

Entrepreneurship: An international perspective

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We are in an era of globalization and entrepreneurship is part of it. Wright (1999) delivers some examples to illustrate this assertion. The number of young enterprises, particularly technological enterprises, that become international soon after their creation—sometimes even as they are created—is progressing. An increasing share of international capital is helping to finance start-up enterprises or those that are growing rapidly. Immigrants from diverse origins are, in general, creating enterprises in their adopted countries in a larger proportion than the people born in those countries.

For established enterprises, the discourse is about “entrepreneurial strategies.” According to their partisans, globalization challenges the models of strategic analysis that do not use “entrepreneurial” virtues to take advantage of the opportunities offered by the internationalization of markets.

Nevertheless, establishing universal models is delicate, as shown in this issue of *IM*, which includes contributions by authors who present and defend the specificity of their research context. Although the importance of the international dimension in business must not be minimized, even for countries searching for their place on the economic (and consubstantially political) scene, the contributions of entrepreneurship to their development bring up social questions right from the start. No matter what one says, individualist models that are tinged with a particular ideology cannot provide solutions that apply in all socio-historical contexts, except to offer advocates of these models more of a hold over the international world of business while, paradoxically, those same advocates prone free enterprise.

General aspects can be brought out but, without getting into culturalist theses, their contribution to understanding the situations that give birth to entrepreneurial phenomena must not be replaced too quickly (the text by Mitchell, Smith, Seawright, and Morse, 2000, could provide the basis of a discussion on this point). This is not to say that there cannot be an overall apprehension of entrepreneurship. Instead, on one hand, we should encourage contextualization when concrete descriptions of observable processes are needed (*cf.* “processual” models), while on the other hand we evoke the political incidence of any related academic discourse. Too often, studies confine themselves to comparing countries that are relatively close in many aspects.¹

1. For example, Busenitz, Gomez, and Spencer (2000) use a sample population of students from the following six countries: Germany, Italy, Norway, Sweden, Spain, and the US.

2. This stage is several decades old in the Anglo-Saxon world.

As interesting as these studies may be, integrating data from African and Asian countries could provide balance to the content almost every time.

In order to concentrate on managerial considerations, we will not look at the political dimension, except to mention that it hangs over the question of entrepreneurship in a number of developing countries. This is for all an avenue of research within the framework of macro-economic analyses aimed at measuring the part entrepreneurial activity occupies in a country’s balance of payment, or the role that it plays in creating jobs and value, without forgetting the related infrastructure to be put into place.

In regard to processual models, a distinction must take place on two levels. The first is to differentiate between the models offering researchers knowledge that stimulates their intellectual reflection on a phenomenon’s different forms of expression and the modelling of a process that can be mobilized by the actors of socio-economic development. The second is closely linked to the first. It consists of distinguishing between the knowledge drawn from global models and the need to integrate the specificities of context through concrete knowledge of it. Since entrepreneurship as an area of research is about to go beyond the emergence stage in the French-speaking community,² now is the time for close empirical analyses of its different forms of expression.

Although we now look at “global” more from a “local” perspective, internationalization has often been considered to be reserved for established firms that have reached a stage of development that lets them go beyond the borders of their countries to increase their market and their value and to benefit from economies of scale. McDougall, Shane, and Oviatt (1994) challenge this position that stems from theories about the firm and overshadows two other levels of analysis: enterprising individuals or small groups of enterprising individuals and their business networks. Focussing too much on the firm does not explain the creation of enterprises that are international right from the start (called *international new ventures* by Anglo-Saxons). These authors shift the level of analysis by borrowing an inquiry from an earlier work (Hymer, 1976), and directing it towards the creators of INVs³ (see also Oviatt & McDougall, 1997). Thus, entrepreneurship on an international scale concerns established firms as much as it does emerging enterprises. Contrary to certain determinist theses about the evolution

3. Who creates INVs? Why do they choose international undertakings right from the start instead of staying in a national perspective? What forms do the international activities that they have created take on?

of firms, it might even be considered that internationalization first arises from a will necessitating “entrepreneurial” competences.

While keeping in mind the strong presence of powerful groups, young and small enterprises have tools that can widen the borders of their business space, whether they are exporting or establishing themselves in different regions of the world. Thus, being international offers entrepreneurial opportunities that are not reserved for large enterprises that have reached a hypothetical, adequate size, had a substantial decrease in costs, and acquired a good mastery of technologies. A growing part of international business is done by young enterprises and SMEs (McDougall & Oviatt, 2000). Political will, the gradual removal of protectionist barriers, and the development and transfer of technologies facilitates communications and makes international markets more accessible.

Competences, understood according to the resource-based view (*cf.* RBV), both spread and become singularized so that the market is made up of a large diversity of offers that are no longer held only by the big firms. Among the criteria that allow competences to spread, NICTs (new information and communication technologies), with the Internet in the lead, put SMEs on international markets that were formerly closed to them because of a lack of the necessary information (Eisenhardt, Brown, & Neck, 2000; see also Hitt & Reed, 2000). NICTs are participating in the rapid expansion of business networks, and even of capital stock, by helping make faster and more distant exchanges with partners (see Torrès, 2000), and develop competences and the ability to spot and seize business opportunities. They have given rise to numerous *start-ups*, providing the tools and services to make the most of the Internet or to use it to make sales.

Our remarks bring out a connection between entrepreneurship and being international which has been the subject of special issues of journals such as *Entrepreneurship Theory and Practice* (Vol. 20, No. 4, 1996) and the *Academy of Management Journal* (Vol. 43, No. 5, 2000). This connection seems to lead to several paths of research and two in particular.

The first is based on the observation that “international” is a dimension that is increasingly present in entrepreneurial expression, whether the way the phenomenon manifests itself in different countries of the world is being studied or the way entrepreneurs besiege international markets.

The second path studies entrepreneurship through an international prism. This is not the angle that we asked to favour in our call for papers for this special issue, even if the process of internationalization can make some forms of entrepreneurship appear. We will only touch on a few of the themes here. Using an international point of view, we can consider entrepreneurship as a way to become international or as a necessity of the globalization of markets. The studies

essentially look into established firms and how they expand their business space. They combine internal elements proper to the firms with external elements.

Internally, it is about adopting entrepreneurial behaviour so that the creativity and initiatives of employees highlight the business opportunities to be taken. This is the current discourse on the notion of “entrepreneurial strategies” (see *Strategic Management Journal*, July 2001; *Academy of Management Executive*, Feb. 2001; and the work coordinated by Meyer & Heppard, 2000), which in the past fell more often under the banner of *corporate entrepreneurship* (see Guth & Ginsberg, 1990). The purpose is to make established organizations more flexible, more innovative, and more “entrepreneurial,” by going through a fundamental managerial change, that is to say, according to Cooper, Markman, and Niss (2000), going from “traditional management” to the implementation of “entrepreneurial strategies.”

Externally, it is about finding new markets, particularly through exportations, establishment in other countries by creating subsidiaries (internal growth), buyouts (external growth), or partnerships and diverse alliances. This is not without consequence on managerial modes, which are more influenced by cultures and entrepreneurial practices.

Changing from one managerial mode to another supposes certain characteristics of entrepreneurship (relation of the individual to the organization, risk-taking, leadership and responsibility, role of vision, of improvisation, of curiosity, of tenacity, of creativity, etc.) and drawing aspects from them to transfer to existing firms. The objective is to change the “managerial paradigm,” to reconcile “managerial” with “entrepreneurial” (as suggested by Julien and Marchsney, 1996, by evoking passage from managerial capitalism to entrepreneurial capitalism), and to combine the corresponding competences.

The call for papers for this special issue requested that the first route of research be favoured, using entrepreneurship as the angle of view. As suggested by McDougall, Shane, and Oviatt (1994), the level of analysis is shifted from the firm to the manager. This route considers the entrepreneurial dimension in different ways. Joining the question of the diverse forms of entrepreneurship brought about by the globalization of markets and internationalization of firms, the first concern looks at what motivates entrepreneurs to export or to start businesses, often in several countries at the same time and by establishing local partnerships. Sometimes, the research specifies the stages of internationalization of the SME and the related conditions (e.g., Miesenbock, 1988; Andersen, 1993; Bijmolt & Zwart, 1994; Bagchi-Sen, 1999) or lays out the typologies of SMEs when dealing with exportation (e.g., Julien, 1996; 1998). They may also lead to a demonstration that the thesis of specificity of the SME in its modes of management can be challenged when it is opened to internationalism (Torrès, 1997).

Although entrepreneurship and SMEs should not be confused, these studies put the social network, trajectory, competences, aspirations, and behaviour of the entrepreneur at the heart of the process of internationalization. In illustration, Westhead, Wright, and Ucbasaran (2001) designate four generic factors that influence the passage of young and small enterprises to “international”: entrepreneurs’ personal and interpersonal abilities, their knowledge of the sector invested, and, finally, their skill in pulling together financial resources. A majority of researchers turn to case studies to understand this dynamic (see the table on INVs by McDougall, Shane, & Oviatt, 1994; and an illustration from the Logitech case in Oviatt & McDougall, 1995).

In smaller organizations, decisions go through the owner-manager, and internationalization generally denotes his or her entrepreneurial character even if, in certain cases, it is a constraint to gaining access to resources (whether tangible or intangible) that have become rare, or because competitors have established international relations that give them diverse advantages. Of course, depending on the region of the world, access to entrepreneurship is more or less easy. If the action is made by an enterprising individual or group of individuals, the context is not neutral regarding their incentive and the help they lay claim to (infrastructure, information, availability of resources, etc.). In this vein, certain works study how entrepreneurship is expressed in different places in the world and ask a number of questions such as: Why are certain regions more entrepreneurial than others (see Julien, 2000)? Is there a specificity to African entrepreneurship, Asian entrepreneurship, or European or American entrepreneurship? Is this geographical division acceptable? Should we not, for example, distinguish different zones within Africa, Europe, and so on? Three texts in this issue illustrate this type of inquiry. The others look into the transfer of technology, the measure of entrepreneurial talent, and the processes of venture-capital loans. We now invite you to discover these texts, while pointing out that it would have been utopian to want to cover all the aspects that link entrepreneurship and being international. Many themes are not illustrated in this issue. The complexity of the entrepreneurial phenomenon along with that of internationalization offers a sizeable field of investigation. Entrepreneurship manifests itself in a multitude of ways, in the private sector as well as in the public sector; in small, medium-sized, and large enterprises; and in emerging enterprises or those that are already established. This is the same for being international. Each phenomenon can be analysed in a threefold way (Verstraete, 2001). The first favours the enterprising individual or group of individuals. The second focusses on the contexts in which the phenomena are expressed and materialize. The third looks at what ties them together, namely, the action that structures the relations between entrepreneurs and their contexts; this is of particular interest to managers.

If we use this threefold look to multiply the themes to which each phenomenon is connected, we obtain a very

vast field of study. We have not tried to make an exhaustive inventory of them—we have favoured a formula of calling for papers that evoke the generic theme, widely but explicitly. The call for papers specified that the process of evaluation would be blind. In the selection of texts, this process took precedence over other considerations. In no case was a paper kept under the pretext that it widened the range of themes treated. Each text was submitted to the appraisal of the evaluators, and it was up to them to rule out or not any proposition that did not fit within the lines of the call for papers. This is what happened. Nevertheless, the authors concerned received complete evaluations to help them improve their text in order to submit it for publication in a regular issue of *International Management*, or elsewhere if they so choose. In the end, the six papers that follow were chosen for publication in this special issue.

The paper by Torrès strongly relativizes the Anglo-Saxon idea of entrepreneurship. He observes other geographical contexts to find models from different logics. Besides the liberal North American entrepreneur whose foundations are in the theory of pure, perfect competition, Torrès evokes three other types of entrepreneurship from the continents of Africa, Asia, and Europe: the network entrepreneur, whose sources are in the industrial organization of subcontracting in Japan; the corporatist entrepreneur, illustrated by French companies; and the informal entrepreneur, characteristic of Africa. It is less a matter of dismissing the idea that hybrid types exist (for example a French entrepreneur who fits the reticular “Japanese” forms), than highlighting the typical ideals that represent the generic aspects of a geographical zone. This typology, although not the object of an empirical validation, is interesting because it shows that the underlying individualism of most Western works ignores all the forms of collective entrepreneurship that are found in Asia and in Africa in particular. In these cases, the classic notions of innovation, risk-taking, and self-confidence no longer prevail, but rather what Torrès qualifies as “resourcefulness” [in French, “débrouillardise”] (which is another form of informal, gradual innovation), the need for security (through strong community attachment), and the aptitude to trust. Here, relational and social dimensions occupy a central place and the role of the individual, still present, is diluted in wider considerations that plead for an increased role of the environment (such as family, clan, group, etc.).

We find this concern again in Emmanuel Kamden’s text. Recognition of community aspects leads this author to insist on the usefulness of a multidisciplinary analysis of African situations to understand how entrepreneurship may be expressed there. He proposes integrating contributions from the social sciences to zero in on the singularity of sub-Saharan enterprises. His work, which will be appreciated by those who are not specialists on Africa, provides precious bases for constructing pertinent models in this context. He opens research routes and appeals to researchers to be responsible by bringing knowledge through a scientific

approach. Before describing and spreading models through teachings and practices, they must first get down to their construction through a good knowledge of the lands that are being addressed.

Patrick Valéau joins Emmanuel Kamdem through an explicit message that advocates integrating managers' values with their concept of business. Using examples, he demonstrates that concepts of entrepreneurship that are founded on innovation, profit, detecting opportunities, and so on cannot be applied *stricto sensu* to the case of managers in the Indian Ocean Zone who, nevertheless, have an entrepreneurial temperament. Their particularity is integrating goals that are not only lucrative into their vision of business. This vision, which the author qualifies as "cross-bred" [in French, "métissée"], makes them closer, in certain aspects, to not-for-profit-only organizations (using the author's expression, which in French is "organisations à buts non seulement lucratifs"). His text also invites questioning the association of entrepreneurship with growth. Does a manager stop being an entrepreneur as soon as his or her enterprise is not in a growth dynamic? Is one less of an entrepreneur when protecting a situation and trying to keep it from deteriorating, than when making a profitable business prosper? Quite often, entrepreneurship is associated with the idea of success, but a number of entrepreneurs try to "hold together" an enterprise as long as possible when it does not seem very probable that it can be turned around. This would make a good subject for debate.

Jung and Baik's study appeals for a new measure of entrepreneurial self-efficacy (ESE). Their goal is to examine how the evaluation made by an individual of his or her entrepreneurial talents is associated with his or her intentions and actions. They formulate and empirically verify the hypothesis that ESE has positive repercussions on those intentions and actions. Thus, using the measure of ESE, the propensity of an individual to become an entrepreneur could be estimated. One avenue of research that ensues from this type of work is detecting, for international organizations with multicultural personnel, individuals presenting the aptitudes to start up new enterprises after finding business opportunities. This type of test can also be applied in the educational system to measure the effect of teachings on the propensity of students to become entrepreneurs. To do this, ESE is measured at the beginning of a training program and again at the end. In this regard, and in accordance with the message of the three preceding texts, the authors suggest integrating social and cultural dimensions into training programs, because they have an influence on ESE. A third avenue of research concerns venture capital. The authors point out that it is not a matter of defining a hypothetical, typical profile to which any individual soliciting funds should correspond, but of giving lenders precious information concerning the capacity of the applicant or of the management team.

In the paper that follows, Barrow and Richardson, Copin and Paliard, Lange, Leleux, and St-Cyr present an

international comparison (France, Great Britain, United States, and Canada) of the processes used by investors and underwriters in evaluating companies with a high growth potential. They examine the techniques developed for this as well as the means used to diffuse the know-how and corresponding knowledge. Their empirical research tries to bring out the differences between the key determinants used by the two groups. For this, the authors studied 174 valuation cases. This research is particularly topical because a number of new enterprises turn to international financial packages. It thus provides a base for works about evaluation techniques to develop that, in the area of creation of high growth potential technological enterprises (the famous "gazelles"), necessitate more flexibility and contingency. Beyond its contents, this work constitutes a remarkable international collaboration and should open the way to other research of its kind.

In our sixth paper, Ibrahim and McGuire take on an extremely interesting subject for international entrepreneurship: technology transfer strategies. The development and use of technologies differs between countries, and particularly between developed and developing countries. This provides an interesting window of opportunity for international entrepreneurs who are specialized, or who would like to specialize, in the transfer of these technologies. The text proposes three technology transfer strategies as well as modes of implementing each.

In spite of the large number of papers received, we could only accept those that successfully made it through two rounds of evaluation, and in some cases, a third. We have only partially reached our goal—we would have liked to include a few more papers so that research perspectives at the heart of the articulation between entrepreneurship and being international would be covered better. Nevertheless, we hope that this issue will attract enough interest in the research community so that other "enterprising" researchers will carry on with it. Other possible themes for study include technological entrepreneurship and globalization, creation of enterprises in countries other than the country of their creators, comparison of the system of activities of entrepreneurs from different countries, influence of NICTs, and so on. Research on ethnic and immigrant entrepreneurship, as well as comparative analyses on the functions of management in international enterprises are also needed.

In closing, we would like to thank all the authors who answered our call for papers and to apologize to those whose papers were not used for this issue but who, with the *savoir-faire* characteristic of our community, accepted the decisions of the evaluators and coordinators. Many thanks also go to the international evaluators (three evaluators per paper) for their excellent work. The authors often expressed their satisfaction about this work. We would also like to give particular thanks to the editor of *International Management*, Taïeb Hafsî, for opening the journal to the entrepreneurship-and-international theme. Recognition is also due Bachir Mazouz, associate editor, with whom we have

worked closely for over a year. We are grateful to Muriel Pagé for her efficiency and kindness. As guest editors, we were given an excellent opportunity to learn to work together. In a way, we practiced globalization as we managed our project, and we used everything that technology offers to work together in a world where there are now so few borders. We'll do it again!




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