

**IS RESEARCH INTO INTERNATIONAL ENTREPRENEURSHIP
AND TRANSNATIONAL ENTREPRENEURSHIP STILL
SEPARATED, OR ARE THE FIELDS CONFLATING? – CASE
STUDY OF AMBERBALTIC**



Mater Thesis – International Business Economics

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1. INTRODUCTION

The globalization process flourishing for the last two decades allows movement of various entrepreneurship activities around the globe and the new competitive landscape drives firms towards international diversification (Bettis and Hitt, 1995). Since one of the very features of the entrepreneurship is to explore opportunities, we managed to witness strong development of the International and Transnational Entrepreneurship (Webb, et al., 2007). The expansion of the EU also was motivator for movement of people and capital towards countries that provide better opportunities and institutional environment. IEs and TEs explored this opportunities, which caused the interest of the scholars (Pavlov, et al., 2013; Drori et al., 2009; Oviatt and McDougall, 2005).

From the literature review, the author of this project identified **three types of entrepreneurship** actions: **International, Transnational and Ethnic**. However, applicable for the case study that is used in this project are only **International and Transnational Entrepreneurship** theories. Consequently, **Ethnic Entrepreneurship** will be briefly presented, but not studied in depth. As it can be deduced, this thesis aims to investigate the paths that follow IE and TE theory. Starting from this, a problem formulation was identified: Are the IE and TE theories conflating or they differ? This problem will be addressed in the Literature Review (LR) Chapter. After discovering the answer of this question the LR Chapter will be followed by the case of “Amberbaltic”. Then in the Analytical Chapter, the two research questions will be addressed. In this regard the results of the LR and the data from the qualitative research will be compared. The role of the multifamily business is also investigated since the owners of “Amberbaltic” are one International Entrepreneur and one Transnational Entrepreneur - family friends who decided to unite resources and create common business in Denmark with main goal - serving the Lithuanian community. It is unique mixed structure of International-Transnational Entrepreneurship (ITE) and the multifamily business theory can provide explanation why this mixed structure was created. In the end the conclusion will be made to summarize the discoveries of the current thesis.

2. SUBJECT CHOICE JUSTIFICATION

This thesis is based on the research conducted with Lithuanian firm created and operating in Denmark - Amberbaltic. Based on the interview with firm's manager the data was collected and shaped into a case. The data showed unique mixed ownership structure with overlapping features of IE and TE. That provoked the author to go in a direction of investigating this phenomenon and comparing the theory of IE and TE with the case data. Based on the LR of IE and TE and the comparison of the main lines of discussion becomes clear that there is insufficient amount of studies dedicated to the complex mixed structures such as in the case of Amberbaltic. The LR showed significant differences between TE and IE literature. In the case of Amberbaltic we can see that those differences are blurring into one mixed structure of TIE. Furthermore, the role of multifamily business organizations in the case of mixed TIEs cases is also understudied (Brigham and Payne, 2015). Based on the qualitative research that was conducted, will be revealed that multifamily business leads to mixed TIE structures, in which differences between TE and IE are not as clear as presented by number of scholars in the literature.

All the above resulted in a problem formulation and two research questions that can be found below.

Problem formulation:

“Is research into IE and TE still separated, or are the fields conflating? - Case study of Amberbaltic”

Research questions:

- How IE and TE main lines of theoretical discussions are reflected in the case study of Amberbaltic?
- What is the role of multifamily business in the case of Amberbaltic?

3. METHODOLOGY

In this chapter can be found a presentation of paradigm's definition and its underlying assumptions, otherwise called "the four levels of understanding": *Ontology, Epistemology, The Human Nature and Methodology*. The subjective-objective perspective in regard to the four levels of understanding will be introduced next. This will be followed by the description of three classifications of paradigms, i.e. FISI, RRIF and Abnor and Bjerke's approaches. Lastly, will be selected the methodological approach embedded in this project and will be showed how literature review search took place, as well as how the data for the case study was collected.

The term "**paradigm**" was first used by Kuhn (1970), who in order to describe the waves of research in a specific field presented a theory of the structure of scientific revolutions. Kuhn argues that every field of research is characterized by a set of common understandings of each of the phenomenon that is being studied, the questions that are being asked about the phenomenon, how the researchers should structure their approach in order to answer the questions and how the results should be interpreted. Kuhn further argues that science's progress will not be made only on the basis of facts accumulation, but successive waves of thoughts are necessary in order to give a new understanding to the ideas. These ideas in time can change the nature of what researchers consider to be facts (Kuada, 2012).

Bryman and Bell described the **paradigm** as "*a cluster of beliefs and dictates which for scientists in a particular discipline influence what should be studied, how research should be done, [and] how results should be interpreted*". (Bryman and Bell, 2011, p.25) Paradigms are a way for the author of a research to communicate the underlying thoughts of the project in ways so that the reader can interpreted with the thoughts of earlier studies.

3.1 THE FOUR LEVELS OF UNDERSTANDING

According to Kuada (2012) most scholars of philosophy of science define paradigms based on four sets of assumptions: *Ontology, Epistemology, The Human Nature and Methodology*.

Ontology is used by many scholars to describe the nature that the researchers seek to know. Some scholars look at social world as real and external to an individual human being. To these scholars, the social world is more objectively constructed. Other scholars have the view that every individual creates his own social world. For these ones the social world is subjectively constructed (Kuada, 2012).

Epistemology describes the nature of knowledge and the mean of knowing. (i.e. what we know, what we conceive as a truth). Some scholars hold the view that, we can know the truth about a specific social world. Other scholars belief that, social world can be understood only by reference of the individual actor that the researchers seek to study (Kuada, 2012).

The Human Nature describes the relationship between the human being and their environment. Some researchers see the environment being outside of the individual, other hold the view that human beings and the environment co-determine each other (Kuada, 2012).

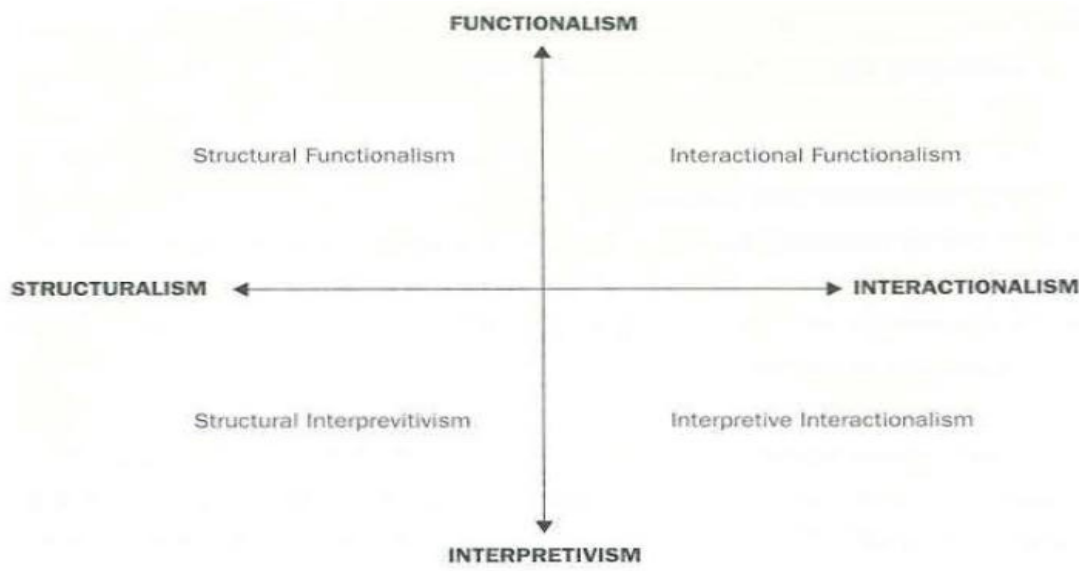
Methodology describes the reasons behind the choice and use of specific methods in the search process. For example if you assume that the social world can be examine from the outside you will use a methodology that focus on relationships. On the other hand, if you assume that the social world can be understood only by obtaining first-hand knowledge about the individuals that you are studying, you will adopt a methodology based on the interpretation of individuals about the world as they experience it (Kuada, 2012).

Based on these levels of understanding, were developed the **three most known classifications of paradigms, i.e. the FISI, the RRIF, Abnor and Bjerke's approach**. They will be presented below and will be followed by the choice of the most appropriate paradigm for this project.

3.2 THE FISI CLASSIFICATION

The goal of this classification is to emphasize the importance of social phenomena in terms of structures, functions and interactions (Kuada, 2012).

Figure 1 – FISI Classification



Source: Kuada, 2012, p. 76

Functionalism subscribes to a positivist epistemology. It falls under the objectivist or positivist types of research (Kuada, 2012, p.40). Economists opting for this paradigm argue that in order to keep their effectiveness organizations are able to adapt to their environment. The main example of this would be Stimulus- Organism- Response viewpoint, which states that external factors will stimulate the organization that will respond with a specific behavior (Kuada, 2012).

Interpretivism emphasizes the need to understand people perception of a situation in which they are involved and the meaning from their experiences (Kuada, 2012, p. 40). In order to explain events or experiences scholars using the interpretivism paradigm have to investigate the perceived meaning of the creation and sense-making of events and their contexts (Kuada, 2012).

Structuralism sees the societies as composed of complex systems of interrelated parts (Kuada, 2010, p 40). The focus of this perspective is on the collective rather the individual, because it is argued that the individual's position is defined according to the structure of the system (Kuada, 2012).

Interactionalism seeks to understand how people from different background and therefore with different experiences or interpretations of the world interact and understand each other (Kuada, 2012). Therefore scholars researching under this perspective emphasize the role of human interactions in the social life. According to researchers referring to this perspective, people act

through “minded-behavior” instead of responding to a stimulus of a pre-established way (Kuada, 2012).

Described above paradigms can be combined in different ways. However the most known combination of them is: **structural functionalism, structural interpretivism, interactional functionalism and interpretive interactionalism.**

Structural functionalism suggests that “*society has an existence over and above individuals*”. From this thought appeared four features of social systems:

- Adaptation – which represents the capability to interact and adapt to external contexts;
- Goal attainment – which refers to the social systems’ capacity to set goals and implement decisions;
- Integration – is related to using shared values and norms in order to obtain harmonization and convergence;
- Latency – involves socialization of new members into existing norms and values which leads to the creation of a stable pattern over time (Kuada, 2012, pp. 78-79).

Structural interpretivism subscribes to the view that social world has basic structures that influence the relationships. However, the emphasis is put on the meaning that people extract from events and experiences which had place within the structure, rather than the structure itself. The scholars who adopt this perspective think that reality “...*can only be revealed by those engaged in the experience*” (Kuada, 2012, p. 79).

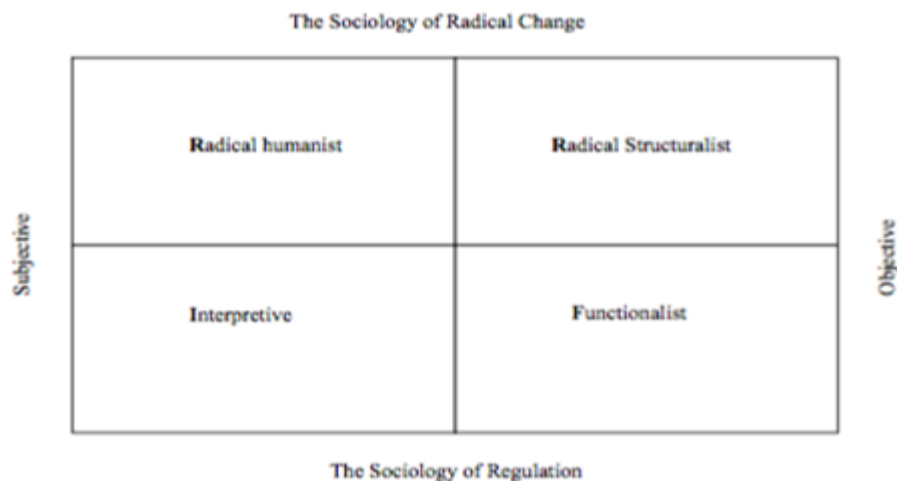
Interactional functionalism is the combination of interactionism perspective and the functionalist one, which sees social systems as, formed of “*interconnected and inter-related norms*”. This means “...*interactions produce social norms and the predictability of behaviors that allow expectations to be built and roles to be defined*”. Consequently, norms and regulations are born due to the interaction of people (Kuada, 2012, pp. 79-80).

Interpretive interactionism supports the idea that people interact inside and outside of organizations’ limits. These continuous interactions lead to the formation of experiences which will be analyzed and interpreted by the individuals with the help of their cognitive capabilities and memories. This, ultimately, contributes to the shaping of their behaviors (Kuada, 2012, p. 80).

3.3 THE RRIF CLASSIFICATION

Morgan and Burrell (1979) make a distinction between the sociology of regulation and the sociology of radical change. By doing such an opposition, they managed to put the thoughts of critical social research in the center of the organizational research (Kuada, 2012). The opposition of these two approaches with the critical perspective allowed Morgan and Burrell to come up with two more paradigms in addition of the Interpretive and Functionalist. Therefore, the RRIF model is composed of: **the Radical humanist, Radical Structuralist, Interpretive, Functionalist** (See figure below).

Figure 2 – RRIF Classification



Source: Morgan and Burrell, 1979

According to the authors, those paradigms can be either analyzed on their own or contiguously (Kuada, 2012).

Radical humanist approach shares a common view with the interpretive paradigm; they both state that everyday reality is socially constructed (Kuada, 2012). Therefore scholars under this assumption assume that the interaction between individuals' world views and the external world in which they live is the source of change (Kuada, 2012).

Radical structuralist position describes the changes in the society. These changes are from inherent structural conflicts that generate constant crisis, e.g. political or economic (Kuada, 2012).

Interpretive approach presented by Burrell and Morgan as a “*paradigm rejecting the analysis of structures independent of the minds of men*” (Burrell and Morgan cited in Kuada, 2012, p.43).

Functionalist approach states the society has a real concrete existence and a systematic character and is directed toward the production of order and regulation (Kuada, 2012). Scholars under this perspective assumed that issues are objective and value free. Therefore, by adopting a rigorous method research is able to take distance from the subject they study (Kuada, 2012).

3.4 ABNOR AND BJERKE PARADIGMS

Abnor and Bjerke (2009) draw a distinction between the theory of science and methods. They distinguish between paradigms and methodological approaches. For them, paradigms describe the relation between the ultimate presumptions of the researcher and the practical use of various methodological approaches. It describes how the researcher views his work in relation to established perspectives in the theory of science, and how these views influence the approach chosen to solve a research problem. Thus, an operative paradigm is the link between the methodological approach and the study area (Kuada, 2010).

Abnor and Bjerke framework is composed of six paradigms (Kuada, 2010):

- Reality as a concrete phenomenon that is conformable to law and independent of the observer
- Reality as a concrete determining process
- Reality as mutually dependent fields of information
- Reality as a world of symbolic discourse
- Reality as a social construction
- Reality as a manifestation of human intentionality

Three methodological approaches were identified out of the six above mentioned paradigms:

The **analytical approach** views reality as independent of the observer, and that reality can be described as the sum of all its parts, creating the whole. A research can be performed on the different parts separately and bring them together to create the whole picture. This approach is objective in its way of doing research and the knowledge obtained is believed to be independent from the researcher. The paradigms of the analytical approach can vary from a fully objective

paradigm where reality is viewed as independent of the individual, to a more tangible paradigm where reality is perceived to be mutually depended on information. Reality is however seen as a stable structure that only slowly changes over time. It is important to note that when doing research using the analytical approach the author must stay objective in the interpretation of the data. The ground assumptions is that knowledge is based on facts, and the data should not be interpreted but simply promoted. The data used in this approach is typically quantitative (Kuada, 2012).

In the *system approach* the reality is perceived as whole, made of different elements. Each element is linked to each other. In order to see the whole system one must look at all the links. An analogy often used is an equation of $2+2=5$. This relates to the concept of holism where the investigation of the different parts of a system might give a different result than the research of the whole system. The hypothesis of the system approach is that changes in one part of the system can affect other parts as well. The system is viewed as static, however only for a period of time. When researching through the system perspective, one must keep in mind in what context the data is collected. This is different from the analytical approach where the environment is seen as more static. The system approach has different paradigms connected to it as well. Two of its paradigms are shared with the analytical approach in the objective paradigms, but also has a paradigm from a more subjective approach. Here reality is perceived as a world of symbolic discourses, which emphasizes a more interpreted way of thinking. Due to this research done in the system approach, can be using both quantitative and qualitative data (Kuada, 2012).

The *actors' approach* perceives the reality merely as a reflection of the individuals in it. The interactions between the individuals are what creates the reality, and becomes a social construction more than a tangible structure. Key concepts in the actors approach are subjectivity, individuality and interaction, which encourage a more interpretive approach. The aim of the research is to find out how the individual effects its environment through acknowledging the interactions with each other, and trying to code this into an explanation of the reality. Data in the actors' perspective are mostly qualitative, due to the high subjectivity of the approach. This as well fits with the focus on the individual as qualitative data often is based on interaction between people (Kuada, 2012).

3.5 PARADIGM'S CHOICE

Based on the description of the three paradigm classifications, **functionalism perspective** (as part of RRIF classification) was chosen for this project.

Next will be explained the reason for the selection of this paradigm.

The purpose of the current project is to identify if the research into IE and TE theories is still separated, or the fields are conflating. In order to do that, the case study of Amberbaltic was brought into discussion.

The author participated in the data collection, but is external to the company. Even if a qualitative data (i.e. Interview) was used, this project is compiled to an objective point of view. This is because, the author does not try to make sense of, or to interpret, phenomena in terms of the meanings people bring to them, but presents the facts from a face value (Kuada, 2012). Similarly, it is the information presented in the articles from the literature review.

As Kuada (2012) states, **Functionalist perspective** is preoccupied with explaining the events and experiences, as objective evidence. The world is seen as observable and the researcher can take distance from the events/facts that are being analyzed. The observable reality can be reached by the application of interviews and surveys (Kuada, 2012).

In this project, the reality is observed by revising existing literature in regard to IE and TE theories and the findings are compared to the information collected from the case study of Amberbaltic. The results show that there is a consistency between these two and one explanation for that matter could be found in the multi-family business as an influencing factor.

3.6 METHODS OF LITERATURE REVIEW SEARCH

The current research follows a process of qualitative systematic review. This is considered to be a reliable, scientific overview of the existing literature on a subject area or topic (Petticrew and Roberts, 2006). Its main goal is to identify and synthesize all relevant studies using a transparent, replicable process (Tranfield et al., 2003).

Following the search protocol, research on the already existing literature was done. For that purpose **SCOPUS** search engines was used in investigating the relevance and the scope of the research area. In the table below can be noticed the number of articles found on **SCOPUS** for both theories brought into discussion in this project: international entrepreneurship (IE) and transnational entrepreneurship (TE).

Table 1 – Number of articles for IE and TE

Name of the database	Key words	Number of relevant articles
SCOPUS	International entrepreneurship (IE)	28
	Transnational entrepreneurship (TE)	31
	International entrepreneurship AND Transnational entrepreneurship	25

Source: Author's creation

At the beginning the keywords “international entrepreneurship” were used. The result included 870 articles. In order to narrow down the number of articles the year of publication was chosen between 2014 and 2016. The result consisted of 28 articles (See appendix 1).

Afterwards, the keywords “transnational entrepreneurship” were used and resulted in 78 articles. When the years of publication were narrowed down to the period 2014 – 2016 the results were 31 articles (See appendix 2).

As a next step, were used the keywords “international entrepreneurship” AND “transnational entrepreneurship”. It resulted in around 20 articles (See appendix 3).

3.7 METHODS OF CASE STUDY'S DATA COLLECTION

The research data was collected through qualitative method “semi-structured interview” with the manager of Amberbaltic (Byrman and Bell, 2011).

The interview was taken at Aarhus where the physical shop of the firm is located. The interview was recorded and afterwards the transcript was used for the creation of case study.

4. LITERATURE REVIEW

The purpose of this chapter is to investigate the specialty literature in regard to **International and Transnational theories**, in order to find out if their features identified by various researchers are conflating or are different. Based on the results of the search engine, the Literature review chapter consists of approximately 20 articles that are relevant for the investigation. In the table below, it can be found the presentation of the main lines of discussion about these two theories.

Table 2 – Main lines of discussion - IE and TE

Author/ Year	Title of the article	Characteristics of IE	Characteristics of TE
Leo-Paul Dana, Hamid Etemad and Richard W. Wright (1999)	Theoretical foundations of international entrepreneur -ship	<ul style="list-style-type: none"> - The demarcation between international business and small business/ entrepreneurship ceased to exist. In international business literature it began to be analyzed not only the behaviors of large or multinational companies, but also the behaviors of small businesses /entrepreneurial ones. -“Facile use of low-cost communication technology and transportation means that the ability to discover and take advantage of business opportunities in multiple countries is not the preserve of large, mature corporations” - Small and medium firms can fill crucial niche roles, especially within business network system. - SMEs can become partners with MNEs in business networks, for example, as key suppliers or key contractors - MNEs need to examine and understand what gives rise to and sustain the competitive advantage of entrepreneurial firms. 	
Patricia Phillips McDougall and Benjamin M. Oviatt (2000)	International entrepreneur -ship: the intersection of two research paths	<ul style="list-style-type: none"> - International entrepreneurship (IE) is the discovery, enactment, evaluation and exploitation of opportunities —across national borders—to create future goods and services - Cross-border business activity is of increasing interest to entrepreneurship researchers, and accelerated internationalization is being observed in even the smallest and newest organizations. (not only multinational, or big companies internationalize) - The earlier in its existence that an 	

Author/ Year	Title of the article	Characteristics of IE	Characteristics of TE
		<p>innovative firm internationalizes, the faster it is likely to grow both overall and in foreign markets.</p> <ul style="list-style-type: none"> - Young firms without established routines that inhibit their learning opportunities in foreign environments may be able to use such learning to grow more quickly than counterparts who wait longer to internationalize. - It is important to consider cultural differences. 	
Alejandro Portes, William J. Haller and Luis Eduardo Guarnizo (2002)	Transnational entrepreneurs: an alternative form of immigrant economic adaptation		<p>-Transnational entrepreneurs were defined, as the subset of firm-owners who traveled abroad at least twice a year for business and who's success depended on the regular contact with their home countries</p> <ul style="list-style-type: none"> - Human capital, in the form of years of education and high occupational skills, has been found to play a significant role in immigrant business success - Social networks play an important role in the process of immigrant adaptation. Individuals with more extensive and diverse social networks will be in a better position to initiate and sustain transnational enterprise - The social contexts in which particular immigrant flows are embedded can also be expected to affect their economic options; - Transnational entrepreneurs are part of the elite in their respective communities in terms of education and legal standing, and they derive from these activities higher-than-average incomes compared with the wage/salaried majority
Patricia Phillips McDougall and Benjamin M. Oviatt (2005)	Defining international Entrepreneurship and modeling the speed of internationalization	<ul style="list-style-type: none"> - Cross-border entrepreneurial behavior focuses on how actors discover, enact, evaluate, and exploit opportunities to create future goods and services. - Network has a great influence on entrepreneurs' choice to internationalize; networks helps entrepreneurs identify international opportunities, establish credibility, and often lead to strategic alliances and other cooperative strategies. - Knowledge is another important factor that contributes to entrepreneurs' choice to internationalize. It refers to both: market knowledge and the intensity of knowledge in the product or service offering. - Knowledge in the entrepreneurial firm tends to be more individualized to the founder or entrepreneurial team - Entrepreneurial firms led by founders or management teams who have a greater 	

Author/ Year	Title of the article	Characteristics of IE	Characteristics of TE
		<p>wealth of personal international knowledge are more likely to exploit entrepreneurial opportunities earlier.</p> <ul style="list-style-type: none"> - Their greater absorptive capacity makes these firms able to readily accumulate additional foreign knowledge, which reduces the uncertainty of operating abroad and increases their likelihood of entering additional countries and increasing their commitment to internationalization 	
Congcong Zheng And Susanna Khavul (2005)	Capability development, learning and growth in international entrepre-neurial firms: evidence from China	<ul style="list-style-type: none"> - To achieve growth, entrepreneurial firms need to develop core capabilities internally and also learn from international markets. - Firms with higher technological innovation capability will be able to achieve higher growth since they can reap their competitive advantage across national borders - Firms that operate in more diverse markets will have greater opportunity to learn from different business practices and customers in international markets, improving their growth prospect - International expansion would not help firm growth unless it can positively help capability development. 	
Israel Drori, Ari Ginsberg, Benson Honing (2006)	Transnational Entrepreneur-ship: Toward a Unifying Theoretical framework	<ul style="list-style-type: none"> - Entrepreneurial activities that take place across the national borders - International business activities have to adapt to the host country's social, economic and political systems - IE is characterized as being export driven and focus on expansion of existing firms - Must consider national culture, and local institutions during the internationalization process 	<ul style="list-style-type: none"> - The process of TE refers to activities carried out by actors who are embedded in at least 2 different social and economic arenas - TE have to adopt a frequency of travel between the host and home country, fact that is required to maintain the business - TE activities have to cope and adapt to the institutional relations in both home and host countries; they have to develop capabilities in understanding and operating in multiple institutional environments - TE makes use of industry networks, also called as "a network of practice" that cross geographical boundaries and provide access to critical resources, like jobs, knowledge and customers - TE also make use of social capital that provides them resources and "access to those social and economic features that facilitate their plight for founding, retention and surplus production" - The transnational habitus which is marked by dual affiliation and orientation, encompasses a variety of social experiences and practices that facilitate the discovery,

Author/ Year	Title of the article	Characteristics of IE	Characteristics of TE
			enactment and exploitation of business opportunities - Must consider national culture, and local institutions during the internationalization process
Vincenzo Pisano, R. Duane Ireland, Michael A. Hitt and Justin W. Webb (2007)	International entrepreneurship in emerging economies: the role of social capital, knowledge development and entrepreneurial actions	<ul style="list-style-type: none"> - Firms often enter international markets intending to exploit existing technologies - Emerging economies have the potential to offer some advantages: government policies favoring economic liberalization, a rapid pace of economic growth, and the ability to form entry barriers as a result of developing first-mover advantages. - The exploration and exploitation of opportunities in emerging economies are best achieved through the use of alliances. - Learning is a strong predictor of success with international entrepreneurship -The likelihood of being successful increases when firms use strategic entrepreneurship as the driver of actions taken to enter international markets - Social capital provides benefits in the form of knowledge. 	
Stephanie A. Fernhaber, Brett Anitra Gilbert and Patricia P. McDougall (2008)	International entrepreneurship and geographic location: an empirical examination of new venture internationalization	<ul style="list-style-type: none"> - IE involves the “discovery, enactment, evaluation, and exploitation of opportunities - across national borders - to create future goods and services” - IE is sometimes stimulated by demand for firm products that spans international boundaries - At other times it is motivated by a need to recover costs invested in new technologies - Early internationalization enables a new venture to take advantage, before competitors are able to attain a foothold - International activities have also been shown to help new ventures realize performance advantages through increased profitability, owing to the new venture taking advantage of an increased customer base - Researchers identified that, resources within a firm's geographic location are a key determinant of the subsequent level of internationalization activities pursued. - The perceived value of combining resources developed locally with those in a foreign country is known to motivate foreign direct investment, especially when the cost for moving operations to the foreign market may reduce the costs that the firm incurs from operating in the 	

Author/ Year	Title of the article	Characteristics of IE	Characteristics of TE
		<p>domestic market.</p> <ul style="list-style-type: none"> - As reducing costs enables a firm to improve its profitability, internationalizing operations to exploit lower costs becomes an attractive motivator for internationalizing a firm. 	
Jennifer M. Sequeira Jon C. Carr and Abdul A. Rasheed (2009)	Transnational Entrepreneurship: Determinants of Firm Type and Owner Attributions of Success	<ul style="list-style-type: none"> - International entrepreneurship (IE), which is defined as “a combination of innovative, proactive, and risk-seeking behavior that crosses national borders and is intended to create value in organizations”, focuses on born global firms which seek to internationalize at their inception or soon after - IE research tends to have a limited view regarding such topics as ethnicity and dual affiliations and usually does not focus on the strong ties of the entrepreneurs, or the individual entrepreneurs themselves - IE is not culturally oriented, culturally derived, or reliant on a specific community and relationships 	<ul style="list-style-type: none"> - Transnational enterprise is defined as “a business in the ethnic economy which entails separate operational components of the enterprise being located in different countries and the transmigration of the owners in order to operate it - Transnational entrepreneurs (TEs) are foreign born, self-employed persons who engage in activities that require frequent travel abroad, with the success of their business being dependent on the entrepreneurs’ contacts and associates, primarily in the entrepreneurs’ home country - These entrepreneurs are unique in that they are socially embedded in both their home and host environments, allowing them access to network, class, and/or national resources in both environments - These resources aid these entrepreneurs in opportunity recognition, start-up, and maintenance of new ventures - TEs choose to begin particular types of ventures. The type of transnational firm that an immigrant chooses to begin may be directly related to their attitudes toward and perceptions of the host country, and their degree of embeddedness in the home country - TE is culturally oriented, culturally derived, and reliant on the specific community and relationships within which the immigrant is embedded. - Literature generally tends to associate the transnationalism with the poor and less educated; however, exceptions can be found - Transnationalism literature has focused on individuals, their networks of social relations, their host and home communities, as well as local and national governments. - It was found out that sometimes immigrants may engage in transnational activities as a response to various negative factors, among them discrimination, negative experiences, dissatisfaction with their lives, social status or occupational careers, and/or negative perceptions of their host country

Author/ Year	Title of the article	Characteristics of IE	Characteristics of TE
			<ul style="list-style-type: none"> - Personal and business cross-border networks, and the sociopolitical connections of the TEs provide the information, resources, support, and structure necessary for successful transnational activities - TEs play a facilitating role in international trade, particularly exports
Israel Drori Benson Honig and Mike Wright (2009)	Entrepreneurship: An Emergent Field of Study	<ul style="list-style-type: none"> - The study of entrepreneurial activities that cross national borders - IE is concerned with <i>the firm</i> as a unit of analysis - IE is defined as “the development of international new ventures or start-ups that, from their initial inception engage in international business - IE literature focus on the differential strategies employed by IE firms versus domestic ones, even when in the same industry, but the discussions of the individual entrepreneurs who engage in international activities is avoided 	<ul style="list-style-type: none"> - TEs are social actors who enact networks, ideas, information, and practices for the purpose of seeking business opportunities or maintaining businesses within dual social fields, which in turn force them to engage in varied strategies of action to promote their entrepreneurial activities. - TE consists of individual entrepreneurs who leverage opportunities that arise from their dual fields and networks, optimizing resources where they may be most effective. - TE activities have to cope and adapt to the institutional relations in both home and host countries by “the social and business networks, in which these TEs are embedded, political–economic structures, and dominant organizational and cultural practices in the home and host countries - The choice of strategy and action of TEs depends on the resources available; these resources include, e.g., symbolic and material resources, professional knowledge and skills, cultural capital, and a social position within an organization, as well as within communal, familial, and other settings.
Hao Jiao and Jeffrey A. Robinson (2011)	Building international entrepreneurship through entrepreneurship capital Perspective	<ul style="list-style-type: none"> - The entrepreneur as the focal actor draws upon important resources and capability in international entrepreneurship - The entrepreneurship capital perspective is important for international entrepreneurship, and sees it as comprised of <i>entrepreneurial proclivity, human capital and social capital</i>. - Pro-activeness, innovation and risk taking are used to define the entrepreneurial proclivity of the entrepreneur. -Entrepreneurs draw upon their human capital (knowledge, skills, and values) to advance the interests of their organizations. - An entrepreneur’s network can provide a significant source of social capital, which increases a new venture’s likelihood of the business success. - Social capital means the social 	

Author/ Year	Title of the article	Characteristics of IE	Characteristics of TE
		<p>connections and interpersonal resources people have that help them achieve their goals</p> <ul style="list-style-type: none"> - <i>Entrepreneurial proclivity</i> is fundamental to human capital and social capital. Being proactive, innovative and risk taking means that the entrepreneur will have the motivation and intention to go forward to learn knowledge and enlarge the social network. - <i>Human capital</i> can support the creation of social capital. - High quality <i>social capital</i> can improve human capital. The entrepreneur will acquire the useful information from the social network in order to learn the new knowledge, which will increase the human capital - The entrepreneur plays the important role in the internationalization process of the firm. The education, the familial and social situations, the different personal experiences such as successes and defeats, etc., are many factors which directly influence the entrepreneurship capital they have achieved, and will be reflected in the international entrepreneurship - Entrepreneurs with more international experience, a positive perception of the international competition and more social capital in international markets realize and adapt their international entrepreneurship strategy more readily than entrepreneurs without these attributes 	
Jean-Marie Nkongolo-Bakenda and Elie Virgile Chrysos-tome (2012)	Engaging diasporas as international entrepreneurs in developing countries: In search of determinants	<ul style="list-style-type: none"> - The term “diaspora” is used for individuals who emigrated or who are descendants of people who have emigrated from their home country and reside permanently in another host country while maintaining a psychic link with the country of origin - Given their personal dynamism, their naturally low psychic distance to their home countries, their higher likelihood to access to social networks, and their knowledge regarding their home countries, the diaspora members are naturally inclined to internationalize their business activities in their home countries first. - Altruistic motivation and the need to be recognized are other factors that contribute to success for this particular international new venture. - The successful creation of a venture across borders by the diaspora will depend, on the one hand, on the environment in the 	

Author/ Year	Title of the article	Characteristics of IE	Characteristics of TE
		<p>home and the host country and, on the other hand, on the capacity of the diaspora member to take advantage of the discrepancies such as: strong economy, diaspora engagement policies (e.g., tax breaks, training centers, and educational institutions), good governance (low level of corruption and well-functioning public institutions), access to financial capital (good jobs, status, and loans), favorable perception of entrepreneurship, and a critical mass of human and social capital.</p> <ul style="list-style-type: none"> - Identification of business opportunity is important; it suggests the existence of a product or service to satisfy the need in the host or home country - Identification of business opportunity is important; it suggests the existence of a product or service to satisfy the need in the host or home country - To succeed in the exploitation of opportunities, the diaspora entrepreneur needs managerial skills - The study suggests that diaspora international entrepreneurship depends, (beside the level of altruistic motivation, need of social recognition and entrepreneurial opportunities) also on friendliness and receptivity of the home country, as well as integration of and support to immigrants in the host countries. 	
Xiaohua Lin and Shaw Tao (2012)	Transnational entrepreneurs: Characteristics, drivers, and success factors		<ul style="list-style-type: none"> - <i>Transnational entrepreneurs</i> (TEs) are immigrants who are engaged in border-crossing business activities involving their country of origin and destination - Transnationalism has been found in a large portion of immigrant businesses and is considered a unique mode of economic adaptation - For people with full-time employment, <i>age</i> is the next important predictor for transnational entrepreneurship (45>) - Seeking to understand the motives of entrepreneurs, recent literature differentiates between the “necessity” type who is pushed into entrepreneurship because other options are absent or unsatisfactory and the “opportunity” type who is pulled into entrepreneurship by novel business opportunities - The enabled opportunities in the transnational space could be assumed to be a principal reason underpinning the immigrants’ decision to go transnational, given their human capital endowments and

Author/ Year	Title of the article	Characteristics of IE	Characteristics of TE
			<p>ability to draw resources from dual locations into a high-growth course</p> <ul style="list-style-type: none"> - Business opportunities overshadow “motherland sentiments” (such as being close to family and relatives) - Host countries could profit from such transnationalism; The benefits for the host countries could go beyond the trade and investment spheres to include enhanced innovation performance - TEs can help break cultural and linguistic boundaries and facilitate access to sources in the TEs’ origin countries
Fabiola Baltar and Ignasi Brunet Icart (2013)	Entrepreneurial gain, cultural similarity and transnational entrepreneurship		<ul style="list-style-type: none"> - Institutional factors matter and have a great impact on the possibility of establishing economic linkages between host and home societies - Immigrants may engage in transnational activities as a response to various negative factors such as bad experiences, dissatisfaction or negative perceptions of their host country. - Entrepreneurs who emigrate for negative institutional reasons such as unemployment, bad economic conditions or failure in their personal or business projects neglect to create a firm in the home country because they consider they can increase their wealth in a more stable and better institutional context. - A positive attitude in the host country reflects a successful employment career and a good settlement of immigrants and, in consequence, fewer linkages with the home country - An open strategy and creative planning allow immigrant entrepreneurs to detect more opportunities and compete in a massive market and thus increase the probability of growth and survival. - Both cultural similarities and greater tolerance towards immigration have a positive impact on the perception of business opportunities in the home and host economy.
Tanja Pavlov, Brikena Balli, Jelena Predojevic-Despic, Svetlana Milutinovic (2013)	Transnational Networks, Transnational Entrepreneurship And The Role Of State: The Cases Of Serbia And Albania		<ul style="list-style-type: none"> - Transnational entrepreneurship involves those “entrepreneurial activities that are carried out in a cross-national context, and initiated by actors who are embedded in at least two different social and economic arenas” - Social capital implies the ability of individuals to manage scarce resources on the basis of belonging to networks or broader social structures

Author/ Year	Title of the article	Characteristics of IE	Characteristics of TE
			<ul style="list-style-type: none"> - Networks are important because they are sources of acquisition of scarce resources such as capital and information, and which at the same time bound the unlimited personal gain - Entrepreneurship can be understood as a practice or action strategy in which decisions are based on an individual's response to his/her context, given one's habitus and capital resources, as determinants of one's social position in the field of action. - On the basis of their relationships in/with their homeland, migrants-entrepreneurs are more likely than other investors to take risks and start businesses in the high-risk or newly emerging markets. -Based on knowledge of local political, economic and cultural circumstances, migrants-entrepreneurs can lead the way in relation to other investors and employers in the country of origin.
Susan Bagwell (2014)	Transnational Entrepreneurship amongst Vietnamese Businesses in London		<ul style="list-style-type: none"> - TE differ from international enterprises since they tend to be reliant on the specific community and personal relationships within which the enterprise is embedded - Transnational activity is not seen as being conducted solely between the host and home country but could involve any country within the diaspora. - TEs tend to rely on support from members of the diaspora in many different countries, not just home country. These are so called "nodes" - Access to different nodes of the diaspora provide a wider choice of sources from which to obtain products (see the top of the p. 341) - TE can make use of "glocalised" networks in order to provide competitive advantage (For example, one nail salon owner sourced new ideas regarding nail designs and products from the USA, but adopted retail strategies observed in the UK - where the business was located) -The nature and extent of transnational business activity depends on the history of migration which determines the geographical dispersion of transnational links - Transnationalism is thus perhaps better viewed as a continuum ranging from those with extensive cross-border connections who are fully embedded in two or more countries, to those for whom such links may be less active but are still important for the

Author/ Year	Title of the article	Characteristics of IE	Characteristics of TE
			<p>business to varying degrees.</p> <p>-With modern day forms of communication, there is less of a need for the owner to travel back and forth between host and home country or countries from diaspora.</p>
Jan Brzozowski, Marco Cucculelli and Aleksander Surdej (2014)	Transnational ties and performance of immigrant entrepreneurs: the role of home-country conditions		<p>- Cultural and ethnic characteristics are major drivers which makes some immigrant groups more entrepreneurial than others: some cultures are more risk prone than others and some ethnic groups are more able to use effectively the ethnic resources of their group (ethnic network, social capital) in the destination country</p> <p>-Transnational activity involves individuals' acts of migrating and settling down in a new destination, while maintaining continuous and regular links with the sending country</p> <p>- Transnational ties play an important role in the performance of immigrant enterprises; international networks that link an immigrant to the home country could be perceived as a source of the economic success and competitive advantage of TEs</p> <p>- Cross-border networks could enable and facilitate access to such crucial resources as information, local knowledge, capital, market and technology.</p> <p>- However, the impact of ties/networks on sales' growth for TE firms has a limited direct or linear relevance. The activation of positive effects of transnational networks on performance depends on the home-country characteristics.</p> <p>- Home-country characteristics as moderators of the ties–performance relationship have a crucial role, even if in the absence of a direct impact of ties on firms' sales performance. More specifically, home-country institutional socio-economic characteristics (such as macroeconomic stability, the level and quality of education, level of corruption and level of the entrepreneurial endowment) and entrepreneurial attitude (uncertainty avoidance, long-term orientation, the locus of control and need for achievements) play a role in explaining the differential impact of ties on firm performance, especially when specific home-country characteristics are taken into account.</p> <p>- Another important determinant of the TEs performance is the stock of human capital available in the home country</p> <p>- TE might be beneficial for both the receiving and home countries since: first, it</p>

Author/ Year	Title of the article	Characteristics of IE	Characteristics of TE
			discovers and activates business initiatives which would not otherwise exist, and, second, it accelerates the capital accumulation helping TEs to become the source of seed capital for business initiatives back in their home countries.
Banu Ozkazanc-Pan and Susan Clark Muntean, (2015)	International high-technology entrepreneurs: hybrid identities and entrepreneurial activities	<ul style="list-style-type: none"> - Being successful at international entrepreneurship requires an understanding of the different norms, values, and practices of the location one inhabits. The ability to understand and adapt to the norms of the institutional context while relying on one's own socio-cultural values can be conceptualized through the idea of identity. - Mobility and exchange with different cultures influences international entrepreneurs' sense of self or identity as well as their business practices. - Since building relationships and understanding different cultures are a necessary part of successful international entrepreneurship activities, entrepreneurs who move between nations may develop novel identities that help them negotiate and address these differences. - Conceptual link between place and culture does not necessarily hold when individuals are mobile. - International entrepreneurs create hybrid identities in order to successfully exist in the socio-cultural and institutional contexts in which they carry out their ventures 	
Rogerson, J. and Mushawemhuka, W.J., (2015)	Transnational entrepreneurship in the Global South: evidence from Southern Africa	<ul style="list-style-type: none"> - International entrepreneurs "merely conduct border-crossing activities" - International entrepreneurs conduct the business-related activities of a particular venture across international borders. 	<ul style="list-style-type: none"> - The most critical distinguishing feature of TEs is bifocality or the ability to function across two different business environments. - Transnationalism emphasizes that knowledge of culture, language and markets of the home country can be applied as a competitive advantage to advance transnational practices. - The TEs stand out with their business idea being fully dependent on the dual institutional and cultural environment" - TEs "commercialize a business idea across multiple institutional settings" - "TEs possess a distinct background that is beneficial to them and that being embedded in the context of two countries, they become open to new opportunities" - TE is driven by entrepreneurs "that migrate from one country to another, concurrently maintaining business-related linkages with their former country of origin, and currently adopted countries and

Author/ Year	Title of the article	Characteristics of IE	Characteristics of TE
			communities” - Networks play a critical role for the success of TEs - TE must be viewed as “a distinctive attribute of globalization” and inseparable from the changing character of international migration - TE can take place also between two emerging or developing economies, not only between one developed country and a developing one (as most writings on TE focus on)

Source: Author's creation

As can be noticed in Table 2, a number of various authors investigate the problem of IE and TE. The leading arguments of the main researchers on this topic will be presented below. First the description of IE will be made followed by the description of TE. After that, will be introduced and discussed the influence of some key factors such as: knowledge, culture, social capital, network or institutions upon IE and TE theories. In the end, a comparison between the two types of entrepreneurship theories will be made.

4.1 INTERNATIONAL ENTREPRENEURSHIP (IE)

“**International entrepreneurship** is the discovery, enactment, evaluation, and exploitation of opportunities—across national borders—to create future goods and services” (McDougall and Oviatt, 2000). IE is considered export driven and unconcerned with duality of home – host country, focused mainly on expansion and market development. (Drori et al, 2006)

Ozkazanc-Pan and Muntean, (2015) argues that international entrepreneurs are interested in exploring new for them business behavior, practices and ideas. The authors also make strong connection between being successful international entrepreneur and the ability to understand and adapt to different norms, values, and practices of the location/s they operate in. Furthermore they add the ability to understand different cultures and build relationships as vital for the IE

success. Oviatt and McDougall, (1995) see a connection between IE and the international demand for the products that a firm is dealing with - producing or distributing.

Dunning (1998) and Porter (1990) make a connection between the internationalization of a firm and the resources that are available in its geographic location. Hannan and Freeman, (1977), consider the geographic location of a firm as a key determinant for success or failure based on the availability or consequently the lack of resources that firm needs.

Porter also argues that the experience gained in the home market helps in the international market because “...firms are better able to perceive, understand, and act on buyer needs in their home market.” All the knowledge, experience and confidence accumulated through the home market activities helps in the process of internationalization. Higher competition over resources in a firm's location may limit the resources that the firm is able to acquire (Boeker, 1991; Budros, 1994; Hannan and Freeman, 1977; Lomi, 1995). Moreover, the perceived value of combining resources developed locally with those in a foreign country is known to motivate foreign direct investment (Dunning, 1998).

4.2 TRANSNATIONAL ENTREPRENEURSHIP (TE)

The **Transnational Entrepreneurship** has been developed first by anthropologists and sociologists, (Portes, et al., 2002), but afterwards becomes increasingly important for the economists within the area of international business (Brzozovski, et al., 2014).

Drori, et al. (2009) define TEs as “...social actors who enact networks, ideas, information, and practices for the purpose of seeking business opportunities or maintaining businesses within dual social fields, which in turn force them to engage in varied strategies of action to promote their entrepreneurial activities”. TE is seen as actors engaging in at least two different countries. According to Yeung, (2002) TEs are required to overcome the institutional constraints of two or more localities.

Transnational entrepreneurship refers to the situation in which an individual emigrates but still maintains economic linkages with his home country (Light 2007; Portes 1995; Saxenian 2002; Saxenian and Hsu 2001). Basically TEs can benefit from “two worlds” and as long as they can

maintain balance between home-host countries they can achieve competitive advantage and success (Drori, et al., 2009).

TEs travel from one to another country but maintain connection with their country of origin and at the same time adapt and perform in the new environment (Drori, et al., 2006). That allows TEs “...to maintain critical global relations that enhance their ability to creatively, dynamically, and logistically maximize their resource base” (Drori, et al., 2009). Advantage of TE is their unique position between two socially embedded environments being able to acquire information from both countries.

Yeung (2002) argues that “...transnational entrepreneurs not only learn how to deal with unexpected contingencies in the host countries, but also develop a deeper understanding of the realities of these host countries.” It is considered that if an immigrant business performs well in the host country, it is possible to expand its activities in other places. The country of origin provides well known markets, social capital and economic resources.

Riddle, (2008) consider the changing nature of migration and diasporas together with the development of the IT sector and infrastructure as well as increasingly heterogeneous populations in many formerly mono-cultural cities and nations conditions as main reasons for the recent increase of the TE activities. Drori, et al, (2009) points out the positive impact that mentioned above factors have under the development of social networks, diffusion of information, and the creation of new markets in connection to the TE activities.

There is a strong connection between the economic performance in the host society and country's institutional conditions as well as the entrepreneurs' motivation to start a firm. **Necessity-driven** entrepreneurs (Reynold et al., 1995) are known to set up firms in order to get round barriers to employment. They have relatively low economic impact and the reasons for that are lower investments, they hire fewer employees and have fewer business skills (Baltar and Icart, 2013).

On the other hand, **opportunity-driven** entrepreneurs start firms to exploit a profitable business idea/s. They create innovative strategies and invest additional resources to expand their businesses. As a result, they have a positive influence on economic development (Baltar and Icart, 2013).

4.3 ETHNIC ENTREPRENEURSHIP (EE)

Despite the fact, that **Ethnic Entrepreneurship theory** is not applicable for the case study, its existence needs to be acknowledged.

Waldinger et al. (1990) defines ethnic entrepreneurship as “... a set of connections and regular patterns of interaction among people sharing common national background or migration experiences”. Another definition refers to ethnic entrepreneurs as individuals belonging to certain group and sharing common cultural background or origin (Kloosterman, Van der Leun, and Rath, 1998; Rath and Kloosterman, 2000; Yinger, 1985). Aldrich and Waldinger (1990) refers to EEs as belonging to “...particular social structures in which individual behavior, social relations, and economic transactions are constrained”. Various scholars consider that EEs are becoming self-employed due to disadvantages they face as immigrants in the general labor market (Phizacklea and Ram, 1996) in contrast to individuals who are employees but joining self-employment due to desire for higher incomes and independence (Borooah and Hart, 1999). Immigrant firms are considered to be mainly small, and concentrated in the retail sector (Dana and Morris, 2007).

Ethnic business often starts when an entrepreneur begins serving other members of the ethnic community and satisfies their specific ethnic needs (Greene and Owen, 2004). This can happen when big ethnic groups live in certain geographical places (Volery, 2007).

There are **two main types of ethnic entrepreneurs - middleman minorities and enclave entrepreneurs** (Bonacich, 1972; Light and Gold, 2000; Waldinger, Aldrich and Ward, 1999).

- **Middleman minorities** historically come first and are known for being entrepreneurs who counts on ethnic resources such as language, networks, and the ability to trade between their host and home countries. They do not assimilate in the host society and retain their ethnic identity.

- **Enclave entrepreneurs** are focused on certain location that is mainly populated by co-ethnics. These ethnic groups consist of “...co-ethnic self-employed and employers and their co-ethnic employees” (Light and Gold, 2000). Enclave entrepreneurs are primarily using local resources (Drori and Lerner, 2002; Light and Bonacich, 1988; Light and Gold; Waldinger et al., 1999).

These immigrant entrepreneurial activities are considered to be survival mechanism in a host society. Migrants, having limited alternatives, often rely on their groups’ ethnic resources and social capital (Drori et al., 2009).

It can be observed in the articles from Table 2 that a number of factors are influencing both IE and TE. They are referring to: **knowledge, culture, social capital, network** and **institutions**. Therefore, a deeper and more detailed description of these factors' impact on TE and IE, will be presented below.

4.4 COMPARISON BETWEEN IE AND TE'S FACTORS

A) KNOWLEDGE

➤ From IE perspective

According to Johanson and Vahlne (1977) knowledge plays significant role in firms' internationalization. A firm first needs to increase its domestic market knowledge and then to pursue internationalization. Kuemmerle (2002) emphasis on the issue of knowledge management since in cross-national environment IE faces challenges such as different cultures, corporate governance systems, time zones, and languages.

According to Oviatt and McDougall (2005) knowledge in the entrepreneurial firms tend to be more individualized to the founder of the entrepreneurial firm in comparison to the multinational firms. Moreover, firms in which the founder or entrepreneurial team have work experience in international markets are more likely to be committed to internationalization (Almeida and Bloodgood, 1996; Bloodgood, Sapienza and Almeida, 1996; Reuber and Fischer, 1997; Shrader, McDougall and Oviatt, 2000).

➤ From TE perspective

Operating in two societies requires TEs to acknowledge and adapt to the different cultural and knowledge characteristics (Giddens, 1984), and to handle socioeconomic and political resources: state, class, network, family. Therefore the actors are guided by their predispositions, knowledge, and creativity which determine their response and actions in achieving their goals (Drori et al, 2009).

March (1991), is emphasizing on the relationship between exploration of new possibilities typical for TE and the exploration of new knowledge.

Decker argues that pre-existing experience and knowledge affect opportunity recognition. “Entrepreneurs who have previously gained knowledge through prior venturing or as employees know markets and industries better when compared to inexperienced entrepreneurs” (Decker, 2015).

Light (2014) consider that the dominance of English language and transnational entrepreneurs are both effects of globalization. Furthermore he writes about the strong connection between knowing and using English by the contemporary entrepreneurs and the global development of TE.

B) SOCIAL CAPITAL AND NETWORK INFLUENCE

➤ From IE perspective

Dubini and Aldrich, (1991) emphasize on the networking considering it as powerful tool for the entrepreneurs.

The selection process of a foreign market and the entry mode are based mainly on the opportunities created through network contacts, instead of only to the strategic decisions of managers in the firm, Coviello and Munro (1995). According to Oviatt and McDougall (2005) “...networks help entrepreneurs identify international opportunities, establish credibility, and often lead to strategic alliances and other cooperative strategies. Furthermore when an entrepreneur find an opportunity that wants to explore further he uses established network links “...that cross national borders to explore where and how quickly the opportunity can be exploited in foreign locations” (Oviatt and McDougall, 2005).

Aldrich (1999) identified two types of ties:

Strong ties between nodes or actors are considered durable and involve emotional investment, trust, and reliability. Entrepreneurs are most dependent upon strong ties at start-up due to the fact that the strong ties require considerable investment and maintenance.

Weak ties are relationships with customers, suppliers, and others. Weak ties are far more common than strong ties, because they require less investment.

Aldrich argues that the more direct or indirect cross border weak ties that an entrepreneurial actor has established, the greater the potential country scope of internationalization is.

Zain and Ng (2006) have determined internationalization networks as “... relationships between a firm’s management team and employees with customers, suppliers, competitors, government agencies, distributors, bankers, families, friends, or any other party that enables it to internationalize its business activities.”

➤ **From TE perspective**

Number of scholars have investigated the importance of social capital in entrepreneurial settings (Davidsson and Honig, 2003; Hoang and Antoncic, 2003; Nahapiet and Ghoshal, 1998; Shane and Cable, 2002), including the strength of networks (Birley, 1985), considering it instrumental for entrepreneurial resource acquisition and potential success.

Bourdieu and Wacquant (1992) considers the social capital to be “...sum of the resources, actual or virtual, that accrue to an individual or group by virtue of possessing a durable network of more or less institutionalized relationship of mutual acquaintances and recognition.” They argue that social capital is strongly network related. Other scholars consider social capital as accumulated through an organization and reproduction of TEs’ dual networks, which provide resources and access to those social and economic features (Westlund and Bolton, 2003). Therefore social capital, which is bound to certain resources, provides TEs with the ability to acquire social, economic and other assets within particular social networks.

There are three network options in relation to TE —network of origin, network of destination and network of industry, known also as network of practice. Network of origin reflects the selection of destination and the adaptation process to the new environment. It is observed that immigrants from certain countries and communities favor particular destinations by counting on the established relationships and the existing social capital available to them (Drori et al, 2009).

C) CULTURE

➤ **From IE perspective**

An IE culture (IEC) is the organizational culture that facilitates the entrepreneurial activities internationally (Zahra, 2005). Dimitratos argues that if the firm has strong IEC, the chance for seeking opportunities is bigger (Dimitratos et al., 2012). Moreover, Zahra et al. (2005) also support the view that IEC affects the way entrepreneurs acknowledge and exploit international opportunities. Dimitratos and Jones (2005) further note that “IEC relies on an organization-wide process that seeks to generate value through the exploitation of opportunities in the international marketplace.”

➤ **From TE perspective**

Sewell’s cultural code “...means more than being able to apply it mechanically in stereotyped situations - it also means having the ability to elaborate it, to modify, or adapt its rules to novel circumstances” (Sewell, 1999).

Drori et al. (2009) argues that cultural repertoires of entrepreneurial actions are considered to adjust constantly based on the social contexts or entrepreneurial actions. Furthermore, because the TEs are operating in dual cultural environment of home - host country, they need to adjust their behavior and actions to a specific social context. This author, also, argues that cultural repertoires of entrepreneurial action are not necessarily tied to, or restricted by, cultures. Swidler (2001) suggests, “...there are not simply different cultures: there are different ways of mobilizing and using culture, different ways of linking culture to action”.

D) INSTITUTIONS

➤ **From IE perspective**

According to Pisano et al. (2007) when IEs are entering international markets, they explore new institutional frameworks - cultures, political and legal systems. Those institutions are considered very different in the developing economies and therefore the adaptation for entrepreneurs both emerging and internationalizing there is considered more challenging. Managing to adopt this knowledge IEs are being able to identify new opportunities both domestically and internationally.

According to Johanson and Vahlne, (1990) internationalization gives IEs disadvantages because of the institutional differences in the home and international environments. They argue that the additional knowledge is highly required by the internationalization process itself. The main challenges are connected to the adaptation to the new institutional environment both formal and informal and dealing with learning how to manage complex international business organization (Autio et al., 2005).

Nkongolo-Bakenda, et al. (2012) stated, that “The successful creation of a venture across borders will depend... on the well-functioning public institutions”. Moreover, Muntean, et al. (2015) mentioned that international entrepreneurs create hybrid identities in order to successfully exist in the socio-cultural and institutional contexts in which they carry out their ventures.

➤ **From TE perspective**

Due to its dual nature, TE needs to operate and adapt in multiple institutional environments. In order to achieve their goals TEs are focusing on controlling resources, enhancing capabilities, and exploiting opportunities (Yeung, 2002). The success to big extent depends on the institutional environment which needs to be nurtured and even modified. “For example, this can be done by lobbying for favorable tax exemption policies, the floating of targeted bonds, or through local social networks or political brokers” (Riddle, 2008).

The different national variations in institutional structures represent different modes of TE by influencing the ownership patterns of firms. Observing TE from an institutional perspective helps understanding the logic and actions that govern and coordinate organizational and human activities in certain national context. “In this way, they play a significant role in shaping modes operations and performance of the TEs” (Drori et al., 2009).

Kloosterman (2000) points out the significance of the institutions in the host country both formal and informal for determining the strategies of immigrant entrepreneurs. He considers the development of an entrepreneurial environment as essential for generating business opportunities.

4.5 MULTI-FAMILY BUSINESS IN BOTH IE AND TE CONTEXT

Pieper et al. (2015) are studying relatively rare type of family structure - the multi-family business, which they define as “... an organization that was founded by at least two non-related families who shared ownership and strategic control and self-identify as a multifamily business”. Brigham and Payne (2015) acknowledge that the topic of multifamily business is not studied enough in the existing literature “...there is a need for further exploration into the multifamily business organizational form. Currently, we are only just recognizing the existence of this form and speculating as to its prevalence and transitional nature. As such, there needs to be a more systematic and wide-scale exploration to determine when, why, and how a multifamily business configuration initially forms or disbands.” The authors propose that a multi-family business should be more broadly defined as “... a family business that is owned and/or managed by more than one non-blood related family with the intent of multigenerational involvement.” A main distinction between family and non-family business is the fact that family business intends to achieve family goals (Chua et al., 2004). Brigham and Payne (2015) argue that proprietorship usually involves a single owner and a partnership involves multiple owners, typically two. Therefore, the chance of involving multiple families in ownership and management increase in partnership form of business.

Chua et al. (2004) have determined three factors identified as key transitional drivers for single-family firms **(1) risk and uncertainty, (2) availability of resources, and (3) intention**. They can also be relevant in the case of multifamily firms (Brigham and Payne, 2015).

➤ Risk and Uncertainty

Usually one family has a different risk profile and perceptions of the future than the other and in case of extreme differences that could lead to either the exit of one family, reduced involvement or the dissolution of the business altogether. All in all the similarities or differences in perceptions and tolerances for risk and uncertainty can motivate the transition to and from a multifamily business structure (Brigham and Payne, 2015).

➤ **Resources and Capabilities**

A number of scholars in the area of family business were writing about the important role of family capital - human, social, and financial - in the strategic decisions of a family business (Danes, Stafford, Haynes, and Amarapurkar, 2009; Habbershon and Williams, 1999). Big emphasis is put upon the availability and management of key family-based resources and capabilities that allow the business to gain and sustain a competitive advantage (Sirmon and Hitt, 2003). It is established that the integration of family and business provides the unique characteristics that are considered to be key sources of business competitive advantage. Since the multifamily has more family capital than single-family firms there also could be more complexity with respect to integration (Brigham and Payne, 2015)

On the other hand the need for additional resources and capabilities may lead to the adoption of the multifamily structure. Some authors propose that the need of family capital will motivate family firms to search for partner firms that are also family firms Chirico et al. (2011). As a result the new combined resource base and also the shared approach to firm governance could lead to competitive advantage (Brigham and Payne, 2015).

➤ **Intention**

Brigham and Payne (2015) argue that “In the case of multiple families being involved, it is possible that, intentions for the business can be aligned and that the recognition of common goals, or adversities, may stimulate the formation of the multifamily business initially.” Despite that they consider that keeping the common intention and goals in multifamily firms is less likely to happen with each generation to come. It also means that the very existence of such multi-family business is endangered with every new generation. Furthermore, the authors are arguing that as intentions evolve both between and among the involved families, the chance of transition to or from a multi-family business form will increase.

4.9 COMPARISON BETWEEN IE AND TE

In contrast to the IE, Transnational Entrepreneurship is oriented towards cross-border international activities (Portes, Haller, and Guarnizo, 2002). More specifically, “TE promotes international trade by taking advantage of globalization and the entrepreneurs’ cosmopolitan way of life, enhanced by cheap travel and the Internet, which enable the more timely acquisition of resources required for operating cross-national businesses” (Drori et al., 2009).

Yeung (2002) points out that, TE activities need to obey and adapt to the institutional relations in both home and host countries by “...the social and business networks, in which these TEs are embedded, political-economic structures and dominant organizational and cultural practices in the home and host countries”. Yeung argues that in the comparison between IB and TE it is more challenging for IB activities to adapt in the host country’s social economic and political systems. He sees institutional structures as the one forming the “rules of the game” governing TE decision making. Furthermore he states, “. . . entrepreneurial action, however, is constrained by their home country endowments that are explained by variations in home country institutional structures”. In that regard TEs strategies are strongly influenced by social, economic, political, and symbolic meanings and consequences, in both environments they operate (Portes, 1995; Saxenian, 1999; Vertovec, 2004).

Sequeira argues that “Although conceptually similar to International Entrepreneurship, there are critical differences between Transnational and International Entrepreneurship” (Sequeira et al., 2009). IE, which is defined as “...a combination of innovative, proactive, and risk-seeking behavior that crosses national borders and is intended to create value in organizations” (McDougall and Oviatt, 2000) focuses mainly on born global firms (McDougall and Oviatt, 2000; Zahra and George, 2002). IE research has limited view regarding such topics as ethnicity and duality home-host country (Drori et al., 2006). Moreover, Wong and Ng (2002) consider TE as “...a business in the ethnic economy, which entails separate operational components of the enterprise being located in different countries and the transmigration of the owners in order to operate it.” One of the main distinctions is that TE is culturally oriented, reliant on the specific community and relationships within which the immigrant is operating. All in all Transnational Entrepreneurship represents a form of economic transnationalism that immigrants use to achieve certain goals (Sequeira et al., 2009).

The table below summarizes the main differences between IE and TE.

Table 3 - Characteristics of International Entrepreneurs and Transnational Entrepreneurs

Main features of IE	Main features of TE
The study of entrepreneurial activities that cross national borders. (McDougall and Oviatt, 2000)	Entrepreneurs that migrate from one country to another, concurrently maintaining business-related linkages with their former country of origin and currently adopted countries and communities. (Drori et al., 2009)
- International entrepreneurship (IE), which is defined as “a combination of innovative, proactive, and risk-seeking behavior that crosses national borders and is intended to create value in organizations”, focuses on born global firms which seek to internationalize at their inception or soon after. (Sequeira et al., 2009)	Transnational enterprise is defined as “a business in the ethnic economy which entails separate operational components of the enterprise being located in different countries and the transmigration of the owners in order to operate it. (Sequeira et al., 2009)
- IE is not culturally oriented, culturally derived, or reliant on a specific community and relationships. (Ibid)	- TE is culturally oriented, culturally derived, and reliant on the specific community and relationships within which the immigrant is embedded. (Ibid)
- IE is considered export driven and unconcerned with duality of home – host country, focused mainly on expansion and market development. (Drori et al., 2006)	Transnational entrepreneurship is either “necessity” driven due to the absence of other options, or the fact that the options are unsatisfactory or “opportunity” driven which means that the actors are pulled into entrepreneurship by novel business opportunities. (Lin and Tao, 2012)
- International business activities have to adapt to the host country’s social, economic and political systems (Ibid)	- TE activities have to cope and adapt to the institutional relations in both home and host countries. (Drori et al., 2006)
-It is important to consider cultural differences. (Oviatt et al., 2000)	Transnationalism emphasizes that knowledge of culture and of the home country can be applied as a competitive advantage. (Rogerson et al., 2015)
-IE is concerned with <i>the firm</i> as a unit of analysis. (Drori et al., 2009)	-TE is concerned with <i>individual</i> as a unit of analysis. (Drori et al., 2009)
- Network has a great influence on entrepreneurs’ choice to internationalize; networks helps entrepreneurs identify international opportunities, establish credibility, and often lead to strategic alliances and other cooperative strategies. (Oviatt et al., 2005)	-TE makes use of industry networks, also called as “a network of practice” that cross geographical boundaries and provide access to critical resources, like jobs, knowledge and customers (Drori et al., 2006)
- Knowledge is another important factor that contributes to entrepreneurs’ choice to	- TEs need to have knowledge of both: host and home country’s political, economic,

internationalize. It refers to both: market knowledge and the intensity of knowledge in the product or service offering. (Ibid)	cultural circumstances, language, customs and “ways of doing things”. (Pavlov et al., 2013)
<ul style="list-style-type: none"> - The main challenges are connected to the adaptation to the new institutional environment. (Autio et al., 2005) - “The successful creation of a venture across borders will depend... on the well-functioning public institutions”. (Nkongolo-Bakenda et al., 2012) 	<ul style="list-style-type: none"> - TE activities have to cope and adapt to the institutional relations in both home and host countries; they have to develop capabilities in understanding and operating in multiple institutional environments. (Drori et al., 2006) - Institutional factors matter and have a great impact on the possibility of establishing economic linkages between host and home societies. (Icar et al., 2013) - The TEs are fully dependent on the dual institutional environment. (Rogerson et al., 2015)

Source: Author's creation

The Literature Review shows significant differences between TE and IE literature. The ways that theory is developing are not conflating despite certain similarities. In the next chapter the case of Amberbaltic will be introduced. After that on the analytical chapter the research questions will be answered by using the research data and the LR findings.

5. THE CASE OF AMBERBALTIC

The case is based on interview conducted with the manager of Amberbaltic - Andrius. The interview was taken at the physical shop located in Aarhus.

5.1 HISTORY OF THE FIRM

Amberbaltic was established on 14.02.2014 in Aarhus, Denmark by two entrepreneurs - Lithuanian IE and Irish TE. They are both Lithuanians and close family friends. The manager of the firm –

Andrus is also family friend with the owners. The company has the following vision, mission and aim:

- **Vision** - to establish supply chain between manufacturers and consumers from Eastern Europe; this would best satisfy client needs and expectations.
- **Mission** - supplying Lithuanians, who live in Denmark, with goods that are impossible or hard to get.
- **Aim** - to create sales platform enabling clients to quickly order and us – suppliers, swiftly deliver wanted goods to the door.

5.2 THE OWNERS

The first owner is located in Lithuania:

He is Andrius father's friend – around 50 years old. He has been in the food production business and since 1995 he has his own business in Lithuanian producing cheesecakes. His firm is selling to Ireland, Germany, United States and various other countries.

The second shareholder is located in Ireland:

He is family friend with his partner in Amberbaltic and with Andrius.

- Andrius: "They are my friends, they have business in Lithuania as I said and they are working in those countries."

He is in his 30s and for more than 10 years he has been living in Ireland and developing wholesale business. At first he had business in Lithuania and gained initial entrepreneurial experience.

- Andrius: "It was his father's business, I don't know exactly. But at first he was working in Lithuania."

5.3 THE AMBERBALTIC'S MANAGER - ANDRIUS

He has been living in Denmark for the last two years. His degree is in Business Administration obtained in Lithuania. His previous work experience includes working in the family business (in Lithuania – the cheesecake factory) initially as a driver of supply truck. After that he was assistant accountant at the same firm. His mother is co-owner of the cheesecake factory.

5.4 ESTABLISHING THE COMPANY

Friends living long years in Denmark told them that they are missing Lithuanian food products and cannot purchase them in Denmark, because nobody is importing them.

- Andrius: “Then we thought that we can try to do something and then we started searching what we can do and is it possible to be done.”

They started checking the market for any presence of competitors and for the best location for the physical shop.

- Andrius: “First when we opened, we delivered three trucks full of products and the warehouse was full. The things were going well the first 3-4 months and even surpassed our expectations. Then it went down partially because our mistakes. Our employees did not have experience of doing this. They ordered a lot of food, which we did not need. The Lithuanians in Denmark can buy similar products in Denmark and even cheaper then we can offer them from Lithuania. We had to throw out some of the products. It was a learning process.”
- Interviewer: “Why was Aarhus chosen as a location?”
- Andrius: “There are no competitors located in Aarhus and also the town is located in the middle of Jutland.”

That helps the company to have success among the local Lithuanian community and gives Amberbaltic opportunity to physically reach the other Lithuanians in Jutland by using car and trailer.

Amberbaltic operates almost in an environment without competition. The other firm that is dealing with Lithuanian and Polish goods - “Euro Deli” is located mainly in Copenhagen.

5.5 EMPLOYEES

The employees are considered vital capital for the firm. They belong to different immigrant communities and consequently are bringing different culture approach and language skills towards the customers.

- Andrius: “Some of the employees are familiar with Lithuanian language, other with Russian, Danish, English, and Polish.”

Currently there are 5 employees including the manager.

One of the most valuable employees is the sales manager – Edvinas.

- Andrius: “He is very good and I am very satisfied with his work. He is making the orders and going with me with the trailer. He is standing near the cash register and selling. We both are doing all the things together.”

There is an employee speaking Polish and reaching the Polish community. It is important for the market expansion of the firm to engage with other communities in Denmark like the Polish community. In order to achieve that goal from Amberbaltic started ordering products from Poland, but that was not enough.

- Andrius: “And we have one employee from Poland, she is a girl and she is helping us to make the orders from Poland. Polish people like to talk, they are coming and buying something but they want to talk in Polish and they are spending half day here and they can shop one hour and talk two hours.”

The variety of different cultural and language skills that the employees of Amberbaltic possess is making networking among different clients and communities easier. Despite that the firm is still in need of qualified and motivated employees especially among Polish speaking community.

5.6 COMMUNITY WORK AND CLIENTS

In the physical shop located in Aarhus the clients are members of various communities. For example, Polish, Hungarians, Bulgarians, Russians and Danes. Despite that, the main clients of the firm are the Lithuanian communities in Denmark. Big effort is made for expansion among the Polish community because of its size.

The firm's Mission, Vision and Aim are strictly oriented towards serving the Lithuanians in Denmark. What really makes Amberbaltic to stand out is their ability to be dedicated to the community. They organize different social events including theater, quiz games for students etc. in order to strengthen the community and promote the firm on these events.

- Andrius: "At first we were cooperating with the Lithuanian community in Vejle, here in Aarhus and in Aalborg. We are working together when they are doing some social events. We are giving them for free some products from Lithuania that they are missing - it is marketing for us. For them it's good and people are satisfied.

Those social events are good promotions for Amberbaltic in Aalborg, Vejle and Aarhus, but that is not all social activities the firm is involved in. They organize more cultural events in favor of the Lithuanian community.

- Andrius: "We are also doing events like a theatre for a Lithuanian community."

The community of Lithuanians used to be much more fragile and due to the social events' work Amberbaltic managed to transcend from just a shop into organization that creates today's shape of the Lithuanian community in Aarhus and other places in Denmark.

- Interviewer: "Who came up with the idea students to play quiz games and get rewards from Amberbaltic?"
- Andrius: "The students contacted us and they wanted to get some help from us and they wanted to cooperate."
- Interviewer: "And you responded?"
- Andrius: "Yes, we try to respond to all people when they approach us, when they want to do some events for Lithuanians. We are glad to cooperate and help them to do this."

By responding to the members of the community Andrius is also helping to change the negative perception of the Danes about the Lithuanians.

- Andrius: “We try to show that we can do not just some bad things, but we can do events and do something good.”
- Interviewer: “Do you know for example if your competitor “Euro Deli” is having such promotions or events?”
- Andrius: “No, they are very lazy in this.”
- Interviewer: “They just sell and they do not care about the community?”
- Andrius: “Yeah they are just selling and as I can see in Facebook and their website the comments are 18% bad from Lithuanian customers.

5.7 DISTRIBUTION CHANNELS

The firm uses a trailer to bring goods to different locations in Jutland. By doing so, they manage to extend their market share. Some of their destinations are Aalborg, Vejle and Odense. The customers are being able to make an online order and receive it when the trailer arrives.

- Andrius: “Most people from Lithuania are working in manufacturing and they are working hard work so they do not have time to go here in our shop, because they are working and then they are sleeping eating and that’s all.”

Another part of the customers especially at the summer period are seasonal workers.

- Interviewer: “Are you also going to other places more to the West?”
- Andrius: “Maybe later it needs time because all communities are different they are doing some events on different dates and you have to manage everything. We are trying to get the information from all the people which we are meeting. We are talking we are asking, maybe they know some people working, their friends. Everyone have some friends working in manufacturing and they know one of them from Odense one of them from Vejle and so on and it’s networking. We are taking a telephone then we are calling or trying to go there and talking with people are they interested of our products. At first they, “Oh no we don’t need

anything” and they are looking like they don’t need it. But it’s enough one time than we go there and they feel that oh I can buy this and this and after that they are regularly waiting for us to come.

- Interviewer: “So you use the social networks to learn about the communities, because that is easy way to see what is happening in those communities?”
- Andrius: “Yes you can see everything what you want on Facebook groups. We can look for example if in Vejle they have their community group on Facebook and we join it, they let us to join it, you can’t join it if you live in Aalborg. So they give us this opportunity and we can see their discussions and for example this weekend we are going to Aalborg on Saturday and for next week we would be going to Vejle, but we don’t go there because there is Easter holiday so they are not doing any events there. We are giving and they are giving us also. Because at first they are discussing and they are writing that we are not doing any event on these dates then we can see and plan ours.”

5.8 INSTITUTIONAL SUPPORT AND BUSINESS ENVIRONMENT

The institutions in Denmark provide mainly informational support in Amberbaltic’s case, but the institutional environment both formal and informal is providing good business conditions. For example, the corruption in Denmark is not a problem despite the fact that in Lithuania is strongly integrated on institutional level.

- Interviewer: “Was it a good choice for you to come in Denmark?”
- Andrius: “Yeah I think so it’s pretty good. The business needs time to develop. For me it’s hard to understand how everything is working because it’s very different. In Lithuania we are doing some things in other ways and there is more corruption. In this country it’s very good that everything is legal and you can do business legally and paying all taxes and you don’t need to worry about corruption.”
- Interviewer: “Do you receive information from the institutions?”
- Andrius: “Yes, they gave us some ideas and they help us to know things what we didn’t know.”

Having two owners uniting resources in common business has number of advantages. One of those advantages is that Amberbaltic has been created without the use of loans.

- Andrius: “Everything what we have it’s from our money and we don’t have bank loans.”

The financial independence allows Amberbaltic to focus on learning, networking and social capital instead to struggle for its survival. That seems one of the biggest advantages that the multifamily capital provides.

6. ANALYSIS

This chapter aims to answer the two research questions and to show author's line of argumentation.

6.1 FIRST RESEARCH QUESTION

How IE and TE main lines of theoretical discussions are reflected in the case study of Amberbaltic?

The findings of the literature review shows that IE and TE theories differ in various ways. Those findings contradict the case of Amberbaltic. Nowadays it seems that the borders between IE and TE are blurring. Particularly we can observe that in the mixed structure of Amberbaltic - IE and TE have very close characteristics that are difficult to distinguish. For example, the Irish owner is TE but he co-creates new business in Denmark, which is managed by another person. In this case we can recognize mixed features of both TE and IE regarding the Irish owner. The Lithuanian owner is visiting Denmark relatively regularly to observe the improvement and the operations. That is a feature typical for TE. Both owners are acting as IE and TE and the manager is taking initiatives and exploring various opportunities showing features of TE. He initiates exploration of different distribution channels, uses his social network to orders products from Lithuania and puts emphasis

on market expansion into different immigrant communities in Denmark. In this case we have two owners showing very close entrepreneurship characteristics and third party - a family friend and firm's manager - Andrius that acts in similar to Transnational Entrepreneur way. That makes the structure even more complex and the overlap of the entrepreneurship features even deeper. The reasons for this mixed structure can be explained with the multifamily business. This will be addressed in the second research question.

The LR showed that both IE and TE are influenced strongly by:

- **Knowledge**
- **Social Capital and Network Influence**
- **Culture**
- **Institutions**

Those factors of IE and TE are also present in the case of Amberbaltic.

6.1.1 KNOWLEDGE

In the case of Amberbaltic the knowledge is considered vital for firm's integration to the Danish market. Furthermore, the mistake made in the beginning regarding ordering unnecessary products, shows initial lack of experience. That contradicts the Internationalization theory of Johanson and Vahlne (1977) regarding initial learning process followed by internationalization. It is necessary to mention that the Irish TE owner also has initial experience and knowledge but it seems that it is not fully shared or applicable to the business venture created in Denmark.

Regarding overcoming liability of foreignness Amberbaltic quickly adapted to the new environment. The lack of competition also helped for that process. We can see that learning from the initial mistakes as well as following market strategy of expansion among different immigrant communities helped the firm to overcome liability of foreignness.

The initial experience of the two owners gained in Lithuania and in Ireland indeed motivated them to continue internationalizing McDougall and Oviatt (2000). Operating in two environments - host and home - brings the problem of adapting to different realities, to obey different norms and rules (Drori et al., 2009). The case shows that Amberbaltic manages to adapt into the new environment

and at the same time keeps strong connection with the home country by receiving knowledge, finance, product supply etc.

6.1.2 SOCIAL CAPITAL AND NETWORK INFLUENCE

The fact that the manager and the two owners are family friends refers to the strong influence that the social capital has over Amberbaltic. The opportunity recognition of Denmark as attractive destination for opening of Lithuanian glossary shop was discovered due to the common friends of the owners that are living many years in Denmark.

The role of the employees in the success of Amberbaltic is vital. They as representatives of different communities possess different language, culture and skills in order to reach different client groups than Lithuanians. That allows the firm to divers and develops more aggressive market campaign.

The social networks allow the firm to reach Lithuanian and other communities in places where Amberbaltic is not represented by its physical shop. The clients are able to follow the availability of the newest products, make a comment or express preferences. Furthermore, the clients are able to make an online order or ask for specific products and receive them when the firm's car and trailer visit the area.

Andrius being motivated to cooperate with the different Lithuanian communities and to help them is responding by doing number of social events including theater and quiz games for students. That allows the firm to promote different products but also turns Amberbaltic into the only Lithuanian firm that basically builds the Lithuanian community in number of places and especially Aarhus. Being able to transcend from just a glossary shop to an active supporter and builder of the Lithuanian community represents the importance Andrius and Amberbaltic put on the social capital.

According to Aldrich (1999) there are two types of ties:

- **Strong ties** between nodes or actors are considered durable and involve emotional investment, trust, and reliability.
- **Weak ties** are relationships with customers, suppliers, and others.

In the case of Amberbaltic the weak ties are more influential. The reason is, that the strong ties are hard to build and take longer to establish.

6.1.3 CULTURE

Operating in two realities requires TEs to acknowledge and adapt to the new country. Drori et al. (2009) argues that this adjustment is a constant process. Moreover, the entrepreneurs operating in dual environment are bringing their own culture to the host country but at the same time they still interact with their home country. That requires TEs to constantly maintain very delicate balance between the home and host country.

In Amberbaltic's case the cultural experience is brought also by the employees since they are representatives of different immigrant communities. Because of their unique culture and language skills they act like a cultural bridge towards number of different communities. That allows the firm to engage with more customers and to extend its market share.

Moreover, the cultural events for the Lithuanian communities in Denmark, which supported actively by Amberbaltic, helps to promote the firm's products but more importantly unite the Lithuanian communities.

Operating in two environments challenges Amberbaltic in various ways but also provides advantages. We have such an example with the corruption in Lithuania but the lack of it in Denmark. Being forced to adapt long years to the home country's environment in which certain problems become norms and then operate in completely different business environment could bring cultural confusion at the initial phase. Afterwards the cultural adaptation and appreciation of the new business environment are bringing competitive advantage. Still, TEs are operating in two countries and that means continuous relation with the home country. In this case the positive new environment and the home country culture are contradicting.

6.1.4 INSTITUTIONS

According to Pisano et al. (2007) the institutional adaptation for entrepreneurs coming from developing countries to a developed economy is significantly more challenging. According to Andrius the corruption in Lithuania on institution level is something common. Entrepreneurs need

to adapt to it or will be put out of business. When he moved to Denmark he was surprised from the lack of corruption. That made the new institutional environment more attractive for business.

The information with which the institutions in Denmark provided Amberbaltic was helpful especially in the initial phase. At that point the newly established firm had a lack of knowledge regarding the host country formal and informal environment. According to Andrius one needs to have knowledge about various host country specific institutional requirements. There is initial lack of that information in the case of Amberbaltic but due to knowledge sharing from the institutions towards the firm that lack of initial knowledge was overcome. Theoretically that is supported by Nkongolo-Bakenda, et al. (2012) who stated that “The successful creation of a venture across borders will depend... on the well-functioning public institutions.”

The theoretical findings from the LR contradict the case of Amberbaltic. According to the LR the IE and TE main lines of discussion are moving in separate ways. On the contrary the case presents evidence of mixed entrepreneurship structure and overlapping of the features of the International Entrepreneurship and the Transnational Entrepreneurship. To explain that phenomenon we need to include the theory of multifamily business. That brings the second research question.

6.2 SECOND RESEARCH QUESTION

What is the role of the multifamily business in the case of Amberbaltic?

According to Pieper et al. (2015) multifamily business involves two or more non related families who share ownership. They often combine resources in order to achieve competitive advantage. In the presented case the two owners are family friends who unite resources in order to explore common business opportunity in Denmark. Moreover, the manager of Amberbaltic is also a family friend with the owners and his mother is shareholder in the cheesecake factory in Lithuania. That shows strong multifamily connection between the two owners and their manager. A connection between Brigham and Payne's (2015) multi-family factors classification and the case of Amberbaltic, will be presented below.

Key factors of the multifamily business:

➤ **Risk and Uncertainty**

The risk is considered motivator for one family to engage with another in order to achieve common goals. By uniting in one venture the owners of Amberbaltic are aiming to reduce the risk and the uncertainty. According to Brigham and Payne (2015) a multifamily business could transition into single family business when second generation becomes involved. There is a risk of management, financial or other type of conflicts that eventually can occur. “Perceptions of risk and uncertainty about the performance and survival of a business derived from both internal and/or external factors can influence strategic decisions, including the decision to transition into or out of a multifamily business form. “ The Lithuanian owner is also owner of a cheesecake factory in Lithuania. Those cheesecake products are very famous in Lithuania and consequently among the Lithuanian community in Denmark. In a situation when there is a common business and one of the partners is selling through Amberbaltic his products there could occur conflicts regarding the price. That is a potential risk situation and those situations need to be addressed by the shareholders. In the presented case the shareholders have equal shares of Amberbaltic. The created common venture is self-financed which refers to strong commitment between the owners. Furthermore, the fact that they are common friends from many years refers to strong relationship. They hire common family friend for manager of Amberbaltic whose mother is a shareholder with the first owner in the cheesecake factory in Lithuania. It is clear that the social capital in this multifamily business is a key resource for the existence of Amberbaltic and the risk and uncertainty at that point are not danger for the existence of this multifamily business.

➤ **Resources and Capabilities**

The main reason for the beginning of a multifamily business is combining the family capital - human, social and financial (Danes, Stafford, Haynes and Amarapurkar, 2009; Habbershon and Williams, 1999). The presented case is example for such integration of resources. When the opportunity recognition process was established the decision to exploit this opportunity in self-financed venture required the two family friends to create multifamily business. This decision leads to the establishment of Amberbaltic and also is beneficial for the Lithuanian community in Denmark.

Amit and Schoemaker (1993) argue that particular resources and capabilities could be a motivator for a creation of a multifamily form of business but if they reduce its importance than the multifamily structure could transform into single family firm. In the case of Amberbaltic there is no evidence for such process. One of the explanation “why” is provided by Sirmon and Hitt (2003) who consider the management and availability of resources as unique feature of the multifamily business that brings competitive advantage. Furthermore, as it was already pointed out the social capital is vital resource and proved to be one of the reasons for Amberbaltic’s creation.

➤ **Intention**

The establishment of the initial intentions is vital for the development and success of the common venture Brigham and Payne (2015). Sometimes one of the families could have a different priorities and goals. That could bring conflicts and eventually to turn the venture into single family business. Amberbaltic has as mission “Supplying Lithuanians who live in Denmark with goods that are impossible or hard to get.” They also currently target different communities in order to extent their market share. Moreover, the social commitment to the Lithuanian community in Denmark is very strong. All that evidence refers to established initial strategy between the shareholders. Despite that it is considered that every next generation increases the chances of having different intentions Brigham and Payne (2015).

The role of the multifamily business in the presented case is fundamental for the very existence of Amberbaltic. Due to opportunity recognition and combining of family capital to explore this opportunity the two owners unite in common multifamily business. That allows them to establish and develop Amberbaltic as self-financed firm. Furthermore, the unique structure of International Entrepreneur and Transnational Entrepreneur having overlapping features could be explain with the multifamily structure of their business. ITE ventures are new and understudied area in both IE and TE theory. The mixed features of the entrepreneurs in the presented case are in contrast to the literature review findings. The data from the case and the theory of the multifamily business shows that those ITE structures are formed and exist due to the existence of the multifamily business and opportunity exploration under common goals.

7. CONCLUSION

Nowadays globalization brings number of advantages and opportunities for the entrepreneurs. On the other hand the competition on international level has never been so intense. Operating in this condition requires from the entrepreneurs to search for competitive advantage in new ways. That leads to combining family capital into multifamily business in order to gain certain advantages such as social capital, financial capital, knowledge and other recourses integrated into multifamily structure of business. Families unite in persuasion of common goals on the international arena. That also is the case of Amberbaltic – opportunity recognition process was immediately followed by multifamily business venture. That allowed the firm to be self-financed and to use all of the knowledge and recourses that the two shareholders could provide.

The creation of Amberbaltic led to unique mixed structure of entrepreneurship. The shareholder located in Lithuania is International Entrepreneur but acts also as Transnational Entrepreneur. He visits Denmark relatively regularly and follows the improvement of the business. That is a feature typical for Transnational Entrepreneur. Furthermore, the shareholder located in Ireland is Transnational Entrepreneur but invests in a common business in Denmark, which is a feature typical for International Entrepreneur. He does not maintain strong connection with the new business neither is visiting Amberbaltic to maintain the dual environment typical for TE. Moreover, the manager of Amberbaltic – Andrius, although being employee is acting as Transnational Entrepreneur by operating in two environments (Denmark and Lithuania), exploring opportunities, organizing social events and building the contemporary positive image of the Lithuanian community in Denmark.

The data from the case was compared to the main lines of theoretical discussion of IE and TE investigated in the Literature Review Chapter. The results of the LR showed that IE and TE literature are not conflating and despite certain similarities are moving in separate ways. Based on that and the comparison of the case data the first research question was answered - there is a significant difference between the theory of IE and TE and the case of Amberbaltic. That led to the second research question, which was also answered in the Analytical Chapter - the multifamily business is able to explain why the case contradicts the theory.

In conclusion, the problem of mixed ITE structures and the impact of the multifamily business on them are understudied and require detailed research. The existence of ITE structures could increase in future based on the competitive advantage that multifamily business brings. The case of Amberbaltic contradicts the theory of IE and TE and that problem needs to be further addressed by the researchers.

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9. APPENDIX

1. TITLE-ABS-KEY (international entrepreneurship) AND DOCTYPE (ar) AND SUBJAREA (MULT OR ARTS OR BUSI OR DECI OR ECON OR PSYC OR SOCI) AND PUBYEAR > 2011
2. TITLE-ABS-KEY (transnational entrepreneurship) AND DOCTYPE (ar) AND SUBJAREA(MULT OR ARTS OR BUSI OR DECI OR ECON OR PSYC OR SOCI) AND PUBYEAR > 2011
3. (TITLE-ABS-KEY (**international entrepreneurship**) AND TITLE-ABS-KEY (**transnational entrepreneurship**)) AND SUBJAREA (**mult OR arts OR busi OR d eci OR econ OR psyc OR soci**) AND PUBYEAR > **2011**