). The importance of such a capability is also reflected from the fact that
because building networks can be costly and ineffective, the knowledge of building and
maintaining networks needs to be acquired over time and experience. Finally, strategic
management capability is required to reconfigure the firm’s adjustment for effective
internationalisation. For example, customising or innovating products, adapting to customer
needs, and rapidly penetrating multiple markets suggest superior marketing capabilities
(Cavusgil and Zou, 1994).

In short, although it is evident that dynamic capabilities play a key role in firm
internationalisation, we are unclear that what makes dynamic capabilities so crucial for
internationalisation, which particular dynamic capabilities are needed for it, whether dynamic
capabilities encourages faster internationalisation or not, and how different dynamic
capabilities are needed at different stages in the internationalisation process. In a sense, the
internationalisation literature with a dynamic capabilities approach is far beyond enrichment. Kontinen and Ojala (2010) suggest that we know little about how entrepreneurs develop and use networking capabilities. Kuivalainen and Harris (2012) argue that further research is needed for understanding the international management process of firms, as well as the internal development and changes in the operational modes during or after internationalisation. In a similar vein, Ambrosini and Bowman (2009) wonder which new sources are created or renewed because of dynamic capabilities; and, what is the full range of dynamic capabilities which exist in practice rather than theory. In a sense, researchers may evaluate dynamic capabilities from either the internal or external context, rather than looking at it in a holistic approach, which can be more complex.

**Institutional influences**

Overview

While resources are certainly vital, it has increasingly become clear that issues such as legal environment can impact entrepreneurial success (Baumol et al., 2009). In turn, differences in institutional settings can have an impact on the value a firm can generate from resource-based advantages (Meyer et al., 2009). Institutional theory is traditionally concerned with how various groups and organizations better secure their positions and legitimacy by conforming to the rules and norms of the institutional environment (Scott, 2007). The institutions can be referred to regulatory structures, governmental agencies, laws, courts, professions, and scripts and other societal and cultural practices that exert conformance pressures, and they thus define therefore what is appropriate in an objective sense, and thus render other actions unacceptable or even beyond consideration (DiMaggio and Powell, 1991). The institutional profile of a country exerts a great influence not only on entrepreneurial entry rates, but also on the trajectories of entrepreneurial initiatives.

Institutional theory

Institutional theory is concerned with regulatory, social, and cultural influences that promote survival and legitimacy of an organisation rather than focusing solely on efficiency-seeking behaviour (Bruton et al., 2010). These influences are collected and summarised by Scott (2007) in his well-known formulation of three categories of institutional forces. The regulative pillar derives most directly from studies in economies and thus represents a
rational actor model of behaviour, based on sanctions and conformity. **Institutions guide behaviour by means of the rules of the game, monitoring, and enforcement.** These regulative components stem primarily from governmental legislation and industrial agreements and standards. These rules provide guidelines for new entrepreneurial organisations and can lead to organisations complying with laws and also individual compliance with laws or may require a reaction if there is a lack of law or regulation in the entrepreneurial firm’s region.

The second institutional pillar is the normative one, which represents models of organisational and individual behaviour based on obligatory dimensions of social, professional, and organisational interaction. Institutions guide behaviour by defining what is appropriate or expected in various social and commercial situations. Normative systems are typically composed of values (*what* is preferred or considered proper) and norms (*how* things are to be done, consistent with those values) that further establish consciously followed ground rules to which people conform (Scott, 2007). Normative institutions therefore exert influence because of a social obligation to comply, rooted in social necessity or what an organization or individual should be doing (Busenitz et al., 2000). Some societies have norms that facilitate and promote entrepreneurship while some other societies discourage it by making it difficult (though not illegal), often unknowingly (Baumol et al., 2009).

Lastly, the cognitive pillar summarised by Scott (2007) represents models of individual behaviour based on subjectively and (often gradually) constructed rules and meanings that limit appropriate beliefs and actions. The cognitive pillar may operate more at the individual level in terms of culture and language, and other preconscious behaviour that people barely think about (DiMaggio and Powell, 1991). This pillar is increasingly important to management research in terms of how societies accept entrepreneurs, inculcate values, and even create a cultural milieu whereby entrepreneurship is accepted and encouraged (Baumol et al., 2009).

A main reason for the increasing standing of the institutional perspective in IB and IE studies lies with the dissatisfaction with theories that venerate efficiency but downplay social forces as motives of organisational action (Barley and Tolbert, 1997). The institutional perspective directs attention to the rules, norms, and beliefs that influence organizations and their members, which can vary widely across countries and cultures (Bruton and Ahlstrom, 2003).
We can then understand entrepreneurship research and practice more fully by finding out what was institutionalised, that is, which activities, beliefs, and attitudes have come to acquire taken-for-granted or rule-like status, thus in turn enabling and constraining entrepreneurship in the environment in question (Bruton and Ahlstrom, 2003).

Entrepreneurship and Institutional Theory

In examining the literature, three major streams of research became evident, namely institutional setting, legitimacy, and institutional entrepreneurship. In addition, three major shortcomings became clear, i.e. reliance on single perspective of institutional theory, reliance on the examination of culture, and examining single countries (Bruton et al., 2010). We will next discuss each of these issues as follows.

(1) The Institutional Setting and Entrepreneurship

That entrepreneurs are both constrained and enabled by the institutions in their environment has been widely acknowledged in the literature (Bruton and Ahlstrom, 2003). The factors are that for new organizations, the institutional environment defines and limits entrepreneurial opportunities, and thus affects the rate and size of new venture creation (Bruton et al., 2010). Other institutional factors in the external environment that impact entrepreneurial development are favourable market incentives and the availability of capital. Inadequate institutional development can complicate new venture development (Baumol et al., 2009) while a more developed institutional environment with overly restrictive regulation can hamper firm’s founding (Busenitz et al., 2000).

The institutional factors impacting entrepreneurial efforts include the direct action of governments in constructing and maintaining an environment supportive of entrepreneurship as well as societal norms toward entrepreneurship. Specifically, the level of entrepreneurship that develops in a society is directly related to the society’s regulations and policies governing the allocation of rewards (Baumol et al., 2009). Governments can ensure markets function efficiently by removing conditions that create entry barriers, market imperfections, and unnecessarily stifling regulation. For example, a hostile external environment may impede the level of capital investment, place fiscal and regulatory barriers, and dissuade the rise of the entrepreneurial spirit that is characteristic of certain cultures.
Entrepreneurs are discouraged from starting ventures if there are no formal institutional structures. They can also be discouraged if they are forced to comply with too many rules and procedural requirements, are expected to report to an array of institutions, and have to spend substantial time and money in fulfilling documentation requirements (cf. Bruton and Ahlstrom, 2003). A more business-favourable institutional environment would ease potential barriers and encourage entrepreneurial potential (Baumol et al., 2009). In the United States, it only takes 4 days, while in Hong Kong, business registration usually takes less time than that (cf. Bruton et al., 2010). Thus, the institutional environment exerts a powerful influence not only on entrepreneurial entry rates, but also on the resulting trajectories of entrepreneurial initiatives.

(2) Legitimacy and Entrepreneurship

Institutional theory has also formed a foundation of understanding about how entrepreneurs not only create new products and services, but how they must also seek legitimacy for their new ventures (Acs et al., 2001). A venture must prove its value by demonstrating that it engages in legitimate activities. The term legitimacy commonly refers to the right to exist and perform an activity in a certain way (Busenitz et al., 2000). The institutional environment helps to determine the process of gaining cognitive and moral legitimacy, which is critical for entrepreneurial organisations to overcome the liabilities of newness and to increase their survival prospects (Coeurderoy and Murray, 2008). SMEs need to behave in a desirable or appropriate manner within a socially constructed system or face sanctions for deviating from the accepted norms (cf. Bruton et al., 2010).

When the founders of any new venture seek legitimacy for their activities, the social context in which they operate encourages different strategies to establish or build. It is important that entrepreneurial firms legitimize their activities if they are to secure resources and support from stakeholders and society. Access to resources is less problematic for established organizations because past performance itself often provides legitimacy and access to resources. Society judges an organization as appropriate partly because of its past performance. Established organizations can use their performance record to acquire legitimacy and access resources. The new venture cannot do so, however, because of its limited or non-existent record of performance. Institutional theorists have helped to illuminate and frame the legitimacy-building approaches used by new ventures by pointing
out that organizational structures, procedures, and personnel may be used to build and demonstrate an organization’s acceptability to key constituencies (Bruton et al., 2010).

**Legitimacy is thought to be particularly important in order to understand entrepreneurship in emerging economies** (Peng and Zhou, 2005). The details of the strategic behaviour that entrepreneurs exhibit in different countries may differ somewhat due to variation in their respective institutional environments. For example, the legitimacy-building methods being used in China were found to be quite familiar and useful to managers in Taiwan (cf. Bruton et al., 2010). While there were differences, particularly based on the less intrusive role of government in Taiwan, these findings suggest the durability of legitimacy-building strategies and their value to all firms in Greater China. These legitimacy-building approaches are also learned by foreign alliance partners of the firms in our study and proved valuable as they entered and sought to navigate Chinese markets. Some similar approaches were found in other developing economies including India and Latin America (Bruton et al., 2010). This suggests the value of understanding local approaches to management, and re-emphasises the importance of the institutional environment to entrepreneurship.

(3) Institutional Entrepreneurs

Entrepreneurs lack the legitimacy they need in weak institutional environments, particularly those in emerging economies. Thus, they may have to play the role of institutional entrepreneur to improve the environment and to create structures that help their business to be recognised and promoted. The concept of institutional entrepreneurship has emerged to help answer the question of how new institutions arise and are changed. Thus, **institutional entrepreneurship represents the activities of actors who have an interest in encouraging particular institutional arrangements and who leverage resources to create new institutions or to transform existing ones** (Rao et al., 2000).

The concept of institutional entrepreneurship focuses attention on these labours and the manner in which institutional entrepreneurs shape their institutional contexts. Examples include the introduction of business plans in museums and other cultural organisations by government, moves by professional associations to persuade members to standardise new procedures, firms lobbying governments for new or revised regulations, and manufacturers and service providers sponsoring new technological or service standards (Bruton et al., 2010).
Institutional entrepreneurs lead efforts to identify political opportunities, frame issues and problems, mobilize constituencies, and spearhead collective attempts to infuse new beliefs, norms, and values into social structures (Rao et al., 2000).

On the contrary to institutional entrepreneurs, micro-angles, or “non-institutional investors who invest money in unlisted firms owned by others” (Szerb et al, 2007, p. 260), are popularly known as the “3Fs”: family, friends, and foolhardy investors (Bygrave et al., 2003). Yet cross-country research that explains the incidence of such micro-angel investment activity is scarce (Mason and Harrison, 2008). According to De Clercq et al. (2012), Micro-angel investments should increase to the extent that countries demonstrate (1) greater availability of new business opportunities, (2) more protective legal systems, and (3) stronger embeddedness of members in interrelationships. More protective legal systems and stronger embeddedness also may play moderating roles, such that they amplify the relationship between the availability of new business opportunities and the incidence of micro-angel investment activity. Finally, legal protection and embeddedness can substitute for each other, such that the effect of one becomes suppressed at higher levels of the other.

Institutional impact of policy-makers

Policy-makers, or public authorities, may have the most significant role in institutional profile. They are most concerned with the macro-economic performance. As entrepreneurship has proven to be an important instrument in transforming individual skills and capabilities into a major source of economic and technological development, DiMaggio and Powell (1989) suggested that the absence of government interference is insufficient to make this transformation happen. Governments typically play in assisting and influencing the international expansion of domestic firms.

A growing body of research suggests that the economic freedom made possible through entrepreneurship requires strong institutional frameworks, and a broad range of available supports is the best. Li and Zahra (2012)’s analysis of 68 countries over a 20-year period supports this view but also highlights the contingent nature of the effects of formal institutional frameworks on a country’s national culture, especially in explaining levels of venturing capital investments.
Firm’s strategy is thus often dependent on the external institutional constraints toward the possibility of four main scenarios (Figure 1). One dimension of the framework concerns the level of institutional constraints: these may be comparatively high or comparatively low. A low level of constraint does not necessarily reflect an inadequate codification of regulations. It may also derive from the limited effectiveness of their enforcement, especially in emerging economies, due to factors such as a lack of sufficiently qualified personnel or a culture of corruption (e.g. China). The other dimension concerns whether company strategy towards the environment is socially responsible or exploitative. A socially responsible strategy would devote substantial resources towards ensuring environmental protection, possibly on the expectation that superior long-term revenues will compensate for the additional costs. An exploitative strategy would be manifest in a policy of short-term profit maximization that minimized environmental protection measures on the grounds of their cost (Child and Tsai, 2005).

**Figure 1. Firm strategy, institutional constraints and policies toward the environment: four scenarios (Child and Tsai, 2005)**

<table>
<thead>
<tr>
<th>Institutional Constraints</th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>Low</td>
<td></td>
</tr>
<tr>
<td><strong>Environmentally Responsible</strong></td>
<td>Companies behave in a manner consistent with the policies of environmental agencies and interact cooperatively with them</td>
<td>Companies take the initiative to exercise leadership in environmental policies</td>
</tr>
<tr>
<td><strong>Firm Strategy</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmentally Exploitative</td>
<td>Companies comply grudgingly with regulatory authorities and exercise any bargaining power they have vis-à-vis those authorities</td>
<td>Companies pollute and incur limited costs and sanctions for so doing</td>
</tr>
</tbody>
</table>

Equivalently, policy-makers in many OECD countries have intervened to boost the ability of owner-managers to access information and knowledge from business advice (Mole and Keogh, 2009). Many of them do so through public sector business advisers, who work in the public sector to offer general business advice to SMEs, with the intent to both increase their
performance and their willingness to access external advice in the future (Mole and Keogh, 2009).

In seeking to stimulate effective advice, policy-makers confront a number of issues. Public sector advice attracts a greater variety of firms than those attracted to the private sector. Greater variety undermines the ability of providers to gain economies of scope. Moreover, although the market fails, it does not fail to provide any services, just not a sufficient amount (Mole and Keogh, 2009). Lambrecht and Pirnay (2005) built on this to demonstrate how an organisation delivering strategic business support would work. They describe a model of strategic business support that involves a co-ordinating “coupole” and delivery through a “hub and spoke” model. The coupole acts as a central administration of the programme. It enables but does not deliver the programme. The coupole promotes the programme, and SME clients make contact with the coupole; however, the coupole does not provide any of the programmes. Instead, it co-ordinates, subsidises, and evaluates consultants who deliver the programme. The consultants are distinguished between those who specialise in diagnosis (the hub) and those who provide solutions (the spokes).

Both Scotland and England adopt this coupole system (Figure 2). In Scotland, business support is the responsibility of the Scottish Executive, which funds two institutions: Scottish Enterprise and the Highlands and Islands Enterprise. These fund Local Enterprise Companies. In Scotland, business advisers were employed by Local Enterprise Companies. In England, the national Small Business Service (SBS) funded 45 Business Links.

**Figure 2. Scottish and English systems compared** (Mole and Keogh, 2009)
The key to the success of business advice relies on its implementation and the tacit knowledge of business advisers. Through intensive case studies, Mole and Keogh (2009) suggest: (1) that the accommodation to a new role of promoting consultant ready small firms increased the skills demanded of public sector business advisers; (2) the concept of the business advice triad was introduced, and changes to one part of the triad impacted on all the others, so that changes to the process affect the producers and the client; (3) the existing organisation of the producers contributed to the way in which the producers reacted to change in the other parts of the triad. Through their measure, Scottish Enterprise developed an appropriate response to increase skills through training, and evaluate its effectiveness.

Therefore, the nation can actively engage in entrepreneurial behaviour, identifying and discovering opportunities that emerge within their environments (Nasra and Dacin, 2010; Shane and Venkataraman, 2000). Once opportunities have been identified, the state can also act as an institutional entrepreneur, shaping and crafting the necessary institutional infrastructure in order to capitalize on and exploit these opportunities. If institutional contexts are engineered such that they create enabling conditions for economic exchange (through the elimination of operational constraints or by offering incentives), they can themselves create further opportunity sets for entrepreneurship.

Other recent key findings

There is a new institutional form known as “the global factory” (Buckley, 2011). Control of information is central to acquiring integration and coordination successfully in the global factory. Managerial styles need to be changed in order to accommodate the changes in the configuration of the world economy.

As young technology based firms often embark on a rapid internationalisation strategy, they prefer national markets offering better regulatory protection for their intellectual property (Coeurderoy and Murray, 2008). Managerial experience influences the location choices of these firms facing regulatory hazards.

In order to conquer disadvantages they face abroad, firms often choose a higher level of local isomorphism as the cultural, economic, and regulatory distances between the home country and the host country increases (Salomon and Wu, 2012). For example, a British firm may prefer to enter the Hong Kong market rather than the Mainland China one. Such local
isomorphism is likely to be enduring, as experience does not systematically moderate the relationship between distance and local isomorphism.

**Internationalisation from emerging markets**

Overview

How are emerging economy firms different from those based in advanced economies? A distinguishing aspect of emerging market firms is their small size. Firms from emerging economies tend to be at a relative resource disadvantage compared to the firms from advanced economies. However, firms originated from emerging economies tend to view global competition as an opportunity to build capabilities, move into more profitable industry segments, and adopt strategies that turn latecomer status into a source of competitive advantage (Bonaglia et al., 2007). They also adopt many strategies and trajectories for going global. Most of these firms tend to be much smaller, even in the large emerging nations such as India and China. For example, a sample drawn by Ray (2004) from the top 500 Indian companies, had mean net sales amounting to only £108 million and mean profits of only £7 million. In addition, unlike the developed economy firms, which expand internationally through FDI and other high involvement, high risk modes; emerging economies firms carry out their international expansion primarily through exporting (Vernon-Wortzel and Wortzel, 1989).

The differences between emerging economy and developed economy firms are also due to the very nature of emerging markets. For many years, many of the emerging economies had a centrally controlled, closed market system. Many industrial sectors were reserved for companies, promoted and supervised by the governments or state-owned enterprises. In different countries, SOEs exist for different purposes and hence have different aims and incentive strategies. The purposes vary with high level institutions, such as political institutions and value system. The incentive structures vary with low level institutions, such as governance structures and resource access. On the other hand, in emerging economies, there are many small firms, operating at an uneconomically small scale in different industrial sub sectors.

According to Hoskisson et al. (2000), emerging economies are those newly industrialising countries that have gone through a liberalisation process and have adopted market-
based policies. Keen and Wu (2011) suggest that in defining emerging economies, the most important criterion is how well an economy helps buyers and sellers come together. They point out that the lack of proper institutions-relative to developed countries-make emerging economies more inefficient and incomplete, whereby information problems, misguided regulation, and inefficient judicial systems hamper a fluid communication between buyers and sellers (Table 6 and 7).

**Table 6. Emerging economies country-specific characteristics (Keen and Wu, 2010)**

<table>
<thead>
<tr>
<th>Institutional constrains</th>
<th>Macroeconomic factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Judiciary systems</td>
<td>Economic cycles</td>
</tr>
<tr>
<td>Regulations</td>
<td>High unemployment rate</td>
</tr>
<tr>
<td>Taxation system</td>
<td>No compensatory assistance</td>
</tr>
<tr>
<td>Labor market</td>
<td>High inflation rate</td>
</tr>
<tr>
<td>Welfare system</td>
<td>Balance of payment problems</td>
</tr>
<tr>
<td>Political leverage</td>
<td></td>
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</tbody>
</table>

**Table 7. Emerging economies firm-specific characteristics (Keen and Wu, 2010)**

In recent years, several emerging economies have gone through a process of institutional transition with the objective of unleashing the entrepreneurial potential of local entrepreneurs (Gaur and Kumar, 2009; Singh and Gaur, 2009). Governments have relaxed the restrictions on private sector activities. This has resulted in an increase in the opportunities for local firms to explore the foreign markets on the one hand and an upsurge in foreign firms in the domestic markets on the other hand. With an increase in competition in the domestic markets, local firms have no choice but to engage in exporting activities. For these firms, exporting powerfully complements local market size and enables them to achieve scale economies. For instance, Svetlicic and Rojec (2011) suggest that much of the international activities of Central and East European companies have been motivated by foreign market-seeking behaviour. The above discussion highlights the need to explore the internationalisation behaviour of emerging economy firms by taking into account the unique cultural and institutional characteristics that may make some factors more important while others less important for emerging economy firms.

Institutional differences from developed economies

The understanding of cultural and institutional forces that moderate behavior within (and across) organisations is crucial to understanding entrepreneurship in emerging economies where institutional structures can vary greatly from those in mature economies. Institutional
theory is the most significant perspective for examining the firm strategy when firms from emerging economies are taken into account (Wright et al., 2005). However, the exact nature of institutional forces in emerging economies is not yet well conceptualized (Bruton et al., 2010). In the case of emerging economies, there are two contrasting conventional wisdoms concerning the strategic choice that firms can exercise on issues of environmental protection within a regime of governmental regulation. The first emphasises the institutional constraints imposed upon such choice, especially in those emerging economies that have a legacy of significant governmental or political involvement in business affairs. The second regards firms as having the potential to implement their own preferred environmental policies if they can offer significant inducements to an emerging economy by way of investment and technology (cf. Child and Tsai, 2005).

While it is evident that certain institutional environments tend to give better access to resources needed for entrepreneurship, there are options for entrepreneurs in emerging economies with minimal access to these resources. In emerging economies with undeveloped legal systems, for example, although it takes extra effort, entrepreneurs have been able to work out substitutes for the weaker legal structures and insubstantial capital markets. For example, recent research on the determinants of multinational subsidiary performance documents that (1) in developed economies, corporate (firm-specific) effects are more critical in explaining the variation in foreign subsidiary performance (consistent with the resource-based view), and that (2) in emerging economies, country effects, which are proxies for institutional differences, are more salient (supportive of the institution-based view) (cf. Peng et al., 2008). The challenge for entrepreneurship in emerging economies is for entrepreneurs to continue to work within the system as it were, but also to act as institutional entrepreneurs to encourage financial systems, legal structures, and labor markets that generally facilitate entrepreneurial activities.

It is necessary to consider the broad strategic alternatives available to firms associated with emerging economies. Within each emerging economy, there is significant organisational heterogeneity, represented by (1) incumbent firms (primarily business groups, state-owned enterprises, and privatised firms), (2) entrepreneurial start-ups, and (3) foreign entrants (Peng et al., 2008).

Also, in association with emerging economies, there are four strategic options for firms: (1) firms from developed economies entering emerging economies; (2) domestic firms competing within emerging economies; (3) firms from emerging economies entering other emerging economies; and (4) firms from emerging economies entering developed economies. First, in the early stage of development, particular importance is likely to be placed on the strategies of foreign firms from developed economies entering emerging economies to exploit
the skills developed in their home markets. Second, incumbent and start-up firms in emerging economies are likely to develop exploratory strategies as markets improve in their domestic market. As emerging economies become more developed, both sets of strategies may change as a result of firm learning and changes in the institutional infrastructure. As development occurs, foreign firms may reconsider their mode of operation and even their presence in emerging economies. But two further strategic options may also become more important and challenge the conventional wisdom about firm behaviour in emerging economies. As a third strategy, some emerging economy firms may seek to enter other emerging economies and exploit the expertise developed in their domestic markets. Finally, some emerging economy firms may also seek to enter developed economies.

**For foreign entrants in emerging economies, there are at least two benefits.** First, given that the economic growth of most developed economies is stagnant, focusing on fast-growing emerging economies may generate significant growth potential. A second practical benefit is that the firm’s new learning on how to tackle emerging economies may provide a strong growth engine not only for emerging economies but also for developed economies (Peng et al., 2008).

China as research focus

Due to its exceptionally consistent GDP growth in the last two decades, IB research on China has received more and more weight. The IB research on China has been overwhelmingly disproportionate comparing with the other three BRIC countries, as Kiss et al. (2012) state that the emerging market literature is highly skewed in its geographic coverage and is somewhat fragmented. However, due to China’s unique cultural and institutional contexts, the China-centric research may not be generalisable to other emerging economies even though some similarities are observed.

China’s role in the global economy is changing. The country’s imports have started to catch up with its exports, and perceptions of China as an overseas investor have altered dramatically. The Economist Intelligence Unit in April, 2013 predicts that China will be a net investor in the world economy by 2017. As one of the largest recipients of inward FDI, China has emerged as an active player in global investment. In 2010, Chinese firms from non-financial sectors engaged in outward FDI in 129 countries, establishing 3125 overseas enterprises in both developed and other emerging countries. Similarly, in 2012, China accounted for 11.6% of global output and 6.7% of outward direct investment. Annual
investment outflows in China have grown at an average rate of 35% per year since 2005, reaching approximately £75bn in 2012.

There is a huge potential for Scotland to get a share of China’s massive capital expansion abroad, as it is not China’s top 10 investment destinations (not even the UK) yet. In addition, Scotland has an interest in trading with China. In Working with China: A Five Year Strategy for Engagement between Scotland and the People’s Republic of China published in December 2012¹, the Scottish Government targets to double the number of Scottish companies (based on 2010 levels) supported to access Chinese markets by 2017.

China’s institutional setting is one of its distinctive features. Buck et al. (2010) investigated how local Chinese institutions influence different nationalities of international joint ventures in China, and they find that those ventures do have a higher strategic commitment, following the distinctive high long-term orientation feature of Chinese culture.

In addition, Gao et al. (2012)’s study reveals that human mobility can significantly boost outward foreign direct investment from emerging economies. In a way, China can be seen as an exporter of human resources. Compared with developed economies, emerging economies can benefit tremendously from human mobility through knowledge and network spillovers. Human mobility creates a precious global intelligence network, which helps emerging economies, such as China and India, to accelerate internationalisation and engagement in the global marketplace. Managers should be aware of the importance and availability of internationally mobile talents. The positive effect of human mobility implies that managers should take advantage of such mobility and effectively utilise internationally mobile talents to implement their internationalisation strategy. Such individuals represent bridges and offer networks for local firms that are more inclined to seek new business opportunities beyond their home markets, and may facilitate local firms to invest and operate in foreign markets. This group of people can also bring international experience to local firms which otherwise would have taken a longer time to accumulate. Hence, fully exploiting the value of human mobility may help local firms to develop knowledge-related advantages.

Further, domestic economic development is still the backbone for the global expansion of Chinese firms. As the domestic economy grows, Chinese firms can build their own competitive advantages which can be exploited in the global market (Gao et al., 2012).

Although governmental support may be an incentive for internationalisation activities, the actual investments are determined by ownership advantages derived from both finance and human capital accumulation. Therefore, the government should promote OFDI activities by devoting its efforts to domestic economic development.

Furthermore, the vast area of China alongside with unequal development pace across its sub-national regions creates the heterogeneity of foreign subsidiary performance. Sub-national region effects are significant in this performance variation (Ma et al., 2013). When foreign firms enter China, they must evaluate and devise region-specific strategies.

Informal networking in the emerging economy

Emerging economy are often characterised by underdeveloped/corrupted formal institutions, creating a void usually filled by informal ones. Informal networking in the emerging economy should be discussed separately from the traditional network theory. Informal networking (e.g., guanxi in China, immak in Korea, or blat in Russia) is a cultural characteristic, and its utilisation in business dealings is a strategic response to the unpredictability of government action and control; thus, it can substitute for formal institutional support.

Broadman et al. (2004) found that economic growth in the emerging economies of Eastern Europe was impeded by the absence of effective market-based institutions to protect property rights and to ensure fair competition. Frustrated by the ineffective legal enforcement of contracts and property rights, private entrepreneurs in such environments depend profoundly on informal norms for security (Bruton et al., 2010) and actively seek to design alternative governance structures and contractual arrangements (Peng, 2006). Informal ties and relational governance fill in the “institutional voids” resulting from an inadequate formal institutional infrastructure. Although these informal institutions such as building connections with key government officials and other managerial ties can be very helpful, these can also be costly to firms and may hinder new venture development (Peng, 2006).

We use China as our example as it is the largest emerging economy in the world. In the context of internationalisation, guanxi with outsiders is a crucial aspect of the internationalisation process, and its workings are likely to replicate the networking processes inside China, following more or less the same rules. The absence of institutional trust,
combined with the prevalence of active mistrust of strangers and severe shortage of reliable market information, leads to an absolute reliance on trust-based personal connections as a means for almost any transaction (Lovett et al., 1999). Under these conditions, early internationalising SMEs would find it more rational to exploit guanxi-related social networks and to extend them across borders for economic action.

Guanxi, as the Chinese version of social networks, can be regarded as a form of relationship exchange that reflects the basic idea of network capitalism – a system of reciprocity, trust, and interdependencies that creates value through the effective use of social capital (Luo, 2003). Guanxi networks are often characterised by informal interpersonal connections that are influenced by hierarchical Chinese cultural values and bonded with reciprocal expectations. Thus, these social ties embody both the traditional Chinese culture and a conscious choice on the part of individuals opting for personalized contacts and relationships. Such social networks can provide unique information benefits to those who are connected by exclusive or non-redundant personal ties, irrespective of whether the nature of the social relations is strong or weak (Burt, 1992). It is now widely recognized that guanxi-related networks are able to reduce transaction costs or increase transaction values through facilitated exchange of resources, information, and knowledge (Luo, 2003).

In short, for countries like China and Russia, full convergence toward entrepreneurs’ reliance on formal institutions may not readily occur due to the embeddedness of informal institutions (Puffer et al., 2010). Rather, unique balances between informal and formal networks must be sought when foreign firms enter an emerging market.

**Literature Review in IE: At the Intersection of International Business and Entrepreneurship**

**Introduction**

The importance of entrepreneurs has been dealt with in many studies, which have found a relationship between a positive international development and the entrepreneur’s international attitude, motivation, orientation, experience and network. In this chapter we review the IE literature. IE is an intriguing and relatively new discipline where IB and entrepreneurship theory overlap, offering many crucial implications for international management, entrepreneurship, strategic management, sociology, economics, and so on.
Such a genesis has gained IE research momentum across an increasingly globally integrated economy in the last decade. Though, different perspectives that are brought to the field have imposed several issues, such as difficulty in defining IE and complications associated with theoretical integration and consistency (e.g. Keupp and Grassman 2009). Following a discussion of IE definitions, we then consider the extant literature that has advanced this field of research.

Definitional issues

IE is sometimes stimulated by demand for firm products that spans international boundaries (Oviatt and McDougall, 1995). At other times, it is motivated by a need to recover costs invested in new technologies (Qian and Li, 2003). Oviatt and McDougall’s article (1994) gives the first widely acknowledged definition of “international entrepreneurship”, recognising IE as a formal field of study where entrepreneurship theory and IB overlap. As a relatively nascent field, IE is dynamic and evolving in nature. Various IE definitions presented in scholarly articles in the last two decades show that defining IE is challenging, because what IE actually is can be evaluated through different perspectives.

Table 8 provides a list of IE definitions in a chronological order. Generally, as for IE, firms are considered equivalent to entrepreneurs in the context of small and medium enterprise; and, while there is a consensus on the “international” part of IE, different arguments are put forward for “entrepreneurship”. McDougall’s 1989 definition stressed the scope of firms to be international new ventures or “born-globals”. Oviatt and McDougall carried on this restriction in their 1994 paper, but broadened it afterwards. Similarly, Zahra’s definition highlighted the risk dimension of internationalisation. Moreover, IB scholars Wright and Ricks brought in a fresh perspective by connecting a firm’s internal activities with its external environment. Furthermore, McDougall and Oviatt (1996, 2000) recognize that international entrepreneurial orientation (i.e. innovativeness, proactiveness, and risk attitude) has become an important antecedent of internationalisation. Lastly, in the latest refinement of Oviatt and McDougall (2005) as well as the definition of Shane and Venkataraman (2000), they recognise the most critical distinction between entrepreneurs and non-entrepreneurs, the intentional pursuit of opportunity, adding an international context. Finally, the additional element in Styles and Seymour (2006)’s definition is the notion of “exchange”, a critical contribution of the marketing perspective. In general, IE research is gradually shifting itself.
to an opportunity-based approach. Opportunity identification and exploitation, the capability of which differentiates entrepreneurs from non-entrepreneurs, may be an increasingly important thematic topic in the domain of IE (Jones et al. 2011).

**Table 8. A list of IE definitions**

<table>
<thead>
<tr>
<th>Author (s)</th>
<th>Definition</th>
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<tbody>
<tr>
<td>McDougall (1989)</td>
<td>The development of international new ventures or start-ups that, from their inception, engages international business, thus viewing their operating domain as international from the initial stages of the firm’s operation.</td>
</tr>
<tr>
<td>Zahra (1993)</td>
<td>The study of the nature and consequences of a firm’s risk-taking behaviour as it ventures into international markets.</td>
</tr>
<tr>
<td>Oviatt and McDougall (1994)</td>
<td>A business organization that, from its inception, seeks to derive significant competitive advantage from the use of resources and sale of outputs in multiple countries.</td>
</tr>
<tr>
<td>Wright and Ricks (1994)</td>
<td>A firm-level activity that crosses national borders and focuses on the relationship between business and the international environments in which they operate.</td>
</tr>
<tr>
<td>McDougall and Oviatt (1996)</td>
<td>New and innovative activities that have the goal of value creation and growth business organization across national borders</td>
</tr>
<tr>
<td>McDougall and Oviatt (2000)</td>
<td>A combination of innovative, proactive and risk-seeking behaviour that crosses or is compared across national borders and is intended to create value in business organizations.</td>
</tr>
<tr>
<td>Shane and Venkataraman (2000)</td>
<td>Examination of how, by whom, and with what effects opportunities to create future goods and services are</td>
</tr>
</tbody>
</table>
discovered, evaluated, and exploited.

Oviatt and McDougall (2005)  The discovery, enactment, evaluation, and exploitation of opportunities--across national borders--to create future goods and services.

Styles and Seymour (2006)  The behavioural processes associated with the creation and exchange of value through the identification and exploitation of opportunities that cross national borders.

Early internationalisation theories

Early internationalisation enables a new venture to take advantage of narrow windows of opportunity (McNaughton, 2001) to exploit products in international markets before competitors are able to attain a foothold (Oviatt and McDougall, 1994). Additionally, Zahra et al. (2000) found internationalisation to impact favourably on the new ventures’ breadth, depth and speed of technological learning. In essence, international activities are argued to influence new venture survival and growth positively (Hulbert et al., 2013).

More than 45% of the literature on IE focuses on either internationalisation or venture type issues (Jones et al., 2011). Figure 3 depicts a model of influences on the speed of entrepreneurial internationalisation. As shown, there are three vital aspects to such speed. First, there is the time between the discovery or enactment of an opportunity and its first foreign market entry. The second is the speed with which country scope is increased. That is, how rapidly do entries into foreign markets accumulate and how rapidly are countries entered that are psychically distant from the entrepreneur’s home country? Thirdly, the speed of international commitment refers to how quickly does the percentage of foreign revenue increase.

Figure 3. A Model of Forces Influencing Internationalisation Speed
(Oviatt and McDougall, 2005)
IE primarily probes ventures types associated with early internationalisation, such as international new ventures (INVs) or born-globals (BGs). Sometimes referred to as international new ventures or global start-up, BGs are SMEs with the potential for accelerated internationalisation and a global market vision (Gabrielsson et al., 2008). It can combine the global market potential with an entrepreneurial capability to seek methods of accelerated internationalisation. In addition, it must have a global vision at inception. It must also carry the risks of a small start-up company; it cannot be a spin-off of a larger firm that is prepared to help it float (Gabrielsson et al., 2008). A few of the other important definitions recognised in the literature are summarised in Table 9. As Zahra (2005, p.23) suggests, in relation to INVs, “INVs usually experience three types of liability. The first relates to their newness and inexperience, which limits their access to resources and existing networks. Newness raises questions in the minds of other stakeholders about INVs' credibility and potential viability. The second liability stems from their size, as many INVs are small. This limits the slack resources of INVs and, as a result, their ability to withstand the challenges of internationalisation. The third and final liability arises from the foreign-ness of INVs, which means that they have to work hard to overcome barriers to entry, build links to their customers and suppliers, and gain the acceptance of potential customers.”

Table 9. Definitions of BGs (Gabrielsson et al., 2008)
However, it is important to recognise that the global start-up is only one form of INV, and the INV is not necessarily a BG (Jones et al., 2011). Furthermore, if BGs are defined as “…a breed of young companies that begin selling their products at or near the firm's founding” and “…companies that from or near foundation, obtain a significant portion of total revenue from sales in international markets” (Knight and Cavusgil, 2005, p.15), a study could inadvertently include firms that, for example, do not necessarily intend to internationalise from inception (as do global start-ups), but happen to export quite early. This makes cross-study comparisons challenging. Using the two terms interchangeably is fine as it provides similar results in terms of overall internationalisation patterns (Madsen, 2013), but the two methods classify firms quite differently. Perhaps, the phrase “early internationalising firm” might address the aspect of timing and be used to cover global start-ups and BGs collectively.

Another significant venture type is Micromultinationals (mMNEs) which are internationalising SMEs that adopt higher-commitment entry modes beyond exporting (Dimitratos et al., 2003; Prashantham, 2011). These higher-commitment modes include cooperative alliances, joint ventures and wholly owned subsidiaries. Thus the primary distinction being made is between SMEs that are merely exporters and those that are mMNEs. An mMNE may not always own foreign assets; for instance, they may use non-equity alliances through which they control important foreign assets rather than own them outright (Jones and Coviello, 2005). This approach differentiates many mMNEs from large established MNEs and reflects the liability of smallness that they suffer from, in addition to
the liability of foreignness. Liability of smallness refers to the limited resources and capabilities which SMEs are able to commit to internationalisation (Lu and Beamish, 2001). mMNEs are worthy of research attention because internationalising SMEs’ entry mode choice is extremely important (Prashantham, 2011). Entry mode choice has a bearing on the extent to which a firm can control its foreign operations and potentially its performance (Brouthers and Hennart, 2007). Higher-commitment entry modes provide the basis for engaging with international customers and suppliers in greater proximity (Lu and Beamish, 2001). SMEs may well under-achieve if they are overly conservative in confining themselves to an exporting entry mode (Dimitratos et al., 2011). It thus seems valuable to dig deeper into what distinguishes mMNEs from exporters (Dimitratos et al., 2003).

International entrepreneurial orientation (IEO)

Overview

Entrepreneurial orientation (EO) has become a central concept in the domain of entrepreneurship that has received a substantial amount of theoretical and empirical attention (Covin et al., 2006). The construct and manifestations of international entrepreneurial orientation (IEO) within the domain of IE research have garnered considerable attention from researchers over the years, prompting a recent meta-analysis (Rauch et al., 2009), literature reviews (e.g., Edmond and Wiklund, 2010; Wales et al., 2012), and an Entrepreneurship Theory and Practice special issue (Covin & Lumpkin, 2011) on the topic. Notably, the phenomena typically associated with EO include risk taking, proactiveness, and innovative behaviours (Covin and Miller, 2013).

IEO is essentially a subcategory of EO that shares the core elements of the broader EO construct yet includes an additional distinguishing element, namely, an “international” emphasis. As suggested by Slevin and Terjesen (2011), most research in the area can be sorted into three broad and overlapping categories or themes: EO/IEO and international performance, EO/IEO and culture, and measurement issues involving EO/IEO. IEO research simply employs EO scale items (Covin and Slevin, 1989) or instructions (Covin and Lumpkin, 2011) that explicitly mention “export markets” (Boso et al., 2012), “in this foreign country” or “in the marketplace of this foreign country” (Dimitratos et al., 2012), “international

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2 A computer database search conducted on 5 April, 2013 using Google Scholar revealed that 272 writings (articles, working papers, book chapters, etc.) have used the exact phrase “international entrepreneurial orientation,” and 172 of these have appeared since 2009.
operations” (Zahra and Garvis, 2000), or international verbiage of various specific types (e.g., abroad, international markets, international business, international decision-making situations) (Kuivalainen et al., 2007; Sundqvist et al., 2012; Zhang et al., 2012; Zhou, 2007).

EO dimensions

The dimensions of EO can be derived from a review and integration of the strategy and entrepreneurship literatures (e.g., Covin and Slevin, 1991; Miller, 1983). Based on Miller’s (1983) conceptualisation, three dimensions of EO have been identified and used consistently in the literature: **Innovativeness, risk taking, and proactiveness.** Innovativeness is the predisposition to engage in creativity and experimentation through the introduction of new products/services as well as technological leadership via R&D in new processes. Risk taking involves taking bold actions by venturing into the unknown, borrowing heavily, and/or committing significant resources to ventures in uncertain environments. Proactiveness is an opportunity-seeking, forward-looking perspective characterized by the introduction of new products and services ahead of the competition and acting in anticipation of future demand.

Lumpkin and Dess (1996) suggested that two additional dimensions were salient to entrepreneurial orientation. Drawing on Miller’s (1983) definition and prior research, they identified **competitive aggressiveness and autonomy** as additional components of the EO construct. Competitive aggressiveness is the intensity of a firm’s effort to outperform rivals and is characterised by a strong offensive posture or aggressive responses to competitive threats. Autonomy refers to independent action undertaken by entrepreneurial leaders or teams directed at bringing about a new venture and seeing it to fruition. More recent theorising suggests that the dimensions of EO may occur in different combinations (Covin et al., 2006), each representing a different and independent aspect of the multidimensional concept of EO (George, 2011). As a result, the dimensions of EO may relate differently to firm performance (Stetz et al., 2000). Covin et al. (2006, p.80) note that “intellectual advancement pertaining to EO will likely occur as a function of how clearly and completely scholars can delineate the pros and cons of alternative conceptualisations of the EO construct and the conditions under which the alternative conceptualizations may be appropriate.”

IEO and international performance

In an environment of rapid change and shortened product and business model lifecycles, the future profit streams from existing operations are uncertain and businesses need to constantly seek out new opportunities. Therefore, firms may benefit from adopting an EO. Conceptual arguments suggest that EO leads to higher performance (Miller, 2011). In general, research
based on empirical findings below has revealed that **there is an overall tendency for EO and IEO or at least their components, most commonly proactiveness, to have a positive impact on international performance.**

To review some of the studies, first of all, EO levels are significantly higher among firms that internationalised than among their non-internationalised counterparts, and that EO is positively related to international scope, measured as number of countries in which the firm operates, and international sales percentage. EO was also found to positively affect the speed with which firms internationalise subsequent to their founding (Ripollés-Meliá et al., 2007). In a later study, Ripollés-Meliá, et al. (2012) reported that EO is positively associated with the exhibition of an international market orientation.

The research by Kuivalainen et al. (2007) indicated that competitive aggressiveness is positively associated with the degree of born-globalness; risk taking is negatively associated with the degree of born-globalness, and proactiveness is unrelated to that. Similarly, Hagen et al. (2011) reported that firms with “entrepreneurial growth-oriented” strategies exhibited some of the highest levels of international performance among the sampled firms, as indicated through both subjective and objective performance measures.

Next, Sundqvist et al. (2012) categorised the five dimensions of EO into two groupings: (1) the Kirznerian manifestations of entrepreneurially oriented behaviours, including the competitive aggressiveness and proactiveness; and, (2) the Schumpeterian manifestations of entrepreneurially oriented behaviours, which include the innovativeness, risk taking, and autonomy dimensions of EO. They argue that the Kirznerian manifestation of entrepreneurially oriented behaviours have stronger positive relationships with the profitability of the firms’ exporting operations when markets are relatively stable, whereas Schumpeterian manifestations of entrepreneurially oriented behaviours have stronger positive relationships with the profitability of the firms’ exporting operations when markets are more dynamic (cf. Covin and Miller, 2013). Likewise, Dimitratos et al. (2010) also assessed the five dimensions of EO in their in-depth case studies of 10 SMEs, which were either categorised as global SMEs (“actively achieves presence in the lead international countries of its industry” (p. 602)), or, as intercontinental SMEs (“absent from the lead international countries of its industry; or, if it has presence in those countries, this is not the end-result of
an active stance” (p. 602)). As a result, proactiveness vis-à-vis opportunities abroad, risk attitude, and innovativeness are more pronounced among global than intercontinental SMEs.

Prominently, a large part of research that links EO/IEO and international performance has been conducted on samples including, or solely limited to, Chinese firms (Covin and Miller, 2013). First, Liu et al. (2011) study ownership structure, strategic orientations, and internationalisation outcomes, reporting that EO is positively associated with internationalisation, which is operationally defined as the extent to which the firm aggressively seeks foreign markets, sells its products or services in foreign markets, and enters into overseas locations via foreign direct investment. Second, Zhang et al. (2012) explored relationships between the EO dimensions and two dimensions of degree of internationalisation: multinationality (international sales as a percentage of total sales) and country scope (number of foreign countries in which the SME has operations and the cultural diversity of the SME’s overseas markets). Results indicated proactiveness is most consistently and positively associated with the internationalisation performance criteria, but innovativeness exhibits no significant association.

In the third Chinese-context study, Li et al. (2010) showed that EO positively affects knowledge acquisition from foreign outsourcers, and this knowledge acquisition, in turn, positively affects overall firm performance, as assessed through various comparisons with competitors. Fourth, Zhang et al.’s (2009) reported that various dimensions of international entrepreneurial capability, including an international innovative and risk-taking capability, are positively associated with subjective financial and strategic indicators of global performance for both traditional exporting firms and INVs.

Fifth, as mentioned earlier, Zhang et al. (2012) investigated relationships between IEO, information technology capability, and international performance in samples of “born-globals” in both China (n = 81) and the US (n = 66). Their results suggest that information technology capability mediates the relationship between IEO and international performance, the latter operationalised using subjective indicators of both financial and strategic performance. In addition, no differences were found in the pattern of results for the Chinese and US subsamples. Finally, Zhou (2007) indicated that the EO dimensions positively influences foreign market knowledge acquisition, and that for early internationalising firms,
entrepreneurial proclivity affects the speed of born-global internationalisation through foreign market knowledge.

**Learning and knowledge**

Internationalisation is a learning process, through which SMEs acquire and accumulate knowledge. Organisational learning is defined by Autio et al. as “the process of assimilating new knowledge into the organization’s knowledge base” (2000, p. 911), and Huber notes “an organization learns if any of its units acquires knowledge that it recognizes as potentially useful to the organisation” (1991, p. 89).

In fact, entrepreneurs’ information is moulded by their subjective circumstances while their interests determine which elements of this information are relevant to their purposes. Clearly, entrepreneurs are not independent from one another, and what they know is the outcome of a process involving reciprocal observation, repetition, and experimentation that increase their confidence in certain actions and improve their ability to make decisions. Also, information is cumulative. What is learned in one period by someone builds upon what was learned in an earlier period by someone else (Minniti, 2005). There is a relatively large amount of literature on entrepreneurial learning and on how entrepreneurs learn. Parker (2006) argues that there are several aspects to entrepreneurial learning, namely, what entrepreneurs learn, why entrepreneurs learn, and how entrepreneurs learn. Minniti (2005) argues that what entrepreneurs learn relates to conditions and opportunities in specific industries, and to how to be entrepreneurial in general. They also suggest that entrepreneurs learn through an on-going adjustment process of their original plans and beliefs, possibly by trial and error. Arrighetti and Vivarelli (1999) contend that the reason why entrepreneurs learn is to increase the value of their ventures.

Arguably, one of the best known internationalisation models is the Uppsala model (Johanson and Vahlne 1977, 2009). It is a knowledge-based internationalisation process theory developed in the context of developed economies. It assumes that a firm's decision makers have incomplete and imperfect knowledge about foreign markets. The model proposes a positive relationship between market knowledge and market commitment in a firm's internationalisation process. Increasing experiential knowledge triggers greater resource commitment to a particular market due to the reduction of risk and uncertainty related to entering the international market. Internationalisation is an incremental process in which
organizational knowledge for international markets and operations expands, reducing the risk of international activities.

The research on knowledge management is closely related to learning theory. Kirzner (1979, p.8) defines entrepreneurial knowledge as “a rarefied, abstract type of knowledge—the knowledge of where to obtain information (or other resources) and of how to deploy it”. Knowledge has also played an important role in the new venture theory of internationalization, with knowledge and vision being the keys to aggressive international opportunity seeking. The development of knowledge depends on the firm’s absorptive capacity, which is “largely a function of the firm’s level of prior related knowledge” (Cohen and Levinthal, 1990, p. 128).

Thus, the management of knowledge is particularly challenging in cross-national settings where different cultures, corporate governance systems, time zones, and languages are involved (Kuemmerle, 2002). Knowledge moderates the speed at which perceived opportunity is exploited internationally. Knowledge was at the core of the Uppsala process models of internationalisation developed by Johanson and Vahlne (1977). Building on the behavioural view of the firm, they viewed the lack of foreign market knowledge as an impediment to international expansion as firms tended to confine their operations to the geographical vicinity of their existing knowledge. Thus, firms remained domestic until they were pushed or pulled internationally by an event such as an unsolicited export order. Even after moving into a foreign market, the speed of their internationalisation was slow as internationalisation occurred through a process of incremental stages. The firm progressed to further stages of internationalisation as it accumulated foreign market knowledge.

As IE researchers continue to explore the role of the entrepreneurial actor in the relationship between entrepreneurial opportunity and the speed of internationalisation, knowledge offers great promise as a moderating influence. Foreign market knowledge and the knowledge intensity of the firm are key variables that merit additional exploration.

With regard to some recent findings, Johanson and Vahlne (2009) regard opportunity as the most important component of knowledge. Other important components of knowledge include needs, capabilities, strategies, and networks of directly or indirectly related firms in their institutional contexts. Also, smaller firms may not have the relevant experience or useful networks, and rely on knowledge sources rarely recognised before (Fletcher and Harris,
Casillas et al. (2009) conceptualise an integrative model of the influence of knowledge in the internationalisation process, depicted in Figure 3. The model has several parts to be listed: (1) possession of previous knowledge; (2) decision and process of searching for new knowledge; (3) absorption of new knowledge and its combination with prior knowledge in order to forge new actions. In the model, two of the three dimensions proposed, choice of target country and way of entering that country, will be dealt with in the last stage of the process, i.e. as an action resulting from the process then described. Nevertheless, entry speed and process speed will be present at each stage of the process of generating, absorbing, and disseminating knowledge and subsequent action.

**Figure 3. A model of the influence of knowledge on the internationalisation process**

(Casillas et al., 2009)

Network theory

Networking is a powerful tool for entrepreneurs, and network analysis has been a powerful framework for international entrepreneurship researchers (Oviatt and McDougall, 1994). Focusing on the personal and extended networks of the entrepreneur and his/her management team, several studies challenging traditional models of internationalisation have drawn upon network theory. For example, networks have been shown to improve entrepreneurial effectiveness by providing access to resources (Slotte-Kock and Coviello, 2010). McDougall et al. (1994) explained that networks helped founders of INVs, or BGs, to identify...
international business opportunities, and those networks appeared to have more influence on the founders’ country choices than did their psychic distance.

**Networks help entrepreneurs identify international opportunities, establish credibility, and often lead to strategic alliances and other cooperative strategies** (Oviatt and McDougall, 2005). After an entrepreneurial actor discovers or enacts an opportunity and perceives the technologies that enable internationalisation and the competitors that motivate it, the entrepreneur uses established network links that cross national borders to explore where and how quickly the opportunity can be exploited in foreign locations. According to Oviatt and McDougall (2005), there are three key aspects of such networks that moderate the speed of internationalisation: (1) the strength of network ties, (2) the size of the network; and (3) overall density of the network.

The importance of networking in the international context continues to escalate due to the increasing interdependencies between firms, countries and markets (Dunning, 1995). For new ventures that battle liabilities of foreignness and newness concurrently, the relevancy of networks is magnified even further (Johanson and Vahlne, 2009). Emphasizing the role of networks in providing valuable international exposure for firms, Johanson and Vahlne (2009, p.1411) wrote that “…markets are networks of relationships in which firms are linked to each other in various, complex and, to a considerable extent, invisible patterns.” For new ventures pursuing internationalisation, the relevancy of networks is magnified even further as these ventures battle the liabilities of foreignness and newness concurrently. Network relationships help new ventures offset the lack of a proven track record and the limited legitimacy associated with being new (Shane, 2003). At the same time, network relationships can aid in new venture internationalisation by providing connections and opportunities in foreign markets (Coviello and Munro, 1997; Ellis, 2011; Johanson and Vahlne, 2009), the access to needed resources to internationalise (Zahra et al., 2000), and key information necessary to enter and compete abroad (Shrader, 2001).

Network perspectives

A review of network research by Hoang and Antoncic (2003) demonstrates that the entrepreneurship literature emphasizes network content (the nature of relationships and the resource access they provide), network governance (how networks and resource flows are coordinated) and network structure (the patterns of relationships within the network). In their
discussion, studies are categorised as either: (1) focusing on how networks impact the entrepreneurial process; or (2) focusing on how entrepreneurial processes impact network development.

Slotter-Kock and Coviello (2010) identify that there are two schools of thought that generally examines the impact of the network on the social group or organisation, namely social network (SN) and the business network (BN). Simply put, SNs are distinguished from BNs primarily by the level of analysis: an SN is the sum of relationships linking one person with other people (Burt, 1992), whereas a BN is normally described as a set of relationships linking one firm with other firms (Johanson and Mattsson, 1988).

(1) The social network perspective

Importantly, the SN literature provides a rich discussion of the concept of embeddedness and argues that economic behaviour is embedded in a social context or in a network of relationships. Theoretical arguments include Coleman’s (1988) explanation of the importance of a cohesive network, Burt’s (1992) argument for structural holes, and the extensive discussion of strong and weak ties. The SN research also considers political, cultural, economic, and technological development as exogenous influences on both individual and inter-organisational levels of cooperation. At the same time, SN research recognises endogenous influences such as efforts by the focal firm to access resources by structuring relationships in an efficient manner. Koka et al. (2006) refer to this as purposeful network action. Ellis (2011) summarises that entrepreneurs’ SNs:

(1) are idiosyncratic, meaning that opportunity recognition will be contingent upon an individual network structures as opposed to differences in personal traits;

(2) take time to develop, suggesting a correlation between opportunity recognition and entrepreneurial experience;

(3) are constrained, suggesting that the recognition of exchange opportunities will be affected by network size and reach; and

(4) provide a context for trust-based transacting, with the implication that tie-based opportunities will be exploited more quickly and rated more favourably than opportunities identified by other means.
This stream of research also draws our attention to the informal social network, as discussed previously, as a pre-emptive strategy to access information and deploys the relevant resources in a timely and flexible fashion (Zhou et al., 2007). Particularly, because it is embedded in the world’s largest emerging economy (China), the informal network may offer a more fascinating context in which to explore the potential contribution of social networks to the internationalisation process of SMEs (Buck et al., 2010). In addition, the focus on the emerging BGs from China’s private sector presents the opportunity for a more complete understanding of the phenomenon of early internationalising firms across the world markets (Rialp et al., 2005).

Overall, the SN literature generally emphasizes the identification and measurement of tie and network characteristics to understand the influence of structural change. The SN literature also tends to view process as logic to explain causation. Importantly, even the stream of research that connects the dyad with the network tends to focus on structural analysis with a positivist lens (Slotter-Kock and Coviello, 2010). This leads us to an alternative approach to understanding networks: the business network perspective.

(2) The business network perspective

The BNs perspective argues that a change in the dyad results from: (1) actors learning about how to utilize new combinations of resources, (2) the contrasting perceptions of actors in relationships, and (3) actors continually looking for opportunities to improve their position towards important partners. Following from this, BN research suggests that network development is cumulative in that relationships are continually established, maintained, developed, and broken to provide satisfactory economic return or to create a position in the network. This implies change is driven by factors endogenous to the firm. Johanson and Vahlne (2009) posit that the firm is embedded in an enabling, and at the same time constraining, business network that includes actors engaged in a wide variety of interdependent relationships (Figure 4). Internationalisation is seen as the outcome of firm actions to strengthen network positions by what is traditionally referred to as improving or protecting their position in the market.

**Figure 4. The business network internationalisation process model**

*(Johanson and Vahlne, 2009)*
At the most macro level, the BN perspective argues that exogenous influences such as economic conditions or technological advancement will be transformed into or combined with endogenous factors such as confrontation between actors. Thus, changes originate in the dyad in a manner that can be positive or negative, and any change in one part of the network will produce change throughout the whole network.

Further, relationship development increases each actor’s knowledge and helps them create realistic expectations of one another. In this sense, the network is understood to co-evolve with the relationships that form it, and experiences from one relationship are transferred to another in the network. This highlights the interplay between dyads and the overall network (cf. Ellis, 2011).

BN research also regards the network as being comprised of different types of relationships. At one level, it recognizes they may be positive or negative and allows for both cooperation and competition. This is connected to the fact that the BN perspective is not restricted to the present, but takes into account the past and future of relationships.

To summarise, the BN perspective focuses on understanding how to establish, build, and maintain or change relationships to create a position within a network. This signals the connection between various levels of the network. Further, the BN approach is focused on how relationships change and why change occurs (unlike SN research).
Social capital

Social capital can be seen as a combination of SN and BN. It refers to “the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit” (Nahapiet and Ghoshal, 1998, p. 243). In a follow-up article on the 1977 internationalisation process model, Johanson and Vahlne (2006, p. 1) emphasise that "opportunity development is an important outcome of commitment." They view the concept of social capital that Nahapiet and Ghoshal (1998) propose as being similar to the concept of commitment in the internationalisation process model. Johanson and Vahlne (2006) explain that Nahapiet and Ghoshal's claim that social capital encourages cooperative behaviour implies commitment. Thus, they consider the concepts of social capital and mutual commitment similar.

A useful way to structure the concept of social capital is to divide it into internal and external social capital. Yli-Renko et al. (2002) view internal social capital as the quality of relationships between individuals and departments within a firm and external social capital as management contacts, customer involvement, and supplier involvement. They conclude that social capital contributes to the firm's acquisition of knowledge, its competitive advantage, and its international growth. According to Woolcock (1998), it is problematic to distinguish between the elements of social capital, the ways it is created, and the benefits derived from it.

Nevertheless, three important observations can be made. First, social capital has an inherent value because it can be beneficial for economic or other gains. Second, social capital presumes some kind of antecedent relationship, either a strong tie or a weak tie between actors. Third, social capital encompasses both internal and external relationships. The internal relationships include those among people who work in the firm, and the external relationships are those a firm needs with distributors, customers, suppliers, competitors, government agencies, and other organizations to conduct business. The key concepts of market knowledge and market commitment in Johanson and Vahlne's (1977) model can be linked to the literature on social capital.

BGs or INVs rapidly enter markets where entrepreneurs have connections or follow their clients into new international markets (Coviello, 2006). **Social capital helps in reducing barriers to SME internationalisation by yielding international business opportunities and facilitating learning outcomes** (Johanson and Vahlne, 2009). The proclivity to form and
leverage network relationships is an important success factor in SME internationalisation. For example, Prashantham (2011) explains that the firm’s capacity for social capital to generate opportunities and facilitate learning can be used to explain entry mode choice.

Even after controlling for individual level attributes, there are significant effects of social capital at the country level. A resident of a country with higher generalised trust and breadth of formal organisational memberships was more likely to perceive entrepreneurial opportunities and is also more likely to invest in an entrepreneur with whom he or she had a weak personal tie than was a resident of a country with less generalised trust (Kwon and Arenius, 2010).

**Opportunity**

Overview

The emergence of new ideas and how they can lead to commercialisable opportunities are central to the field of entrepreneurship (Shane and Venkataraman, 2000; Short et al., 2010). International entrepreneurship is fundamentally captured in the identification and exploitation of opportunities for international exchange (Ellis, 2011). IE research focusing on opportunity has rich potential (Jones et al., 2011).

One of the most used definitions of entrepreneurial opportunities is that offered by Eckhardt and Shane (2003, p. 336) as “situations in which new goods, services, raw materials, markets and organizing methods can be introduced through the formation of new means, ends, or means–ends relationships”. Different opportunities arise from changes in different parts of the value chain. Another definition is presented by Sarasvathy et al. (2003, p. 79), who propose that an opportunity is “a set of ideas, beliefs and actions that enable the creation of future goods and services in the absence of current markets for them”. Hence opportunity arises from perceptions and behaviours combined in an attempt to create new economic artefacts. As for an international opportunity, it is “…a situation that both spans and integrates elements from multiple national contexts in which entrepreneurial action and interaction transform the manifestations of economic activity” (Mainela et al., 2013).

The opportunity-based entrepreneurship mainly follows two dominant schools of thought, those of Schumpeter (1934) and Kirzner (1979). While Schumpeterians focus on discovering opportunities by innovating in the market, Kirznerians stress that entrepreneurs need to seize opportunities that others do not see through alertness and bring a balance to the demand and
supply of the market. Differently put, Kirznerian entrepreneurs can assume that opportunities objectively exist in the market and it is their task to exploit them; but according to the Schumpeterian perspective, firms need to create opportunities and bring them to market. Although these two strands are not seen as mutually exclusive (Shane and Venkataraman, 2000), the different foci of Schumpeterian and Kirznerian opportunities require differentiated individual-level attributes such as strategic vision, knowledge, experience, and entrepreneurialism.

What makes an entrepreneur is the capability to precisely appraise the potential of a particular opportunity (Baron, 1998). As for an entrepreneurial opportunity, Sarasvathy et al. (2003) argue that the constituents of such a combination are a set of new ideas, beliefs, and actions. Indeed, opportunities are not considered products, business models, or organizations; rather, they are an economic situation where profits are sought through correct product and service combinations and proper strategies (Eckhardt and Shane, 2003).

Opportunity identification and exploitation

The primacy of opportunity recognition in the entrepreneurial process is now well established (Eckhardt and Shane, 2003). But the question of how international opportunities are identified remains under-explored, prompting calls for more research (Styles & Seymour, 2006). Ellis (2011) define international opportunity as the chance to conduct exchange with new partners in new foreign markets. However, as entrepreneurship cannot be inferred unless opportunities are actually exploited, for all intents and purposes the only meaningful opportunity is the one that leads to the formation of a new international exchange. Exchange partners may be foreign intermediaries (e.g., distributors, wholesalers or retailers) or foreign consumers. Acknowledging opportunity recognition as being central to entrepreneurship, a key question is: Why and how do some people and not others discover and exploit these opportunities (Lee and Venkataraman, 2006)? The standard answer to this question is that opportunity recognition is influenced by entrepreneurs’ participation in social and business networks (Coviello and Munro, 1997).

This opportunity identification and exploitation should be conducted within the IE paradigm (Jones et al., 2011). In turn, it is argued that “the opportunity focus can provide a more accurate lens through which to study the international entrepreneurial phenomenon” (Chandra et al., 2012, p.95). Opportunity-themed IE research has rich potential (Jones et al., 2011).
Moreover, shifting the focus of IE to opportunity, Oviatt and McDougall (2005, p.504) reformulated their 1996 and 2000 IE definitions to be “the discovery, enactment, evaluation, and exploitation of opportunities-across national borders-to create future goods and services.”

Building on that, Dimitratos and Jones (2005) posit that IE provides the encompassing groundwork that captures entrepreneurial activities of the firm seeking international opportunity exploitations; and, further explain that such an exploitation is a process in which firms search for, discover, and evaluate opportunities among alternatives and finally exploit those selected. Even if entrepreneurial firms may be improvisational when selecting foreign market opportunities, seizing opportunity is a dynamic process with a recursive and fluid relationship that requires cognition and action. Hence, international opportunity exploitation refers to how opportunities can be perceived and tapped overseas. It is argued that the capability to identify and exploit unique international opportunities could be a pivotal differentiating capability or resource for firms.

Several methods for measuring opportunity recognition are found in the entrepreneurship literature. These include: (1) asking entrepreneurs to count the number of new venture opportunities they perceived in the immediate past; (2) asking entrepreneurs to speculate about the likelihood of recognizing opportunities in the immediate future; and (3) asking entrepreneurs to gauge their level of alertness to new opportunities in general. However, perceptions are difficult to measure, and harder to compare (cf. Ellis, 2011).

An alternative approach is to measure exploited opportunities, that is, to record only those opportunities that have led to the formation of new ventures or exchange agreements (Chandra et al., 2012; Lee and Venkataraman, 2006). This is consistent with the view that the recognition and exploitation of opportunities are two distinct milestones in the entrepreneurial process (Barreto, 2010).

Tie-based opportunities were found to be constrained in terms of geographic, psychic and linguistic distance, suggesting that networks are bounded by communication horizons. Potentially lucrative opportunities that lie beyond these horizons will be missed by the entrepreneur who relies solely on ties. The implication is that tie-based methods of opportunity identification may inhibit entrepreneurial initiative, leading to sub-optimal internationalisation trajectories. The circumstances under which this happens remain to be explored (Ellis, 2011).
**Ethnic minorities in entrepreneurship and culture**

Approximately 3% of the world’s population are immigrants, who account for 10% of the population living in developed countries (Riddle, 2008). **In the UK, ethnic minority businesses have grown at a rate three times faster than other business** (Ram et al., 2011). They also further suffer less liability of foreignness when they internationalise to their country of origin. Business start-ups from the ethnic minority communities were three times more likely to turn in profit compared to non-minority-owned businesses (Ram et al., 2011). Comparatively, little is known about the characteristics of this type of entrepreneurs, what motivates them and what barrier they face. Although it is understandable inasmuch as the entrepreneurship of ethnic and racial minorities is off the business mainstream, conventional entrepreneurship is not a simple universal (Light and Dana, 2013). Such societal renewal and economic revitalisation is especially necessary in those developed economies that are experiencing an aging population and growth slowdown (Ndofor and Priem, 2011) such as the UK. With the ageing population worldwide, long-range planners have predicted that immigrants will continue to play a key role in economic growth in future (Desiderio and Salt, 2010). We now discuss an emerging topic in the IE literature, transnational entrepreneurship.

**Transnational Entrepreneurship**

The importance of the transnational entrepreneurship theory and practice has recently come into the fore. Transnational entrepreneurs (TEs) are first-generation, immigrant entrepreneurs (e.g. Indians) who maintain business entities at least in their home (e.g. India) and host (e.g. UK) countries. The shaded area in Figure 5 identifies those considered to be transnational entrepreneurs. From right to left, immigrant entrepreneurs are those business owners who settle down in a new country as permanent residence. Some choose to run a domestic business (a local Chinese bistro) in the host country, while some others choose international venturing (Chinese chain restaurants in Scotland and Ireland), entering the domain of international entrepreneurship. Their next generation, born in TEs’ host country, are considered ethnic entrepreneurs. Although they are of ethnic minority, since they are ‘native-born’, they regard TEs’ host country as their home country. Retaining many entrepreneurial characteristics of their last generation, they may gradually become indigenous entrepreneurs through assimilation. Lastly, in the international business context, indigenous entrepreneurs are those who were born in the same country as their parents. Again, some of them may
choose to become international entrepreneurs. However, (domestic) entrepreneurship studies also refer indigenous entrepreneurs to aboriginal entrepreneurs.

**Figure 5. The position of transnational entrepreneurs: taxonomy of entrepreneurs by country of origin (Source: Nicolas Li)**

Transnational entrepreneurship stemmed from both sociological and international management perspectives almost simultaneously (Yeung, 2002). TEs are shaped by a combination of individual characteristics from international entrepreneurs and social settings from both home and host countries. Drori et al. (2009, p.1001) define transnational entrepreneurs as “social actors who enact networks, ideas, information, and practices for the purpose of seeking business opportunities or maintaining businesses within dual social fields, which in turn force them to engage in varied strategies of action to promote their entrepreneurial activities”.

A related domain to transnational entrepreneurs (TEs) is that of ethnic entrepreneurship (EE). Ethnic entrepreneurs are typically the second/third generation of immigrant entrepreneurs whose group membership is tied to a common cultural heritage or origin and are known to out-group members as having such traits. Ethnic entrepreneurs are intrinsically intertwined in particular social structures in which individual behaviour, social relations, and economic transactions are constrained (Ram et al., 2011). The scholarship of EE is largely restricted in the domestic context. Ethnic entrepreneurship should be distinguished from transnational entrepreneurship in two ways. First, while TEs are bound to be international, ethnic entrepreneurial firms may only operate domestically in the host country; even when they become international, they mainly trade only within the cultural/ethnic community they belong to (Drori et al., 2009). Second, TE’s business activities lead to assimilation, but ethnic
entrepreneurial firms do not necessarily make a way to integrate into the host country (Morawska, 2004). Interestingly, an Ireland-hosted Chinese TE case (Drori et al., 2010) demonstrates that many TEs try to avoid close business relations with co-ethnics as they may constrain market opportunities in the host country. Hence, although they share similarities, transnational and ethnic entrepreneurships are two distinctive streams of research. In contrast, the locus of reference for TEs is the international theatre.

While in principle TE is fundamentally compatible with IE’s entrepreneurial initiative, the approach and the domain differ markedly from TE. TE consists of individual entrepreneurs who leverage opportunities that arise from their dual fields and networks, optimizing resources where they may be most effective (Drori et al., 2009). Yeung (2002) carefully maps out these distinctions, pointing out that TE activities have to cope and adapt to the institutional relations in both home and host countries by “the social and business networks, in which these TEs are embedded, political–economic structures, and dominant organizational and cultural practices in the home and host countries” (p. 30). Yeung’s discussion of the relationship between IB and TE suggests that IB activities pose a challenge in adapting to the host country’s social economic and political systems, thus requiring “exceptional qualities in the process of creating and sustaining particular business ventures across national boundaries by social actors” (Yeung, 2002, p. 31). He points out that institutional structures form the “rules of the game” governing TE decision making. As he states, “…entrepreneurial action, however, is constrained by their home country endowments that are explained by variations in home country institutional structures” (p. 41). Thus, TEs form strategies inherently shaped by social, economic, political, and symbolic meanings and consequences, in both the previous and adopted countries in which they operate. They are able to utilise the advantages of operating in two socially embedded environments to aid competitiveness in a way that their counterparts who are based in one country are unable to (Crick and Chaudhry, 2010).

Transnational entrepreneurs tend to pursue international business activities due to either the instinctive pursuit of international prospects; or, their incompetence in their host country’s language skills, lack of education and specific professional skills or certification, and depreciation of their human capital in the host country, all of which are not the traits of native entrepreneurs (Zhou, 2007). The organisational culture of TEF is inevitably diverse due to the ethnic background since inception. Hence, dissimilar organizational culture characteristics
may be associated with different levels of pursuit of opportunities; and, internationalisation dimensions in the international marketplace (Oviatt and McDougall, 2005).

Using agency, cultural perspectives, institutional perspectives, power relations, social capital, and networks, we introduce the importance of targeted inquiry, as depicted in Figure 6. The nature of TEs link a number of distinct characteristics which indicate that their position in the host and origin societies is closely associated with the sociocultural, political, and economic resources at their disposal. Furthermore, business strategy, or perceived chances of success, is associated with the specific social and cultural preconditions, which may supplement economic considerations. The phenomenon of TE implies a distinct opportunity structure that enables those immigrants who found and maintain businesses to benefit from “two worlds” as a crucial factor for survival, a way of “breaking out,” and/or a method for providing competitive advantage (Drori et al., 2009).

**Figure 6. Factors Influencing Transnational Entrepreneurship and Their Outcomes**

*(Drori et al., 2009)*

Certain additional international business opportunities may only be visible to those firms; that being said, transnational entrepreneurs’ incompetence in their newly-settled country’s language, education, and specific professional skills or certification, and depreciation of their
human capital, all of which are not traits of native entrepreneurs, forces them to actively seek opportunities internationally (Sequeira et al., 2009). Hence, with their presence in two geographical locations, **TEs are in a unique position to identify and exploit business opportunities that are otherwise not identifiable** (Drori et al., 2009).

The transnational entrepreneurship strands may become popular thematic areas for the IE research in the next decade. However, the fragmentation of the existing literature needs to be consolidated before the scholarship can move forward. Assessing TEs appropriately will provide an opportunity for the host country to grow as a less susceptible economy, attract more worldly entrepreneurial firms, build stronger international links, and critically have a larger number of sustainable international businesses. **This will inevitably generate a positive spillover effect to the rest of the host country’s economy** (Dimitratos et al., 2009).

Culture

“**Culture is important in any discussion of entrepreneurship because it can determine the attitudes of individuals towards entrepreneurship…and certain cultural institutions may facilitate or hinder entry into entrepreneurship**” (Light and Dana, 2013, p.46). For example, only supportive cultural capital is the catalyst for social capital to promote entrepreneurship (Light and Dana, 2013).

Empirical research on the relationship between EO/IEO and national culture, where culture is actually measured as opposed to simply being recognised as part of the national context in which the EO/IEO research is being conducted, is very limited. This is unfortunate, yet represents a significant research opportunity. The major empirical study in this area is that of Kreiser et al. (2010). These researchers collected data from 1,048 firms in six countries (Australia, Costa Rica, Indonesia, the Netherlands, Norway, and Sweden) on the relationship between the individual EO dimensions of risk taking and proactiveness and Hofstede’s (1980) dimensions of societal culture. Findings indicated that uncertainty avoidance and power distance are negatively associated with risk taking and proactiveness, the latter two variables operationalised using items from the M/C&S scale. Individualism was also found to exhibit a negative association with proactiveness.

The use of culture and its conceptualisation in conjunction with entrepreneurs can be understood only in relation to the strategies of action they sustained. Thus, the cultural tool
kit of entrepreneurial action is not a static entity containing cultural codes and modes of behaviour from which social agents simply pick and choose. A cultural code “means more than being able to apply it mechanically in stereotyped situations—it also means having the ability to elaborate it, to modify, or adapt its rules to novel circumstances” (Sewell, 1999, p. 51). Cultural repertoires of entrepreneurial actions, therefore, are continuously refracted through human action and adjusted to particular social contexts and to actors’ skills and habits.

Cultural repertoires of entrepreneurial action are not necessarily tied to, or restricted by, cultures. As Swidler (2001, p.23) suggests, “there are not simply different cultures: there are different ways of mobilizing and using culture, different ways of linking culture to action”. The cultural resources approach is implicitly linked to structuration arguments, in that the translation of cultural resources eventually manifests itself in the reproduction of entrepreneurial activities. As Putz contends: “[ethnic] entrepreneurship is thus explained through the availability of resources in an ‘entrepreneurial class’ among migrants, such as material capital necessary for establishing a business and educational capital for heading an enterprise as well as bourgeois values, attitudes, knowledge and skills, which are passed on from generation to generation” (2003, p. 557).

However, by over-emphasising structure, we would run the risk of assuming pre-supposed cultural homogenisation shapes the pattern and propensity of certain ethnic groups for entrepreneurship, regardless of the contextual and individual realm. The action-oriented role of culture in international entrepreneurship is associated with the essence of transnationalism and the assertion that cultural boundaries are fluid and implicit. International (or transnational) entrepreneurs should act as agents who have to redraw the boundaries of their cultures in order to follow action paths and routines embedded in both practice and diverse symbolic orders. Conceptualising international entrepreneurs as agents is appropriate for studying global settings across national and cultural borders (cf. Drori et al., 2009).

Policy Implications

This section brings together and reflects on the key policy implications that arise from the above. In addition, it includes ideas from discussions at two workshops held in Scotland by
the Universities of Glasgow and Edinburgh in April 2013, which focused on IE (see references below and appendices 3 and 4 for the detailed programmes). Members of this team had key roles organising and presenting at the workshops. The workshop held at the University of Glasgow was a practitioner focused knowledge exchange event which brought together academics, businesses, support agencies and policy makers to discuss business and policy implications of recent academic research concerning entrepreneurial learning for internationalisation. The workshop at the University of Edinburgh brought together leading academics and doctoral researchers, who presented and discussed some of the most current, new and potential research areas in the IE field. There are three key inter-related aspects discussed in this section, which we consider worthy of highlighting for SE policy implications. First, the issues concerning firm specific aspects highlighted in the RBV: firm capabilities in learning, networking and dynamic capabilities. Second, external environmental issues: institutional aspects, inspiring an IE culture, social entrepreneurship, immigrant and transnational entrepreneurship. Finally, we consider the specific case of China.

Learning, knowledge acquisition and network building capabilities are of key importance and greatly influence a firm’s internationalisation. Although export and internationalisation policy support have often been directed at export promotion and addressing market failures (e.g. facilitating access to information), there is growing recognition of the importance of networking and management capability development (e.g. Young and Tavares, 2007). A key discussion point in the Glasgow workshop was the dimensions of strategic and emergent approached to planning and the related aspects of rational and analogical versus intuitive approaches to decision making. Speedy decision making can be vital for firms, but may result in them not prioritising time for, or analysing situations in decision making. The research and workshop discussion identify experience and trial and error as key ways that firms learn and develop dynamic capabilities. With this approach to IE, firms need to learn and respond to mistakes quickly to then make the right decision.

A key aspect of learning for firms is recognising what they do not know and identifying their knowledge needs (Fletcher and Harris, 2012). Some knowledge may not be gained or capabilities developed from operating in the international market place, and learning will relate to the firm's phase of internationalisation and specific challenges. Firms needed to acquire new internationalisation related know-how and capabilities, such as market entry
methods, managing overseas partners, legal aspects, licensing, overseas project management, overseas franchising, sales and marketing processes, manage overseas subsidiaries. It is specific to the resources and capability needs of the individual firm. **A policy implication is that support providers have a role helping firms recognising learning needs.** However, this support needs to be timely in order to help firms avoid making costly and time consuming mistakes that hinder (or are fatal to) internationalisation. **Diagnosis** requires support providers to be closely engaged with firms, as well as roles involving **signposting, brokerage** (e.g. help with the process of accessing and managing consultants/external expertise) and **delivery** of a service (Mole and Keogh, 2009). Smaller firms may face constraints in accessing people with the correct skills and knowledge to support the firm. At the workshop comments made by entrepreneurs include:

"Using experts is great but how do you find them, where do you go and timing"; another stated "Company culture is important, large company experience is not necessarily valid for SMEs" and "There is no way to tell the quality of the advice". **Clearly brokerage has an important role for support agencies.**

Accessing specific international market knowledge has long been recognised as having a key influence on a firm's internationalisation, lack of which is a major barrier. Historically we have viewed market knowledge as coming from experience or published information acquired through external search. However, published information needs to be relevant, as one entrepreneur commented at the ISBE/CIER workshop

"I did a course on China which wasn't applicable in real life. It's a different culture and takes time".

Again, this suggests the need for close interaction between the firm and support agency to provide useful advice and information. A suggestion from the workshop is that support providers could develop key information databases on overseas markets that firms can access to help them make a decision in entering or developing an overseas market. However the tacit knowledge and experience of advisors is also crucial.

A firm’s network can comprise of its direct business environment of suppliers and distributors/agents/customers, indirect institutions/intermediaries and social players - its informal social network. Building and managing domestic and international networks is a key
capability required for IE. There has been conflicting evidence in studies around the world as to whether support agencies facilitate the development of networks (O'Gorman and Evers, 2011). For example, development agencies in New Zealand were found to expedite the formation of relations for international extension, penetration and integration of networks to internationalise; and in Italy, official go-betweens facilitated supplier-buyer relations between Italy and Sweden. However, another study in New Zealand found business support agencies to be of limited direct assistance to network development in firms; and, in Spain, institutional networks were found to be insignificant to rapid internationalisation. O'Gorman and Evers report that support agencies can have a critical function providing information intermediation between local firms and international customers. Nevertheless, the capacity of the support agency to effectively influence new firms is the strength of its international market network and relationship with the local firm, i.e. entrepreneurs frequently draw on "strong" ties and an agency that develops a close relationship may be used more by entrepreneurs. A key policy implication is the availability of staff within the support agency that have prior international experience and networks in the relevant sector. A comment at the workshop illustrated this point:

"You need someone who can hold your hand who is specialist and can connect you with the right people".

A dilemma identified by O'Gorman and Evers (2011) is, will efforts to develop strong support agencies come at the expense of developing strong firms?

There is also the potential for mentoring between businesses. A study by Nummela and Pukkinen (2006) of Finnish export circles, found mixed results on the impact of commitment to internationalisation, co-operation and the export group, in terms of the achievement of objectives and success of co-operation.

In the process of relationship development, IEs may use online networks by entrepreneurs. These have been found to help entrepreneurs to expand their relationship portfolios faster than traditional methods would allow (Sigfusson and Harris, 2012). The web can be used to establish contact with people who are also connected to other members of their relationship networks. It allows the more rapid buildup of trust and facilitates development of relationships into opportunities and strong relationships, and enables more rapid use of go-betweeners in the process of internationalization.

A study in Denmark (Rasmussen et al, 2011) suggests that although international engagement
influences the need for a location with better infrastructure, there is more emphasis on access to local a network of customer/suppliers, with access to research institutes featuring highly. A negative policy implication noted is that higher international engagement may increase a firm’s intention to re-locate abroad. A recent study by Love and Roper (2013) finds strong positive association between innovation, exporting and productivity and/or growth, where innovation and exporting work jointly to improve business performance. Local initiatives may help SMEs build productive partnerships with other firms and organisations such as universities. It is suggested co-ordinated support mechanisms are required, whereby close collaboration between support providers is necessary to ensure SMEs are provided with timely and accessible support for innovation and exporting.

An interesting question that was discussed at the session on networks at the University of Edinburgh workshop was how multicultural networks of immigrant and transnational entrepreneurs influence internationalisation process. Whilst Scottish Enterprise has developed its network of diaspora in its Global Scot initiative, the next development could be to look at the potential for harnessing the foreign networks of immigrant and transnational entrepreneurs in Scotland. There may be challenges for developing transnational entrepreneur involvement, yet it should be recognised that this needs to be adapted to suit social, economic and political systems in Scotland. The importance of social networks and informal institutions in China and Russia should not be overlooked. Furthermore the growth of online networks such as LinkedIn, and other international equivalents can provide the opportunity for IEs to access and build networks speedily.

There are some specific aspects worthy of noting with regards to inspiring and supporting an IE culture. First, there may be ways that policy can further support the development of opportunities. For example at the Glasgow workshop, one new business suggested that the domestic market can be a testing ground for new products, but it can be difficult for new firms to get access to or penetrate some domestic (e.g. public sector markets) in the UK - can policy help here? Second, at the Edinburgh workshop the case of social entrepreneurship was highlighted as potential for IE development, at present in Scotland it has domestic focus. Finally, the case of serial and portfolios entrepreneurship applies to IE too. Entrepreneurs may have preferences or skills for working in new and smaller firm context that inhibits their motivation to become MNEs. For example one IE at the Glasgow workshop commented:

"I have no desire to run a business of the size that it has more than £20m turnover".
Finally, the research above has highlighted the growing interest in China's changing role in the global economy. These changes offer opportunities for the UK in both exporting (Chinese imports) and to attract Chinese outward investment. For example the Economist Intelligence Unit (EIU, 2013) reports growing consumer demand in China, where imports are catching up with exports, which suggests opportunities for UK (and Scottish) businesses. On the other hand there is growth in outward investment by privately owned (as opposed to state-owned) Chinese firms. EIU (2013) expects China to become a net investor in the world, so where might that investment go? The report ranks the UK only 19th in attractiveness for Chinese outward direct investment, while Norway ranks 7th, Switzerland 8th, Germany 10th, Sweden 13th, Denmark 14th, and Finland 16th. The EIU noted (p. 9), "Switzerland and Germany score well because of their access to markets, high levels of GDP per capita, good transport infrastructure, low risk and high levels of innovation." As the UK ranks 5th in terms of brands and technology sought by Chinese firms, there seems potential for the UK to improve its overall attractiveness for investment. This report suggests that the challenge for host country governments is to formulate and implement strategies to ensure that their own businesses and consumers gain the most from FDI. In China, the government has micro-managed FDI projects, handpicking local joint venture partners and ensuring that as much technology as possible is transferred from multinationals. Furthermore, host countries should take care to avoid giving Chinese investors the impression that they are unwelcome or discriminated against.

**Conclusion**

This review report on the recent and key IB and IE literature has provided a holistic view of current state-of-art in theory and how recent theory can inform practitioners. These topics are likely to continue to be developed more fruitfully in scholarship; if management and policy-makers can be well informed, theory should be able to merit practice. A key purpose of this report is to inform policy makers and practitioners about the nature and state-of-art of international management. With this aim, the report with the list of key papers can encourage a better understanding about IB and IE; and, guide decision making that can lead to better support and conditions that allow this endeavor to thrive.
To highlight a few implications for practitioners, first of all, **firms should fully interpret the institutional profiles (e.g. legal framework, etc.) of both the host and the home country before firms internationalise.** Next, firms should be positive about internationalising as a well-established literature shows that internationals have higher levels of productivity; and equally, being able to discover and execute international opportunities is crucial for successful SME internationalisation. Judging opportunities is a critical entrepreneurial process in differentiating an idea from an opportunity. In addition, making predictions on entry mode/timing/locus using models from those latest studies can facilitate the process of internationalisation and enhance performance. Besides, it is strategically vital to know which type of knowledge/network relationship is most important to be acquired and sustained. For instance, if firms should develop the culture and capabilities to innovate, as the literature has shown that innovative firms are more likely to be profitable. Further, entrepreneurs should understand behaviours of non-native firms (either firms from emerging economies or transnational entrepreneurial firms) whose entrepreneurial mind-set and culture may differ. In turn, those firms from emerging economies should draw upon their cross-country and cross-cultural experiences and resources in strategic ways so as to design business models that best leverage the (dual) legal and regulatory environments they face. Finally, the firm must develop the set of resources and capabilities that is “best fit” for the firm’s internationalisation. The right pooling of the set may encourage early internationalisation.

Our report also unveils some challenges and opportunities to research. After decades of evolution, IB has become a maturely moulded and giant-sized subject as a solid extension to general management; in fact, Buckley (2002) commented that “…IB research has run out of steam”. So, is it because there are no more big questions so that we see more and more research that tests IB theories in the Chinese/Indian context? Although the answer is not definite, **the IB research may require “innovation” or “reconfiguration”, both theoretically and methodologically.** For example, IB scholars may try to consolidate IE theories by integrating MNE theoretical frameworks, and bridging country-, firm-, and entrepreneur-level analyses; or, they may try to borrow notions from sociology, psychology, anthropology, ethnography, and business economics in order to derive new big questions for IB/IE research.

Likewise, as a relatively new discipline, IE is still vibrant but the field is still somewhat fragmented. To develop a fuller and better picture of the field, innovation on unit of analysis
can be a good avenue, such as using opportunity (cf. Mainela et al., 2013), the entrepreneur, and the entry to developing country rather than the firm. Additionally, “…the development of IE…is likely to be particularly challenging both theoretically and methodologically due to its inherent complexity” (Dimitratos and Jones, 2005: 119). Although the bumpy road ahead of this emerging area in IE may lead to debates over whether it is worth further inquiry, it is rather positive than problematic to enhance our understanding on topics such as entrepreneurial opportunity as well as transnational entrepreneurship. This is sided with Chandra et al. (2012: 75), who argue that “…the opportunity-based view is a fruitful avenue of enquiry to advance knowledge in this area.”
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<td>JMS</td>
<td>Antecedents; characteristics</td>
<td>400 films from US movie industry between 1941-1948</td>
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<td>29</td>
<td>Lichtenthaler &amp; Lichtenthaler (2009)</td>
<td>Conceptual</td>
<td>JMS</td>
<td>Antecedents</td>
<td>-</td>
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<tr>
<td>30</td>
<td>Lee et al. (2002)</td>
<td>Simulation</td>
<td>SMJ</td>
<td>Intermediate outcomes</td>
<td>-</td>
</tr>
<tr>
<td>31</td>
<td>Luo &amp; Zhan (2008)</td>
<td>Empirical</td>
<td>MIR</td>
<td>Performance outcomes; characteristics</td>
<td>500 Chinese firms between 2004-2005</td>
</tr>
<tr>
<td>33</td>
<td>Majumdar (2000)</td>
<td>Empirical</td>
<td>JBV</td>
<td>Characteristics</td>
<td>1 large US telecommunication firm.</td>
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<tr>
<td>34</td>
<td>Malik &amp; Kotabe (2009)</td>
<td>Empirical</td>
<td>JMS</td>
<td>Antecedents; characteristics</td>
<td>115 Indian and Pakistani</td>
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<td>No.</td>
<td>Author(s) &amp; Year</td>
<td>Methodology</td>
<td>Journal</td>
<td>Research Domain</td>
<td>Sample Size</td>
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<tr>
<td>35</td>
<td>Moliterno &amp; Wiersema (2007)</td>
<td>Empirical</td>
<td>SMJ</td>
<td>Antecedents</td>
<td>26 teams from professional baseball between 1969-1983</td>
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<tr>
<td>38</td>
<td>Pablo et al. (2007)</td>
<td>Empirical</td>
<td>JMS</td>
<td>Characteristics</td>
<td>1 regional health authority in Canada</td>
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<td>Rindova &amp; Kotha (2001)</td>
<td>Empirical</td>
<td>AMJ</td>
<td>Antecedents</td>
<td>Excite and Yahoo!</td>
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<td>Rosenbloom (2000)</td>
<td>Empirical</td>
<td>SMJ</td>
<td>Characteristics</td>
<td>NCR Corporation</td>
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<tr>
<td>42</td>
<td>Salvato (2003)</td>
<td>Empirical</td>
<td>JMS</td>
<td>Characteristics</td>
<td>2 medium-sized Italian companies</td>
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<tr>
<td>43</td>
<td>Schreyögg &amp; Kliesch-Eberl (2007)</td>
<td>Conceptual</td>
<td>SMJ</td>
<td>Characteristics</td>
<td>-</td>
</tr>
<tr>
<td>44</td>
<td>Shi &amp; Wu (2011)</td>
<td>Empirical</td>
<td>MIR</td>
<td>Characteristics</td>
<td>1,093 Strategic Account Management Association member companies</td>
</tr>
<tr>
<td>45</td>
<td>Slater et al. (2006)</td>
<td>Empirical</td>
<td>SMJ</td>
<td>Characteristics; performance outcomes</td>
<td>280 marketing executives from manufacturing and service businesses</td>
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<tr>
<td>46</td>
<td>Song et al. (2005)</td>
<td>Empirical</td>
<td>SMJ</td>
<td>Performance outcomes</td>
<td>466 US joint ventures formed between 1990-1997</td>
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<tr>
<td>47</td>
<td>Teece (2007)</td>
<td>Conceptual</td>
<td>SMJ</td>
<td>Antecedents; characteristics</td>
<td>-</td>
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<td>Method</td>
<td>Journal</td>
<td>Antecedents; Characteristics; environmental factors; performance outcomes</td>
<td>Performance outcomes</td>
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<tr>
<td>48</td>
<td>Teece et al. (1997)</td>
<td>Conceptual</td>
<td>SMJ</td>
<td>-</td>
<td></td>
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<td>49</td>
<td>Uhlaner et al. (2012)</td>
<td>Empirical</td>
<td>SBE</td>
<td>Two organisational capabilities</td>
<td>1,218 Dutch SMEs in 1999.</td>
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<tr>
<td>50</td>
<td>Winter (2003)</td>
<td>Conceptual</td>
<td>SMJ</td>
<td>Characteristics</td>
<td>-</td>
</tr>
<tr>
<td>51</td>
<td>Yiu &amp; Lau (2007)</td>
<td>Empirical</td>
<td>ETP</td>
<td>Characteristics</td>
<td>600 small firms in China between 2003-2004</td>
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<td>52</td>
<td>Zahra et al. (2006)</td>
<td>Conceptual</td>
<td>JMS</td>
<td>Antecedents; characteristics of DCs; environmental factors; performance outcomes</td>
<td>-</td>
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<tr>
<td>53</td>
<td>Zott (2003)</td>
<td>Simulation</td>
<td>SMJ</td>
<td>Performance outcomes</td>
<td>-</td>
</tr>
</tbody>
</table>
Entrepreneurial Learning In Organisations Network
Linking theory and practice

Workshop - Entrepreneurial Learning: Growth, Internationalisation and Policy Issues

As firms come under increasing pressure to compete in the global market place, we need to understand more about what managers and firms need to know and learn to compete internationally. The workshop aims to link business practice and theory by bringing together academics and business managers, as well as those who support business learning.

This is an opportunity for businesses to:
- Contribute directly to academic and policy debates and reflect on and inform their own business practice
- Hear about and discuss research in this area
- Consider policy for supporting business growth and internationalisation
- Identify future research priorities

Cost: £70 for ISBE members
£90 for non-members
£30 for businesses

Click here to register:
URL: https://www.eventsforce.net/isbe/33/home

Places are limited so please apply as soon as possible to avoid disappointment!

For queries about the event or to apply for a bursary please contact Tamara McNeill on t.mcneill@mmu.ac.uk
Programme

09.45 Registration and coffee

10.15 Welcome to University of Glasgow: Dr Margaret Fletcher CIER

10.20 Introduction: Dr Clare Schofield, MMU

10.30 Business introductions (businesses introduce themselves in their discussion groups)

10:50 Speaker 1: “Entrepreneurial Experience and Reasoning” - Professor Marian Jones CIER

11.20 Speaker 2: “Knowledge acquisition and learning by internationalising entrepreneurial firms” - Dr Margaret Fletcher CIER

11.50 Coffee and Networking

12.10 Group discussions: round table discussions led by businesses giving their perspectives on the research*

13.00 Lunch

13.50 Introduction to the afternoon session: Professor Pauric McGowan University of Ulster

14.00 Speaker 3: “Learning to grow internationally: Strategies for success” - Rakesh Sondhi, MD, BMC Global Services Ltd

14.30 Business Panel: Q&A with business leaders**

15.15 Concluding discussion: identification of learning and action points for policy, practice and research**

15.30 Coffee and networking

* facilitated by Dr Clare Schofield
** facilitated by Professor Pauric McGowan
Margaret Fletcher is a Lecturer at the Adam Smith Business School at the University of Glasgow and a member CIER. Her research interests are international entrepreneurship, knowledge and learning for internationalisation, small firm policy and financing of small firms, and include a longitudinal study of internationalising firms in Scotland.

Marian V. Jones, Professor of internationalisation and entrepreneurship, was a founder and is currently co-director of CIER, University of Glasgow. Her research interests concern the international growth and development of SMEs and extend across capability development, capacity and resource deployment, creativity and innovation.

Rakesh Sondhi, Managing Director of BMC Global Services Ltd, Visiting Professor at University of Buckingham and Visiting Executive Faculty at Henley Business School, has 25 years leadership and strategy experience with a broad range of companies and industries from all over the world, including working with SMEs as part of an internationalisation programme for Scottish Enterprise.

Pauric McGowan, Professor of Entrepreneurship and Business Development at the Ulster Business School, University of Ulster and Director of the University’s Centre for SME Development is also a member of the Board of Trustees of the Institute for Small Business and Entrepreneurship, (ISBE), and VP for Education.

Clare Schofield, Deputy Director of Centre for Enterprise at Manchester Metropolitan University and academic director of the 10,000 Small Businesses programme, has responsibility for designing and delivering enterprise support provision and has supported 100+ business leaders to analyse their leadership and management challenges and to identify sustainable strategies to improve performance.
Appendix 4 The Evolution of Knowledge in IE Workshop

1st International Workshop:
The Evolution of Knowledge in International Entrepreneurship
The University of Edinburgh Business School, 29 Buccleuch Place, EH8 9JS

DAY 1: FRIDAY APRIL 26th, 2013

<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
<th>Venue</th>
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<tr>
<td>9:00 - 9:20</td>
<td>Registration &amp; Arrival Coffee</td>
<td>Conference Room (4th Floor)</td>
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<tr>
<td>9:20 - 9:30</td>
<td>Opening &amp; Welcome</td>
<td>Conference Room</td>
</tr>
<tr>
<td>9:30 - 10:30</td>
<td>Keynote Speaker Presentation</td>
<td>Conference Room</td>
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<tr>
<td></td>
<td>Prof. Patricia McDougall-Covin</td>
<td></td>
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<tr>
<td></td>
<td>Kelley School of Business, Indiana University Bloomington</td>
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</tr>
<tr>
<td></td>
<td>International Entrepreneurship: Its Evolution and Future</td>
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<tr>
<td>10:30 - 10:50</td>
<td>Tea Break</td>
<td>Roof Terrace (4th Floor)</td>
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</table>

PhD Presentations (Networks & Entrepreneurs Group)

Track I: Network perspectives

10:50 - 11:10  The interorganisational embeddedness of transnational entrepreneurs
                Stoyan Stoyanov and Richard Woodward

11:10 - 11:30  The Role of Networks in the Internationalisation Process of High Tech SMEs
                Spiros Batis and Ling Liu

11:30 - 11:50  Methods of Networking for Internationalisation of Canadian Natural Health Products SMEs
                Valerie Bell and Sarah Cooper

11:50 - 12:10  The Role of Networks in International Corporate Entrepreneurship: The Medium Sized Firm
                Alexandra Anderson
<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>10:50 - 11:10</td>
<td>Should I stay or should I go? The role of emotions in International Exit Yangpei Lin and Volker Mahnke</td>
<td>Roof Terrace (4th Floor)</td>
</tr>
<tr>
<td>11:10 - 11:30</td>
<td>The Internationalisation of Entrepreneurs within the Indigenous Irish 'Born Global' Digital Animation Sector Adele Smith and Paul Ryan</td>
<td>Roof Terrace</td>
</tr>
<tr>
<td>11:30 - 11:50</td>
<td>Entrepreneurial behaviour, innovation and internationalisation Marika Sóna</td>
<td>Roof Terrace</td>
</tr>
<tr>
<td>12:30 - 13:30</td>
<td>Lunch Break</td>
<td>Roof Terrace (4th Floor)</td>
</tr>
<tr>
<td>13:30 - 14:30</td>
<td>Keynote Speaker Presentation Prof. Marian Jones Adam Smith Business School University of Glasgow International Entrepreneurship: The Questions We Ask - The Stories We Tell</td>
<td>Conference Room</td>
</tr>
<tr>
<td>14:30 - 15:00</td>
<td>Tea Break</td>
<td>Roof Terrace (4th Floor)</td>
</tr>
<tr>
<td>15:00 - 15:30</td>
<td>Comparative International Entrepreneurship: A Review and Research Agenda Siri Terjesen, Jolanda Hessels and Dan Li</td>
<td>Conference Room</td>
</tr>
<tr>
<td>15:30 - 16:00</td>
<td>Extending 'born global' research in space and time: observations, tentative proposals, challenges and some illustrative examples Mike Crone</td>
<td>Conference Room</td>
</tr>
<tr>
<td>16:00 - 16:30</td>
<td>From 'Born Globals' to 'Buy Globals': An Exploratory Study of Maturing Born Globals in Scotland Suzanne Mawson and Ross Brown</td>
<td>Conference Room</td>
</tr>
<tr>
<td>16:30 - 17:00</td>
<td>De-Internationalisation and Its Consequences: Empirical Evidence from Belgium Jonas Onkelinx, Tatiana S. Manolova and Linda F. Edelman</td>
<td>Conference Room</td>
</tr>
<tr>
<td>17:10 - 19:45</td>
<td>Wine Reception</td>
<td>(Roof Terrace, 4th Floor)</td>
</tr>
<tr>
<td>20:15 - 22:30</td>
<td>Conference Dinner</td>
<td>Vittoria Restaurant 19 George IV Bridge</td>
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### DAY 2: SATURDAY APRIL 27th, 2013

<table>
<thead>
<tr>
<th>Time</th>
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<tr>
<td>9:30 - 10:00</td>
<td>Registration &amp; Arrival Coffee</td>
<td>Conference Room (4th Floor)</td>
</tr>
<tr>
<td>10:00 - 10:10</td>
<td>Introduction to Day 2</td>
<td>Conference Room</td>
</tr>
<tr>
<td>10:10 - 11:10</td>
<td><strong>Keynote Speaker Presentation</strong>&lt;br&gt;Prof. Svante Andersson&lt;br&gt;School of Business and Engineering&lt;br&gt;Halmstad University&lt;br&gt;<em>Internationalisation as an entrepreneurial act - the role of the entrepreneur</em></td>
<td>Conference Room</td>
</tr>
<tr>
<td>11:10 - 11:40</td>
<td>Tea Break</td>
<td>Roof Terrace (4th Floor)</td>
</tr>
<tr>
<td>11:40 - 12:10</td>
<td><strong>Sustainable Internationalisation:</strong>&lt;br&gt;Dynamic Capabilities for sustaining an internationalisation process&lt;br&gt;Simon Harris, Margaret Fletcher and Volker Mahnke</td>
<td>Conference Room</td>
</tr>
<tr>
<td>12:10 - 12:40</td>
<td><strong>Congenital Learning, Organisational Performance and Realized Absorptive Capacity</strong>&lt;br&gt;María-Teresa Sanchez-Polo, Juan-Gabriel Cegarra-Navarro and Stephen Elrodge</td>
<td>Conference Room</td>
</tr>
<tr>
<td>12:40 - 13:10</td>
<td><strong>TMT national diversity and International experience influence on firms’ internationalisation</strong>&lt;br&gt;Piantoni Mariella and Baronchelli Gianpaolo</td>
<td>Conference Room</td>
</tr>
<tr>
<td>13:10 - 13:40</td>
<td><strong>Network embeddedness and entrepreneurial orientation in the continued internationalisation of SMEs</strong>&lt;br&gt;Emilia Rovira Nordman, Sara Melén Hånell, Daniel Tolstoy and Dharam Deo Sharma</td>
<td>Conference Room</td>
</tr>
<tr>
<td>13:40 - 14:40</td>
<td>Lunch Break</td>
<td>Roof Terrace (4th Floor)</td>
</tr>
<tr>
<td>14:40 - 15:40</td>
<td><strong>Keynote Speaker Presentation</strong>&lt;br&gt;Prof. Harry Sapienza&lt;br&gt;Carlson School of Management&lt;br&gt;University of Minnesota&lt;br&gt;<em>Knowledge, Learning Capabilities, and the Internationalisation of New Ventures</em></td>
<td>Conference Room</td>
</tr>
<tr>
<td>15:40 - 16:00</td>
<td>Workshop Closing</td>
<td>Conference Room</td>
</tr>
</tbody>
</table>
Keynote Speaker

Professor Patricia McDougall-Covin
Kelley School of Business
Indiana University Bloomington

Professor McDougall-Covin is the William L. Haeberle Professor of Entrepreneurship and Professor of Strategic Management. She was awarded the JIBS 2004 Decade Award for most Influential paper in international business for the past decade.

Professor McDougall-Covin’s research interests are: Strategic Management, Entrepreneurship and International Business.

Keynote Speaker

Professor Harry Sapienza
Carlson School of Management
University of Minnesota

Professor Harry Sapienza is the Curtis L. Carlson Chair in Entrepreneurial Studies. He was awarded for his research with the following prizes:
Taylor and Francis Award, Best Paper Award, Venture Capital, 2005
Neeley Best Paper Award, Entrepreneurship Division, Academy of Management, 2004
Best Conceptual Paper, Entrepreneurship Division, Academy of Management, 2003

Professor Sapienza's research interests are: Boards of directors, Decision-making, Entrepreneurship, Internationalisation process, Interorganizational relationships, Interorganizational trust, Organizational learning and Venture capital.

Keynote Speaker

Professor Marian Jones
Adam Smith Business School
University of Glasgow

Professor Jones is a Professor of International Business and Entrepreneurship. Her Research Interests include: Internationalisation Process, Opportunity Recognition, Human & Social Capital.

Professor Jones' research has been published to the following journals: Journal of International Business Studies, Journal of Business Venturing and Journal of International Marketing. She was awarded the Hans B. Thorelli Award for contribution to theory. She is also Editor-in-Chief of the International Entrepreneurship Journal.
Keynote Speaker

Professor Svante Andersson
School of Business and Engineering
Halmstad University

Professor Andersson is a Professor of Business Administration in the Centre for Technology, Innovation and Marketing Management at Halmstad University.

Professor Andersson’s research interests are: innovative internationalisation in new firms, born globals, internationalisation in different industry contexts, high-growth firms, international leadership in SMEs, and marketing.

Professor Andersson’s research has been published to the following journals: Journal of Business Venturing, Journal of International Entrepreneurship, Journal of Small Business and Enterprise Development, International Marketing Review.
References

Note: Key articles identified in Appendix 1 and 2 are not listed.


**Workshops**
