



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



Tuija Mainela^{*,1}, Vesa Puhakka, Sakari Sipola

University of Oulu Business School, P.O. Box 4600, 90014, University of Oulu, Finland

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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.

* Corresponding author.

E-mail address: tuija.mainela@oulu.fi (T. Mainela).

¹ The authors have equally contributed to the paper.

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

accomplished by people with particular competences, such as rapid learning (Autio et al., 2000; Oviatt and McDougall, 1994, 2005).

The other perspective, opportunity creation, is grounded in social constructivist thinking (e.g., Baker and Nelson, 2005; Hill and Levenhagen, 1995; Wood and McKinley, 2010). It assumes that bits of data exist that need to be made sense of in order to form a socially meaningful construct (e.g., Garud and Giuliani, 2013; Sarasvathy, 2008; Zahra et al., 2005). Hence, entrepreneurs create opportunities in dialogue with others to decide about the ways in which to move forward in business development (De Clercq and Voronov, 2009; Fletcher, 2004, 2007). The perspective builds its view of the entrepreneurial processes on action performed on the basis of shared understandings of the situation. Entrepreneurs' geography, history, and culture (Zahra et al., 2005) are important in the enactment of an international opportunity.

To approach opportunities as collective—instead of as single entrepreneur or firm specific—we need to acknowledge the community in which the subjects and objects act (Engeström, 2001). As we have noted above, collectiveness is not a feature that is typically attached to either entrepreneurial or international opportunities. Being able to say to whom an opportunity presents itself has actually been modeled as an important element in identifying the opportunity's existence (e.g., Ardichvili et al., 2003; Wood and McKinley, 2017). Still, the influence of the context on recognition is noted and, from the creation perspective, both entrepreneurial and international opportunities reflect how a firm relates to and interacts with others (Ciabuschi et al., 2012; Vaghely and Julien, 2010).

Community involvement has been directly discussed with respect to the role of social relationships in both entrepreneurial and internationalization processes (Hoang and Antoncic, 2003; Styles and Genua, 2008). Social capital, built of the participation of individuals in their communities and the trust developed thereof, forms the basis for opportunity discovery (Kwon and Arenius, 2010). Trust then, based on the moral values of the community, assists the free flow of information and facilitates cooperation, which relates to the opportunity horizon of entrepreneurs in terms of if they perceive opportunities and what they perceive as opportunities (Ellis, 2011; Kwon and Arenius, 2010). In international entrepreneurship, ethnic networks are important since they help mediate the moral order of a community, in which cultural symbols create unconscious but recurring ways of acting that can be viewed as appropriate (Chaudhry and Crick, 2008; Crick and Chaudhry, 2010; Crick et al., 2001). In this social capital view of community involvement, opportunity is primarily a question of an entrepreneur recognizing the value of new information. Ethnic and other networks provide a resource pool from which entrepreneurs can draw in order to form international opportunities.

International entrepreneurs are also studied in a national context that consists of institutions. Institutions are determinants of the available knowledge and the perception of an idea as an opportunity (Webb et al., 2010). Liu et al. (2008) suggest that indigenous entrepreneurs in China often experience a local context supporting a bounded cognition of international opportunities. The institutional barriers make the business founders unaware of the similarities between foreign markets, which would allow for the rapid development of international business. Similar barriers can also be created culturally for women, who are often assumed to fulfill a gender expectations and thus placed in a maintenance role instead of in an opportunity creation role (Elam and Terjesen, 2010; Ozgen, 2012; Yousafzai et al., 2015).

So, we know that people draw from their social networks and cultures in order to build new businesses. Institutions hold significant power in directing individuals' beliefs, and cultural embeddedness, ethnicity, or gender may delimit opportunity perception. However, research has focused on cognition and the characteristics of individuals as the determinants of opportunities and opportunity discovery. Instead, in the systemic view that we present, opportunities are viewed as objects of collective activity.

Consistent with our view, country-level and policy-related research suggests that entrepreneurship is a systemic phenomenon rather than the sum of its parts. Baker et al. (2005) view every opportunity as subjective and context-dependent, since opportunity is enacted by individuals on the basis of their interpretations of social systems. Systematics can also be seen as a temporal issue that is built on the past and makes entrepreneurship a question of the division and stratification of labor on the basis of a nation's institutional heritage and the overall development of its economy (Baker et al., 2005). An institutionalized social order and cooperation structures also act as guides to international entrepreneurial activity (Zander, 2004; Di Gregorio et al., 2008). Moreover, entrepreneurial motivation is as much a question of feelings with respect to the future, and it can be assessed in terms of expected consequences and rewards for certain behavior (Zander, 2004). The feelings in question are related to an individual's perception of the general desirability of an opportunity, that is to say, whether it is of value to the other involved parties (Grégoire et al., 2010). In their systemic view, Acs et al. (2014) set in the center opportunity-pursuing individuals who create new ventures under resource-allocating and regulating national systems.

This systemic view, with the temporal aspect of national systematics, is interesting but it attempts to define the overall role of entrepreneurship in economies, while opportunities remain the issue of entrepreneurs. We elaborate on the systemic view further, through activity theory's ideas about the collectiveness and the object-orientedness of activity. This allows us connect the cultural-history and the related structural circumstances with the collective opportunity beliefs in order to explain international entrepreneurship as a systemic phenomenon.

2.2. The object-oriented activity of international entrepreneurship

Activity theory accounts for the collective aspects of purposeful activity (Engeström, 1999) and is a theory of object-driven activity (Engeström, 2009; Kaptelinin, 2005). In much of the development-focused research that uses activity theory, the analysis is focused on what is called an activity system (see, e.g., Engeström, 2000). We also acknowledge the latest generation of activity theory, according to which multiple interacting activity systems exist. However, we do not analyze the activity systems as such, but focus instead on the shared objects of activity. As Engeström (2009) notes, in the social production of complex activity, activity systems are often in the background and their structures are difficult to trace when there is no single stable center of interaction. The

object of activity, in turn, is the focus of attention that links the subjective human mind and objective world phenomena (Brassac et al., 2008; Kaptelinin, 2005; cf. Grégoire et al., 2010). This makes the analysis of the manifestations of the object of activity, such as opportunity in international entrepreneurship, reasonable.

Hence, we use ideas from activity theory to conceptualize the object-oriented activity—the motive-driven human doing—of international entrepreneurship. Historicity is a key characteristic of a complex activity, such as international entrepreneurship. Therefore, to understand an activity, we need to observe the cultural practices that have developed over time and see the problems and potentials of an activity against its history (Cole and Engeström, 1993). History provides the mental foundation for the current actions taken by a community (Engeström, 2001). An activity-theoretical analysis allows attention to be paid to the historical development of differences across cultures and social groups (Engeström, 1999), in our study the international entrepreneurship communities in different locations.

This historicity is connected to multivoicedness. A collective activity circumscribes multiple interwoven perspectives, traditions, and interests that all shape the present (Engeström, 2001). An activity is, therefore, an open design that is produced with a range of outcomes in mind (Holt, 2008), and one to which the whole community of actors contributes based on their different positions (Engeström, 2001). The roles and agency of the members of a community are not fixed, but keep shifting, and none of the members can alone take responsibility for the whole (Engeström, 2001). Uncovering the purposes and cultural history of an activity at the collective level are important for understanding the dynamism related to the object of activity.

The object-orientedness of activity theory captures the idea that an activity inherently embodies a need state, a societally essential dilemma, the resolution of which requires collective activity (Miettinen, 2005). The object of activity is the ultimate reason and the sense-maker for behavior—through it we can understand why people behave as they do (Kaptelinin, 2005). In international entrepreneurship, the opportunity beliefs at the collective level reflect these need states. We define an opportunity as an object of activity that carries with it a collectively motivated need state that drives an activity, here, the activity of international entrepreneurship (Engeström, 2001; Holt, 2008; Jones and Holt, 2008; Miettinen, 2005). The object gives meaning to and determines the value of various entities (Kaptelinin, 2005). Therefore, it is important to account for the different manifestations of the object in a particular activity (Kaptelinin, 2005; Miettinen, 1998; Tuunainen, 2001). The manifestations represent what we call the collective opportunity beliefs in international entrepreneurship communities.

Furthermore, as the activity is historical and multi-motivated, its objects are often not explicitly chosen in the community and are not well-conceived targets of activity. Still they represent shared beliefs and drive the activity (Engeström, 2009; Miettinen, 2005). To understand how the objects drive activity, we need to uncover the essence of the collective opportunity beliefs. In their capability to drive activity, objects take different modalities as collectively motivated social constitutions and carriers of motives at the societal level (Engeström and Blackler, 2005). However implicit these modalities may be, they direct the actions and interactions of the members of the communities and, in that way, influence the outcomes (Adler, 2005; Holt, 2008). Whereas collective opportunity beliefs are represented in the discourse and practice of the community (Kaptelinin, 2005), the modalities of opportunities carry the cultural-history beneath the beliefs. Using modalities as a way to capture opportunities as the objects of activity fits with the view that “opportunities are more like the (unobservable) power intrinsic to a seed’s propensity to germinate into a flower – versus the flower itself” (Ramoglou and Tsang, 2016, p. 417). Modalities hold the intrinsic powers of driving activity.

To summarize, according to a systemic view, opportunities are objects that give meaning and direction to the joint activity of the international entrepreneurship community. In their activity, communities are oriented on the basis of the collective beliefs about things that are favorable for the achievement of valuable ends. Opportunity beliefs are likely to be many, since they exist as part of a multi-voiced activity that carries with it the various perspectives, interests, and purposes of the international entrepreneurship community. Furthermore, the objects of activity have histories and they are based on the cultural values of the communities developed over time. The cultural-historical, multi-voiced, and object-oriented collective activity is driven by the modalities of international opportunities that capture the intrinsic powers of the systemic objects. On this basis, we proceed to examine opportunity beliefs in the activity of international entrepreneurship communities in two countries.

3. Methodology

The present study focuses on the collective beliefs about international opportunities manifesting in the activity of international entrepreneurship. As we have discussed, previous literature on international entrepreneurship is limited in providing constructs with which to understand the collectiveness and the multimodality of the opportunities as the drivers of object-oriented activity. We aim to provide new theoretical grounding with which to move the field forward towards a systemic view of international opportunities, which makes us turn to qualitative research methods (Doz, 2011; Welch et al., 2011). The interest in the often implicit beliefs of people as the members of social systems and the search for deep contextualization also calls for qualitative research methods (Welch et al., 2011). The qualitative methods allow us to uncover collective activity and situational detail and substantiate the theoretical concepts through nuanced data (Doz, 2011; Gephart, 2004). As a result, we develop a new, systemic conceptualization of international opportunities in international entrepreneurship theory.

Although our study was initially motivated by differences in firm-level performance between Finland and Israel (more details are provided below), we do not aim to explain them directly or to develop propositions (see Cuervo-Cazurra et al., 2016). Instead, the outcomes are explained by capturing the collective opportunity beliefs of the international entrepreneurship community and discussing their role as the context-embedded determinants of international entrepreneurship (see Birkinshaw et al., 2011). Therefore, this study represents relativist interpretive research, which seeks to understand the social production of meanings, while accepting that the diversity of meanings influences how groups of people view and construct reality and act on that basis (Gephart, 2004;

Birkinshaw et al., 2011).

We considered Finland and Israel appropriate research sites for the following reasons. First, both are export-dependent economies with small domestic markets, and thus, it is almost a necessity for firms to search for growth through internationalization. Both countries have long invested in different forms of support for the entrepreneurship and internationalization of firms. We can, therefore, expect international opportunities to manifest themselves as the objects of activities at the collective level. Second, both countries are considered to be among the most innovative (Dutta et al., 2017) and competitive (Schwab and Sala-i-Martin, 2016) countries in the world and also rank high as contexts for entrepreneurship (Acs et al., 2014). Overall, they have some similar preconditions for international entrepreneurship. However, the two countries also differ: While Israel has been seen as a start-up nation and the historical performance of Israeli international ventures has been among the best in the world (Senor and Singer, 2009), Finland has not performed as well in creating wide-ranging international entrepreneurial success (Deschryvere, 2008). We elaborate on the similarities and differences further in the data analysis section.

3.1. Data collection

The empirical study was conducted in two parallel lines through the collection and analysis of archival data and first-hand interview and observation data, collected during two intensive periods (2010–2011 and 2016–2017). After the decision on countries to focus on, our empirical study continued with the collection of documentation on the national developments related to start-ups and international entrepreneurship. The data included policy briefs, annual reports, and statistics from private and public organizations (venture capital associations, ministries, and funding agencies). Data, such as stock exchange listings and Deloitte's Technology Fast 50/Technology Fast 500 listings, were gathered as well as research on the innovation and entrepreneurship systems in the countries. Videos, presentations, and other online material regarding the economies and international entrepreneurial activity were also collected.

The archival data were triangulated with interview and observational data. In total, 52 interviews were conducted during data collection trips in Finland and Israel (see Table 1). We chose interviewees with diverse perspectives on international entrepreneurship based on their backgrounds. Relying on the notion of purposeful sampling, the interviewees were selected based on their roles in the community and experience in entrepreneurship, international business, and the development of national systems. We interviewed

Table 1
The primary empirical data of the study.

| Interviews | | |
|--|---------|--|
| Type of interviewee | Minutes | Primary motivation for the interview |
| Entrepreneur (5) FIN Entrepreneur (6) IL | 350,329 | To gain the views of the entrepreneurs on the activity |
| Entrepreneur VC (1) IL | 108 | To gain the view of an entrepreneur and an understanding of the process of building a NASDAQ-listed start-up |
| Venture capitalist (4) FIN Venture capitalist (7) IL | 232,385 | To gain the views of venture capitalists on the activity |
| Start-up CEO (1) FIN Start-up CEO (1) and CFO (1) IL | 41,143 | To gain the views of start-up managers on the activity |
| University personnel (2) FIN University personnel (2) IL | 116,211 | To gain an understanding of the university–entrepreneurship relationship |
| University technology transfer office staff (2) FIN University technology transfer office staff (3) IL | 167 | To gain an understanding of the university–entrepreneurship relationship |
| Key account director (4) and innovation director (1) FIN | 157 | |
| Public sector business development manager (3) FIN | 356 | To gain an understanding of public structures and support for international entrepreneurship and start-ups |
| Public sector enterprise advisor (4) FIN Public sector official (3) IL | 182 | To gain an understanding of public structures and support for international entrepreneurship and start-ups |
| | 188 | To gain an understanding of public structures and support for international entrepreneurship and start-ups |
| | 217 | To gain an understanding of public structures and support for international entrepreneurship and start-ups |
| Incubator program director (1) FIN | 56 | To gain an understanding of public structures and support for international entrepreneurship and start-ups |
| Incubator program director (1) IL | 60 | |
| Observations | | |
| Type of event | Day(s) | Information received |
| Pitch talk competition (2) FIN | 4 days | Start-ups' views on venture capital and investment readiness |
| Start-up conference (2) FIN | 4 days | Start-ups' and venture capitalists' views about business opportunities, funding, and goals |
| Special interest group meeting, FIN | 1 day | Start-up coaching about fund raising requirements |
| High Tech Industry Association conference (2) IL | 6 days | The interactions of entrepreneurs, start-ups, business angels, venture capitals, MNCs, and other key stakeholders in a related Israeli community |

KEY: FIN = Finnish/in Finland, IL = Israeli/in Israel.

entrepreneurs, venture capitalists, start-up CEOs, public officials, and university personnel from both countries. The Israeli data includes, for instance, an interview with an entrepreneur who listed his venture on the NASDAQ Stock Market in the U.S. and later became a venture capitalist. The Finnish data includes many interviews with representatives of the public sector due to their large role in the Finnish international entrepreneurship community. The last interviews were conducted in the much smaller public sector in Israel, including interviews with three public-sector officials and an incubator program director. Altogether, the Finnish community is represented by 27 individuals and the Israeli community by 25 individuals. The average length of an interview was 68 min in the Finnish data and 59 min in the Israeli data.

Since our intention was to record the meanings and representations of international opportunities, as experienced by the interviewees and as expressed by them through their concepts-in-use (Gephart, 2004), an open-ended and flexible interview outline was employed. The exact focuses of the interviews varied on the basis of the actor type (e.g., public or private actor) and the interviewee's experience, but all of the interviews covered their views on start-up activity, entrepreneurial finance and support, goals, and the success of firms as interpreted by both the organization and by the person in question. For instance, we asked the interviewees to simply define a start-up. We chose the term *start-up* because it is used in colloquial language to discuss international entrepreneurship among practitioners. This was one of the key themes and was complemented with questions relating to the internationalization and growth of start-ups in order to understand the sought outcomes. Another key theme was the professional history of the interviewees. We were able to find a few interviewees with an extensive professional history involving making decisions related to certain historical events (such as venture capital policy) who could provide insight into the thinking and prevailing conditions at that particular time. So, we could cover historical developments in-depth.

All the interviews were recorded and then transcribed verbatim. Notes, observations, and initial reflections were taken during the interviews, both in writing and as voice memos. We conducted follow-ups and validation via email and phone calls, if needed. The data also included 15 days of observations of start-up events in the two countries. These were again a source of triangulation with respect to the manifestations of international opportunities in the discourse and activity of the international entrepreneurship communities.

3.2. Data analysis

As is typical of qualitative, interpretive research, the analysis of the data took place progressively, simultaneously, and in turns with the data collection (Doz, 2011; Gephart, 2004). Still, we can depict four primary analytic procedures that assisted us in making sense of the amount of qualitative data that we collected (see Table 2). The initial phase of the research began with an interest in international high-growth entrepreneurship and the nation-level private and public structures that create this activity. As explained above, we then noted Finland and Israel as favorable contexts for international entrepreneurship. This view was based on factual analysis at the country level on the basis of archival data.

Furthermore, the factual analysis of the archival data showed clear differences between the two countries in the development of venture capital investments and exits (initial public offerings or mergers and acquisitions) per decade, from the 1990s onwards. We considered this data interesting, since venture capital is important in internationalization, growth, and exits in global markets (Jääskeläinen and Maula, 2014; Mäkelä and Maula, 2008; Meuleman et al., 2017). The venture capital investment volumes were as follows: 436 million euros (Finland) versus 6.57 billion dollars (Israel) for 1991–2000, 966 million euros versus 14.7 billion dollars for 2001–2010, and 547 million euros versus 14.1 billion dollars for 2011–2015. In terms of exits, in Finland there is a limited number of well-known companies with successful exits, mainly in domestic markets. In Israel, the number of exits of firms financed by venture capital were as follows: 80 IPOs on the U.S. and the EU stock exchanges (with data running until 2001; Avnimelech and Teubal, 2004); 460 M&A deals 2002–2015; and 56 IPOs on the EU, Israeli, and U.S. stock exchanges (calculated from the IVC High-Tech Yearbook data). These findings lead us to perceive the countries as being close to polar types and motivated us to go deeper into

Table 2
The data analysis process.

| Analytic procedure | Primary datasets | Data analysis procedures | Findings and interpretations |
|---|---|--|--|
| 1. Factual situational analysis at country level | Country rankings, VC market data, stock exchange listings | Comparison of country rankings and country statistics Documentation of the VC market and listings and exits from Finland and Israel | The two country contexts are favorable for international entrepreneurship There are different outcomes in international entrepreneurship |
| 2. Historical development analysis at country level | Documents, interviews | Chronology of events and structural changes over time Documentation of named motives, goals, and targets of the activity at country level | The evolution of the structural conditions for international entrepreneurship differs There seem to be different logics for organizing international entrepreneurship |
| 3. Conceptualizing the objects of activity at community level | Interviews, documents, observations | Documentation of the opportunity beliefs Categorization of the beliefs Examining the drivers beneath the opportunity beliefs | Definition of multiple objects of activity Depicting the dimensions and points of view with respect to the cultural-historical objects The modalities of international opportunities defined |
| 4. The modeling of international opportunity shaping as the core activity | All data | Searching for the relationships between modalities of opportunities and actions, and operations in the community | The systemic object, which manifests as collective opportunity beliefs, is a key determinant of international entrepreneurship |

why this is the case.

Since the view on the developments over time was important in order to create a cultural-historical understanding, we started the historical development analysis at the country level: first with the archival data and then complemented with the interview data. The data was organized as chronologies of events, structures, and formal decisions over time in Finland and Israel since the 1960s, resulting in 40 and 26 pages of narrative, respectively. Both Finland and Israel were noted to have made significant structural efforts, initiatives, and reforms related to international entrepreneurship. The narratives were validated with discussions about the chronologies as such and the interpretations of the events with local experts, such as two native Israeli professors who have examined the developments over time. This was particularly important in the case of Israel since the earliest documents were in Hebrew and thus not accessible to the researchers.

The historical development analysis enabled us to do the following: draw a picture of the organization of public and private actors related to international entrepreneurship over time (since the 1960s); record the goals, resource allocation (e.g., subsidies), and outcomes of policy initiatives; and depict the key events at the economy and society levels. Although, we found similarities, we also began to see that the cultural-historically developed views regarding international opportunities differed in the two countries and might create different logics of activity. The chronologies also helped us in collecting the interview data since we could exploit them in order to identify interviewees for the second period of data collection.

The third analytic procedure focused on a search for conceptualizing the object of activity at the community level. The historical development analysis and the initial views from the interviews captured in our notes and memos had already caused us to anticipate different beliefs about the favorable factors related to international entrepreneurship. To capture the object, we focused on the issues the actors connected with well-performed activity and the types of outcomes they work towards. We began coding the data into data-induced categories (Doz, 2011; Ghauri, 2004) with respect to what we then called *the perception of a winner*. Under this code, we collected different opportunity beliefs. In the analysis, the individual beliefs were then categorized from the viewpoints of society, international venture, and outcome. When we then connected these views to the historical development analysis, we could characterize three pairs of opportunity beliefs. Finally, we could assess these beliefs in relationship to each other and form two logical configurations.

The last phase of the analysis was the modeling of systemic opportunity shaping as a core activity in international entrepreneurship. We searched for the mechanism connecting the historical and structural circumstances with international opportunity beliefs in order to explain international entrepreneurship as a systemic phenomenon. We looked for historically developed activities and operations that have become institutionalized as cultural practices and could be seen in the present as the modalities of international opportunities beneath the configurations of the opportunity beliefs (see Cole and Engeström, 1993). Although we could see one configuration of the beliefs as more fitting for each community, the historical analysis reminded us to acknowledge the dynamism of objects. For instance, we noticed the strong regional development policy in place since the 1970s in Finland as an important condition related to the dominant job creation belief. A similar condition has recently emerged in Israel driven by the need to solve the labor market issues faced by specific ethnic groups.

Although we tried to be as systematic as possible in the data collection and analysis, the process might not be flawless. Due to the nature of qualitative research, we do not claim that our interpretation is the only possible one, but we believe the methods to be aligned with criteria of trustworthiness (Cuervo-Cazurra et al., 2016). We approached the data collection from a practical perspective and attempted to find highly knowledgeable informants with diverse viewpoints. Our engagement with the research sites was extensive and the data was triangulated. We aimed at analytical generalization (Dubois and Gadde, 2002), which does not occur statistically in relation to the population, but theoretically in relation to prior research.

4. Findings

As nations, Finland and Israel are in a rather similar position with respect to international entrepreneurship: Both need it and have significantly invested in supporting it. Nonetheless, the ways in which international opportunities are understood and how opportunity beliefs have emerged are, according to our analysis, clearly different. In the following section, we will discuss the beliefs in detail. We will then discuss the intrinsic powers directing the activity of international entrepreneurship in the form of the modalities of international opportunities that capture the mechanism of international opportunity shaping.

4.1. The collective beliefs about international opportunities in the two communities

The data demonstrates several variations in the collective beliefs in the two communities. We discuss these variations from the points of view of society, international venture, and outcome. Our data allows us to specify circumstances, resource governance, and the alignment of outcome expectations as the situational characteristics of the beliefs.

4.1.1. International opportunity beliefs from the society point of view

From the society point of view, the key beliefs are about the role of entrepreneurship in society (see Table 3). In Finland, we saw a dominant, desired type of entrepreneurship represented by companies that can become bankable, profitable, and, importantly, create jobs. The primary circumstance in which opportunity beliefs have emerged has been regional development policy. This has meant publicly managed and administratively centralized entrepreneurship development through the nationwide establishment of public enterprise development offices since the 1970s (Lemola, 2002). For example, in the 1990s the Finnish Centre Party was in charge and had a strong regional development emphasis in its political ideology (see quote 1 in Table 3), which facilitated this type of

Table 3
International opportunity beliefs at the society level.

| Point of view | Belief about international opportunity | Characteristics | Representative data examples |
|---------------|--|---|---|
| Society | Job creation | <p>Circumstance: Regional development policies</p> <p>Network/resource governance: Public actor governance of finance</p> <p>Alignment of expectation: New business establishment volumes</p> | <p>The governments [of Finland] were led for a long time by the Centre Party [in the 1990s], and regional development policy had a strong role. (Public sector venture capitalist, FIN)</p> <p>These companies [providing finance regionally] were development companies with the management and the fund in the same company. They were not focused on venture capital-type investments; the rate of expected returns on investments was not the same. (Public sector venture capitalist, FIN)</p> <p>Established new firm is a result in principle [...] more broadly defined: when a person puts one's personal knowledge to use either in a new firm or finds a job in an existing firm, that is always the result in my opinion. (CEO of a business incubator, FIN)</p> |
| | High impact | <p>Circumstance: International market co-operation</p> <p>Network/resource governance: Private venture capital market</p> <p>Alignment of expectation: Disruptive businesses</p> | <p>You don't have the market here and you build companies, from day one, for international collaboration. [...] this talent [aspiring entrepreneurs] recognizes that it has no market, so the alliances and the quality of the relationship, strategic relationships, that are being built are very very crucial. (Venture capitalist, IL)</p> <p>I think that in most companies, if you want to take the company to the next level, you don't have too many choices. There are very few companies that enjoyed serious success a few years later down the road and did not take any money from VCs. So, I don't think you have a choice. (Serial entrepreneur, IL)</p> <p>It's not about creating more companies. It's supporting, I would say, it's supporting companies that are more disruptive [...]. It doesn't mean that the other kind will not be created. It just may mean that it will not be supported by the Chief Scientist. We don't support every company in Israel. (Public officer, IL)</p> |

entrepreneurship.

This has also meant the strong public governance of resources. To support the job-creating type of entrepreneurship, early-stage financing (loans, grants, and venture capital) has been organized through public actors and their instruments to a large extent. For this reason, public support has guided what has been worked on as an international opportunity. Public support organizations with a state mandate have been in a position to maintain the belief that jobs are the crucial element of international opportunities. With respect to the resources and networks of entrepreneurship, this is related to venture capital market failure in terms of the number and quality of private-sector actors (e.g., in 1983 there were nine public venture capital companies and only one private venture capital company in Finland [Auer, 1990]).

In the end, this political circumstance and this actor structure highlighted the importance of large business establishment volumes as the favored outcome from collective efforts. At the turn of the 1990s, a typical financed company had an initial domestic market focus and about half of all internationally oriented companies aimed at the neighboring Swedish market (Ahdekivi, 1990). We call this belief—characterized by regional development policies, public-actor governance of resources, and alignment with new-firm establishment volumes—the *job-creation belief*. The belief is seen in the quote below.

We aim at creating 5000 new jobs for different business fields regionally [...] our operations are divided on the basis of this goal. (Innovation director, Finland).

In Israel, entrepreneurship, when considered from the viewpoint of society, is largely motivated by its capability to create global success stories and is acknowledged on the basis of this achievement. Favorable circumstances for globally oriented entrepreneurship emerged from the intensive search for international cooperation with chosen countries and international companies. The cooperation involved bi-national business development programs, such as the BIRD program, already established in 1977 (Breznitz, 2007). It focused on creating connections between the nascent Israeli ventures and U.S. corporations and market knowhow.

With respect to resources, close relationships with successful international entrepreneurs and support for private venture capitalists made it possible to develop a robust venture capital culture in Israel. The growth of the private venture capital market encouraged actors to approach entrepreneurship from this perspective. An example of a contributor to the development of the private venture capital market is the public Yozma program of the 1990s (Avnimelech and Teubal, 2004). At the same time, hundreds of thousands of well-educated people from around the world immigrated to Israel. In this situation, resources were diverted to international opportunities that had the potential for high impact.

This led Israel to stress the types of international opportunities that produce disruption. The Israeli support system is selective in that it consciously seeks out companies that have the potential to be a market leader. We also see this realized in the successful track record of exits by Israeli start-ups (documented in the IVC Yearbooks). International opportunity began to mean a high-impact venture funded by venture capitalists. We call this belief—characterized by international market co-operation, private venture capital market resourcing, and disruptive business alignment—the *high-impact belief*. The belief is illustrated in the quote below.

Table 4
International opportunity beliefs at the international venture level.

| Point of view | Belief about international opportunity | Characteristics | Representative data examples |
|-----------------------|--|--|---|
| International venture | Spearhead company | Circumstance: Traditional corporation driven economy | If we think about the late 1990s and early 2000s, the most potential people went to existing industrial companies [...] we invested heavily in Nokia-related operations even though there was discussion during those years that we should not only invest in them. (Director, regional development company, FIN) |
| | | Network/resource governance: Indirect internationalization | There was a five-year period after Nokia's hiccup in 1993–1994 when we did not need to do any sales operations. All the employees we managed to get hired went there [Nokia orders]. This continued until approximately 1998–1999; if you had competent people, you could sell them to Nokia [projects]. (Serial entrepreneur, FIN) |
| | | Alignment of expectation: Subcontracting venture | About ten years ago, we really had an opportunity, resources to start to do these things [build high-growth ventures], because Nokia was growing fast and employment was secure in the region. Then this [start-up] mode and competent actors could have been built on the side [by now], but the resources were mainly geared towards the Nokia phenomenon, as things were fine. (Expert, regional development company, FIN) |
| | Lead-market entry | Circumstance: Winning-main-market mindset | Rarely do I think that having a payday in Israel could actually prove anything, especially in the consumer market. So, we're not really looking for companies that will penetrate the Israeli market, but the global market, the U.S. market especially. (Venture capitalist, IL) |
| | | Network/resource governance: Direct strategic customers | It was very clear at that time [...], we are addressing it, the biggest market is the U.S., and the biggest customer is in the U.S., so it was a very very defined [...] target for us. So, we had several customers very well defined, and we had to build a presence in the U.S. (Venture capitalist, IL) |
| | | Alignment of expectation: Global competition with own products | The idea is to take Israeli software companies, seed companies but companies that have a real technology advantage, may be coming from army units or places like this, and also that have products that you can commercialize quickly. Not something that you can put on the market in three years, but something that you can start selling very quickly. (Serial entrepreneur, IL) |

It's about being very small but thinking about how you can conquer the world. At least in a certain niche, you want to be the best. You need to be the best—the best worldwide in a certain area. (Serial entrepreneur, Israel).

4.1.2. International opportunity beliefs from the international venture point of view

From the international venture point of view, the data again demonstrates two different, historically embedded beliefs about international opportunities (see Table 4). Our archival data brings up the point that Finland was industrialized quite late. After the Second World War, the population from rural areas moved into cities and the jobs were often in state-owned factories. The economy has, hence, long been driven by the traditionally labor-intensive forest and metal industries that already emerged as large corporations in the 1950s. As much as 80–90% of the export earnings of the country were based on the forest industry at that time (Lilja, 2005), which created a corporation-driven economy.

A similar corporate dominance was later seen in the international success of the Nokia-driven ICT cluster (see quote 2 in Table 4). The resources and networks from the decades-long global growth of the multinational company allowed large numbers of new ventures the possibility to grow and prosper on the basis of indirect and intermediate internationalization through its networks of subsidiaries. As an outcome, we saw the emergence of a large number of subcontracting companies, aligned according to Nokia's needs, primarily selling work instead of developing and marketing their own product internationally. To illustrate the role of this multinational company, Nokia's share of Finnish exports around the year 2000 was close to 25% (Ali-Yrkkö and Hermans, 2002). In addition, there were about 300 first-tier suppliers and other partners of Nokia, increasing the total share of Finnish exports via this cluster even higher (Ali-Yrkkö and Hermans, 2002). The key issues in the community have been a coordinated division of labor in subcontracting networks and the strictly defined operating rules of the spearhead companies. We call this belief—characterized by corporation-driven economy, indirect internationalization, and alignment towards a subcontracting venture—the *spearhead-company belief*. The belief is illustrated in the quote below.

The fact is that during the boom years, if you had a functioning fax machine to print out an order from Nokia, you could make a living if you found employees and office space [...] companies did not need to think about their own products or services. (Incubator program director, Finland).

The dominance of the above belief was maintained in Finland until the recent economic recession and the downturn of Nokia's mobile phone business, which occurred between 2007 and 2008. The subsequent wave of lay-offs and, at the same time, the activities related to start-ups have begun to reshape the thinking about international venture opportunities in the Finnish community towards the one that we discuss below as the dominant one in Israel.

Israeli thinking emphasizes individual companies and their potential. A company should strive for a winning position in the main market. This mindset creates a specific circumstance for venture establishment since it means primacy for new ventures intending to enter international markets and have the potential to break through to them. Historically the target for these entries has been the U.S. market (see Breznitz, 2007).

This winning-the-main-market mindset is connected with the perceived requisite of direct relationships with strategic customers, based on whose requirements the new ventures can develop knowledge and competencies relevant in global competition. New ventures can most effectively participate in global competition with their own innovative products, with this then being their primary expectation (see quote 6 in Table 4). Nowadays, this type of intensive product development, close to the strongest players in the business area, has resulted in those strategic partners' entries into Israel and having benefitted from the innovation forefront. We call this belief—characterized by the mindset of trying to win in the main market, direct strategic customers, and global competition with one's own products—the *lead-market entry belief*. The belief is illustrated in the quote below.

It is critical to build the company from day one as a big company [...] It was obvious that the biggest market was in the U.S., and we targeted the biggest customer there; this was a very defined target for us. (Entrepreneur, venture capitalist, Israel).

4.1.3. International opportunity beliefs from the outcome point of view

Finally, we can define two beliefs about international opportunities based on outcomes (see Table 5). In Finland the data depicts, on the one hand, an outcome-related belief that can be characterized as a typical owner-manager controlled company. Related to this belief is the norm of a low level of risk-taking and failure-avoiding business activity, resulting in a preference for a lower ambition level and organic growth. Finns are dubious about seeking rapid success at high risk, which creates a particular circumstance for outcome expectations. Instead, it is important to ensure reasonable earnings for people.

As a corollary, providing early stage support and resourcing is emphasized in order to foster firm establishment. This is typical when public actors have a central role in new venture financing. The system is pressurized to establish many new ventures in order to meet policy targets. Taken together, the risk avoidance and early stage emphasis has led to a situation in which the number of make-a-living small firms is a satisfactory and adequate outcome. Finland, for example, until the last economic recession of 2007 experienced a great deal of moderate growth with publicly supported companies not proving to be competitive in global markets, as

Table 5
International opportunity beliefs at the outcome level.

| Point of view | Belief about international opportunity | Characteristics | Representative data examples |
|---------------|--|---|--|
| Outcome | Small firm | Circumstance: Avoid risk/avoid failure | Growth needs to be controlled. One element in high-growth firms is that often the entrepreneurs have to take risk finance and they lose ownership. It is not in the interest of anyone to loose ownership; when you grow the firm, you end up with nothing in hand. (Program director, incubator program, FIN) |
| | | Network/resource governance: Resourcing early-stage R&D | We have really from the very beginning debated strongly with [the public financier] about the nature of the funding being only R&D funding. I don't say that it is only thanks to us, but we have been strongly bringing in the viewpoint that they cannot fund only technology development and research. There is the market, which is a more important part of the whole. And they have changed, i.e., the direction is right. (Venture capitalist, FIN) |
| | Global winner | Alignment of expectation: Make-a-living small firm | In our incubator, the companies must aim to employ at least five persons in the future, so the self-employers are cut out. (Innovation director of a regional development company, FIN) |
| | | Circumstance: Accepting risk/embracing failure | The ability to absorb failure. Or the willingness to work with a failure environment. In Israel, failure is not considered something bad. So you failed, fine. You tried to do something, fine. You gained experience. So failure is something that is part of gaining experience. Sometimes you fail, sometimes you succeed. (Venture capitalist, IL) |
| | | Network/resource governance: Resourcing scaling | There are many, many reasons not to go public. [But] at the end of the day, that's the right thing to do. That's the way to grow. [...] it makes the equity a liquid equity. [...] It's very hard, but this is the dream. (Serial entrepreneur-venture capitalist, IL) |
| | | Alignment of expectation: Market leaders | We are aiming to identify start-ups that can be homeruns. A lot of them are going to fail, a lot of them are going to have modest success. So very few of them will become the large companies. But initially, we evaluate everyone [with respect to] do you have a chance to become one. (Venture capitalist, IL) |

illustrated by the rarity of known successful exits. We call this belief—characterized by avoidance of risk/failure, resourcing of early stage R&D, and make-a-living small firms—the *small-firm belief*. The belief is illustrated in the quote below.

When I was a steering group member in [one public financier's] technology program [a few years ago], the start-ups that talked about aiming to achieve tens of millions or a hundred million in revenue instead of millions were always laughed at as too unrealistic. (The enterprise advisor of a regional development company, Finland).

This can be contrasted with the outcome belief characterized by a venture with high-growth ambition and backed by venture capital; this belief is dominant in Israel. With high-growth ambition comes the acceptance of the risk of new venturing and the possibility of failure. It is essential to try and learn from one's mistakes. In Israel, a rather high percentage of start-ups have closed. For instance, between 2006 and 2010 this rate, on average, was 42% (calculated from the IVC Yearbook data 2011). The failure is seen as a natural part of the process and appreciated as an experience-building factor (see quote 4 in Table 5). This is a clearly different historical circumstance than the one described in the case of Finland.

The community is focused on the filtering of potentially disruptive start-ups and on connecting the start-ups to experienced networks that can provide feedback and organize resources for scaling. Israelis have learned that international opportunities must be seized when available. This requires financial resources, and the resources often do not just come through sales revenue. That is why the Israelis have favored venture capital and IPOs. The scaling phase is geared towards achieving international market leadership and eventually an exit—in other words, they aspire towards “hitting home runs” as an outcome. If this is not a potential option, then it is not an international opportunity for them. We call this belief—characterized by accepting risk/embracing failure, resourcing for scaling, and the pursuit of market leadership—the *global-winner belief*. The belief is illustrated below.

You don't have a silver and bronze medal. It's only a gold medal and it's a running competition, between one firm and the rest of the world. (Venture capitalist, Israel).

To conclude, the activity of both communities is directed on the basis of the shaping of international opportunities. The primary object, however, builds on different collective beliefs about preferred features, that is to say, what type of opportunity to pursue.

4.2. Modeling international opportunity shaping in international entrepreneurship

We described above the rather concrete beliefs related to international opportunities. The data allowed us to collect the three points of view regarding opportunity beliefs into two logical configurations (see Table 6). The first configuration brings together the emphases on job creation, spearhead companies, and small firms. It is dominated by the society point of view with an early stage focus on the activity, and this configuration has been dominant in Finland. The other configuration brings together emphases on high impact, lead-market entry, and global winners. This configuration is dominated by the outcome point of view with a focus on the scaling phase, and this configuration has been dominant in Israel.

To some extent, the configurations represent ideal types of collective beliefs, those that we see as historically formed and defining the activity overall. However, other beliefs exist simultaneously, as is typical in multi-voiced and dynamic communities (Engeström, 2001), but they play a latent or nascent role and are thus not directing the collective activity. For instance, the longitudinal data allows us suggest ongoing change in Finland regarding opportunity beliefs. The downturn for Nokia and for the economy as a whole (around 2007–2008) forced Finns to reconsider the role of new ventures in society, and the emphasis began to move from belief in job creation to belief in high impact. Entrepreneurs are more ambitious in terms of international activity, and this is supported by improvements in the venture capital landscape.

To understand how the beliefs come together with the power to drive activity, we suggest historical necessity, the organizing of contingencies, and operating conceivability as modalities that function beneath the activities and operations of the community. We compare Finland and Israel with regard to modalities that capture the cultural-historical rules, division of labor and production factors, and routinized practice in international entrepreneurship activity.

4.2.1. Historical necessity as a modality

Historical necessity captures the cultural-historical, indispensable object of activity, indicating what is necessary in order for an international opportunity to be pursued at a societal level. The historical necessity modality circumscribes the core of the object, which is not questioned but is approved by the cultural-historical rules of the given social context. It carries with it the societal need

Table 6
The configurations of the international opportunity beliefs in Finland and Israel.

| The viewpoints to beliefs | Finland | Israel |
|---------------------------|---|---|
| Society | The international opportunity should generate new jobs | The international opportunity should produce a high impact |
| International venture | There is little collective pressure for international operations by new ventures due to the strong role of the successful spearhead companies | It is crucial for new ventures to go to the main market and organize the situation internationally so that this is possible |
| Outcome | A long-lasting, profitable, and sustainable firm should emerge from an international opportunity | A global firm that is a market category leader and achieves a successful exit should emerge |

state developed over time (Miettinen, 2005); it attaches meaning and determines the value of various entities according to the collective mind of the community (see Kaptelinin, 2005) and enables actors to work together in international opportunity shaping.

We see clear historical differences in this respect between the dominant views in Finland and those in Israel. The national ideology in Finland has been built on the concept of a welfare society, with such core elements as nationwide free and equal education and health care. The societal dilemma needing to be resolved has been securing the prosperity of the whole country. This has meant widespread caring for the whole nation through strong, but geographically dispersed, public governance via the state and the municipalities. The extensive public-sector intervention and the small venture capital market have made the creation of companies and jobs throughout the country important measures of success for a large number of a community's actors. The following quote illustrates the internally focused play in which the public actors take a defining role in resource governance, which is related to the job creation belief.

Most of the actors are in this national and regional paradigm. [They are] involved in this regional system and do not understand that they should serve the region by connecting with the core players in the growth-venturing field internationally. (Expert, regional development company, Finland).

In Israel, the societal efforts are undoubtedly similar in their aim to secure the well-being of the nation's citizens, but an indispensable part of international opportunity is not based on a similar regional, equal development aspiration; rather, it is based on its likely ability to produce a high impact. Israel's development has been determined by a strong national identity as well as rapid immigration, which could have turned it to a public sector-driven internal development emphasis. Instead, opportunity shaping has been aligned with directing companies to become globally competitive. The following quote illustrates the historical need state stemming from the geopolitical setting that has driven the belief in impact in the global markets.

Israel is a small country. It used to be a small country and it's going to remain a small country. Finland is also a small country, but [it has] neighbors. [It is] surrounded by friendly countries [...] Israel on the other hand has a very small domestic market and it doesn't have a regional market. (Venture capitalist, Israel).

In this way, our analysis points out how international opportunity, as an object of international entrepreneurship, takes shape under the broader aspirations of society. Hence, international opportunity shaping is the sum of the processes associated with the historical necessity that concretizes why something is done.

4.2.2. *The organization of contingencies as a modality*

The organization of contingencies captures the preferred ways of organizing an activity so that the necessity modality is likely to be realized in the interactions within a community. In organization of contingencies, the multi-voiced communities clarify the boundaries of their activity as a stance is taken with respect to the actors' responsibilities. The organization of contingencies calls for adhering to a division of labor and production factors (Engeström, 2001).

In Finland, the public sector is strong, though there is a small and growing breed of successful serial entrepreneurs, accelerators, and private financiers that have the competence to build global businesses. The small size of the private venture capital market has left it with little influence. To illustrate, over the period 1996–2005 public venture capital funding has, on average, accounted for 83% of seed stage investments (calculated from the statistics data of the Finnish Venture Capital Association). Simultaneously, large firms have kept the economy going, and their success could be aggregated to many actors as a result. Hence, the rules of the game established by the public actors and large corporations further gained social legitimacy, which was institutionalized as an intrinsic power that supported this type of organizing of activity. This organization of contingencies is related to the spearhead-company belief.

In Israel, the thinking about organizing for international opportunities has been built on the production of superior customer value with advanced technologies. Here, entrepreneurs, investors, and other private actors are institutionalized as the leading actors through a robust private venture capital market and exits at global markets. As illustrated by the quote, in the public sector it has been typical to open development programs for certain periods of time, but with the intention that their role will diminish in order to allow for private-sector actors to lead the ventures into international markets. This organization of contingencies is related to the lead-market-entry belief.

So, the tech incubators program [...] It changed at the beginning of the century; it was privatized. So basically, in 2002, the government started selling those because, until then, they were government-managed, which is really a very bad idea. So, I'm very happy to say that we don't manage anything anymore. (Public officer, Israel).

Our analysis thus shows how both countries have been built up to coordinate, in their own ways, the division of labor and factors of production, resulting in their own preferred ways of organizing activities. The organization of contingencies with respect to international opportunities captures the structural powers and liabilities directing how international opportunity shaping is done.

4.2.3. *Operational conceivability as a modality*

Operational conceivability captures how the societal need state and the organizing structures become operationalized through particular actions and the operations of the community in order to ensure the desired end result. It brings forth routinized practice in terms of selection, incentivization, and rewarding in the international entrepreneurship community. The practice in question is typically collaborative and a rather standard part of the community's activity (see Engeström, 2001). It is attached to views about what can happen in the best case scenario when an international opportunity arises.

The data depicts the Finnish emphasis on sustainable companies, controlled by owner-managers, as the typical outcome of opportunity shaping. Beneath this outcome, substantial public funding, often in the form of subsidies and similar support, is divided into multiple types of entrepreneurial activities. The selection mechanism for the allocation of public resources has been rather loose in order to facilitate the numbers of venture establishments and to initiate their R&D. Despite the known importance of high-growth firms for job creation, most of the actors are incentivized and rewarded in the early phase of new venture development. There is little accountability regarding the firms' international success or failure: both the incentives and the accountability by public actors basically end with getting the ventures to use the offered services for their establishment and early R&D. The quote below illustrates the operational conceivability beneath the small-firm belief.

It [performance measurement] is based on measuring volumes. There are other indicators in the growth entrepreneurship services, like revenue growth [...] However, it is, in my opinion, more about how many reports are done. (Key account director, public innovation financier, Finland).

In Israel, the data illustrates global winners as the preferred outcome of opportunity shaping. Due to the leading role of the private actors in the community, it operates according to their rules. The selection process is tight at the outset, and resource allocation is provided through investments, not support, with the expectation of return in the longer run. The community is rewarded on the basis of the upside incentive. Therefore, since the actors have equity in the new ventures, the practice aims at increasing value by scaling internationally and eventually reaching a successful exit. The activity is sufficiently financed, but simultaneously accountable on the basis of its success in the tightest competition. In this setting, entrepreneurs can also fail as experienced venture capitalists accept confronting failures as part of their activity. The operational conceivability beneath the global-winner belief is illustrated below.

It's very rare that people take loans from the bank for high tech. It's definitely an other people's money game. But the people who made exits are expected to put in 50 or 100 thousand dollars of their own money, not loan money. (Venture capitalist, Israel).

In this way, our analysis points out how a desirable outcome is embedded in local practice. The modality captures what is done in international opportunity shaping at the level of operations. Fig. 1 illustrates the modalities as the mechanism at work in international opportunity shaping. The modalities allow us to acknowledge the cultural-history as an intrinsic power beneath collective beliefs. The model also depicts how the circumstances, resource-governing structures, and alignment of expectations take different forms as situational factors when transferred from the modalities to different beliefs. We suggest that the modalities of international opportunities capture the logics of international entrepreneurship as a systemic activity of communities.

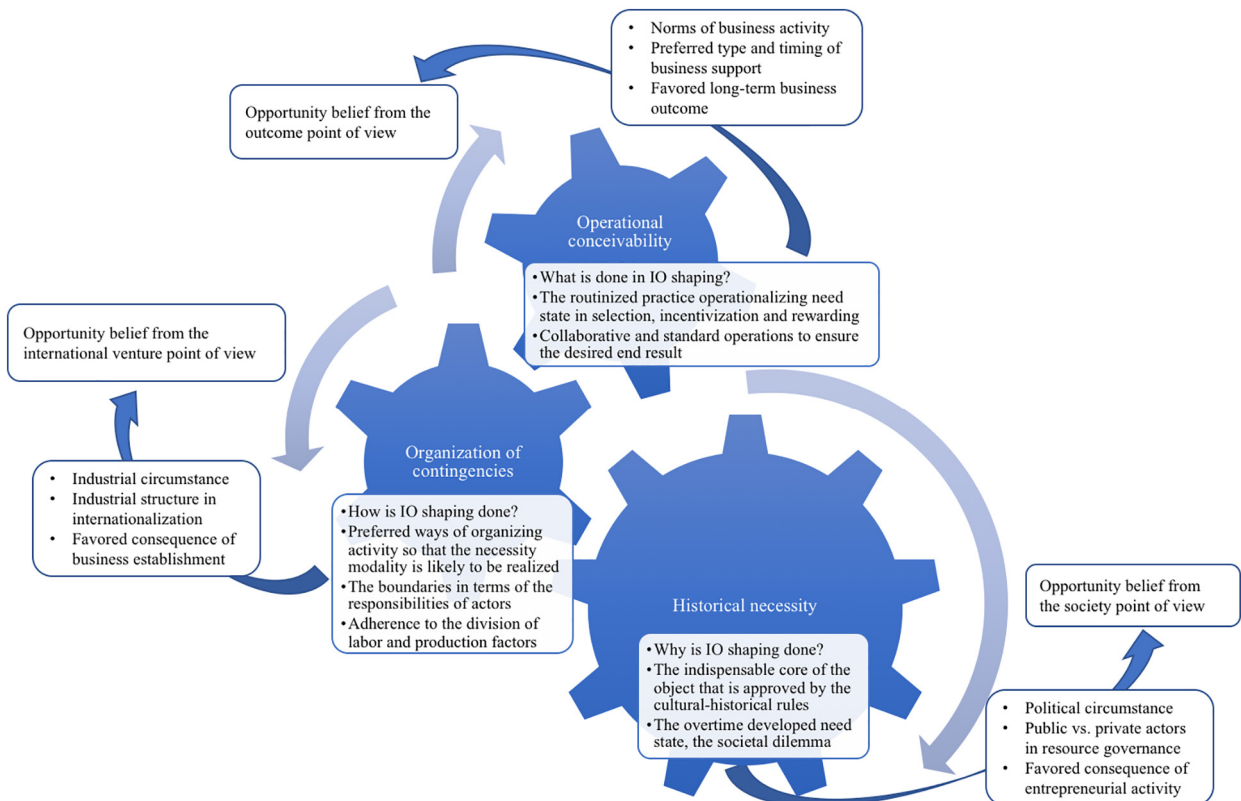


Fig. 1. Modalities as the mechanism at work in international opportunity shaping.

5. Discussion

International entrepreneurship scholars have been increasingly interested in international opportunities, either as a starting point or as an outcome of a firm's internationalization (Mainela et al., 2014; Peiris et al., 2012; Sarasvathy et al., 2014). The pursuit of international opportunities is dependent on the opportunity beliefs of the individual, who needs to decide if the one discovered or created is an opportunity for oneself (or for someone else or if it is not to be pursued at all) (Wood et al., 2014). Our study is useful for understanding this decision-making process because it brings into the picture the community in which the decision-making takes place. In this way, it offers novel insights into the contextuality of international entrepreneurship. As we add to the understanding of international opportunities at the collective level, we are able to overcome the individualistic and ahistorical biases (see Engeström, 1999) of international entrepreneurship theory regarding opportunity-oriented action.

5.1. Implications for research

The systemic view that we offer provides an original conceptualization of the contextuality of international entrepreneurship with two primary contributions. We note that it is important to acknowledge that the community in which the opportunities are generated is not only a facilitator or hinderer at particular stages of the entrepreneur's journey, but that it is also an elementary part of the pursuit of opportunities in terms of collective opportunity beliefs. Furthermore, we suggest that further attention should be paid to the different manifestations of international opportunities by analyzing them as both collectively shared beliefs and over time. By bringing the cultural-historical context into the picture, the systemic view allows us to uncover the collectiveness and temporality of international entrepreneurship.

Hence, as our study's first contribution, the systemic view emphasizes the opportunity beliefs that come together at the collective level, instead of focusing on, for example, the business idea, business model, or capabilities at the entrepreneur and venture levels (see Selden and Fletcher, 2015). As illustrated in our data, communities have circumstances, resource governance structures, and outcome expectations that come about as collective opportunity beliefs, manifesting themselves in the activity of international entrepreneurship. This is an important addition to our understanding of opportunity beliefs, which have previously been dealt with as individuals' cognitive structures (e.g., Grégoire et al., 2010; Shepherd et al., 2017). Our study stresses that entrepreneurs often act on something that collective belief holds as favorable. We suggest that collective opportunity belief reveals on its part the "something" that entrepreneurial agents act on in different contexts (see Davidsson, 2017) and the situations out of which international entrepreneurship emerges (Reuber et al., 2017).

Hence, collective belief captures the inherent property of the opportunity as a favorable state of affairs at the societal level (Miettinen, 2005; cf. Davidsson, 2017); collective activity aims at achieving an overall good, although at the entrepreneurial or venture level it may or may not translate into preferred outcomes. Collective belief allows us take the bounded international entrepreneurship (Liu et al., 2008) and opportunity horizon (Ellis, 2011) further, which may well reveal the influence of local institutions and networks on the types of opportunities pursued. When the cognitive models of opportunity beliefs (e.g., Grégoire and Shepherd, 2012) focus on an entrepreneur's capability to notice the similarities and differences between the means of supply and the markets, the collective beliefs, in turn, carry the incentive system and the accountability of the actors in a community. These align the collective activity in ways that we captured through the modalities of international opportunities. We suggest that the modalities drive international entrepreneurship activity to the extent that further attention needs to be paid to the similarities created by the collectiveness of opportunities (see Kayak and Maclean, 2013).

Collectiveness in the form of collective beliefs and modalities of opportunities means that entrepreneurs whose beliefs do not fit the dominating views need to work harder to find a way forward than do entrepreneurs who accept and fit into the systemic views. It would be important to examine the processes through which the entrepreneurs who do not well fit into their immediate geographic locations find their ways to the global or other communities sharing and supporting their opportunity beliefs (see e.g. Saxenian, 2006). For example, our data initially suggests that the experience of the entrepreneurs is one element influencing how easily they navigate in and between local and global communities.

As the second contribution, the systemic view brings forth temporality in the form of cultural historicity as an important situational dimension of international entrepreneurship (Reuber et al., 2017). It furthers our understanding of the circumstances under which an opportunity is attractive to an individual (e.g., Wood et al., 2014) and its systemic favorability within cultural-historical developments. Systemic favorability involves risk perception and the attitude towards failure as a cultural circumstance of opportunity beliefs (see more on the personal fear of failure in Wood et al., 2014). Hence, the question of whether an opportunity should be pursued or not is likely to return different answers based on the different historical development paths of the communities. The historicity of the collective opportunity beliefs thus invites us to understand opportunities within the particular cultural histories of their locations.

Furthermore, attention to development allows us go deeper into the temporality of the activity of international entrepreneurship and see opportunity beliefs as dynamic over time. The continuum from the past through the present and into the future can be captured by the systemic view as it acknowledges opportunity beliefs as historically developed circumstances taking shape on the basis of the community's present resource governance and involving the view in the future horizon of possibility (Holt, 2008; Miettinen, 2001). This approach broadens the research on opportunity beliefs as being related to an individual's current circumstances (e.g., Wood et al., 2014). Overall, the cultural historicity of opportunity beliefs implies that understanding international entrepreneurship in a particular location requires data over extended periods of time in order to uncover the temporalities and dynamics involved. To advance this kind of research theoretically, we have provided modalities of international opportunities as the

cultural-historical mechanism of international opportunity shaping.

5.2. Implications for practice

From the viewpoint of practitioners, our findings suggest putting more of the responsibility for the systemic outcomes of international entrepreneurship onto communities with respect to historically and politically developed structures and practices, instead of onto the entrepreneurs and firms alone. The in-context embedded rules of the game, the division of labor factors, and institutionalized practices (cf. Baker et al., 2005; Zander, 2004) are intimately intertwined in the activity of international entrepreneurship. Whereas we tend to focus on the experience, education, and knowledge of the entrepreneurs to understand their capabilities for opportunity discovery, we would like to suggest also looking at the community in which the entrepreneur acts. Historical developments create a particular foundation for competition and an incentive system for actors to act on international opportunities (Zahra et al., 2005). The entrepreneur almost inevitably, although not necessarily consciously or intentionally, responds to these conditions and, hence, the perception of whether or not there is an opportunity to be pursued might be highly dependent on the geographic location of the activity.

To the larger international entrepreneurship community, the present study raises interest in the structures and responsibilities of the different actors in developing opportunities. The study provides insight into their activity regarding its standing as a facilitator or hinderer of international entrepreneurship, particularly in terms of collective beliefs instead of formal facilitation programs or bureaucratic requirements. The collective beliefs may actually explain the likelihood of collective support for entrepreneurs pursuing international opportunities. From the viewpoint of policy makers, the study makes explicit the power involved in terms of the ways actors are rewarded and results counted when defining the activity as a whole.

5.3. Limitations and future research

In terms of its limitations, this study looked at only two entrepreneurship communities in two countries. The challenge here is the representativeness of the research subjects and the generalization of the research results. We have aimed at analytical generalization at the level of theory and hope that future research will utilize our model to study other country contexts. Second, the informants in the empirical study had a specific type of profile and represented the international entrepreneurship community in a broad sense. As a result, identifying the relevant factors in systemic opportunity shaping remained potentially narrow and at a general level. Future research might make wider use of activity theory and choose a particular activity system under study. Then the informants could be chosen from within a more narrowly defined community. Third, the study gathered data for a specific period, with the aim of uncovering temporalities and dynamism in the collective beliefs. Societal and cultural development processes, however, are slower than those that this study could take into account. Our data indicated some emerging change processes but did not allow for capturing the dynamism of the modalities and beliefs any further than the preliminary indications. Therefore, with respect to change in the modalities and in the beliefs, future research needs to develop research methods to uncover developments over even longer periods of time.

5.4. Conclusions

The purpose of this study was to understand how collective opportunity beliefs are generated and guide international entrepreneurship as the shared objects of activity. The study extends the international opportunity concept to the collective level by grounding its conceptualization in social practice theory, namely activity theory (see Engeström, 2014). Accordingly, this study argues in favor of explaining the activities of individual actors, such as entrepreneurs, with attention to the broader activity of communities. The study illustrates how historically produced and culturally established activity provides a framework within which international opportunities are shaped (cf. Baker et al., 2005; Zahra et al., 2005). In this case, the focus has been on the logic of activity as the producer of international opportunities instead of putting the primary blame and honor on the entrepreneurs themselves.

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Declarations of interest

None.

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