# Chapter 23 Personal and Firm Drivers of Export Entrepreneurship

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#### **ABSTRACT**

This research has two main objectives. Firstly, this research contributes to defining the concept of export entrepreneurship from a theoretical point of view, and this is a contribution taking into account the scarce and fragmented literature published about this topic. Furthermore, the authors explain export entrepreneurship dimensions – speed, degree, and scope. Thirdly, we empirically analyze the internal drivers of export entrepreneurship from the resource-based view—RBV—and the Schwartz' value approach. A conceptual model is proposed and tested with a multi-sectorial sample of 212 Spanish exporting companies. The results reveal that export entrepreneurship is positively affected by internal factors, such as export commitment, managers value, and experiential and structure resources. The results offer academic and managerial contributions for the field of export activities.

#### INTRODUCTION

Entrepreneurship and exports are two essential elements in the economic growth process of countries through the creation or development of new businesses (Acs, Audretsch, Braunjerhelm, Carlsson, 2006; Hessels, 2007). Entrepreneurship contributes to economic growth generating and transmitting knowledge, and increasing com-

petitiveness and diversity (Audretsch & Keilbach, 2004). Exports have a positive impact on the national quantity of currency reserves and on the increase of national prosperity. Furthermore, they contribute to the expansion of the domestic industry, and to the improvement of productivity and employment (Hessels & van Stel, 2011). They also generate learning processes, from the point

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of view of both human and technological capital (Blalock & Gertler, 2004; Yeoh, 2004).

Individually, both topics - entrepreneurship and exports - are recurrent in the economic, management and marketing literature. However, the extant knowledge about export entrepreneurship (EE) is very limited (Hessels & van Stel, 2011). Its origin can be found in the fragmentation and absence of a theoretical framework accepted in the field of international entrepreneurship, which is characterized by different knowledge gaps, theoretical inconsistencies and contradictory results (Keupp & Gassmann, 2009). In this context, this study aims to advance in the knowledge of EE and conceptually establish it. To do so, the three basic dimensions of international entrepreneurship are used: degree, scope and speed. Its antecedents are also analyzed from the resource-based view (RBV) and the Schwartz' value approach.

The paper has three main contributions. First, EE is conceptualized from the dimensions of speed, degree and scope as a process by which a firm - its managers - uses exportation as a way of entering foreign markets, and taking into account the internal and external factors which affect them, develop early exporting – in the first 6 years of life. Regardless of their size, they tend to commercialize their products and/or services through a strategy of market diversification - they are usually present simultaneously in more than 10 countries - and have a high export orientation or intensity –normally over 20%. Secondly, taking the RBV as a reference, it is shown that level of entrepreneurship is conditioned by firm resources, associated to experience and structure. Thirdly, based on Schwartz' value approach, it is shown that the managers values and commitment also affect EE.

To achieve the aims proposed, the paper has the following structure. First, the conceptual model is set out, defining the concept and dimensions - degree, scope and speed - of EE. Next, the drivers of EE are modeled using the RBV and the Schwartz' value approach. This allows the definition of the

research hypotheses. Then, the used research method is explained from a multi-sectorial sample of 212 Spanish exporters. Finally, the results are discussed and the main conclusions and theoretical and practical contributions are presented. The work finishes with its limitations and suggestions for future lines of research.

#### THEORETICAL BACKGROUND

To be an entrepreneur implies creating or developing a new business – in this case exports. Exportation vs. non-exportation centered the initial debate on entrepreneurship and export activity, trying to get to know the business or personal factors which lead a firm to initiate -entrepreneurially -external trade operations compared to those that do not (e.g., Ursic & Czincota, 1984; Leonidou, 1995; Katsikeas, 1996). In this way, some authors conceived that firms which decide to export develop a business innovation process entrepreneurship – which influences its business performance (Simmonds & Smith, 1968; Samiee, Walters, & DuBois, 1993). However, the literature on EE has progressively centered itself on export firms. The work of Yeoh and Jeong (1995) helped to concentrate the debate. They pointed out that export firms can be differentiated according to their entrepreneurial orientation. This can be moderated by the structure of the export channel and by the environment in which the firm works. Thus, while some exporters tend to be proactive, innovative and have less risk aversion in the search for business opportunities in foreign markets, others tend to be reactive or conservative.

In line with Yeoh and Jeong (1995), Ibeh and Young (2001) define EE as "the process by which managers, either by themselves or within organizations, take advantage of market opportunities – foreign – taking into account the resources available and the environmental factors which affect them". This definition highlights that EE depends on internal (e.g., resources) and external

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