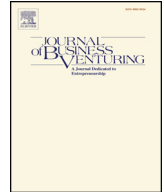




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## International entrepreneurship beyond individuals and firms: On the systemic nature of international opportunities

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### ABSTRACT

The present study approaches opportunities in international entrepreneurship from a systemic perspective. Based on research on the collectiveness of opportunities in international entrepreneurship and the concepts of *activity* and *object* from activity theory, we develop a systemic conceptualization of opportunity-oriented international entrepreneurship. Through an empirical study in Finland and Israel, we depict six collective opportunity beliefs, considered from the viewpoints of society, international venture, and outcome expectations. Furthermore, we induce three modalities for international opportunity as the object of collective activity and model systemic opportunity shaping as the core activity of international entrepreneurship.

### Executive summary

Over the last couple of decades, international entrepreneurship has been conceptualized as an opportunity-focused activity (e.g., Oviatt and McDougall, 2005). Simultaneously, research has progressed in uncovering the cognitive processes of entrepreneurs in creating opportunity beliefs (e.g., Grégoire et al., 2010; Wood et al., 2014). The present study aims to develop conceptualization of this activity further by bringing forth the systemic nature of international opportunities that come about as collective opportunity beliefs. Through a review of the existing literature, we illustrate that the prior research is rather silent about the systemic nature of opportunities. Thus, we use the concepts of *activity* and *object* from activity theory to expand the international opportunity concept to the collective level and depict its systemic nature. The systemic view allows us to appreciate the historicity and the multivoicedness of international entrepreneurship as an opportunity-oriented collective activity.

We selected Finland and Israel as research sites to examine how the collective opportunity beliefs that manifest in the pursuit of international entrepreneurship are generated. Through an empirical study, with extensive archival, interview, and observational data, we depict six collective opportunity beliefs existing within international entrepreneurship communities. The beliefs capture viewpoints on the opportunities related to society, international venture, and outcome. Furthermore, the data allows us to suggest that the three points of view can be collected into two logical configurations. The configurations carry modalities of international opportunities as cultural-historical phenomena.

As its primary contribution, our study takes the contextual influences on opportunity beliefs further from such elements as industry conditions (e.g., Wood et al., 2014) by specifying the collective beliefs and modalities of international opportunities that carry with them societal need states and drive the activity. For practice, the study makes explicit both the power of the inherent institutionalized patterns of the activity and the rules of the game that have developed over time and define the ways of pursuing international opportunities.

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## 1. Introduction

International entrepreneurship is about acting on opportunities across national borders (Mathews and Zander, 2007; Oviatt and McDougall, 2005; Reuber et al., 2017). The opportunity focus of international entrepreneurship research is consistent with the development of its root fields because opportunity as a core concept has received broad acceptance in the research communities of both entrepreneurship (Eckhardt and Shane, 2003; Shane and Venkataraman, 2000; Short et al., 2010) and international business (Johanson and Vahlne, 2009; Reuber et al., 2017). On the one hand, opportunities are seen as unique discoveries and as the starting points for internationalization (e.g., Mathews and Zander, 2007; Chandra et al., 2009). On the other hand, opportunities are the creations of interacting parties in international exchange (Fletcher, 2004; Johanson and Vahlne, 2006). In both cases, it is important to understand how individuals come to believe in an opportunity (Ardichvili et al., 2003; Wood and McKinley, 2017).

The beliefs about things that are favorable for the achievement of possibly valuable ends have been seen as the core of the opportunity construct (Sarvasathy et al., 2003; Wood et al., 2014; see also Davidsson, 2015) and as intimately related to human action (Shepherd et al., 2007). Prior research, hence, uncovers the processes whereby entrepreneurs and managers cognitively construct opportunity beliefs (Grégoire and Shepherd, 2012; Shepherd et al., 2017; Wood et al., 2014). Opportunity beliefs involve subjective interpretation of the environment and of what might be in an uncertain future (Grégoire et al., 2010). The cognitive view is important, but, being individual-centered, it pays little attention to the communities in which the entrepreneurs act and that are involved in generating the opportunity beliefs and the activity on that basis. We focus on the collectiveness of international entrepreneurship as an opportunity-oriented activity. Our research question is: How are the collective opportunity beliefs that manifest in the actors' pursuit of international entrepreneurship generated?

In our examination, we start by reflecting upon prior international entrepreneurship research that has acknowledged and elaborated on the collectiveness of opportunity-focused entrepreneurial activities. It brings forth the influence of networks on the perception of opportunities (e.g., Ellis, 2011), and cultural and institutional contexts as bases that bound opportunity beliefs (e.g., Liu et al., 2008). We elaborate on the collectiveness of international opportunities to a systemic view of international entrepreneurship using ideas from activity theory (Engeström, 2014; Engeström and Sannino, 2010). In the systemic view, opportunity beliefs are held by the communities of actors jointly pursuing international entrepreneurship (Engeström, 2001; Engeström and Blackler, 2005; Jones and Holt, 2008). In the empirical part of the study, we analyze data from two communities—one in Finland and one in Israel—in order to examine the collective beliefs behind the pursuit of opportunities and their relation to international entrepreneurship. The analysis allows us to induce modalities of international opportunities. Modalities are the carriers of the cultural-history of the community coming about as the collective beliefs and driving the systemic shaping of international opportunities.

The study's contribution focuses on using the systemic view to expand the concept of international opportunity to encompass the collective level. First, the systemic view allows us to embed an entrepreneur's views of the attractiveness of an opportunity to herself or himself (e.g., Grégoire et al., 2010) in their societal context. We illustrate that opportunities are not only a question of the individual's cognitive construction, but also that the community holds collective opportunity beliefs that direct the activity of international entrepreneurship. In this way, we contribute to the understanding of a community's involvement in the pursuit of opportunities in terms of collective undertakings (see Shepherd, 2015). Secondly, the systemic view allows us to bring temporality into the picture by seeing opportunities as carrying with them historically developed circumstances but depicting future possibilities (see Holt, 2008; Miettinen, 2001; Ramoglou and Tsang, 2016). This complements the views of opportunities as defined by an individual's current circumstances (e.g., Wood et al., 2014). Through the focuses on the collectiveness and temporality of opportunity beliefs, the systemic view offers an original conceptualization of the contextuality of international entrepreneurship (see Reuber et al., 2017). It situates opportunity-oriented activity within its cultural-historical context.

## 2. From discovery and creation towards a systemic view of international opportunities

The discussion on international opportunities in international entrepreneurship has, to a large extent, focused on the initial discovery of market potential and the realization of foreign sales in the internationalization of entrepreneurial firms (Jones et al., 2011; Mainela et al., 2014). In the following section, we reflect upon these perspectives relying on opportunity-focused entrepreneurship literature and both the entrepreneurial internationalization and comparative entrepreneurship streams of international entrepreneurship research. We discuss prior research with the intention of uncovering the collectiveness of international opportunities. Towards the end of the section, we elaborate on collectiveness to present a systemic view of international opportunities, using the concepts of *activity* and *object* from activity theory.

### 2.1. The collectiveness of international opportunities

Both opportunity-focused entrepreneurship research and international entrepreneurship research have two primary roots (see Alvarez and Barney, 2007; Mainela et al., 2014). The opportunity discovery perspective builds on the Austrian school of economics and semi-rational theories of entrepreneurship (Alvarez et al., 2013). The perspective assumes that entrepreneurs aim to discover opportunities to overcome economic inefficiencies and that discovery is a gradual process of the accumulation of knowledge (e.g., Cohen and Winn, 2007; Kor et al., 2007). Those economic actors whose knowledge is the most advanced are seen to be alert and capable of discovering opportunities (Ardichvili et al., 2003; Foss et al., 2008; Patel and Fiet, 2011). Situational elements, such as institutional contexts and networks, influence individuals' opportunity discovery (e.g., De Clercq et al., 2010). This type of discovery has been depicted both as an antecedent to and as a stimulus of internationalization, and in international entrepreneurship it is

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