

International Entrepreneurship at a Time of Turbulence

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Abstract: The global marketplace is undergoing significant changes because of rapid technological shifts, the emergence of global ecosystems, and the proliferation of digital platforms. However, anti-globalism and nationalist movements have also fueled confusion and chaos. As a result, like other countries' firms, Chinese companies —large and small— are reconsidering their efforts as they venturing into international markets. In this article, I draw on three decades of research to discuss ways to study international entrepreneurship in China's context and generate rich and rigorous research of great value to public policy makers and managerial practice.

Keywords: international entrepreneurship, international new ventures, born globals, global competitiveness, technological evolution

The rising global prominence of Chinese companies has been breathtaking. In nearly every major industry and every corner of the globe, Chinese companies have expanded their operations building strong competitive positions and achieving success. Moreover, over the past decade, Chinese companies have become increasingly sophisticated organizationally and technologically, introducing and applying new business models—moving from imitating other countries to focusing more and more on original development and innovation. Equally interesting, similar to firms from mature economies, larger well established companies as well as small and medium enterprises (SMEs) and new ventures have become active in global markets (Arregle et al., 2017; Sui & Baum, 2014; Zahra, 2003, 2005a, 2009). This broad and ever growing participation demonstrates the importance of international entrepreneurship for the continued evolution and growth of Chinese firms.

International entrepreneurship (IE) refers to the activities companies undertake to define and exploit opportunities in foreign markets (Oviatt & McDougall, 1997; Oviatt & McDougall, 2005; Sapienza et al., 2006; Shrader, Oviatt & McDougall, 2000). It encompasses actions related to opportunity identification, evaluation, refinement, and exploitation (Chandra, Styles & Wilkinson, 2009; Patel, Criaco & Naldi, 2016; Weerawardena et al., 2007; Yu, Gilbert & Oviatt, 2011). These actions require strategic analyses that are shaped by economic factors as well as by managers' cognitions, motivations, and aspirations. These actions also encompass the processes and systems that companies enact to expand internationally, build their market positions, create value, and learn from their markets. Clearly, these are varied and complex issues that companies need to address and carefully manage to sustain their international expansion and achieve profitability. Given the complexities involved, it is useful to reflect on the rich body of research that has developed over the past three decades studying IE, its antecedents and consequences with an eye on how to benefit future scholarship in this area. There are several thoughtful reviews of the evolution of this research and its major thrusts (e.g., Chandra & Coviello, 2010; Coviello, 2015; Jones, Coviello & Tang, 2011; Zahra & George, 2002b; Zander, McDougall-Covin, & Rose, 2015). These reviews reflect a persistent effort aimed at capturing the scope of IE activities and their changing nature over time. With changing global market realities, entrepreneurs have to find new ways to gain sustainable competitive advantage. Indeed, today, companies have to navigate very different types of markets from those that existed in the 1990s when IE research began to take shape. Technological, economic and social changes have profoundly altered the definition of industries and their products, the way industries are structured as well as where and how the innovation, production and distribution activities are performed. Many industries that once dominated national and international economies have been rendered obsolete or have become a part of an evolving ecosystem. Conversely, industries that emerged only a few years ago have become important arenas for global competition. Moreover, globalization has resulted in intricate webs of relationships and networks that transcend geographic, economic and traditional political definitions, promoting IE. Yet, the success of globalization has raised nationalist sentiments that threaten international institutions and trade. With this dynamic (and sometimes volatile) global marketplace, IE researchers need to consider a variety of questions that could enhance theory, shape public policy and improve managerial practice.

In this article, I will attempt to distill key lessons learned from IE research, building on the vast body of research on the topic including my own writings. This research has canvassed developed

and emerging economies, applying different research designs and analytical tools. Given that several reviews and meta-analyses already exist, offering a useful roadmap to the literature, I will focus more on how to use this literature to guide future IE research in China to capitalize on the uniqueness of this context which increasingly serves as a model for many emerging economies. Even though entrepreneurship, international business and IE research have a cultural component that cannot be ignored, learning from the literature could improve future theory development and empirical research.

Internationalization as an Important Context for Entrepreneurship. Early IE research highlights the emergence and growing role of companies that are born global; that is, companies that go international from inception or soon after (Oviatt & McDougall, 1994; McDougall, Oviatt & Shrader, 2003; Mudambi & Zahra, 2007). This research touts the viability of the nimble and fast moving new ventures that see opportunities in fast changing global markets. These companies also create new industries by pioneering the development of innovative technologies and business models. Exploiting the skills, experiences and connections of their founders, these ventures are able to locate opportunities well established local companies and multinationals either have ignored or did not view as significant. Born global companies have been adept at revising existing supply chains, circumventing larger and more resource rich competitors.

IE researchers recognize that the global market place hosts different types of companies besides those that are born globals. As a result, they study early internationalization and established companies such as multinationals, SMEs, family firms and state owned enterprises (Zahra, 2005b; Zahra, 2009). These companies focus on finding and exploiting opportunities in international markets. As with the larger field of entrepreneurship, IE research increasingly examines the processes associated with opportunity identification, evaluation and exploitation.

One of the most interesting features of IE research is the fact that it lies at the intersection of two disciplinary sisters: international business (IB) and entrepreneurship, with each contributing to the richness and breadth of the field's boundaries (Oviatt & McDougall, 1994). IB research is a pillar of IE. It helps to explain young vs. established companies' motivations to internationalize, how they make this decision, how they assess the different risks involved, how they decide on modes of entry, how they organize their international operations, and how they build or plug themselves into networks to access markets and resources. Further, in the case of new ventures that are born global, IB research highlights the role of founders' international experience (through work, study, living and visits) in understanding foreign markets and making the necessary organizational commitments to enter these markets. Early on, these varied experiences form the foundation of these companies' knowledge base, determining its ability to conceive of new strategies and products. It also enables these companies to learn as well as absorb knowledge from their markets, enabling them to develop new applications, technologies, products and services. IB research has been important also in highlighting the administrative challenges associated with IE activities, recognizing that many entrepreneurs may not have such experiences. IB scholars have also discussed ways to manage and overcome the liabilities of foreignness which could undermine the survival of new ventures as they expand internationally. This is a particularly serious issue since many of these ventures lack experience, resources and market legitimacy.

A key insight from IB research is the recognition of home and international institutions in shaping IE activities. Institutions refer to the systems that define norms and rules of the game in a society, an industry or an ecosystem (North, 1990). Whether formal (e.g., official laws and courts or government agencies) or informal (e.g., national cultural values), institutions can determine the types and magnitude of IE transactions by influencing the supply of resources, protecting of property rights (including intellectual ones), affecting the levels of risks associated with conducting business, and developing the economic and technological infrastructure needed for business. As such, institutions determine the incentive to create new business and internationalize.

Internationalization provides important opportunities for innovation and entrepreneurship. These latter activities are essential for differentiating new ventures' activities from their competitors, delaying imitation. Entrepreneurship research provides an important foundation for understanding when, where and how certain individuals create companies that go international at inception or soon after. It also explains how well established companies promote IE activities, how they create an environment in which IE initiatives come into existence, and how they structure their operations and subsidiaries to connect with, as well as learn from, their local contexts. In conducting their research, therefore, scholars have examined a multitude of internal and external factors that could influence these diverse companies' IE activities (Bruneel, Clarysse & Autio, 2018; Bruneel, Yli-Renko & Clarysse, 2010; Carr et al., 2010; Hashai, 2011; Karra, Phillips & Tracey, 2008; Knight & Cavusgil, 2004; Laanti, Gabrielsson & Gabrielsson, 2007; Zahra & George, 2002a). Internal factors include firms' senior leadership, cultures, organizational structures and systems, resources, and connections to global networks. External factors examined in this research have also included environmental conditions such as dynamism, heterogeneity, and hostility (Zahra & George, 2002a). Researchers have also examined the role of institutions and their changing roles in this dynamic yet complex environment.

A fundamental notion in IE research is that internationalization requires and provides significant opportunities for entrepreneurship (Cavusgil & Knight, 2015; Chandra, Styles & Wilkinson, 2009; Verbeke, Zargarzadeh & Osiyevskyy, 2014). While internationalization requires careful analysis of markets, competitors and risks of different types (political, country and business), it also demands imagination and creativity in spotting opportunities, defining their scale and scope, and deciding how to circumvent the limitations of resources, difficulties in gaining access to foreign markets, and avoid the pitfalls typically associated with foreignness. Entrepreneurial thinking is also essential in order to conceive new ways to enter new markets, build relationships with key stakeholders, and address institutional challenges. Entrepreneurship, at its best, is about conceiving new business concepts, business models, and ways of competing; building the distinctiveness essential for competitive differentiation that protects a firm's advantage. It also enables organizational evolution by conceiving novel administrative systems and designs.

As the above observations suggest, entrepreneurship is a key source of potential advantage in internationalization. Yet, a shortcoming of existing IE research is ignoring this fact. This might stem from the fact that entrepreneurial activities are difficult for outsiders to observe, making it hard to define and measure. The efficacy of these activities is also best established after the fact, complicating inferences about their contributions. Entrepreneurial activities also unfold over time as well as across different locations and activities which further complicates data collection

and analysis. This is why some researchers have used interviews as a primary means of collecting data (Autio, George & Alexy, 2011; Autio, Sapienza & Almeida, 2000). These challenges should not discourage researchers from documenting the processes associated with entrepreneurship in the context of internationalization.

The above observations make clear that we need to better document the various processes companies follow as they engage in IE. These processes could be a major source of advantage for companies, especially if they are carried out in an entrepreneurial fashion. Documenting these processes is important also because Chinese companies may be different from other country organizations in the scope and pace of their internationalization and the steps they undertake to venture abroad. For instance, it is possible that resource constraints encourage Chinese companies to practice “frugal innovation,” potentially leading to more parsimonious patterns of internationalization.

Thinking about IE-related processes suggests another important avenue for fruitful research: studying its microfoundations. The purpose of such research is to understand how individual level actors’ cognitions, values, needs, priorities, and preferences shape organizational level decisions related to internationalization. This understanding can clarify the sources, types and magnitude of entrepreneurial activities that give rise and even meaning to internationalization efforts. In turn, this research can document the dynamic interplay between entrepreneurship and internationalization, underscoring the role of human agency (decision makers such as founders, entrepreneurs and managers) and the processes involved. The study of microfoundations can also help in explicating the political forces and power dynamics associated with IE decisions and processes (Felin et al., 2012; Felin, Foss, & Ployhart, 2015). Studying the microfoundations of IE is important also for understanding how learning materializes, where and how it is captured and applied in the pursuit of new opportunities. When does this learning lead to the recognition of new opportunities? Is there a qualitative shift in the magnitude and types of the opportunities pursued? How do entrepreneurial companies safeguard against superstitious learning as they internationalize? Research on these issues, in China and elsewhere, is in its infancy; its findings are likely to revise our assumptions and theories about internationalization efforts and their links to entrepreneurship as well as survival and profitability in international markets.

Understanding the Dynamics of Learning in Global Markets. The knowledge base of firms drives their internationalization and defines their entrepreneurial capacity. Still, there are many opportunities to learn from and in international markets. In fact, one of the key motivations to engage in IE is to acquire new knowledge and use it to upgrade the firm’s knowledge base, allowing it to develop new applications that facilitate further expansion. Companies engage in IE to acquire new knowledge to use in their operations (De Clercq et al., 2012; Zahra, 2005a). This process also expands these firms absorptive capacity, defined as their ability to acquire, process, assimilate and commercially exploit their new knowledge to achieve profitability and growth (Zahra & George, 2002b). In turn, a larger absorptive capacity also induces the search for innovative ideas that can fuel entrepreneurship that promotes additional venturing into new product or market domains. As firms’ absorptive capacity grows, their reliance on their founders’ knowledge declines. However, founders’ insights and creativity remains central to the conception of new entrepreneurial initiatives that benefit from the rich flow of knowledge from internal (e.g., newly hired professionals) and external (e.g., customers, suppliers and competitors)

sources. Founders, along with hired professionals, also play a key role in integrating this knowledge. In turn, this integration becomes a source of new entrepreneurial activities that signal new opportunities in foreign markets to be exploited and ways to successfully pursue them.

Research also points out that born global firms may accrue some “learning advantages of newness” compared to their well established counterparts. This research suggests that, given born globals usually have simple structures, they are able to quickly acquire and disseminate new knowledge into their operations and transform them into creative applications and uses. The fact that founders are usually in control of these firms’ operations further facilitates and expedites these processes. These founders have an incentive (e.g., ensuring their companies’ survival) to learn and adapt their organizations based on the feedback they receive. Founders appreciate that their companies are a “work in progress” and they need to engage in continuous improvement to gain legitimacy that enhances their odds of success.

While the “learning advantages of newness” proposition is appealing we need much more research based evidence to answer some important questions. For example, are these benefits industry specific? How enduring are these advantages? Under what conditions do they evaporate? What are the organizational processes that make these advantages possible? There is also some evidence that some entrepreneurs lack cognitive flexibility and exhibit considerable loyalty to their prior experiences (Huber, 1991). If this is true, then we need to examine founders’ and founding teams’ cognitive styles and how they enable or stifle organizational learning, influencing potential learning advantages of newness. Finally, if the “learning advantages of newness” is empirically supported, it could be of value in guiding the future internationalization of Chinese companies by pinpointing where learning occurs and how it could be used to induce entrepreneurial activities.

To understand the magnitude and duration of learning advantages of newness, it is also essential to understand how these firms learn. Most of the existing literature examines learning by and in well established companies or by founders or founding teams. While helpful, this literature does not reveal the mechanisms that facilitate learning especially among born global firms as they interact with their markets. Huber (1991) discusses major barriers to learning in such organizations, highlighting founders’ dogma and unwillingness or inability to learn as key obstacles. These companies also perform a myriad of different activities, often at once and typically under severe resource and time constraints. The diversity of the tasks involved could fuel organizational learning, but many of these companies are understaffed and may not take time to discern what has been learned and where it can strategically matter. Fortunately, there is evidence that some born global firms take steps to capture learning and integrate this learning in their pursuit of superior performance (Zahra, Ireland and Hitt, 2000). Similarly, larger and well established companies operating globally also develop highly specialized functions for this purpose (Iansiti, 1997).

With the rapid expansion of born global firms and other companies undertaking IE activities, it also becomes important to examine if and how do they learn differently in culturally different markets. Culture is at the core of learning in foreign markets as it undergirds and defines how customers, competitors, institutions and other companies behave. It is also a key source of the institutions and rules that shape the interactions that unfold in the marketplace. This makes social

learning a crucial part of the process of internationalization (Zahra et al., 2000; Zahra, 2006). Technology might be the focus of the competition and customers but in reality success hinges on how a company understands the local culture, the cognitions and values of its customers and competitors, and the salient symbols embedded in cultural artifacts. This deep learning of and about culture enables the learning of technology and competitive dynamics.

Learning about the forces that shape markets in “distant cultures” could be a huge challenge. These cultures differ in fundamental ways from the cultural values that dominate the home base of companies undertaking IE activities. One of my earlier studies explored learning mechanisms by French, Swedish and US multinational companies entering Chinese markets (Zahra, 2006). Researchers could examine the mechanisms by which Chinese companies learn in African, Middle Eastern and Latin American markets. These are different terrains with different cultural values, institutions and social norms that could profoundly shape the choice of entry modes, strategic choices and the entrepreneurial activities that they undertake or conceive in these markets.

To date, research has focused mostly on knowledge acquisition, sharing and transfer and how these activities induce organizational learning in the context of IE. These activities are important; however, value creation results from integrating the new knowledge gained from internationalization with a company’s knowledge base, as noted earlier. This integrated knowledge needs to be converted to business applications (e.g., products) or strategic uses (e.g., innovative business models or strategic moves) that give the firm a market advantage. Therefore, an important opportunity for future IE research lies in studying how this integration of knowledge is carried out and how such integrated knowledge is converted into applications. Young companies seem especially adept at developing new and often radical innovations that disrupt their industries. Thus, studying this conversion process could provide us with clues about the mainspring of radical innovations. With China’s increasing focus on radical and original innovation, this type of research assumes greater importance.

Research at the Intersection. Born at the intersection of IB and entrepreneurship, IE offers a rich mix of issues to be explored in the context of Chinese and other emerging economies. Given the growing fragmentation of research in both IB and entrepreneurship, I believe future IE studies would benefit from incorporating insights from corporate, technological, and strategic entrepreneurship. I sketch some of these points of the intersections in the paragraphs that follow. The fundamental interest of *corporate entrepreneurship (CE)* is how to achieve strategic renewal through venturing and other entrepreneurial activities. Venturing means entry into new fields within an ongoing business through innovation or expanding through entry into different market arenas through acquisitions, mergers and other means. Innovation means the development of new products, processes, systems and organizational designs, business models, and new organizational forms. These innovations can infuse new life into an organization, giving it new competitive tools as well as building and revamping its capabilities. As an integral part of CE, intrapreneurship encompasses the actions that members of the organization undertake to infuse innovation throughout a company’s operations. Often informal, intrapreneurship frequently underlies formal venturing and innovation efforts. Future IE research can capitalize on the intersection with CE to better understand how international activities redefine firm boundaries and how venturing ignites discovery and innovation, leading to the building and acquisition of

different capabilities that enable firms to adapt to the dynamic marketplace. Such research would be informative also in explaining the emergence of different types of Chinese organizations seeking opportunities in international markets. It can also help to explain how some companies retain their entrepreneurial capacity as they continue to internationalize and, in turn, how this capacity can drive future internationalization efforts.

IE research in the Chinese context could also examine how internationalization fuels entrepreneurship within different types of companies such as state owned enterprises. These are important companies with considerable resources and market powers. But they have a legacy of excessive bureaucracy and sluggish response to market signals. Future IE research can also examine how differences in the levels of regional marketization within China could induce different types and levels of internationalization activities, with major consequences to organizational performance and national competitiveness. These differences can also impact how companies from different regions compete domestically and internationally, affecting the growth and evolution of the national economy.

Similarly, research on *technological entrepreneurship* can enrich future IE studies especially in the Chinese context. Technological entrepreneurship research focuses on ways companies' discoveries and innovations are profitably exploited through commercialization. Some of this commercialization occurs through market transactions such as licensing and sale. Entrepreneurs also use these advances to create companies many of which go international at inception or soon thereafter. Along with CE research discussed above, technological entrepreneurship research reminds us to study the types and designs of those organizations that create and commercialize new technologies: how they think, how they structure their operations, how do they go about commercialization in different markets, how they build effective systems that enable learning and sustaining their entrepreneurial capability to perpetuate their ability to innovate, conceive of new markets and industries, and how to link these markets to their emerging technologies.

Clearly, the conceptual link between IE and technological entrepreneurship is easy to imagine, offering bountiful paths for innovative research especially as Chinese companies continue to ascend the ladder of technological evolution—moving to original development and radical innovation. This research can inform policy makers on ways to ignite such radical technology developments, helping them target industries of the future. It also can guide managers' decisions regarding the diffusion of their innovations and how to link their competitive strategy and international activities to capture the benefits associated with early market entry and the advantages of technological pioneering.

IE research would benefit also from findings related to *social entrepreneurship and venturing* (Zahra et al., 2009). The main objective of these activities is to apply business models and techniques to finding innovative and economical solutions to complex issues facing society. As a result, social ventures typically focus on problems where existing organizations have failed to make progress towards a successful resolution. This failure may stem from the proposed solution itself or the way it is being implemented or the institutional environment that constrains activities devoted to bringing it to fruition.

Poverty, malnutrition, some serious diseases, homelessness, the natural environment, drinking water, and poor living conditions are among the most serious issues being targeted by social ventures across different countries. Given that these are universal challenges, more and more social ventures are crossing international borders— either replicating what they have done in their countries of origin or adapting to new local contexts with the aid of local institutions, governments and non-governmental organizations. These collaborations are helpful in overcoming the familiar liabilities of newness and foreignness as well as stimulating learning and expediting market access and the scalability of operations.

Future research on IE would benefit from paying attention to social ventures, especially in China where research on the topic is in its infancy. Integrating the focus on social ventures within IE research can help to explain: Why and when do these ventures internationalize? How do they choose their domain? How do they determine the scope of their business? Currently, most of what we know about internationalization comes from studying traditional for-profit business organizations. This raises the question: What new insights can we glean from examining global social ventures? Do they internationalize differently? If so how? How do they scale up their operations? Further, how do these ventures form their own networks and/or join existing networks? Social ventures address issues that have different political implications in different countries, suggesting a need to examine how they navigate local politics and gain access to local institutions. Social ventures have a dual goal of addressing big societal issues while making a profit. This duality might create tensions with local organizations and host countries and we need to better understand how social ventures address the challenges they might face in this regard.

Research on *family firms* in China and elsewhere is flourishing, reflecting a growing recognition of the vital role these firms play in today's global economy. Over the past decade, researchers have begun to study these companies' internationalization activities. Research suggests that family firms' conservative attitudes about risks inhibit the scope and scale of their internationalization. Concern about financial resources and family control of these firms also curb their internationalization activities. These attitudes also constrain these companies' ability to undertake entrepreneurial activities essential to facilitating international expansion (for reviews, see, Arregle et al., 2017; Cruz & Nordqvist, 2012; Zahra, 2003, 2005b).

Future IE research can benefit greatly from integrating the insights from recent research on family firms, an important part of China's economy. IE research can probe the unique ownership and governance structures that exist in these companies and how they bear on risk taking in the context of internationalization. It can also examine the potential differences between born global Chinese family firms and others that internationalize later or do not internationalize at all. Another area to explore are the differences that might exist between born global Chinese family firms and those from other countries and where these differences matter in terms of global market reach, performance and organizational survival. IE researchers need also to recognize the heterogeneous nature of family firms. They differ in their ownership, governance, goals, strategies and histories—and these differences can have important implications for these firms' internationalization.

IE scholars can further draw on family firm research as they explore the thorny issue of balancing the social and economic dimensions of wealth creation. They could also use insights

from prior research on the role of social embeddedness in shaping the strategic actions companies make. Relatedly, they could learn a great deal more about the importance of social capital and other intangible resources in IE decisions; these are important issues that can determine the fate of Chinese companies, large and small, as they venture into international markets.

IE research would also benefit from integrating insights from *strategic entrepreneurship* which “involves simultaneous opportunity-seeking and advantage seeking and results in superior firm performance” (Ireland, Hitt & Sirmon, 2003: 963). As such, a fundamental issue in this growing literature is “how firms combine entrepreneurial action that creates new opportunities with strategic action that generates competitive advantage” (Agrawal, Audretsch & Sarkar, 2007: 263). This is a question that clearly applies to young as well as established companies operating internationally because they need to create and pursue opportunities in ways that create value. This value could be financial and/or social, as suggested earlier. Further, to understand “*how*” this combination develops, IE researchers need to document and analyze the microfoundations of these actions in the context of IE activities. In turn, this will require researchers to pay greater attention to the role of organizational systems and processes in enabling IE activities, fostering value creation. Thus far, these processes have not been well examined in IE research.

Contextualization. Contextualization can enrich the rigor, impact and relevance of future IE research. It means accounting for the qualities of the context when conducting research. Though contextualization can be done along several dimensions, three seem to be especially salient: culture, institutions and time (Zahra, 2007). While each of these items could be the subject of considerable discussion in its own right, I will only briefly highlight their relevance for IE.

Contextualization is essential because both IB and entrepreneurship are culturally laden activities. Thus, there is a need for greater recognition of the role of national and regional cultures in IE research. Contextualizing future IE research also requires thoughtful consideration of the institutions that pervade China today and how they might change, and the speed by which this change is likely to come about. Researchers have already noted that some institutions need reform or even discontinuation. Given that China is entering new economic and technological fields where it seeks to establish worldwide leadership, new institutions may be necessary. Existing institutions often lag technological changes, sometimes slowing the momentum for change. Addressing this issue often requires creating and empowering new institutions. Paradoxically, these changes may increase the complexity of the institutional environment in which IE activities take place, typically unfolding over a period of time. Such complexity can induce short-term inefficiency and paralysis that can cause missed opportunities. Similar risks exist where there are institutional voids.

IE scholars need also to recognize the profound role of international institutions. International conventions and institutions shape the flow of ideas, capital and talent. As a result, they can have a profound effect on the types of international business opportunities pursued, where and how. Perhaps because of their multiplicity and complexity, IE researchers frequently ignore these international institutions while emphasizing their national counterparts. However, this practice limits the explanatory power of IE research as well as its relevance and impact on policy and organizational practice. Advancing IE research, therefore, requires a thorough examination of

the dynamic interactions between national and international institutions as they affect firm choices regarding internationalization.

Contextualization also means paying special attention to the role of time in IE, especially in China. Chinese companies have grown rapidly in their capabilities and global market reach. In fact, it is increasingly hard to think of China as a developing and emerging economy. True, there are important ways in which Chinese companies can develop and evolve but they have clearly and confidently bypassed the “emerging economy” label. Why is this important for IE research? The answer is simple: because it means we need different, fresh theoretical perspectives that reflect these changes. The transformation of Chinese companies means that they have access to different and probably much better market opportunities; they have access to superior resources; they have developed better organizational capabilities; and they have become part of a global ecosystem where they have access to different sources of talent and knowledge, etc. Thus, we need to incorporate time as an important dimension in studying IE activities of Chinese and other companies.

Time could be studied as a force of history, as a strategic goal, or as an organizational outcome. Obviously, how it is viewed depends greatly on the questions being asked and the data used to answer them. But, regardless of how it is conceptualized or empirically treated, it should be seriously considered in theory building and testing. This would allow us to understand the dynamics of changes in the activities of companies engaged in in IE and how this affects their performance. It will also enable us to consider virtuous cycles that might exist in these activities. For example, social capital may drive firms’ internationalization which, in turn, might lead to the accumulation of additional social capital that could drive new waves of international activities, even speeding up international expansion. Appreciating these changes takes time (and patience) but it is informative about organizational evolution and adaptation.

Contextualization also means paying attention to unique, even, idiosyncratic qualities of the research setting, such as the abundance (or absence) of particular resources. In this regard, research suggests that one of the most important groups promoting entrepreneurship in China and elsewhere is returnees— people who have lived and worked abroad for significant periods of time. Chinese returnees, in particular, are usually highly educated and have significant business experiences, skills, financial resources and contacts. These returnees are plugged into important industry and social networks that allow them access to capital, expertise and knowledge useful to fueling entrepreneurship. Many of these returnees are finding lucrative business opportunities in China, especially with its growing emphasis on innovation and internationalization.

Returnees also bring with them first-hand experiential knowledge (meaning, how to do things), which is typically lacking in many emerging markets. As such, they can serve as role models for budding entrepreneurs, working closely with them as they go about creating their companies and going internationally. Their experience could also be extremely valuable when problems arise. They can also open doors to new ventures as they begin internationalization, facilitating their expansion into foreign markets where they understand local cultures and institutions.

To further contextualize their research, IE scholars need to understand the various contributions of Chinese returnee entrepreneurs as well as how they contribute to the creation of new ventures

and their internationalization. For example, does the participation of these entrepreneurs expedite internationalization? Does it result in the development of more innovative business models? How do these returnees recombine knowledge learned abroad with their understanding of the Chinese context to decide where to create their ventures? Also, with the major changes occurring in the Chinese society and its business environment, how do returnees update their knowledge and connections? Accounting for time in these analyses can reveal how returnees' contributions and impacts change with their engagement with the local Chinese context.

Another example of contextualization has to do with the patterns of Chinese companies' internationalization, over time. There are differences in these patterns based on ownership structures (e.g., state owned vs. privately held vs. family owned and controlled companies). But despite these differences, there might be unique patterns of internationalization based on the Chinese cultural and institutional forces that shape these companies' decisions. Documenting these patterns could help in examining where Chinese companies derive their advantage in international markets. It could also be useful in articulating the foundations of a distinctively Chinese theory of these companies' strategic behavior and evolution and how these foundations might change with the growing success of Chinese companies in international markets.

IE in the Age of Ecosystems and Platforms

Early IE researchers studied companies in traditional and technology-based industries with reactively well-known structures, rules, institutions and participants. But much has changed in the past decade where ecosystems have become the real arenas where competition unfolds. Some of these ecosystems have emerged organically, reflecting the changing industry boundaries and value chains (Adner, 2017; Zahra & Nambisan, 2011). Other ecosystems have been shaped by the actions of governments and other agencies. Regardless of their origin, these ecosystems differ in their structures, composition and competitive dynamics. Some of these ecosystems host multiple platforms which companies of all sizes can use to internationalize their operations. In particular, these platforms offer young entrepreneurial ventures resources, connections, and opportunities. As a result, they reduce transaction and other types of costs associated with foreign market entry and subsequent expansion. Specialization also enables these ventures to locate the niches they could target. It allows them to collaborate with larger companies, further strengthening their market positions.

As noted, specialization is important for the continuing existence of platforms and ecosystems; it enables collaboration while promoting competition (Adner, 2017; Zahra & Nambisan, 2011). It also induces complementarity that encourages the formation of new types of firms, successfully altering the fabric of the global value chain. In fact, specialization that occurs within platforms has been a major source for the emergence and rapid internationalization of new firms, giving them plenty of opportunities where they may pursue their own specialized niches and/or collaborate with other firms. As a result, making specialization work is a strategic challenge. For one thing, industry boundaries and value chains as defined are constantly changing, companies learn and revise their skills as well as what they do and how they do it; and companies vacate strategic niches while others die. These are the realities of the new marketplace. As a result, specialization should be grounded in a strategic vision about what a company can do and how this might change with time.

To succeed in today's global ecosystem platforms, specialization requires complementarities which in turn create strategic dependency. Companies depend on each other to survive and create value. This dependency has its own dynamics, especially when incumbents dominate ecosystems and platforms. In this case, incumbents can set the rules to maximize their own gains. Obviously, this creates opportunities for exploitation especially where younger companies are not well known, have limited resources, or lack experience. Companies engaged in IE have to learn to manage such interdependencies, aiming to achieve smart specialization where they have unique and non-substitutable advantages. For instance, these companies often control technologies and have unique skills that other platform members need. This could give new ventures stronger bargaining powers as they navigate the complex relationships with incumbents.

Architecture of Strategic Innovation

IE in the digital age requires greater attention to strategic innovation—the process by which companies define opportunities, conceive of new markets as well as design and implement their business models. Innovating in these areas defines the company's identity and its approach to its markets and competitors. For many young entrepreneurial companies, some of these decisions come naturally. For others, they need to undergo a process of experimentation to find out the right architecture that connects these elements. As these companies interact with their markets and learn, they are likely to need to consider their initial business definition and competitive approach. These changes have to be made “in vivo” and done seamlessly; speed in organizing becomes critical.

Past IE has not devoted much attention to organizational issues associated with competing in today's marketplace. This may reflect the assumption that these international new ventures are nimble, clever and are agile in their strategic moves. Even if this is true, organizational designs are crucial to ensure and sustain these capabilities. This is one of the most important but poorly understood capabilities in the IE literature. Thus, Chinese firms' innovative business models and leading edge technologies cannot deliver value without effective organizational designs that account for and embody a firm's identity and strategy. Thus, a golden opportunity now exists for Chinese and other scholars to document effective organizational designs for different types of companies engaged in IE. In particular, we need to better document how these designs affect learning that leads to the development of new knowledge. Further, if new companies have unique advantages in learning as suggested earlier, this is likely to hinge on having effective organizational designs that enable effective information processing.

Studying organizational designs is important because IE occurs in global ecosystems where even young companies are tightly connected to many others. This places high demands on these companies' information processing systems, challenging their absorptive capacity. The constant flow of knowledge and changing network relationships demand flexibility and fluidity that is hard to sustain, challenging firms' capacity to innovate. In some important ways, effective organizational designs might be the mainspring of these firms' strategic innovation. Clearly, there are important opportunities for Chinese companies expanding internationally and IE scholars studying the evolution of these firms.

IE and Rising Nationalism

The bountiful opportunities made possible by the global marketplace are becoming increasingly constrained by growing nationalist movements in the USA, Europe and elsewhere. These anti-globalist movements threaten the progress made over the past three decades to remove barriers to free trade and subject global commerce to rules established by national conventions and institutions. Sadly, as nationalist movements take hold, IE activities are likely to suffer as tariffs and other trade barriers are erected. Nationalist attitudes are also likely to awaken strong feelings against foreign products based on their national origin. These attitudes have awakened forces of dysfunctional competition where competitors are confused. Unfortunately, these forces are gaining momentum in different parts of the globe and counteracting them will be a difficult task in the short term. Chinese entrepreneurs and their companies need to work with national and international institutions to overcome these barriers. Collaboration with companies and institutions from other countries is also essential. Building new business and political coalitions will also become a necessity to succeed in this new and volatile business environment.

Conclusion

The study of international entrepreneurship has grown rapidly over the past two decades, attracting scholars from all corners of the globe. Much of this research has been guided by the proposition that internationalization is a creative process that should be effectively leveraged to create value. Internationalization also creates knowledge that fuels entrepreneurship, perpetuating the process of value creation while stimulating further expansion and growth. In this article, I have covered several issues at the core of current and emerging research, highlighting their future implications for research in the context of China's growing global prominence. In so doing, I am cognizant of the fact that entrepreneurship, internationalization and competitiveness are culturally grounded issues. Thus, some of the answers to the questions I have posed throughout this article are likely to be distinctively Chinese. While many countries emulate China's model, it is important to conclude by reiterating the need to be creative and entrepreneurial in developing innovative business models and strategies that create and successfully exploit opportunities across global markets. In this fashion, entrepreneurship makes internationalization possible and profitable. Concurrently, internationalization induces and perpetuates entrepreneurship, giving it focus and potency.

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