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

Final Report for Scottish Development International

April 2013

Pavlos Dimitratos

Nicolas Li

Margaret Fletcher

Alfredo D'Angelo

Adam Smith Business School

University of Glasgow

Table of Contents

Executive Summary 5

Introduction 7

Our Approach to the Review 8

A Review of IB theories 10

Exporting 10

Overview 10

Antecedents to export performance 11

Export channel selection 13

Export performance 15

Summary 16

Internationalisation strategy 17

Overview 17

Theoretical perspectives of entry mode selection 19

Timing of entry 22

Some recent key findings 23

Dynamic capabilities and internationalisation 25

Overview 25

Definitional issues 28

Dynamic capabilities in the internationalisation context 30

Institutional influences 32

Overview 32

Institutional theory 32

Entrepreneurship and Institutional Theory ... 34

Institutional impact of policy-makers ... 37

Other recent key findings ... 40

Internationalisation from emerging markets ... 41

Overview ... 41

Institutional differences from developed economies ... 43

China as research focus ... 45

Informal networking in the emerging economy ... 47

Literature Review in IE: At the Intersection of International Business and Entrepreneurship ... 48

Introduction ... 48

Definitional issues ... 49

Early internationalisation theories ... 51

International entrepreneurial orientation (IEO) ... 54

IEO and international performance ... 55

Learning and knowledge ... 58

Network theory ... 60

Network perspectives ... 61

Social capital ... 65

Opportunity ... 66

Overview ... 66

Opportunity identification and exploitation ... 67

Ethnic minorities in entrepreneurship and culture ... 69

Transnational Entrepreneurship ... 69

Culture.......... 73

Policy Implications 74

Conclusion 79

Appendix 1 Summary Table of Recent Key IB (44) and IE (45) Articles (2001-2013).......... 82

Appendix 2 Summary of Selected Dynamic Capability (DC) Studies (1997- 2012) 88

Appendix 3 ISBE/CIER Entrepreneurial Learning Workshop 94

Appendix 4 The Evolution of Knowledge in IE Workshop.......... 97

References.......... 104

List of Abbreviations

BG	Born global
BRIC	Brazil, Russia, India, and China
EE	Ethnic entrepreneurship
EO	Entrepreneurial orientation
DC	Dynamic capabilities
FDI	Foreign Direct Investment
IB	International business
IBC	International business competence
IE	International entrepreneurship
IEO	International entrepreneurial orientation
IJV	International joint venture
INV	International new venture
M/C&S	Miller/Covin & Slevin
mMNE	Micromultinational enterprise
MO	Marketing orientation
OFDI	Outward foreign direct investment
SE	Scottish Enterprise
SME	Small- and medium enterprise

SOE	State-owned enterprise
TE	Transnational entrepreneur

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 1. Summary of Journals Included in the Review

Journal Title		No. of Articles
(1)	*Academy of Management Journal*	0
(2)	*Academy of Management Review*	0
(3)	*British Journal of Management*	4

(4)	*Entrepreneurship Theory and Practice*	14
(5)	*Entrepreneurship and Regional Development*	3
(6)	*International Business Review*	11
(7)	*International Small Business Journal*	3
(8)	*Journal of Business Venturing*	11
(9)	*Journal of International Business Studies*	17
(10)	*Journal of Management*	5
(11)	*Journal of Management Studies*	1
(12)	*Journal of World Business*	5
(13)	*Management International Review*	4
(14)	*Small Business Economics*	2
(15)	*Strategic Entrepreneurship Journal*	2
Others		
	Business History	1
	European Management Journal	1
	International J. Management Rev	1
	Journal of International Management	1
	Journal of International Marketing	1
	Journal of Small Business Management	1
	Strategic Management Journal	1
Total		89

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)

Study	Empirical setting	Dependent variable	Antecedents of export performance
Alvarez, 2004	295 Chilean SMEs	Export intensity	International business efforts, process innovation and export promotion programs (+)
Baldauf, Cravens, & Wagner, 2000	184 Austrian firms	Export intensity, export sales and export effectiveness	Firm size, management's motives to internationalize and use of differentiation strategy (+)
Cadogan, Diamantopoulos, & Siguaw, 2002	206 US exporter firms	Export sales growth and survey based export performance	Export market-oriented activities—degree of the firm's market orientation in overseas markets (+)
Contractor & Mudambi, 2008	25 countries (1989–2003)	Goods and services export	Human capital positively affects goods export, but not services export
Dosoglu-Guner, 2001	89 non-exporting US firms	Export intention	Ownership type (+); Organizational culture—adaptable cultures (+) and internationally oriented cultures (−)
Estrin et al., 2008	494 MNE subsidiaries in Egypt, South Africa, India, Vietnam, Poland and Hungary	Export intensity	Host institutional environment-economic freedom (-); no effect of parent MNE size
Filatotchev, Dyomina, Wright, & Buck, 2001	152 companies from Russia, Ukraine and Belarus	Export intensity	Export-oriented product development (+); unrelated external acquisition (−); presence of foreign partner/investor (+)
Filatotchev et al., 2008	434 foreign invested firms in Poland, Hungary, Slovenia, Slovakia and Estonia	Export intensity	Foreign investor's ownership (+); control over strategic decisions (+)
Haahti, Madupu, Yavas, & Babakus, 2005	149 SMEs from Finland and Norway	Export intensity, self-report perceptual measure of export sales growth	Knowledge intensity (+); Knowledge intensity mediates the relationship between cooperative strategies and export performance
Hasnat, 2002	58 countries (country level data)	Exports to GDP ratio	Human capital and investments (+)
Kuivalainen, Sundqvist, & Servais, 2007	185 Finnish firms	Export sales performance, profit performance and sales efficiency performance	True born global firms (+)
Lages, Jap, & Griffith, 2008	519 Portuguese firms	Export intensity	Commitment to exporting (+)
Lee & Habte-Giorgis, 2004	455 US firms	Export intensity	Product diversification (+); R&D intensity and firm size (+)
Ling-yee & Ogunmokun, 2001	111 Chinese firms	Perceptual measure	Management's perceived export advantages (+)
Majocchi, Bacchiocchi, & Mayrhofer, 2005	142 Italian SMEs	Export intensity	Size (+); firm age or relative market experience (+)
Peng & York, 2001	166 US firms	Net export sales margin, per capita export sales	Export intermediary's knowledge (+); intermediary's involvement with commodity (+); ability to take title to goods (+)
Pla-Barber & Alegre, 2007	121 French biotechnology firms	Export intensity	Innovation (+); no effect of firm size
Rodriguez & Rodriguez, 2005	1234 Spanish firms	Export intensity	Product innovations (+); patents and process innovations (+); R&D spending intensity (+)
Seyoum, 2006	60 countries	Exports to US	Generalized system of preferences (+)
Sousa & Bradley, 2008	874 Portuguese firms	5-item survey based measure	Manager's international experience (+); foreign market characteristics (price standardization strategy) (+)
Styles, Patterson, & Ahmed, 2008	Dyadic data from 125 Australia–Thailand exporter–importer partnerships	162 Indian firms	Commitment to future exchanges (+)
Verwaal & Donkers, 2002	642 Dutch firms	Export intensity	Size of export relationships (+); size of export relationships moderates the relationship between firm size and export intensity
Wilkinson & Brouthers, 2006	98 US SMEs	Perceptual measure	Export promotion activities (+)

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., 2008). 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)

Internationalization literature	Factors influencing firms' internationalization
Smith (1776), Ricardo (1817) and Heckscher and Ohlin (1991)	Factor conditions
Burenstam-Linder (1961)	Demand conditions
Vernon (1966)	Technological development
Porter (1990)	As above plus industry structure, domestic rivalry, company strategy
Hymer (1960) and Kindleberger (1969)	Market imperfections
Knickerbocker (1973)	Oligopolistic reactions
Dunning (1988)	Market imperfections, transaction costs, localization advantages
Hörnell et al. (1973) and Johanson and Wiedersheim-Paul (1975)	Psychic distance
Johansson and Vahlne (1977) and Luostarinen (1979)	Organizational learning
Forsgren (1989) and Johansson and Vahlne (1990)	Networks, organizational learning
Nordström (1991)	Market potential, industry structure
Lindqvist (1991)	Ownership structure, product characteristics, industry structure, managers' previous experience, marketing requirements
Aharoni (1966) and Dichtl et al. (1990)	Managerial decisions
Bilkey and Tesar (1977) and Cavusgil (1980)	Different factors at different stages of the internationalization process Individual managers have a considerable influence in the early stages of the internationalization process
Root (1982), Reid (1983) and Turnball (1987)	Strategic choice
Bell (1995)	Sectoral targeting, client followership, industry trends
McDougall et al. (1994) Oviatt and McDougall (1994), Knight and Cavusgul (1996) and Madsen and Servais (1997)	Niche strategies Previous experience of founders/entrepreneurs and individual networks
Crick and Jones (2000) and Preece et al. (1998)	High technology industry
Andersson (2000)	Type of entrepreneur
Autio et al. (2000)	Age at international entry
Shrader et al. (2000)	Risk management

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. Morepver, 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.

International Joint Venture Performance Drivers Studied in the Literature

Performance Drivers	Variables	Studies
Commitment	Resource commitment Psychological commitment	Barden, Steensma, and Lyles (2005); Child and Yan (2003); Demirbag and Mirza (2000); Glaister and Buckley (1999); Isobe, Makino, and Montgomery (2000); Kwon (2008); Lin (2005); Nakos and Brouthers (2008); Robins, Tallman, and Fladmoe-Lindquist (2002); Tsang (2002)
Bargaining power	Resource-based power Context-based power	Isobe et al. (2000); Tsang (2002); Yan and Gray (2001a)
Control	Control structure Ownership structure Strategic control Operational control Structure control Output control Process control Social control	Barden et al. (2005); Boateng and Glaister (2002); Brouthers and Bamossy (2006); Choi and Beamish (2004); Demirbag and Mirza (2000); Dhanaraj and Beamish (2004); Fryxell, Dooley, and Vryza (2002); Gaur and Lu (2007); Lin (2005); Luo (2007); Luo, Shenkar, and Nyaw (2001); Makino, Chan, Isobe, and Beamish (2007); Merchant (2000); Nakos and Brouthers (2008); Newburry and Zeira (1999); Steensma and Lyles (2000); Yan and Gray (2001a); Zhang and Li (2001)
Trust	Interpartner trust Interpersonal trust	Brouthers and Bamossy (2006); Fryxell et al. (2002); Krishnan, Martin, and Noorderhaven (2006); Kwon (2008); Lane, Salk, and Lyles (2001); Luo (2001, 2002a, 2008); Nakos and Brouthers (2008); Ng, Lau, and Nyaw (2007); Robson, Katsikeas, and Bello (2008)
Justice	Distributive justice Procedure justice Interactional justice	Choi and Chen (2007); Luo (2005, 2007a, 2008); Robson et al. (2008)
Conflict	Task conflict Relationship conflict Conflict resolution	Demirbag and Mirza (2000); Li and Hambrick (2005); Steensma and Lyles (2000); Yan and Gray (2001a)
Conflict resolution	Joint problem solving Forcing Domination Compromising	Lu (2007)
Cooperation	Cooperation Joint participation	Anh et al. (2006); Demirbag and Mirza (2000); Gong, Shenkar, Luo, and Nyaw (2007); Luo (2002b; Luo and Park (2004); Zhan and Luo (2008)
Culture distance	Organizational culture distance National culture distance Culture sensitivity	Anh, Baughn, Hang, and Neupert (2006); Brouthers and Bamossy (2006); Lu (2007); Lu and Lee (2005); Luo (2001); Luo and Shenkar (2002); Makino et al. (2007); Meschi and Riccio (2008); Pothukuchi, Damanpour, Choi, Chen, and Park (2002); Simonin (1999); Yeheskel, Zeira, Shenkar, and Newburry (2001)
Goal congruity	Goal congruity	Boateng and Glaister (2002); Luo (2001); Luo and Park (2004); Yeheskel et al. (2001)

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 Kriauciunas, 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

Teece et al. (1997, p.516)	"The firm's ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments".
Eisenhardt and Martin (2000, p.1107)	"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".
Zollo and Winter (2002, p.340)	"…a learned and stable pattern of collective activity through which the organization systematically generates and modifies its operating routines in pursuit of improved effectiveness".
Winter (2003, p.991)	"…those that operate to extend, modify or create

	ordinary capabilities".
Zahra et al. (2006, p.918)	"The abilities to reconfigure a firm's resources and routines in the manner envisioned and deemed appropriate by its principal decision-maker".
Wang and Ahmed (2007, p.35)	"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".
Helfat et al. (2007, p.1)	"The capacity of an organization to purposefully create, extend or modify its resource base."
Teece (2007, p.1319)	"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."
Barreto (2010, p.271)	"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."

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-angels, 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)

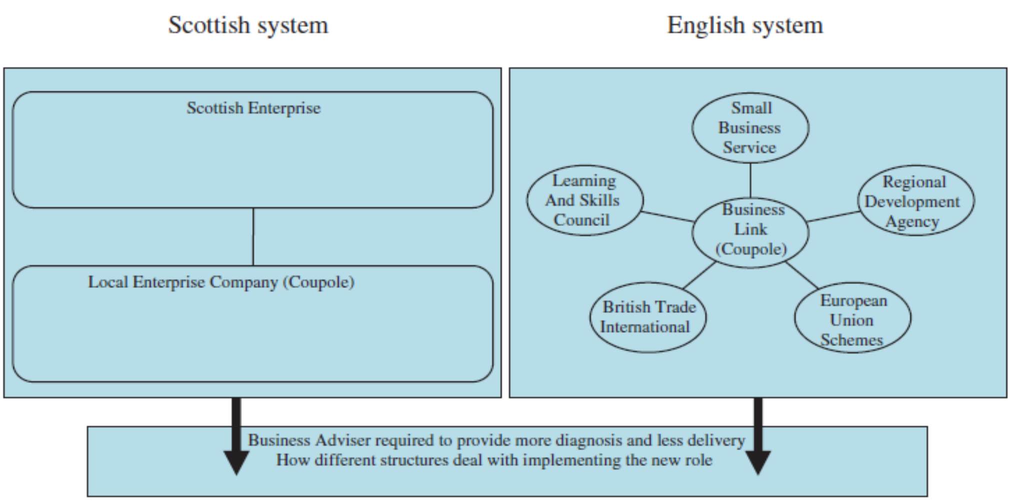
Firm Strategy	**Institutional Constraints**: High	**Institutional Constraints**: Low
Environmentally Responsible	Companies behave in a manner consistent with the policies of environmental agencies and interact cooperatively with them	Companies take the initiative to exercise leadership in environmental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

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)

Institutional constrains	Macroeconomic factors
Judiciary systems	Economic cycles
Regulations	High unemployment rate
Taxation system	No compensatory assistance
Labor market	High inflation rate
Welfare system	Balance of payment problems
Political leverage	

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

Output market	Input market
Low competitiveness	Asymmetric access to information & to technology
Limited international experience	Limited access to local and international capital markets
Liberalization policies	Poor dissemination of information related to international markets
Globalization	Labor market
Managerial constrains	Ownership structure
Lack of managerial expertise	Social ties between senior managers
Lack of consulting services	Business groups
Lack of administrative structure	

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 2012[1], 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).

[1] http://www.scotland.gov.uk/Resource/0040/00409256.pdf

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

(Jones et al. 2011; Coviello et al. 2011; McDougall and Oviatt 2000). 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

Author (s)	Definition
McDougall (1989)	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.
Zahra (1993)	The study of the nature and consequences of a firm's risk-taking behaviour as it ventures into international markets.
Oviatt and McDougall (1994)	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.
Wright and Ricks (1994)	A firm-level activity that crosses national borders and focuses on the relationship between business and the international environments in which they operate.
McDougall and Oviatt (1996)	New and innovative activities that have the goal of value creation and growth business organization across national borders
McDougall and Oviatt (2000)	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.
Shane and Venkataraman (2000)	Examination of how, by whom, and with what effects opportunities to create future goods and services are

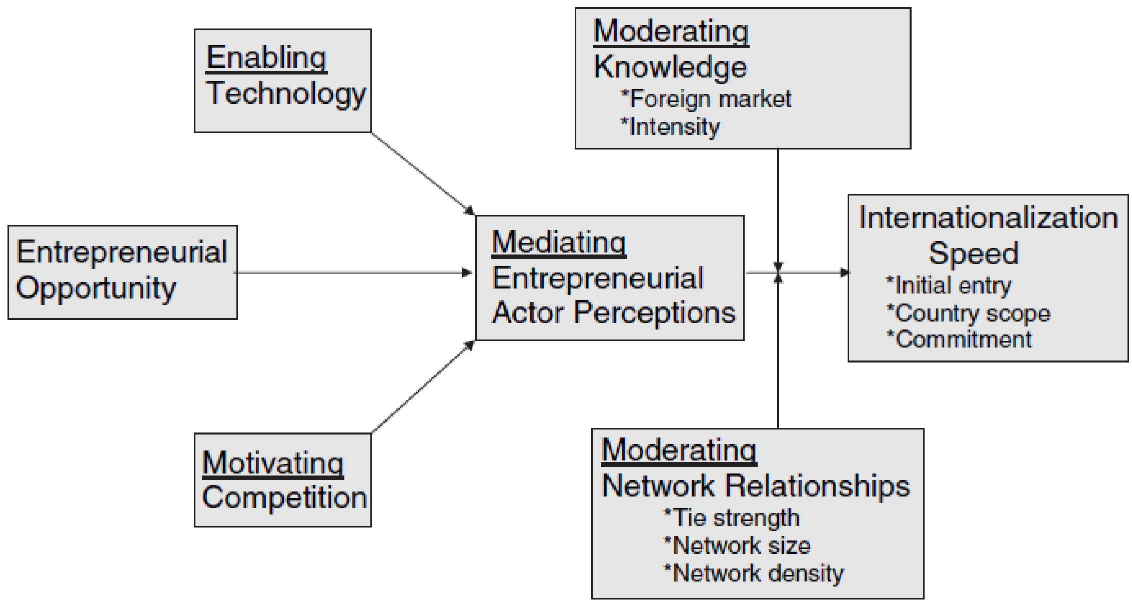
	discovered, evaluated, and exploited.
Oviatt and McDougall (2005)	The discovery, enactment, evaluation, and exploitation of opportunities--across national borders--to create future goods and services.
Styles and Seymour (2006)	The behavioural processes associated with the creation and exchange of value 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)

Dimension/author	Vision	Time before starting export	Export versus global growth/age
Oviatt and McDougall (1994)	A business organisation that, from inception, seeks to derive significant competitive advantage from the use of resources and the sale of outputs in multiple countries.	–	–
(McKinsey and Company (1993) and Rennie (1993))	Management views the world as their market place from the outset.	Began exporting, on average, only 2 years after foundation.	Achieved 76% of their total sales through exports at an average age of 14 years.
Knight and Cavusgil (1996)	Management views the world as its marketplace from the outset.	Begin exporting one or several products within 2 years of establishment.	Tend to export at least a quarter of total production.
Chetty and Campbell-Hunt (2004)	–	Within 2 years of inception.	80% of sales outside New Zealand; markets are worldwide.
Luostarinen and Gabrielsson (2006)	Global vision and/or at a global growth path.	Entered global markets at the outset.	Make over 50% of their sales outside home continent. Established after 1985.
Servais et al. (2007)	–	Within 3 years of establishment.	More than 25% of foreign sales or sourcing outside home continent.

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[2], 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

[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.

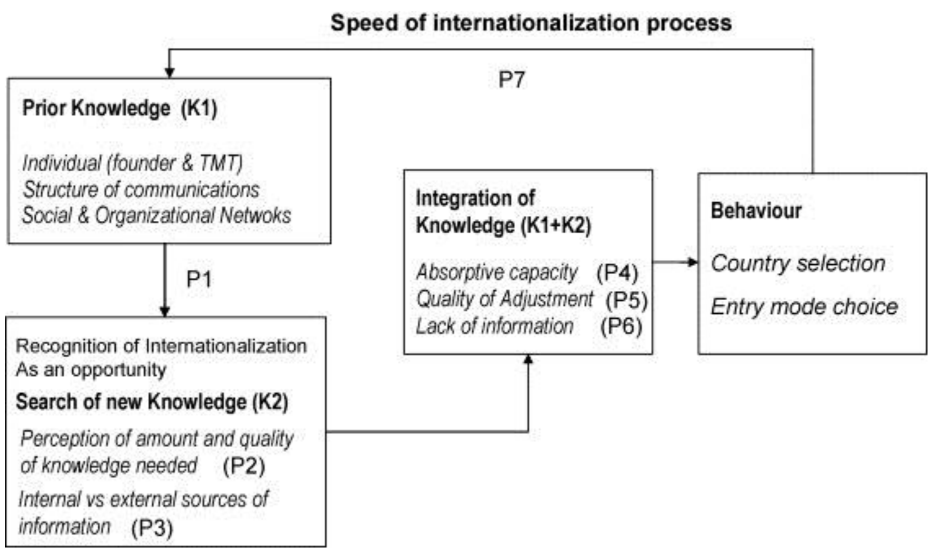
The research on knowledge management is closely related to learning theory. Kirzner (1979, p.8) defines entrepreneurial knowledge as “a rarefied, abstract type of knowledge—the knowledge of where to obtain information (or other resources) and of how to deploy it”. Knowledge has also played an important role in the new venture theory of internationalisation, 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, 2012). 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.

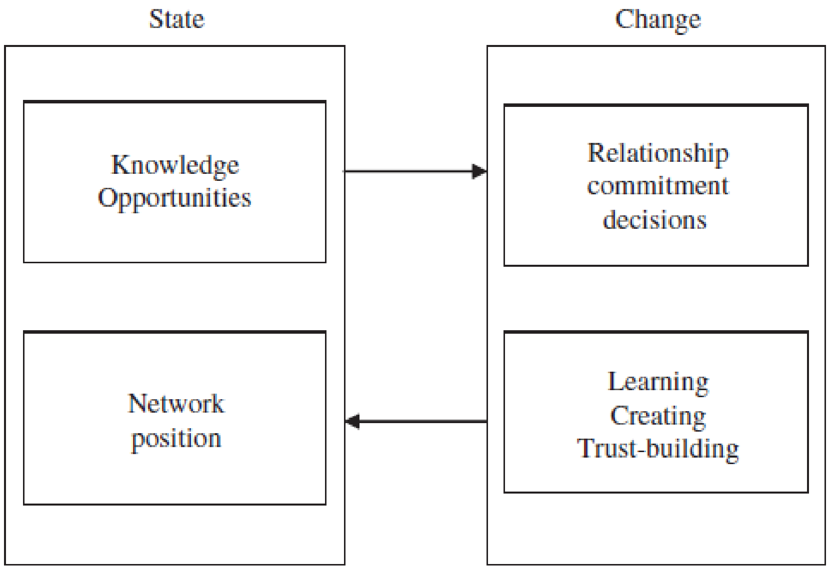
This stream of research also draws our attention to the informal social network, as discussed previously, as a pre-emptive strategy to access information and deploys the relevant resources in a timely and flexible fashion (Zhou et al., 2007). Particularly, because it is embedded in the world's largest 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).

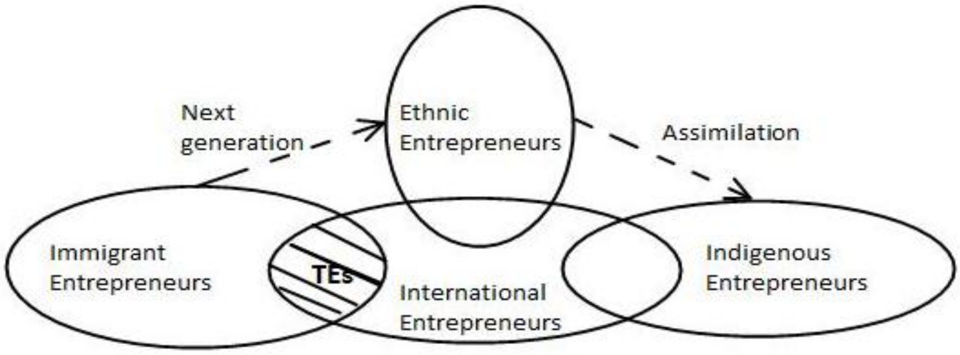
Ethnic minorities in entrepreneurship and culture

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".

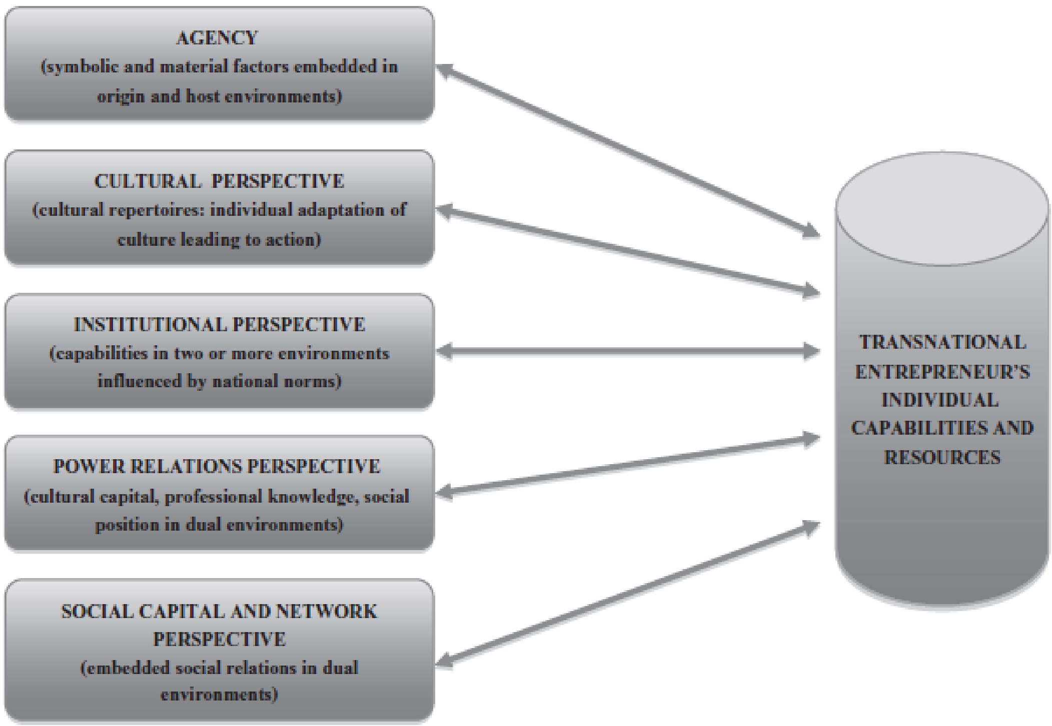
A related domain to transnational entrepreneurs (TEs) is that of ethnic entrepreneurship (EE). Ethnic entrepreneurs are the typically the second/third generation of immigrant entrepreneurs whose group membership is tied to a common cultural heritage or origin and are known to out-group members as having 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."

Appendix 1 Summary Table of Recent Key IB (44) and IE (45) Articles (2001-2013)

Code	Author(s)	Year	Thematic Area(s)	Title	Journal
IB01	Acs, Morck & Yeung	2001	Institutional influences; Exporting; Internationalisation strategy	Entrepreneurship, Globalisation and Public Policy	Journal of International Management, 7(3): 235-251
IB02	Ambrosini, Bowman & Collier	2009	Dynamic capabilities	Dynamic Capabilities: An Exploration of How Firms Renew their Resource Base	British Journal of Management, 20 (S1): 9-24
IB03	Andersson	2004	Internationalisation strategy	Internationalisation in Different Industrial Contexts	Journal of Business Venturing, 19(6):851-875
IB04	Arregle, Beamish & Hébert	2009	Internationalisation strategy	The Regional Dimension of MNEs' Foreign Subsidiary Localization	Journal of International Business Studies, 40: 86-107
IB05	Bell, Crick & Young	2004	Internationalisation strategy	Small Firm Internationalisation and Business Strategy: An Exploratory Study of 'Knowledge-Intensive' and 'Traditional' Manufacturing Firms in the UK	International Small Business Journal, 22(1): 23-56
IB06	Bonaglia, Goldstein & Mathews	2007	Internationalisation from emerging markets	Accelerated Internationalisation by Emerging Markets' Multinationals: The Case of the White Goods Sector	Journal of World Business, 42(4): 369-383
IB07	Brouthers & Nakos	2004	Internationalisation strategy	SME Entry Mode Choice and Performance: A Transaction Cost Perspective	Entrepreneurship Theory and Practice, 28(3): 229-247
IB08	Bruton, Ahlstrom & Li	2010	Institutional influences	Institutional Theory and Entrepreneurship: Where Are We Now and Where Do We Need to Move in the Future?	Entrepreneurship Theory and Practice, 34(3): 421-441
IB09	Buck, Liu & Ott	2010	Internationalisation strategy; Emerging markets; institutional influences	Long-Term Orientation and International Joint Venture Strategies on Modern China	International Business Review, 19(3): 223-234
IB10	Buckley	2011	Internationalisation strategy	International Integration and Coordination in the Global Factory	Management International Review, 51(2): 269-283
IB11	Buckley & Hashai	2009	Internationalisation strategy	Formalizing Internationalisation in the Eclectic Paradigm	Journal of International Business Studies, 40: 58-70
IB12	Coeurderoy, Cowling, Licht & Murray	2012	Internationalisation strategy	Young Firm Internationalisation and Survival: Empirical Tests On a Panel Of 'Adolescent' New Technology-Based Firms in Germany and the UK	International Small Business Journal, 30(5): 472-492

IB13	Coeurderoy and Murray	2008	Institutional influences	Regulatory Environments and the Location Decision: Evidence from the Early Foreign Market Entries of New-technology-based Firms	Journal of International Business Studies, 39(4):670-687
IB14	De Clercq, Meuleman & Wright	2012	Institutional influences; Opportunity	A Cross-country Investigation of Micro-angel Investment Activity: The Roles of New Business Opportunities and Institutions	International Business Review, 21(2): 117-129
IB15	Dimitratos, Liouka, Ibeh & Wheeler	2010	Internationalisation strategy	Governance Mechanisms of Small and Medium Enterprise International Partner Management	British Journal of Management, 21: 754-771
IB16	Dimitratos, Liouka, Ross & Young	2009	Institutional influences; Internationalisation strategy; Exporting	The Multinational Enterprise and Subsidiary Evolution: Scotland since 1945	Business History, 51(3): 401-425
IB17	Dimitratos, Johnson, Slow & Young	2003	Internationalisation strategy	Micromultinationals: New Types of Firms for the Global Competitive Landscape	European Management Journal, 21(2): 164-174
IB18	Dimitratos, Liouka & Young	2009	Internationalisation strategy; entrepreneurship in multinational firms	Regional Location of Multinational Corporation Subsidiaries and Economic Development Contribution: Evidence from the UK	Journal of World Business, 44:180-191
IB19	Gabrielsson, Kirpalani, Dimitratos, Solberg & Zucchella	2008	Internationalisation strategy; network theory; learning and knowledge	Born Globals: Propositions to Help Advance the Theory	International Business Review, 17: 385-401
IB20	Gao, Liu & Zou	2012	Internationalisation from emerging markets	The Role of Human Mobility in Promoting Chinese Outward FDI: A Neglected Factor	International Business Review, in press, 13 pages
IB21	Gaur & Kumar	2009	Internationalisation from emerging markets	International Diversification, Business Group Affiliation and Firm Performance: Empirical Evidence from India	British Journal of Management, 20(2): 172-186
IB22	He, Brouthers & Filatochev	2013	Exporting; Institutional influences; Emerging markets	Resource-Based and Institutional Perspectives on Export Channel Selection and Export Performance	Journal of Management, 39(1): 27-47
IB23	Hennart	2009	Internationalisation strategy	Down with MNE-centric Theories! Market Entry and Expansion as the Bundling of MNE and Local Assets	Journal of International Business Studies, 40: 1432-1454
IB24	Hessels & van Stel	2011	Exporting; Institutional influences	Entrepreneurship, Export Orientation, and Economic Growth	Small Business Economics, 37(2): 255-268
IB25	Knight & Cavusgil	2004	Internationalisation strategy; Dynamic capabilities	Innovation, Organisational Capabilities and the Born-global Firm	Journal of International Business Studies, 35: 124-141
IB26	Orser, Spence, Riding &	2010	Exporting	Gender and Export Propensity	Entrepreneurship Theory & Practice, 34(5): 933-957

	Carrington				
IB27	Lévesque, Minniti & Shepherd	2009	Internationalisation strategy; Learning and knowledge	Entrepreneurs' Decisions on Timing of Entry: Learning From Participation and From the Experiences of Others	Entrepreneurship Theory & Practice, 33(2): 547-570
IB28	Li & Zahra	2012	Institutional influences; Minorities in entrepreneurship and culture	Formal Institutions, Culture, and Venture Capital Activity: A Cross-Country Analysis	Journal of Business Venturing, 27(1): 95-111
IB29	Liesch, Buckley, Simonin & Knight	2012	Internationalisation strategy	Organizing the Modern Firm in the Worldwide Market for Market Transactions	Management International Review, 52:3-21
IB30	Lu & Beamish	2006	Internationalisation strategy	Partnering Strategies and Performance of SMEs' International Joint Ventures	Journal of Business Venturing, 21(4): 461-486
IB31	Ma, Tong & Fitza	2013	Emerging markets	How Much Does Subnational Region Matter to Foreign Subsidiary Performance? Evidence from *Fortune* Global 500 Corporations' Investment in China	Journal of International Business Studies, 44: 66-87
IB32	Mole & Keogh	2009	Institutional influences	The Implications of Public Sector Small Business Advisers Becoming Strategic Sounding Boards: England and Scotland Compared	Entrepreneurship and Regional Development, 21(1): 77-97
IB33	Nasra & Dacin	2010	Institutional influences; Emerging markets	Institutional Arrangements and International Entrepreneurship: The State as Institutional Entrepreneur	Entrepreneurship Theory & Practice, 34(3): 583-609
IB34	Puffer, McCarthy & Boisot	2010	Institutional influences; internationalisation from emerging markets	Entrepreneurship in Russia and China: The Impact of Formal Institutional Voids	Entrepreneurship Theory & Practice, 34(3): 441-467
IB35	Ren, Gray & Kim	2009	Internationalisation strategy	Performance of International Joint Ventures: What Factors Really Make a Difference and How?	Journal of Management, 35(3): 805-823
IB36	Roy & Oliver	2009	Institutional influences; network theory	International Joint Venture Partner Selection: The Role of the Host-Country Legal Environment	Journal of International Business Studies, 40: 779-801
IB37	Salomon & Wu	2012	Institutional influences	Institutional Distance and Local Isomorphism Strategy	Journal of International Business Studies, 43: 343-367
IB38	Shinkle & Kriaucunas	2010	Institutional influences; Internationalisation from emerging markets; exporting	Institutions, Size and Age in Transition Economies: Implications for Export Growth	Journal of International Business Studies, 41: 267-286
IB39	Singh	2009	Exporting; emerging markets	Export Performance of Emerging Market Firms	International Business Review, 18(4): 321-330
IB40	Teece	2007	Dynamic capabilities	Explicating Dynamic Capabilities: The Nature and Microfoundations of (Sustainable) Enterprise Performance	Strategic Management Journal, 28(13): 1319-1350

IB41	Uddin & Boateng	2011	Institutional influences	Explaining the Trends in the UK Cross-border Mergers & Acquisitions: An Analysis of Macro-economic Factors	International Business Review, 10(5): 547-556
IB42	Weerawardena, Mort, Liesch & Knight	2007	Dynamic capabilities; learning and knowledge	Conceptualising Accelerated Internationalisation in the Born-global Firm: A Dynamic Capabilities Perspective	Journal of World Business, 42(3): 294-306
IB43	Welch & Paavilainen-Mäntymäki	2013	Internationalisation strategy	Putting Process (Back) In: Research on the Internationalisation Process of the Firm	International Journal of Management Review, in press
IB44	Wilkinson & Brouthers	2005	Exporting	Trade Promotion and SME Export Performance	International Business Review, 15(3): 233-252
IE01	Anderson, Covin & Slevin	2009	Entrepreneurship in multinational firms; International entrepreneurial orientation	Understanding the Relationship between Entrepreneurial Orientation and Strategic Learning capability: An Empirical Investigation	Strategic Entrepreneurship Journal, 3(3): 218-240
IE02	Barreto	2012	Opportunity; Entrepreneurship in multinational firms	Solving the Entrepreneurial Puzzle: The Role of Entrepreneurial Interpretation in Opportunity Formation and Related Processes	Journal of Management Studies, 49(2): 356-380
IE03	Chetty & Agndal	2007	Network theory	Social Capital and its Influence on Changes in Internationalisation Mode Among Small and Medium-Sized Enterprises	Journal of International Marketing, 15(1): 1-29
IE04	Chetty & Campbell-Hunt	2003	Network theory	Explosive International Growth and Problems of Success amongst Small to Medium-Sized Firms	International Small Business Journal, 21(2): 5-27
IE05	Coviello	2006	Network theory; Internationalisation strategy	The Network Dynamics in International New Venture	Journal of International Business Studies, 37(5): 713-731
IE06	Covin & Wales	2012	International entrepreneurial orientation	The Measurement of Entrepreneurial Orientation	Entrepreneurship Theory and Practice, 36(4): 677-702
IE07	Crick & Chaudhry	2010	Minorities in entrepreneurship; internationalisation strategy	An Investigation into UK-based Asian Entrepreneurs' Perceived Competitiveness in Overseas Markets	Entrepreneurship and Regional Development, 22(1): 5-23
IE08	De Clercq, Sapienza & Crijns	2005	International entrepreneurial orientation; Learning and knowledge	The Internationalisation of Small and Medium Firms	Small Business Economics, 24(4): 409-419
IE09	De Clercq, Sapienza, Yavuz & Zhou	2012	Learning and knowledge	Learning and Knowledge in Early Internationalisation Research: Past Accomplishments and Future Directions	Journal of Business Venturing, 27(1): 143-165
IE10	Dimitratos,	2012	Opportunity; international	International Entrepreneurial Culture—Toward a Comprehensive	International Business Review,

	Voudouris, Plakoyiannaki & Nakos		entrepreneurial orientation	Opportunity-Based Operationalization of International Entrepreneurship	21(4): 708-721
IE11	Dimov	2011	Opportunity	Grappling With the Unbearable Elusiveness of Entrepreneurial Opportunities	Entrepreneurship Theory and Practice, 35(1): 57-81
IE12	Drori, Honig & Wright	2009	Minorities in entrepreneurship and culture	Transnational Entrepreneurship: An Emergent Field of Study	Entrepreneurship Theory and Practice, 33(5): 1001-1022
IE13	Ellis	2011	Network theory; Internationalisation from emerging markets; entrepreneurship in multinational firms	Social Ties and International Entrepreneurship: Opportunities and Constraints Affecting Firm Internationalisation	Journal of International Business Studies, 42: 99-127
IE14	Fernhaber, Gilbert & McDougall	2008	Entrepreneurship in multinational firms	International Entrepreneurship and Geographic Location: An Empirical Examination of New Venture Internationalisation	Journal of International Business Studies, 39: 267-290
IE15	Fernhaber & Li	2013	Network theory; internationalisation strategy	International Exposure through Network Relationships: Implications for New Venture Internationalisation	Journal of Business Venturing. 28(2): 316-334
IE16	Fletcher & Harris	2012	Learning and knowledge	Knowledge Acquisition for the Internationalisation of the Smaller Firm: Content and Sources	International Business Review, 21(4): 631-647
IE17	George, Wiklund & Zahra	2005	Entrepreneurship in multinational firms	Ownership and the Internationalisation of Small Firms	Journal of Management, 31(2): 210-233
IE18	Hulbert, Gilmore & Carson	2013	Entrepreneurship in multinational firms; Opportunity	Sources of Opportunities Used by Growth Minded Owner Managers of Small and Medium Sized Enterprises	International Business Review, 22(1): 293-303
IE19	Johanson & Vahlne	2006	Network theory; opportunity	Commitment and Opportunity development in the Internationalisation Process: A Note on the Uppsala Internationalisation Process model	Management International Review, 46(2): 165-178
IE20	Johanson & Vahlne	2009	Network theory; Internationalisation strategy	The Uppsala Internationalisation Process Model Revisited: From Liability of Foreignness to Liability of outsidership	Journal of International Business Studies, 40: 1411-1431
IE21	Jones & Coviello	2005	Entrepreneurship in multinational firms; Internationalisation strategy	Internationalisation: Conceptualising an Entrepreneurial Process of Behaviour in Time	Journal of International Business Studies, 36(3): 284-303
IE22	Jones, Coviello & Kwan	2011	Entrepreneurship in multinational firms	International Entrepreneurship Research (1989–2009): A Domain Ontology and Thematic Analysis	Journal of Business Venturing, 26(6): 632-659
IE23	Kariv, Menzies,	2009	Minorities in	Transnational networking and business performance: Ethnic	Entrepreneurship and Regional

	Brenner & Filion		entrepreneurship	entrepreneurs in Canada	Development, 21(3): 239-264
IE24	Khavul, Pérez-Nordtvedt & Wood	2010	Entrepreneurship in multinational firms; internationalisation from emerging markets	Organizational Entrainment and International New Ventures from Emerging Markets	Journal of Business Venturing, 25(1): 104-119
IE25	Knight & Kim	2009	Dynamic capabilities	International Business Competence and the Contemporary Firm	Journal of International Business Studies, 40: 255-273
IE26	Kiss, Danis & Cavusgil	2012	Entrepreneurship in multinational firms; Institutional influences; Internationalisation from emerging markets	International Entrepreneurship Research in Emerging Economies: A Critical Review and Research Agenda	Journal of Business Venturing, 27(2): 266-290
IE27	Kreiser, Marino, Dickson & Weaver	2010	International entrepreneurial orientation; minorities in entrepreneurship and culture	Cultural Influences on Entrepreneurial Orientation: The Impact of National Culture on Risk Taking and Proactiveness in SMEs	Entrepreneurship Theory and Practice, 34(5): 959-983
IE28	Kuivalainen, Sundqvist & Servais	2007	International entrepreneurial orientation; Exporting	Firms' Degree of Born-globalness, International Entrepreneurial Orientation and Export Performance	Journal of World Business. 42(3): 253-267
IE29	Kwon & Arenius	2010	Entrepreneurship in multinational firms; Network theory; Opportunity	Nations of Entrepreneurs: A Social Capital Perspective	Journal of Business Venturing, 25(3): 315-330
IE30	Miller	2011	International entrepreneurial orientation	Miller (1983) Revisited: A Reflection on EO Research and Some Suggestions for the Future	Entrepreneurship Theory and Practice, 35(5): 873-894
IE31	Nakos, Brouthers & Dimitratos	2013	International entrepreneurial orientation; internationalisation strategy	International Alliances with Competitors and Non-Competitors: The Disparate Impact on SME International Performance	Strategic Entrepreneurship Journal, 7(4): in press
IE32	Ndofor & Priem	2011	Minorities in entrepreneurship and culture	Immigrant Entrepreneurs, the Ethnic Enclave Strategy, and Venture Performance	Journal of Management, 37(3):790-818
IE33	Noordehaven & Harzing	2009	Learning and knowledge; Network theory	Knowledge-sharing and Social Interaction within MNEs	Journal of International Business Studies, 40: 719-741
IE34	Oviatt & McDougall	2005	Entrepreneurship in multinational firms;	Defining International Entrepreneurship and Modeling the Speed of Internationalisation	Entrepreneurship Theory and Practice, 29(5): 537-554

			Internationalisation strategy; Opportunity		
IE35	Prashantham	2011	Network theory; Internationalisation from emerging market	Social Capital and Indian Micromultinationals	British Journal of Management, 22: 4-20
IE36	Rialp, Rialp & Knight	2005	Entrepreneurship in multinational firms	The Phenomenon of Early Internationalising Firms: What Do We Know after a Decade (1993-2003) of Scientific Inquiry?	International Business Review, 14 (2): 147-166
IE37	Short, Ketchen, Shook & Ireland	2010	Opportunity	The Concept of "Opportunity" in Entrepreneurship Research: Past Accomplishments and Future Challenges	Journal of Management, 36(1): 40-65
IE38	Slotte-Kock & Coviello	2010	Network theory	Entrepreneurship Research on Network Processes: A Review and Ways Forward	Entrepreneurship Theory & Practice, 34(1): 31-57
IE39	Tang, Kacmar & Busenitz	2012	Opportunity	Entrepreneurial Alertness in the Pursuit of New Opportunities	Journal of Business Venturing, 27(1): 77-94
IE40	Terjesen & Elam	2009	Minorities in entrepreneurship	Transnational Entrepreneurs' Venture Internationalisation Strategies: A Practice Theory Approach	Entrepreneurship Theory & Practice, 33(5): 1093-1120
IE41	Ucbasaran, Westhead, Wright	2009	Opportunity	The Extent and Nature of Opportunity Identification by Experienced Entrepreneurs	Journal of Business Venturing, 24(2): 99-115
IE42	Voudouris, Dimitratos & Salavou	2011	Entrepreneurship in multinational firms; learning and knowledge	Entrepreneurial Learning in the International New High-technology Venture	International Small Business Journal, 29(3): 238–258
IE43	Zhao & Hsu	2007	Network theory	Social Ties and Foreign Market Entry: An Empirical Inquiry	Management International Review, 47(6): 815-844
IE44	Zhou	2007	International entrepreneurial orientation; Learning and knowledge	The effects of entrepreneurial proclivity and foreign market knowledge on early internationalisation	Journal of World Business, 42(3): 281-293
IE45	Zhou, Wu & Luo	2007	Network theory & internationalisation from emerging markets	Internationalisation and the Performance of Born-global SMEs: the Mediating Role of Social Networks	Journal of International Business Studies, 38: 673-690

Appendix 2 Summary of Selected Dynamic Capability (DC) Studies (1997- 2012)

No.	Study	Type of Study	Journal (acronym used)	Research Focus	Sample	Proposals/Findings
1	Adner & Helfat (2003)	Empirical	*SMJ*	Antecedents; Characteristics	30 US Petroleum companies over a 21-	Within a single industry, where managers face the same external environment, time-varying corporate effects associated with corporate

					year time period	level managerial decisions are statistically significant.
2	Aragón-Correa & Sharma (2003)	Conceptual	*AMR*	Characteristics; moderators	-	How the characteristics of external environments influence proactive environmental strategy and its impact on competitive advantage.
3	Arend (2012a)	Empirical	*SBE*	Characteristics	307 US SMEs in 2008	Most entrepreneurial ventures report having DC and that their differences in age and size lead to differences in how DC affect firm performance.
4	Arend (2012b)	Empirical	*SBE*	Business ethics	219 online surveys responded by US SMEs in 2009	The general effect of DC is positive on an SME's ethical performance, and that the performance effects are contingent on an SME's degree of entrepreneurial orientation and sensitivity to changes in the business context.
5	Arthurs & Busenitz (2006)	Empirical	*JBV*	Characteristics	134 matched pairs of venture capital (VC)-backed ventures and non-VC-backed ones between 1990-1994.	VC-backed ventures demonstrate greater dynamic capabilities as they relate to product and management development but do not display any greater dynamic capabilities as they relate to legal and government regulation threats.
6	Barreto (2010)	Review	*JM*	Synthesis	-	-
7	Benner & Tushman (2003)	Conceptual	*AMR*	Antecedents	-	How process management affects DC.
8	Blyler & Coff (2003)	Conceptual	*SMJ*	Antecedents	-	Why social capital is a necessary (though not sufficient) condition for the existence of a DC.
9	Chen & Hsu (2009)	Empirical	*MIR*	Performance outcomes	253 high-tech firms listed in Taiwan Stock Exchange (TSE)	Foreign investment made by a MNC at an earlier time will enable a higher level of technological and manufacturing capability development than that made at a later time. Also, MNCs are likely to make foreign investment in developed countries for the development of technological and marketing capabilities, and in less developed countries for the development of manufacturing capabilities. In addition, the more complete an MNC's value chain configuration is, the higher the level of capability development the MNC is likely to achieve.
10	Danneels (2008)	Empirical	*SMJ*	Antecedents; Characteristics	77 US public manufacturing firms in 2000 and 2004	Willingness to cannibalize, constructive conflict, tolerance for failure, environmental scanning, and resource slack are antecedents of marketing and R&D DCs.
11	Deeds & DeCarolis (2000)	Empirical	*JBV*	Antecedents	94 US bio-tech companies	What a high technology venture appears to need is leadership that understands and has experience in the new product development process, but which is separate and distinct from the scientific team.
12	Dixon et al. (2010)	Conceptual	*JMS*	Processes	-	The pre-conditions enabling organizational learning, the linkages between types of learning and functions of DC, and the feedback from DC to organizational learning that allows firms in transition economies

						to regain their footing and build long-term competitive advantage.
13	Døving & Gooderham (2008)	Empirical	*SMJ*	Intermediate outcomes	254 Norwegian small firm accountancy practices	Heterogeneity of human capital, internal development routines, and alliances with complementary service providers influence the scope of related diversification.
14	Drnevich & Kriauciunas (2011)	Empirical	*SMJ*	Performance outcomes	700 Chilean firms from 1999-2003	Environmental dynamism negatively affects the contribution of ordinary capabilities and positively affects the contribution of dynamic capabilities to relative firm performance. Further, heterogeneity strengthens the contribution of dynamic capabilities to relative firm performance, but is less important for ordinary capabilities.
15	Eisenhardt & Martin (2000)	Conceptual	*SMJ*	Antecedents; characteristics; environmental factors; performance outcomes	-	DCs are specific and identified processes that have commonalities across firms, whereas they are idiosyncratic in their details; there are different types of DCs depending on market dynamism; DCs are necessary, but not sufficient conditions for competitive advantage.
16	Fang & Zou (2009)	Empirical	*JIBS*	Antecedents; Consequences	200 manufacturing international joint ventures (IVJs) in China	Empirical support is found for the effect of marketing DC on IJVs' competitive advantage and performance. In addition, marketing DC are found to be influenced by IJV resource magnitude, resource complementarity, organizational culture, and organizational structure.
17	Galunic & Eisenhardt (2001)	Empirical	*AMJ*	Characteristics	1 *Fortune 100* company	DC consist of a few simple, often competing, rules that enable highly adaptive behaviour.
18	Griffith & Harvey (2001)	Empirical	*JIBS*	Antecedents	250 Canadian, 250 Chilean, 100 Great Britain, and 100 Filipino distributors	Asset specificity, predictability and market knowledge gap influence a distributor's power.
19	Hahn & Doh (2006)	Methodolo-gical	*SMJ*	-	-	Proposed Bayesian approaches for DC.
20	Helfat (1997)	Empirical	*SMJ*	Antecedents	26 largest US energy firms between 1976-1981	In response to rising oil prices, firms with larger amounts of complementary physical assets and technological knowledge also undertook larger amounts of R&D on coal conversion.
21	Hodgkinson & Healey (2011)	Conceptual	*SMJ*	Characteristics	-	How the fundamental capabilities of sensing, seizing, and transforming each require firms to harness the cognitive and emotional capacities of individuals and groups to blend effortful forms of analysis with the skilled utilization of less deliberative, intuitive processes.
22	Hollenstein (2005)	Empirical	*SBE*	Characteristics	5,567 Swiss small firms in 1998.	O-advantages (as in Dunning's OIL paradigm) reply primarily on capabilities related to incremental innovations.
23	Kale & Singh (2007)	Empirical	*SMJ*	Intermediate outcomes	175 large US firms from industries	Alliance learning process is positive related to a firm's overall alliance success.

					engaged in alliances	
24	Karim (2006)	Empirical	*SMJ*	Antecedents	250 US medical firms between 1976-1995	Internally developed units and acquired units serve different roles in the structural reconfiguration.
25	Khalid & Larimo (2012)	Empirical	*MIR*	Characteristics	100 ICT firms	Initial survival and growth following the survival are positively and significantly influenced by DC and firm specific intangible assets. Specific intangible assets play a major role in the initial survival and in the growth following it.
26	Kor & Mohoney (2005)	Empirical	*SMJ*	Antecedents	60 technology-based entrepreneurial firms	Firms with a history of increased resource deployments in marketing will achieve superior economic firm-level performance than firms that lack such deployments.
27	Lampel & Shamsie (2003)	Empirical	*JMS*	Antecedents; characteristics	400 films from US movie industry between 1941-1948	Two industry capabilities-mobilising and transforming capabilities-play a crucial role in assembling and transforming resource bundles into feature films.
28	Lavie (2006)	Conceptual	*AMR*	Reconfiguration mechanisms	-	Substitution, evolution, and transformation are three mechanisms of capability reconfiguration.
29	Lichtenthaler & Lichtenthaler (2009)	Conceptual	*JMS*	Antecedents	-	'Knowledge management capacity' is a DC, which reconfigures and realigns the knowledge capacities. It refers to a firm's ability to successfully manage its knowledge base over time. The concept may be regarded as a framework for open innovation, as a complement to absorptive capacity, and as a move towards understanding DC for managing knowledge.
30	Lee et al. (2002)	Simulation	*SMJ*	Intermediate outcomes	-	When DC are absent, strategic groups are less likely to exist.
	Luo & Zhan (2008)	Empirical	*MIR*	Performance outcomes; characteristics	500 Chinese firms between 2004-2005	IJVs in a foreign emerging market tend to perform better in both financial and competitive terms when they possess greater abilities to exploit current resources contributed by foreign and local partners and to continuously upgrade and develop new capabilities. The contribution of capability exploitation and upgrading to IJV performance is stronger when IJVs operate in a more dynamic environment. When interpartner cooperation is superior, capability exploitation plays a bigger role in improving performance.
31	Makadok (2001)	Conceptual	*SMJ*	Characteristics	-	There are two distinct mechanisms for economic rents: resource picking and capability building.
32	Majumdar (2000)	Empirical	*JBV*	Characteristics	1 large US tele-communication firm.	With a larger variety and pool of resources available, larger firms can undergo transformation through a process of dynamic learning as effectively as smaller firms.
33	Malik & Kotabe (2009)	Empirical	*JMS*	Antecedents; characteristics	115 Indian and Pakistani	organizational learning, reverse engineering and manufacturing flexibility had significant impacts on emerging market firm

					manufacturing firms	performance
34	Marcus & Anderson (2006)	Empirical	*JMS*	Characteristics; Intermediate outcomes	108 US grocery chains in 1997	A general DC affects firms' competence in supply chain management, but not the competence in environmental management.
35	Moliterno & Wiersema (2007)	Empirical	*SMJ*	Antecedents	26 teams from professional baseball between 1969-1983	There is a two-step organizational change capability: decisions about whether to engage in resource divestment and decisions about which resources to divest.
36	Ng (2007)	Conceptual	*JMS*	Intermediate outcomes	-	The strength of DC explains unrelated diversification.
37	Oliver & Holzinger (2008)	Conceptual	*AMR*	Characteristics; intermediate outcomes	-	Dynamic political management capabilities influence the effectiveness of political strategies.
38	Pablo et al. (2007)	Empirical	*JMS*	Characteristics	1 regional health authority in Canada	There are three phases in developing a DC: identifying a DC, enabling a DC, and managing the ongoing tensions.
39	Pil & Cohen (2006)	Conceptual	*AMR*	Antecedents	-	How modular design practices drive the development of DC.
40	Rindova & Kotha (2001)	Empirical	*AMJ*	Antecedents	Excite and Yahoo!	Continuous morphing is an important mechanism for renewing competitive advantage.
41	Rosenbloom (2000)	Empirical	*SMJ*	Characteristics	NCR Corporation	The role of managers is a central element in DC.
42	Salvato (2003)	Empirical	*JMS*	Characteristics	2 medium-sized Italian companies	Organisational leaders have a crucial role in purposefully guiding evolutionary process.
43	Schreyögg & Kliesch-Eberl (2007)	Conceptual	*SMJ*	Characteristics	-	In addition to changing the resource configuration, DC requires a separate capability monitoring function.
44	Shi & Wu (2011)	Empirical	*MIR*	Characteristics	1,093 Strategic Account Management Association member companies	Among the three processes of global account management-i.e. intelligence acquisition, global integration, and reconfiguration-reconfiguration plays a central role for supplier firms in achieving global account competitiveness when market dynamism is high.
45	Slater et al. (2006)	Empirical	*SMJ*	Characteristics; performance outcomes	280 marketing executives from manufacturing and service businesses	The strategy formation capability is a DC; the firm's strategic orientation moderates the relationship between strategy formation capability and performance.
46	Song et al. (2005)	Empirical	*SMJ*	Performance outcomes	466 US joint ventures formed between 1990-1997	The effect of the interaction between marketing and technological capabilities on performance is significant only in a highly turbulent environment.
47	Teece (2007)	Conceptual	*SMJ*	Antecedents; characteristics	-	DC can be disaggregated into the capacities to sense and shape opportunities and threats, to seize opportunities, and to maintain

						competitiveness by reconfiguring a firm's assets.
48	Teece et al. (1997)	Conceptual	*SMJ*	Antecedents; Characteristics; environmental factors; performance outcomes	-	DC framework is offered as a new explanation for competitive advantage, namely, to address rapidly changing environments; DCs rest on processes, positions, and paths; DC are idiosyncratic.
49	Uhlaner et al. (2012)	Empirical	*SBE*	Two organisational capabilities	1,218 Dutch SMEs in 1999.	*External sourcing* has direct effects on both product and process innovation, with an indirect effect (mediated by process innovation) on sales growth. *Employee involvement*, while positively affecting process innovation, has a negative effect on sales growth
50	Winter (2003)	Conceptual	*SMJ*	Characteristics	-	How to distinguish dynamic capabilities from other capabilities; ad hoc problem solving is an alternative to dynamic capabilities.
51	Yiu & Lau (2007)	Empirical	*ETP*	Characteristics	600 small firms in China between 2003-2004	The positive effects of network-based resource capital on firm performance are channeled through the resource configuration process given by various corporate entrepreneurial activities such as product and organizational innovations as well as new venturing.
52	Zahra et al. (2006)	Conceptual	*JMS*	Antecedents; characteristics of DCs; environmental factors; performance outcomes	-	How DC are related to substantive capabilities and how the relationship between DC and substantive capabilities is moderated by organizational knowledge and skills.
53	Zott (2003)	Simulation	*SMJ*	Performance outcomes	-	How the DC may be linked to differential firm performance; even firms with similar DC may end up with differential performance
54	Zúñiga-Vicente & Vicente-Lorente (2006)	Empirical	*JMS*	Performance outcomes	134 Spanish banks between 1983–1997	Strategic moves under environmental shifts conditions have a positive effect on organizational survival.

Appendix 3 ISBE/CIER Entrepreneurial Learning Workshop

Programme

09.45 Registration and coffee

10.15 Welcome to University of Glasgow: Dr Margaret Fletcher CIER

10.20 Introduction: Dr Clare Schofield, MMU

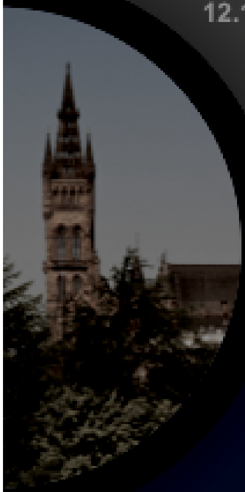
10.30 Business introductions (businesses introduce themselves in their discussion groups)

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

Manchester Metropolitan University

University of Glasgow | Adam Smith Business School

isbe institute for small business and entrepreneurship

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.

Manchester Metropolitan University

University of Glasgow | Adam Smith Business School

isbe institute for small business and entrepreneurship

Appendix 4 The Evolution of Knowledge in IE Workshop

UNIVERSITY OF EDINBURGH
Business School

IWIE 2013

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

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

PhD Presentations (Networks & Entrepreneurs Group)

Track I: Network perspectives

10:50 - 11:10	The interorganisational embeddedness of transnational entrepreneurs *Stoyan Stoyanov and Richard Woodward*	Conference Room (4th Floor)
11:10 - 11:30	The Role of Networks in the Internationalisation Process of High Tech SMEs *Spiros Batas and Ling Liu*	Conference Room
11:30 - 11:50	Methods of Networking for Internationalisation of Canadian Natural Health Products SMEs *Valerie Bell and Sarah Cooper*	Conference Room
11:50 - 12:10	The Role of Networks in International Corporate Entrepreneurship: The Medium Sized Firm *Alexandra Anderson*	Conference Room

Track II: Entrepreneurial perspective

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

DAY 2: SATURDAY APRIL 27th, 2013

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

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.

Professor McDougall- Covin has been member to the following Editorial Boards:
Academy of Management Journal, Journal of Business Venturing, Entrepreneurship Theory and Practice, International Journal of Entrepreneurship & Small Business, Journal of International Entrepreneurship, Journal of International Business Studies, Entrepreneurship, Innovation and Change, and Production and Operations Management.

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.

His research has been published to the following journals: Academy of Management Review, Journal of Management Studies, Journal of Business Venturing, Strategic Management Journal, Academy of Management Journal, Entrepreneurship Theory & Practice, Small Business Economics.

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.

Anderson, E. & Gatignon, H., 1986. Modes of Foreign Entry: A Transaction Cost Analysis and Propositions. *Journal of International Business Studies*, 17(3), p.1-26.

Andersen, O. 1997. Internationalisation and market entry mode: A review of theories and conceptual frameworks. *MIR: Management International Review*, 27-42.

Arrighetti, A., & Vivarelli, M. 1999. The role of innovation in the post entry performance of new small firms: Evidence from Italy. *Southern Economic Journal*, 927-939.

Autio, E., Sapienza, H.J. & Almeida, J.G., 2000. Effects of age at entry, knowledge intensity, and imitability on international growth. *Academy of Management Journal*, 43(5), p.909-924.

Barley, S. R. & Tolbert, P. 1997. Institutionalization and structuration: Studying the links between action and institution. *Organization Studies*, 18(1), p.93–117.

Barney, J., 2001. Resource-based theories of competitive advantage by Barney 2001.pdf. *Journal of Management*, 27, p.643-650.

Baron, R.A., 1998. Cognitive mechanisms in entrepreneurship: Why and when... *Journal of Business Venturing*, 13(4), p.275.

Baumol, W.J., Litan, R.E., & Schramm, C.J. 2009. *Good capitalism, bad capitalism, and the economics of growth and prosperity*. New Haven, CT: Yale University Press.

Bilkey, W.J. & Tesar, G., 1977. The Export Behavior of Smaller-Sized Wisconsin Manufacturing Firms. *Journal of International Business Studies*, 8(1), p.93-98.

Blackburn, R. and Schaper, M. T. 2012. *Government, SMEs and Entrepreneurship Development, Policy Practice and Challenges,* Surrey: Gower

Blalock, G. & Gertler, P.J., 2004. Learning from exporting revisited in a less developed setting. *Journal of Development Economics*, 75(2), p.397-416.

Boso, N., Cadogan, J.W. & Story, V.M., 2011. Complementary effect of entrepreneurial and market orientations on export new product success under differing levels of competitive intensity and financial capital. *International Business Review*, 21(4), p.667-681.

Broadman, H.G., et al. 2004. *Building market institutions in South Eastern Europe: Comparative prospects for investment and private sector development.* Washington, DC: World Bank Publications.

Brouthers, K.D. & Hennart, J.F., 2007. Boundaries of the Firm: Insights From International Entry Mode Research. *Journal of Management*, 33(3), p.395-425.

Bruton, G.D. & Ahlstrom, D. 2003. An institutional view of China's venture capital industry: Explaining the differences between China and the West. *Journal of Business Venturing*, 18(2), p.233–260.

Buckley, P.J. & Casson, M., 2009. The internalisation theory of the multinational enterprise: a review of the progress of a research agenda after 30 years. *Journal of International Business Studies*, 40(9), p.1563-1580.
Burt, R.S., 1992. *Structural Holes The social structure of competition*. Harvard University Press.

Busenitz, L.W., Gómez, C., & Spencer, J.W. 2000. Country institutional profiles: Unlocking entrepreneurial phenomena. *Academy of Management Journal*, 43(5), p.994–1003.

Casillas, J.C. et al., 2009. An integrative model of the role of knowledge in the internationalisation process. *Journal of World Business*, 44(3), p.311-322.

Cavusgil, S.T., 1984. Differences among exporting firms based on their degree of internationalisation. *Journal of Business Research*, 12(2), p.195-208.

Chandra, Y., Styles, C. & Wilkinson, I.F., 2012. An Opportunity-Based View of Rapid. *Journal of International Marketing*, 20(1), p.74-102.

Child, J. & Tsai, T., 2005. The Dynamic Between Firms ' Environmental Strategies and Institutional Constraints in Emerging Economies : Evidence from China and Taiwan. *Journal of Management Studies*, 42(1), p.95-125.

Cohen, W.M. & Levinthal, D.A., 1990. Absorptive Capacity: A New Perspective on Learning and Innovation W. H. Starbuck & P. S. Whalen, eds. *Administrative Science Quarterly*, 35(1), p.128-152.

Coleman, James S. 1988. Social capital in the creation of human capital. *Amer. J. Soc.* 94 p.95-S 120.

Coviello, N. & Munro, H., 1997. Network Relationships and the Small Software Firms. *International Business Review*, 6(4), p.361-386.

Covin, J.G., Green, K.M. & Slevin, D.P., 2006. Strategic Process Effects on the Entrepreneurial Orientation-Sales Growth Rate Relationship. *Entrepreneurship: Theory and Practice*, 30(1), p.57-81.

Covin, J.G. & Lumpkin, G.T., 2011. Entrepreneurial Orientation Theory and Research: Reflections on a Needed Construct. *Entrepreneurship: Theory and Practice*, 35(5), p.855-872.

Covin, J.G. & Slevin, D.P., 1989. Strategic management of small firms in hostile and benign environments. *Strategic Management Journal*, 10(1), p.75-87.

Crick, D. & Jones, M.V., 2000. Small high-technology firms and international high-technology markets. *Journal of International Marketing*, 8(2), p.63-85.

D'Angelo, A., Majocchi, A., Zucchella, A. and Buck, T. 2013. Geographical pathways for SME internationalisation: insights from an Italian sample *International Marketing Review*, 30(2), p.80 – 105.

Desiderio M. V. & Salt J. 2010. *Main Findings of the Conference on Entrepreneurship and Employment Creation of Immigrants in OECD Countries*. Paris: OECD.

DiMaggio, P.J. & Powell, W.W. 1991. *The new institutionalism in organizational analysis*. Chicago: University of Chicago Press.

Dimitratos, P. & Jones, M.V., 2005. Future directions for international entrepreneurship research D. L. Sexton & R. W. Smillor, eds. *International Business Review*, 14(2), p.119-128.

Drori, I., Honig, B., *&* Ginsberg, A. 2010*.* Researching transnational entrepreneurship: An approach base on the theory of practice. *In* B. Honig , I. Drori , *&* B. Carmichael *(Eds.), Transnational and immigrant entrepreneurship in a globalized world* p.1–30*.* Toronto*:* University of Toronto Press.

Dunning, J.H., 1995. Multinational Enterprise and Public Policy: A Study of the Industrial Countries. *The Economic Journal*, 105(431), p.1021.

Eckhardt, J.T. & Shane, S.A., 2003. Opportunities and Entrepreneurship. *Journal of Management*, 29(3), p.333-349.

Economist Intelligence Unit 2013. *China Going Global Investment Index.* Accessed at [http://www.eiu.com/public/thankyou_download.aspx?activity=download&campaignid=ChinaGoingGlobal]

Edmond, V., & Wiklund, J. 2010. The historic roots of entrepreneurial orientation research. *The historical foundations of entrepreneurship research*, p.142-160.

Erramilli, M.K. & Rao, C.P., 1990. Choice of foreign market entry modes by service firms: Role of market knowledge. *Management International Review*, 30(2), p.135-150.

Fletcher, M. Harris, S. and Mahnke, V. (2012) "Dynamic capabilities for internationalization: from market entry to sustainable internationalization", European International Business Academy (EIBA) Conference, 7-9 December 2012, University of Sussex, Brighton UK.

Ford, D., 2002. Viewpoint: Distribution, internationalisation and networks: Solving old problems, learning new things and forgetting most of them. *International Marketing Review*, 19(2/3), p.225.

Gallego, M.A. et al., 2009. The relationship between timing of entry into a foreign market, entry mode decision and market selection. *Time Society*, 18(2-3), p.306-331.

George, B.A., 2011. Entrepreneurial Orientation: A Theoretical and Empirical Examination of the Consequences of Differing Construct Representations. *Journal of Management Studies*, 48(6), p.1291-1313.

Hagen, B. et al., 2011. International strategy and performance—Clustering strategic types of SMEs. *International Business Review*, 12(6), p.659-672.

Harris, S. 2000 Reconciling positive and interpretative international management research: a native category approach¹. *Int Bus Rev* 9(6), p.755-770

Hashai, N., 2011. Sequencing the expansion of geographic scope and foreign operations by "born global" firms. *Journal of International Business Studies*, 42(8), p.995-1015.

Hitt, M.A. et al., 2006. International Diversification: Antecedents, Outcomes, and Moderators. *Journal of Management*, 32(6), p.831-867.

Hoang, H. & Antoncic, B., 2003. Network-based research in entrepreneurship. *Journal of Business Venturing*, 18(2), p.165-187.

Hoskisson, R. E., Eden, L., Lau, C. M., & Wright, M. 2000. Strategy in emerging economies. *Academy of Management Journal*, p.249-267.

Huber, G.P., 1991. Organizational Learning: The Contributing Processes and the Literatures. *Organization Science*, 2(1), p.88-115.

Jaworski, B.J. & Kohli, A.K., 1996. Market orientation: Review, refinement, and roadmap. *Journal of MarketFocused Management*, 1(2), p.119-135.

Johanson, J. & Mattsson, L., 1988. Interorganizationai Relations in Industrial Systems : A Network Approach Compared with the Transaction-Cost Approach G. Thompson, ed. *Internal studies of Marketing*, XVII(1), p.34-48.

Johanson, J. & Vahlne, J.-E., 1977. The Internationalisation Process of the Firm-A Model of Knowledge Development and Increasing Foreign Market Commitments. *Journal of International Business Studies*, 8(1), p.23-32.

Jones, M. V., & Young, S. 2009. Does entry mode matter? Reviewing current themes and perspectives. *Internationalisation Entrepreneurship and the Smaller Firm. Evidence From Around the World*, 6-19.

Keen, C., & Wu, Y. 2011. An ambidextrous learning model for the internationalisation of firms from emerging economies. *Journal of International Entrepreneurship*, 9(4), p.316-339.

Keupp, M.M. & Gassmann, O., 2009. The Past and the Future of International Entrepreneurship: A Review and Suggestions for Developing the Field. *Journal of Management*, 35(3), p.600-633.

Kirzner, I. M. 1979. *Perception, opportunity, and profit: Studies in the theory of entrepreneurship* (pp. 142-143). Chicago: University of Chicago Press.

Koka, B.R., Madhavan, R. & Prescott, J.E., 2006. The evolution of interfirm networks: environmental effects on patterns of network change. *Academy of Management Review*, 31(3), p.721-737.

Kuemmerle, W., 2002. Home base and knowledge management in international ventures P. W. Beamish & J. P. Killing, eds. *Journal of Business Venturing*, 17(2), p.99-122.

Kuivalainen, O. & Harris, S. (2012). New Practices in International Business. In *International Business: New Challenges, New Forms, New Practices*, Harris, S., Kuivalainen, O. & Stoyanova, V. (Eds) Basingstoke: Palgrave Macmillan.

Lages, L.F. & Montgomery, D.B., 2004. Export performance as an antecedent of export commitment and marketing strategy adaptation: Evidence from small and medium-sized exporters. *European Journal of Marketing*, 38(9/10), p.1186-1214.

Lambrecht, J. & Pirnay, F., 2005. An evaluation of public support measures for private external consultancies to SMEs in the Walloon Region of Belgium. *Entrepreneurship Regional Development*, 17(2), p.89-108.

Lee, J. & Venkataraman, S., 2006. Aspirations, market offerings, and the pursuit of entrepreneurial opportunities. *Journal of Business Venturing*, 21(1), p.107-123.

Leonidou, L.C. & Katsikeas, C.S., 2010. Integrative assessment of exporting research articles in business journals during the period 1960–2007. *Journal of Business Research*, 63(8), p.879-887.

Li, Y., Wei, Z. & Liu, Y., 2010. Strategic Orientations, Knowledge Acquisition, and Firm Performance: The Perspective of the Vendor in Cross-Border Outsourcing. *Journal of Management Studies*, 47(8), p.1457-1482.

Liu, Y., Li, Y. & Xue, J., 2011. Ownership, strategic orientation and internationalisation in emerging markets. *Journal of World Business*, 46(3), p.381-393.

Love, J.H. and Roper, S. 2103. SME Innovation, Exporting and Growth, ERC White Paper No.5 April

Lovett, S., Simmons, L.C. & Kali, R., 1999. Guanxi Versus the Market: Ethics and Efficiency. *Journal of International Business Studies*, 30(2), p.231-247.

Lumpkin, G.T. & Dess, G.G., 1996. Enriching the entrepreneurial orientation construct : A reply to Entrepreneurial orientation or pioneer advantage. *Academy of Management Review*, 21(3), p.605 - 607.

Luo, Y., 2003. Industrial dynamics and managerial networking in an emerging market: the case of China. *Strategic Management Journal*, 24(13), p.1315-1327.

McDougall, P.P. & Oviatt, B.M., 2000. International Entrepreneurship: The Intersection of Two Paths. *Academy of Management Journal*, 43(5), p.902-906.

Madsen, T. K. 2013. Early and rapidly internationalising ventures: similarities and differences between classifications based on the original international new venture and born global literatures. *Journal of International Entrepreneurship*, p.1-15.

Mainela, T., Puhakka, V., & Servais, P. 2013. The Concept of International Opportunity in International Entrepreneurship: A Review and a Research Agenda. *International Journal of Management Reviews*.

Mason, C. M., & Harrison, R. T. 2008. Measuring business angel investment activity in the United Kingdom: a review of potential data sources. *Venture Capital*, 10(4), p.309-330.

Meyer, K. E., Estrin, S., Bhaumik, S. K., & Peng, M. W. 2009. Institutions, resources, and entry strategies in emerging economies. *Strategic Management Journal*, 30(1), p.61-80.

Minniti, M., 2005. Entrepreneurship and network externalities. *Journal of Economic Behavior & Organization*, 57(1), p.1-27.

Morgan, N.A., Katsikeas, C.S. & Vorhies, D.W., 2011. Export marketing strategy implementation, export marketing capabilities, and export venture performance. *Journal of the Academy of Marketing Science*, 40(2), p.271-289.

McDougall, P.P., 1989. International versus domestic entrepreneurship: New venture strategic behavior and industry structure. *Journal of Business Venturing*, 4(6), p.387-400.

McDougall, P.P., Oviatt, B.M. & Shrader, R.C., 2003. A Comparison of International and Domestic New Ventures. *Journal of International Entrepreneurship*, 1(1), p.59-82.

McNaughton, R.B., 2001. A typology of Web site objectives in high technology business markets. *Marketing Intelligence Planning*, 19(2), p.82-87.

Miller, D., 1983. The Correlates of Entrepreneurship in Three Types of Firms. *Management Science*, 29(7), p.770-791.

Morawska, E., 2004. Exploring Diversity in Immigrant Assimilation and Transnationalism: Poles and Russian Jews in Philadelphia1. *International Migration Review*, 38(4), p.1372-1412.

Nahapiet, J. & Ghoshal, S., 1998. Social Capital, Intellectual Capital, and the Organizational Advantage. *Academy of Management Review*, 23(2), p.242-266.

Nielsen, B.B. & Nielsen, S., 2011. The role of top management team international orientation in international strategic decision-making: The choice of foreign entry mode. *Journal of World Business*, 46(2), p.185-193.

Nummela, N., & Pukkinen, T. 2007. What makes export co-operation tick? Analysing the role of commitment in Finnish export circles. *Journal of Euromarketing*, 16(1-2), p.23-35.

O'Gorman, C. & Evers, N. 2011. Network intermediaries in the internationalisation of new firms in peripheral regions. *International Marketing Review*, 28(4), p.340-364.

Ojala, A., 2009. Internationalisation of knowledge-intensive SMEs: The role of network relationships in the entry to a psychically distant market. *International Business Review*, 18(1), p.50-59.

Oviatt, B.M. & McDougall, P.P., 1994. Toward a theory of international new ventures. *Journal of International Business Studies*, 36(1), p.29-41.

Oviatt, B.M. & McDougall, P.P., 2005. Defining international entrepreneurship and modeling the speed of internationalisation. *Entrepreneurship: Theory and Practice*, 29(April), p.537-554.

Parker, S.C., 2006. Learning about the unknown : how fast do entrepreneurs adjust their beliefs ? *Journal of Business Venturing*, 21(1), p.1-26.

Peng, M.W. 2006. *Global Strategy*. Cincinnati, OH: South-Western Thomson.

Peng, M.W. & Ilinitch, A.Y., 1998. Export Intermediary Firms: A Note on Export Development Research. *Journal of International Business Studies*, 29(3), p.609-620.

Peng, M.W., Wang, D.Y.L. & Jiang, Y., 2008. An institution-based view of international business strategy: a focus on emerging economies. *Journal of International Business Studies*, 39(5), p.920-936.

Peng, M.W. & Zhou, J.Q. 2005. How network strategies and institutional transitions evolve in Asia. *Asia Pacific Journal of Management*, 22(4), p.321–336.

Putz, R. 2003. Culture and entrepreneurship—Remarks on transculturality as practice. *Royal Dutch Geographical Society*, 94, p.554–563.

Qian, G. & Li, L., 2003. Profitability of small- and medium-sized enterprises in high-tech industries: the case of the biotechnology industry. *Strategic Management Journal*, 24(9), p.881-887.

Ram, M., Woldesenbet, K., & Jones, T. 2011. Raising the 'table stakes'? Ethnic minority businesses and supply chain relationships. *Work, Employment & Society*, *25*(2), p.309-326.

Rasmussen, E., Jensern, J.M and Servais, P. 2011. The impact of internationalisation on small firms' choice of location and propensity for relocations. *Journal of Small Business and Enterprise Development*, 18 (3) p. 457-474

Rao, H., Morrill, C., & Zald, M.N. 2000. Power plays: How social movements and collective action create new organizational forms. *Research in Organizational Behavior*, 22, 239–282.

Rauch, A. et al., 2009. Entrepreneurial Orientation and Business Performance: An Assessment of Past Research and Suggestions for the Future. *Entrepreneurship: Theory and Practice*, 33(3), p.761-787.

Ray, S. 2004. Performance implications of corporate strategic behavior of firms in an emerging economy during economic liberalization. *Problems and Perspectives in Management*, 2, p.246–256

Riddle, L. 2008. Diasporas: Exploring their development potential. *ESR Review*, 10(2), p.28–36.

Ripollés-Meliá, M., Blesa, A., & Monferrer, D. 2012. Factors enhancing the choice of higher resource commitment entry modes in international new ventures. *International Business Review*, 21(4), p.648–666.

Ripollés-Meliá, M., Menguzzato-Boulard, M. & Sanchez-Peinado, L., 2007. Entrepreneurial Orientation and International Commitment. *Journal of International Entrepreneurship*, 5(3-4), p.65-83.

Sarasvathy, S. D. et al. 2003. Three views of entrepreneurial opportunity. In Z.J. Acs, D.B. Audretsch (Eds.), *Handbook of Entrepreneurship Research*, Springer, p.141–160.

Schumpeter, J. A. 1934. The theory of economic development: An inquiry into profits, capital, credit, interest, and the business cycle. *University of Illinois at Urbana-Champaign's Academy for Entrepreneurial Leadership Historical Research Reference in Entrepreneurship*.

Scott, W.R. 2007. *Institutions and organizations: Ideas and interests.* Thousand Oaks, CA: Sage Publications.

Sequeira, J.M., Carr, J.C. & Rasheed, A.A., 2009. Transnational Entrepreneurship: Determinants of Firm Type and Owner Attributions of Success. *Entrepreneurship: Theory and Practice*, 33(5), p.1023-1044.

Sewell, W.J. 1999. The concept(s) of culture. In V.E.Bonnell & L.Hunt *(Eds.), Beyond the cultural turn: New directions in the study of society and culture*, p.76–95. Berkeley: University of California Press.

Shane, S. & Venkataraman, S., 2000. The Promise of Enterpreneurship as a Field of Research Á. Cuervo, D. Ribeiro, & S. Roig, eds. *Academy of Management Review*, 25(1), p.217-226.

Sigfusson, T. & Harris S. (2012) "The relationship formation paths of international entrepreneurs", *Journal of International Entrepreneurship,* 10, p325-349

Slevin, D.P. & Terjesen, S.A., 2011. Entrepreneurial Orientation: Reviewing Three Papers and Implications for Further Theoretical and Methodological Development. *Entrepreneurship: Theory and Practice*, 35(5), p.973-987.

Sousa, C.M.P., Martínez-López, F.J. & Coelho, F., 2008. The determinants of export performance: A review of the research in the literature between 1998 and 2005. *International Journal of Management Reviews*, 10(4), p.343-374.

Sousa, C. M. P., & Novello, S. 2012. The influence of distributor support and price adaptation on the export performance of small and medium-sized enterprises. *International Small Business Journal* doi:10.1177/0266242612466876

Stetz, P. E., et al. 2000. Multidimensionality of entrepreneurial firm-level processes: Do the dimensions co-vary. *Frontiers of entrepreneurship research*, 459-469.

Stoian, M., Rialp, A. & Rialp, 2011. Export performance under the microscope: A glance through Spanish lenses, *International Business Review*, 20(2), p.117-135.

Styles, C. & Seymour, R.G., 2006. Opportunities for marketing researchers in international entrepreneurship. *International Marketing Review*, 23(2), p.126-145.

Sundqvist, S. et al., 2012. Kirznerian and Schumpeterian entrepreneurial-oriented behavior in turbulent export markets. *International Marketing Review*, 29(2), p.203-219.

Swidler, A. 2001. *Talks of love: How culture matters.* Chicago, IL: University of Chicago Press.

Svetlicic, M. & Rojec, M., 2011. Economic determinants of Foreign Direct Investment (FDI) in commodity producing sector: A case study of Pakistan. *Journal of EastWest Business*, 4(1-2), p.149-175.

Szerb, L., Terjesen, S. & Rappai, G., 2007. Seeding new ventures - green thumbs and fertile fields: Individual and environmental drivers of informal investment. *Venture Capital*, 9(4), p.257-284.
Vernon-Wortzel, H. & Wortzel, L.H., 1989. Privatization: Not the only answer. *World Development*, 17(5), p.633-641.

Wales, W.J., Parida, V. & Patel, P.C., 2012. Too Much Of A Good Thing? Absorptive Capacity, Firm Performance, And The Moderating Role Of Entrepreneurial Orientation. *Strat Mgmt J.*

Welch, L.S. & Luostarinen, R., 1988. Internationalisation: evolution of a concept P. J. Buckley & P. N. Ghauri, eds. *Journal of General Management*, 14(2), p.34-55.
Wilden, R., Gudergan, S. P., Nielsen, B. B., & Lings, I. 2013. Dynamic capabilities and performance: strategy, structure and environment. *Long Range Planning*.

Williamson, O.E., 1985. The Limits of Firms : Incentive and Bureaucratic Features. *Depression*, (1985), p.450.

Woolcock, M., 1998. Social capital and economic development: Toward a theoretical synthesis and policy framework. *Theory and Society*, 27(2), p.151-208.

Wright, M., Filatotchev, I., Hoskisson, R. E., & Peng, M. W. 2005. Strategy Research in Emerging Economies: Challenging the Conventional Wisdom*. *Journal of management studies*, 42(1), p.1-33.

Wright, R.W. & Ricks, D.A., 1994. Trends in International Business Research: Twenty-Five Years Later. *Journal of International Business Studies*, 25(4), p.687-701.

Yeung, H.W.-Chung, 2002. The Limits to Globalization Theory: A Geographic Perspective on Global Economic Change. *Economic Geography*, 78(3), p.285.

Yli-Renko, H., Autio, E. & Tontti, V., 2002. Social capital, knowledge, and the international growth of technology-based new firms. *International Business Review*, 11(3), p.279-304

Young, S. & Tavares, A. 2007. Exporting and Internationalization: Best Practices in Promotion & Development Policies, unpublished presentation and report, Porto, Portugal: CCDRN, October.

Zahra, S.A., 1993. A Conceptual Model of Entrepreneurship as Firm Behavior: A Critique and Extension. *Entrepreneurship: Theory and Practice*, 17(4), p.5-21.

Zahra, S.A., 2005. A theory of international new ventures: a decade of research. *Journal of International Business Studies*, 36(1), p.20-28.

Zahra, S.A. & Garvis, D.M., 2000. International corporate entrepreneurship and firm performance: The moderating effect of international environmental hostility. *Journal of Business Venturing*, 15(5-6), p.469-492.

Zahra, S.A. et al., 2000. Privatization and entrepreneurial transformation: Emerging issues and a future research agenda. *Academy of Management Review*, 25(3), p.509-524.

Zhang, M., Sarker, S., & Sarker, S. 2012. Drivers and export performance impacts of IT capability in 'born-global'firms: a cross-national study. *Information Systems Journal*

Zhang, M., Tansuhaj, P., & McCullough, J. 2009. International entrepreneurial capability: The measurement and a comparison between born global firms and traditional importers in China. *Journal of International Entrepreneurship*, 7(4), p.292–322.

Zou, S. & Stan. S. 1998. The determinants of export performance: a review of the empirical literature between 1987 and 1997. *International Marketing Review* 15(5), p.333-356.

Workshops

Institute for Small Business and Entrepreneurship (ISBE) workshop, "Entrepreneurial Learning: Growth, Internationalisation and Policy Issues", Community for Internationalisation and Enterprise Research (CIER), Adam Smith Business School, University of Glasgow, 16 April 2013

1st International Workshop: "The Evolution of Knowledge in International Entrepreneurship", The University of Edinburgh Business School, 26-27 April 2013