Editorial

Hamid Etemad

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I am delighted to add this editorial note to the papers that constitute this issue of the journal. This issue presents four articles that cover a rich and broad range of related and complementary issues, ranging from changes in the environment and at the policy level in the emerging economies encouraging, if not enabling, internationalization of firms, to factors that impact entrepreneurial motivations and perception at the personal and strategic levels. The dominant theme of this issue is inter-relations and interactions among the factors that affect internationalization of entrepreneurial firms that experience different conditions emanating from their respective country environments. The papers in this issue also present a rich diversity of information, databases, and methods of analysis that lead to logical sets of findings, implications, and recommendations for future research.

The first paper, coauthored by Sonia Ketkar and Zoltan J. Acs, is entitled: “Where Angels Fear to Tread: Internationalization of Emerging Country SMEs”. In spite of impressive success of small and medium enterprises (SMEs) from the emerging economies in the international markets in recent years, the first part of the title points at the difficult environments in the emerging economies, from which such internationalizing SMEs have emanated. The prevailing scholarly opinion has pointed out that the previously restrictive institutional context of the emerging economies—comprising the formal rules and regulation and informal sociocultural constraints—have been relaxed during the past two decades, and that such economies have further engaged in developing and upgrading their formal institutions, including their economic, legal, and regulatory environments. However, the cultural and traditional underpinnings of the sociocultural environment, imposing informal constraints, have not responded as rapidly. Operating within such environments, SMEs have been forced to deal with problems such as the pressures of global competition arising from globalization of trade and investments, liberalization of the economic and trading regimes eroding previous competitive advantages, and the progressive removal of barriers to mobility, which combine to intensify competition at home and abroad and challenge smaller and younger firms’ legitimacy and cultural sensibilities and responsiveness. Ketkar and Acs addressed the conflicting impacts of the formal

H. Etemad (✉)
McGill University, Montreal, Canada
e-mail: hamid.etemad@mcgill.ca

institutions and informal restraints through seven hypotheses and subsequently tested them on a sample of some 7,212 SMEs in 36 developing countries. The database supporting the research was a rich combination of information extracted from the World Bank Enterprise Survey of small- and medium-sized enterprise and their associated countries' measures at the sociocultural and institutional levels. By using a multi-level hierarchical modeling, while allowing for interaction between the cultural and institutional variables, this paper reports interesting findings, among which are the statistically significant impact of the interactive terms (institutions $\times$ individualism and institutions $\times$ masculinity). The premise of the research that the internationalization of SMEs in developing economies is affected by both the formal societal-level institutions and informal sociocultural norms is born out. A logical implication of this paper's findings is the need for studying the combined impact of both the entrepreneur and the firm on internationalization, within the formal institutional framework and informal restraints of their society, within which they operate and from which they emanate. This paper can also be viewed as the broad and macrocontext for the next paper in terms of questioning the performance of internationalizing younger firms.

The second paper, authored by Stephanie A. Fernhaber, is entitled: "Untangling the Relationship between New Venture Internationalization and Performance". The question of performance associated with growth and internationalization has occupied the scholarly community for some time with unclear results. While some research finds negative (or positive) linear relationship between the extent of internationalization and sales' growth, internationalization and profits, others find curvilinear relations with unclear results, which are logically problematic, if not troublesome. Consider the fact that, there will be no incentive for entrepreneurs, top management teams, and firms to strive for sales' growth through internationalization, if internationalization leads to monotonic losses regardless of the firm size. However, the prospect of curvilinear relations may provide logical motivation for rapidly attaining growth and then slowing down before the dis-economies of scale begin to set in. Logically, gains in capabilities and technological augmentations, among other potentially enhancing factors, should delay the tipping point. However, such eventual prospects complicate further growth by requiring a continual acquisition and integration of, for example, higher capabilities, more innovative products and processes, and higher organizational learning into the firm's dynamic capabilities to postpone the inflection point, which may impose limits on the entrepreneurial and firm aspirations for achieving exceedingly higher growth, especially through internationalization involving higher operational risks in international markets, where the liabilities of newness (Stinchcombe 1965), foreignness (Hymer 1976), and outsidership (Johanson and Valhne 2009) combined with constrained resources are more likely to adversely impact growth than otherwise. Therefore, the question of shape and the impact of the above relationships loom ever larger as internationalization is becoming a higher imperative, if not a requisite of survival for smaller entrepreneurial firms.

Notwithstanding the limitations of data and measurements, this paper's analytical methodology leads to two clear and distinct relationships between new venture internationalization and the likelihood of survival and sales growth, respectively. In the former relationship, the likelihood of survival increases with higher internationalization (of new ventures) in the early stages of internationalization. Disturbingly, the likelihood of survival of the new ventures decreases after an inflection point,

indicating that the internationalization's mixed impact on survival: positive and increasing contribution in the earlier stages and adverse impact in the later stages (beyond the inflection point in an inverse U-shaped curvilinear relationship). In contrast, the new venture on internationalization's impact on sales growth is a curvilinear U-shaped relation, indicating that the sales growth decreases over the earlier stages and increases after an inflection point in the later stages of internationalization.

The noteworthy point is the specific context of the study—the high-technology new ventures, headquartered in the USA that issued IPO between 1995 and 2005, which may have influenced the paper's findings. This period included both the bursting of the dotcom bubble in the late twentieth century and the economic crisis of the early twenty-first century. Assuming generalizability, the above findings raise a logical question: what motivates entrepreneurs to engage in the arduous process of starting up a firm that will face the ever increasing threat of demise? This subject is taken up by the third paper in this issue.

The third paper, coauthored by Christophe Estay, Françoise Durrieu and Manzoor Akhtar, is simply entitled as “Entrepreneurship: from Motivation to Start-up”. This simple and short title is somewhat deceptive, as the paper studies the long and winding pathway from motivation to start ups through interactive relationship among motivations, perceptions, and outcomes. The broad context of the research is French entrepreneurs starting-up new ventures. After examining the antecedents of entrepreneurial motivation, perceptions and the logics of action, the paper presents an integrated model of the pathway. The components and the integrated model are analyzed and a structural equation analysis both clarifies and validates the pathway from motivation to start ups.

The above paper relates to the next paper well in three broad respects: the critical role of entrepreneurs, developmental pathway to entrepreneurial start ups and their entrepreneurial characteristics influencing their choice of strategic actions overtime. However, the country contexts of the two papers differ and the fourth paper's Italian context adds to the diversity, possibly enabling an implicit cross-country comparison.

The next paper, coauthored by Vincenza Odorici and Manuella Presutti, is entitled: “The Entrepreneurial Experience and Strategic Orientation of High-tech Born Global Startup: An Analysis of Novice and Habitual Entrepreneurs”. This paper focuses on the crucial role of the entrepreneurs through its in-depth case studies of eight Italian high-technology and Internet-based born global firms; four of which were started and led by habitual entrepreneurs, who had previously started between one to four firms and generated a high portion of their revenues from international markets (ranging from 62 to 80 % over the past 3-year period). In contrast, the four novice entrepreneurs were on average younger, less experienced and generated smaller portion of their revenues from international markets (ranging from 10 to 75 % in past 3 years). The theoretical arguments and the conceptual framework of the paper generates three families of propositions supported by the paper's findings: that the strategic-orientation in born global start-up is a multidimensional and an interactive construct, comprising learning, market, and entrepreneurial orientations, are leading to the paper's other empirical finding, that there are qualitative differences between the two groups of entrepreneurs' strategic orientation.

In closing, I would like to draw attention to: (1) the richness of databases and information used, (2) the diversity and richness of methods deployed, and (3) the diverse context of the four papers included in this issue, ranging from 36 developing countries to France, Italy, and the USA. Finally, the papers of this issue suggest that the field of International Entrepreneurship will be further enriched if more extensive, richer information, and analytical methods such as those presented in this issue are to be used. We call for the use of such research based on richer information and more powerful analytical methods.

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