

IE-Scholars Network

**ONLINE DOCTORAL COURSE:
NETWORKS AND INTERNATIONAL ENTREPRENEURSHIP**

SPRING / SUMMER 2013

Course Instructor: Shameen Prashantham, PhD

OBJECTIVES

- To gain an understanding of the mechanisms through which networks mitigate the liabilities of foreignness, newness and smallness in the accelerated internationalization of young firms.
- To explore differential sources and effects of networks on international entrepreneurship highlighted in the literature.
- To explore existing and potential research opportunities in examining networks in international entrepreneurship across time (dynamics) and space (i.e. institutional settings).
- To identify and evaluate broad methodological options available to researchers examining the role of networks in international entrepreneurship.

PREREQUISITE

- None. Students are advised to complete a general course on international entrepreneurship.

EXPECTATIONS

Each class member will:

- attend all classes having completed all assigned readings;
- participate regularly in class discussions
- prepare assigned articles for presentation in class as requested
- respect the rights of other students and of informants
- hand in all assignments by the date specified

ASSIGNMENTS AND WEIGHTING

Assignment 1: 20 % Written reviews for the assigned reading for any two sessions

(Due: These need to be posted online prior to the relevant sessions).

- Writing up a summary of the main arguments, a critique, and future research possibilities for each article assigned for two sessions
- Each article review should be approximately 250 words
- You are advised to focus on sessions that help you in dealing with the remaining assignments

Assignment 2: 10% Initial research topic identification for a term paper

(Due: This needs to be posted online one week prior to session 9).

This assignment entails:

- Providing a topic for a conceptual term paper (assignment 3); more specifically:
- Identifying a research topic relating to networks and international entrepreneurship.
- Justifying the need for addressing this topic based on what we know from the existing literature.
- Providing an outline of the structure of the paper
- Ideally, providing any conceptual insight / nuance / proposition you have already identified as the key argument of the paper

Assignment 3: 50% A conceptual term paper based on the topic identified in assignment 2.

(Due: 6 weeks from the end of the course)

This is the core assignment and entails:

- Developing a conceptual article on a topic relating to networks and international entrepreneurship.
- The objective is to build new theory – perhaps identifying the gap(s) identified through assignment 1 that you find most fascinating / intriguing.
- The objective is to jumpstart your publishing career by allowing you to prepare a paper that could become a credible submission to either the relevant track of a major conference (e.g. Academy of International Business) or to a specialist conference (e.g. the McGill conference series).
- Furthermore, this exercise will potentially yield a set of testable ideas for future quantitative work or a preliminary set of ideas that could be theoretically elaborated using qualitative research.
- The paper must be no more than 30 pages long, inclusive of references.
- The paper must be written in the tone and manner of the *Academy of Management Review*; also follow that journal's formatting rules.

Assignment 4: 20% Class discussion

Students will be rewarded for consistent and meaningful participation; quality matters more than quantity!

SESSION SCHEDULE

Session 1: Introductions to the course and to international entrepreneurship

Topics

- Overview of the course
- Change in conversation in mid-1990s from large multinationals (“elephants”) to internationalizing new ventures (“gazelles”).
- Unique challenge of contending with the liabilities of foreignness and newness/smallness

Readings:

- Oviatt, B.M. & McDougall, P.P. 1994. Toward a theory of international new ventures. *Journal of International Business Studies*, 25: 45-64.
- Jones, M.V., Coviello, N.E., & Tang, Y.K. 2011. International Entrepreneurship research (1989-2009): A domain ontology and thematic analysis. *Journal of Business Venturing*, 26: 632-659.
- Knight, G.A., & Cavusgil, S.T. 2004. Innovation, organizational capabilities, and the born-global firm. *Journal of International Business Studies*, 35: 124-141.
- Zahra, S.A. 2005. A theory of international new ventures: A decade of research. *Journal of International Business Studies*, 36: 20-28.

Session 2: Social capital and networks – Conceptual foundations

Topics

- Acknowledgement that economic actors are “embedded” within a social context
- Recognition of social / business interactions and relationships within the context
- Network relationships outside firm boundaries as a potential source of resources

Readings:

- Adler, P.S., & Kwon, S-W. 2002. Social capital: Prospects for a new concept. *Academy of Management Review*, 27: 17-40.
- Burt, R.S. 1997. The contingent value of social capital. *Administrative Science Quarterly*, 42(2): 339-365.
- Granovetter, M.S. 1985. Economic action and social structure: The problem of embeddedness. *American Journal of Sociology*, 91: 481-510.
- Nahapiet, J., & Ghoshal, S. 1998. Social capital, intellectual capital, and the organizational advantage. *Academy of Management Review*, 23: 242-266.

Session 3: Networks and International Entrepreneurship – An Overview

Topics:

- Linking the effects of networks (session 2) with liabilities of foreignness & newness / smallness (session 1)
- Recognition of networks and social capital as both facilitator and constraint for rapidly internationalizing young firms

Readings:

- Coviello, N.E., & Munro, H. 1997. Network relationship and international processes of small software firms. *International Business Review*, 6: 361-386.
- Ellis, P.D. 2011. Social ties and international entrepreneurship: Opportunities and constraints effecting firm internationalization. *Journal of International Business Studies*, 42: 99-127.
- Prashantham, S. and Young, S. 2011. Post-entry speed of international new ventures. *Entrepreneurship Theory & Practice*, 35(2): 275-292.
- Yli-Renko, H., Autio, E., & Tontti, V. 2002. Social capital, knowledge and the international growth of technology-based new firms. *International Business Review*, 11: 279-304.

Session 4: Sources and types of networks and international entrepreneurship

Topics:

- Examining differential effects of different sources/types of networks; e.g.
 - Strong versus weak ties
 - Home- versus host-country ties
 - Local milieu ties
 - Dimensions of social capital (structural, relational and cognitive)

Readings:

- Al-Laham A., & Souitaris, V., 2008. Network embeddedness and new-venture internationalization: Analyzing international linkages in the German biotech industry. *Journal of Business Venturing*, 22: 566-591.
- Han, M. 2006. Developing social capital to achieve superior internationalization: A conceptual model. *Journal of International Entrepreneurship*, 4(2-3): 99-112.
- Presutti, M., Boari, C., & Fratocchi, L. 2007. Knowledge acquisition and the foreign development of high-tech start-ups: A social capital approach. *International Business Review*, 16(1): 23-46.
- Yu, J., Gilbert, B.A., & Oviatt, B.M. 2011. Effects of alliance, time and network cohesion on the initiation of foreign sales by new ventures. *Strategic Management Journal*, 32: 424-446.

Session 5: Network dynamics in international entrepreneurship

Topics:

- Critiquing the lack of insight into dynamics in cross-sectional studies
- Examining the effects of networks over time
- In particular, reflecting on different effects at initial vs. later stages of internationalization.

Readings

- Agndal, H., Chetty, S., & Wilson H. 2008. Social capital dynamics and foreign market entry. *International Business Review*, 17: 663–675.
- Coviello, N.E. 2006. Network dynamics of international new ventures. *Journal of International Business Studies*, 37: 713-731.
- Lindstrand, A., Melén, S., & Nordman, E.R., 2011. Turning social capital into business: A study of the internationalization of biotech SMEs. *International Business Review*, 20: 194–212.
- Prashantham, S., & Dhanaraj, C. 2010. The dynamic influence of social capital on the international growth of new ventures. *Journal of Management Studies*, 47: 967-994.

Session 6: Networks and international entrepreneurship across institutional environments

Topics:

- Resource-poverty of internationalizing new firms
- How this is accentuated in an emerging economy
- How do emerging economy ventures leverage networks effectively?
- How do advanced economy ventures leverage networks in emerging economies?

Readings:

- Kiss, A.N., Danis, W.M., & Cavusgil, S.T. 2012. International entrepreneurship research in emerging economies: A critical review and research agenda. *Journal of Business Venturing*, 27(2): 266-287.
- Musteen, M., Francis, J., & Datta, D.K., 2010. The influence of international networks on internationalization speed and performance: A study of Czech SMEs. *Journal of World Business*, 45: 197–205.
- Ojala, A. 2009. Internationalization of knowledge-intensive SMEs: The role of network relationships in the entry to a psychically distant market. *International Business Review*, 18(1): 50-59.
- Prashantham, S. 2011. Social capital and Indian micromultinationals. *British Journal of Management*, 22(1): 4-20.
- Zhou, L., Wu, W., & Luo, X. 2007. Internationalization and the performance of born-global SMEs: the mediating role of social networks. *Journal of International Business Studies*, 38: 673–690.

Session 7: Networks in international entrepreneurship as the dependent variable

Topics:

- Critiquing past research' main preoccupation with effects of networks
- Taking cognizance of under-researched influences *on* network formation; e.g.
 - Relational capabilities
 - Agentic, proactive behaviors
 - The entrepreneur's prior experience

Readings:

- Coviello, N.E. 2006. Network dynamics of international new ventures. *Journal of International Business Studies*, 37: 713-731.
- Prashantham, S., & Dhanaraj, C. 2010. The dynamic influence of social capital on the international growth of new ventures. *Journal of Management Studies*, 47: 967-994.
- Mort, G. S. & Weerawardena, J. 2006. Networking capability and international entrepreneurship: How networks function in Australian born global firms. *International Marketing Review*, 23(5): 549-572.
- Tang, Y.K., 2011. Influence of networking on the internationalization of SMEs: Evidence from internationalized Chinese firms. *International Small Business Journal*, 29, 374-398.

Session 8: Networks and international entrepreneurship – Methodological issues

Topics:

- Pros and cons of different methodologies for studying networks and international entrepreneurship;
 - Social network data – within quantitative studies
 - Social network data – within qualitative case-studies
 - Surveys using multi-item constructs to measure social capital
 - Interview-based case-studies capturing social capital

Readings:

- Al-Laham A., & Souitaris, V., 2010. Who makes you central? Analyzing the influence of international alliance experience on network centrality of start-up firms. *Management International Review*, 50: 297-323.
- Coviello, N.E. 2006. Network dynamics of international new ventures. *Journal of International Business Studies*, 37: 713-731.
- Prashantham, S., & Dhanaraj, C. 2010. The dynamic influence of social capital on the international growth of new ventures. *Journal of Management Studies*, 47: 967-994.
- Yli-Renko, H., Autio, E., & Tontti, V. 2002. Social capital, knowledge and the international growth of technology-based new firms. *International Business Review*, 11: 279-304.

Session 9: Discussion of term paper topics

During this session we will have a discussion of the topic outlines that students will have posted a week prior to this session – the objective is to challenge and encourage each other's thoughts and ideation.

Session 10: Revision and wrap-up

During this session we will take a whistle-stop tour through the key material covered during the preceding sessions, and also address any remaining queries students might have about the term paper which will be due within six weeks of this session.