POZNAŃ UNIVERSITY OF ECONOMICS

Volume 13 Number 1 2013

POZNAŃ UNIVERSITY OF ECONOMICS REVIEW

Poznań University of Economics Press
Poznań 2013

Poznań Uversity of Economics Review is published four times a year by the Poznań University of Economics in English. Subscription (print only) rates: institutions, 1 year, € 100; individuals, 1 year, € 50. Single copy rates: institutions € 30; individuals € 15.

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Cover design: Elżbieta Krygowska-Butlewska

Paper based publication

ISSN 1643-5877

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Introduction

Entrepreneurship is a multidimensional phenomenon, the study of which is undertaken in the disciplines of economics, management, psychology and sociology. As far as the theory of economics is concerned, entrepreneurship remains outside the mainstream. Because of this, particularly in view of the many different ways in which entrepreneurship can be understood, there is no specific theory or even a clear definition of this concept.

Fostering entrepreneurship is one of the main objectives of European Policy, by taking action in favour of both existing and potential entrepreneurs. At the local level, the European Commission undertakes activities to support Member States by promoting entrepreneurship, improving the situation of SMEs throughout their life cycle, and helping them to access new markets.

Such open questions as to a clear definition of entrepreneurship on the one hand, and the political efforts to support entrepreneurship on the other, mean any discussion on the dimensions of entrepreneurship is of great relevance and timeliness.

For this special issue of the ***Poznań University of Economics Review*** we have collected the most recent contributions and developments in the field of entrepreneurship, with special attention to discussing the broadest dimensions of entrepreneurship.

An article by Teemu Rantanen and Timo Toikko focuses on the relationships between the social values of Finnish youth, societal attitudes towards entrepreneurship, and entrepreneurial intentions. The article argues that Finnish young people consider entrepreneurship first and foremost simply as a pragmatic career option, unsupported by ideological arguments or assumptions. On the other hand, the connections between social values and entrepreneurial intentions remain, in general, only at the level of attitudes. On a practical level, entrepreneurship is not thought of as a very attractive career option.

The article by Soili Peltola examines the emergence of entrepreneurship in organizations. The analysis illustrates how the members of a management group jointly negotiated new sales practices in their meetings; but failed, however, to demonstrate commitment in their subsequent actions. The findings demonstrate the emergence of entrepreneurship as a collaborative process, which is based on a shared understanding of entrepreneurial ideals.

In the article by Soili Peltola and Kari Mikko Vesala, they introduce an innovative research method called the qualitative attitude approach. In this article, entrepreneurial orientation is studied from the viewpoint of individual employees' attitudes,

not only as a company level phenomenon. In this meaning, the dimensions of entrepreneurial orientation can vary according to the roles and contexts of organizational members. This qualitative approach represents a new kind of methodology than what has hitherto been applied to research into entrepreneurial orientation.

The main topic of the next paper, written by Barbara Jankowska and Maciej Pietrzykowski, is related to cooperation between companies in the form of clusters. The spatial concentration of companies encourages them to produce, diffuse and absorb knowledge. Thanks to a more knowledge-intensive environment companies can be more effective and innovative.

Then there is the paper by Piotr Trąpczyński and Thomas Wrona, based on case studies, which focuses on and analyses the impact of internationalisation on the competitiveness of firms. Different dimensions of competitiveness are compared with increasing levels of commitment to foreign markets. A firm can only become internationally competitive when it can adapt its strategies to the challenges related to managing international operations.

The last paper, written by Aleksandra Gaweł, discusses the problem of female entrepreneurship in Poland. The entrepreneurship gender gap is a widely recognized problem which also exists in Poland, which is the reason why recognising the factors determining entrepreneurship among women is very important. The main finding of the paper indicates that female entrepreneurship is significantly more susceptible to influences from the overall market situation, measured by GDP, than male entrepreneurship. The rates for women's entrepreneurship increase faster than the rates for men during economic upturns; but conversely, during economic downturns, they tend to decrease more sharply. This means that the entrepreneurship gender gap can only narrow when there is long-term economic growth.

Aleksandra GAWEŁ
Timo TOIKKO

POZNAŃ UNIVERSITY OF ECONOMICS REVIEW
Volume 13 Number 1 2013

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Social values, societal entrepreneurship attitudes and entrepreneurial intention of young people in the Finnish welfare state

Abstract: The article is focused on Finnish youth's social values, societal entrepreneurship attitudes and entrepreneurial intention. The study addresses how the relationship between social values and societal entrepreneurship attitudes becomes visible among Finnish young people. What is the relationship between social values and entrepreneurial intention? What is the relationship between societal entrepreneurship attitudes and entrepreneurial intention? We also analyze the relationship between different social values of the Finnish welfare state. Survey data (N = 873) were gathered in electronic format from secondary and vocational schools in the Helsinki–Uusimaa region, and questions were based on a multiple-choice Likert scale. The analysis was undertaken using statistical methods. We found that Finnish young people consider entrepreneurship first and foremost a pragmatic career option, which is not supported by ideological arguments or assumptions. On the other hand, the connection between social values and entrepreneurial orientation remains largely at the level of attitudes. On a practical level, entrepreneurship is not thought to be an attractive career option.
Keywords: entrepreneurship, attitudes, social values, entrepreneurial intention.
JEL codes: D00, D63, M13.

Introduction

The Nordic value climate has traditionally been constructed on Western values that emphasize democracy, individual freedom and civil rights on the one hand, and on the basis of societal thinking that underscores collective responsibility on the other

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hand. In this article[1], we examine the relationship between these values and entrepreneurial intention: Do they serve as factors that inhibit or further inhibit entrepreneurship? The target of this examination is Finnish young people and their social values, societal attitudes and entrepreneurial intention.

According to the Flash Eurobarometer report [2009], Finnish people's interest toward entrepreneurship has increased throughout the 2000s. Nevertheless, if the majority of Finns had a free choice, they would rather work as employees than entrepreneurs. In this sense, Finnish entrepreneurial willingness remains below average compared to other European Union member states [Flash Eurobarometer 2009]. According to the Global Entrepreneurship Monitor (GEM) survey, the actual entrepreneurial intention of the Finnish adult population is the lowest among Nordic countries. Moreover, growth orientation of entrepreneurs as well as new innovative entrepreneurship in Finland are scarce [Stenholm et al. 2011]. In contrast, external factors for the framework of entrepreneurial activity are at least at the same level as in many other European countries.

The target of this research work was the Uusimaa region in southern Finland. Uusimaa is geographically a small area (3% of Finland's land area), but in terms of population and industrial production it represents approximately one-third of Finland. The Uusimaa region consists of the Helsinki metropolitan area and the surrounding region of smaller cities and rural areas. We asked how the relationship between social values and societal entrepreneurship attitudes becomes visible among the Uusimaa students. Moreover, what kind of a relationship is there between social values and entrepreneurial intention? We also ask about the relationship between societal entrepreneurship attitudes and entrepreneurial intention among Finnish young people and analyze the relationship between different social values [Figure 1].

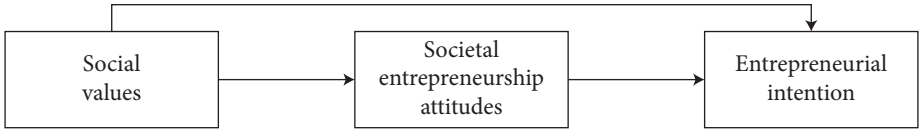

Figure 1. The target of the study

Young people's entrepreneurship attitudes have previously been studied mainly from the perspective of entrepreneurial education and through broad survey research. Several studies have attempted to explain entrepreneurial intentions by means of various psychological factors, such as those from entrepreneurial orien-

[1] This article is part of the "*Enhancing Young Entrepreneurship in the Finnish Uusimaa Region EER 2012*" project. The research is funded by European Social Fund.

tation [Covin & Slevin 1991; Lumpkin & Dess 1996]. The explanatory models have been complemented by examining various environmental factors and the environment's normative expectations [e.g., Ajzen 1991; Krueger, Reilly & Carsrund 2000]. However, little research has been carried out on the impact of social values on young people's entrepreneurial intention.

Social values can be understood in different ways. Martti Puohiniemi [2002] and Klaus Helkama and Antero Olakivi [2012] have done large value surveys in Finland. This study is focused on societal or social political values. We analyzed values that form a basis of the Finnish societal model.

Likewise the concept of attitude can be defined in different ways [Eagly & Chaiken 1993]; it can be understood as a property or a trait of the individual as well as a social concept [de Rosa 1993]. This means that attitudes are, at least partially, socially constructed and that societal discourses build attitudes [Vesala & Rantanen 2007]. Thus, we approached societal entrepreneurial attitudes by examining the discourses of entrepreneurship in Finland. We examined the attitudes of the general level not, for example, attitudes toward someone's behavior [see Ajzen 1991; Ajzen & Fishbein 2000].

1. Social values in Finland

The Finnish social values are closely connected to the Nordic value world and the idea of the welfare state. The term 'welfare state' can refer to a broad social political system and the value world it is based on. The existing welfare states can be categorized into Nordic, Continental European and Anglo-American states [Esping-Andersen 1990]. The categorization is mostly based on the situation in the 1980's and should hence be regarded a little cautiously [see Hiilamo et al. 2010]. Nevertheless, it provides one starting point to the discourse on welfare states and the rationale behind them [Moreno 2010].

The Nordic welfare state, including Finland, is grounded in the notion of universal welfare services. The state has a central role as the guarantor and producer of welfare, which stresses the standpoint of advancing the common good and support to less advantaged people. It is striven to achieve a good society by providing everyone with equal opportunities for, among other things, education and health care; regardless of people's geographical or social reference group. In this sense, the objective of the Nordic welfare state is to produce social security [Ervasti et al. 2008].

During the past two decades, the Finnish welfare state has changed in numerous ways. A sector of increasingly wide-range private welfare services has emerged next to the public service production [Toikko & Gawel 2012]. This has reduced the

public sector's responsibility for the actual service provision and means that it is no longer automatically the only producer of social security. Moreover, the GINI index that measures income distribution demonstrates the growth in economic inequality that began towards the end of the 1990's [Jutila 2011; Saari 2011]. Instead of collective responsibility, individual rights and responsibilities have become more pronounced. This change is predicted to reflect a broader shift towards individualism and individual freedom as well. Hence, in international comparisons, Finland is defined as an individualistic society [Hofstede].

The welfare state can be seen as a compromise between individualism and collectivism on the one hand; on the other hand, also as a reconciliation of values concerning security and freedom. There is an interesting discrepancy in the development of the Finnish society where collectivism-based social security is underscored while individualism and individual rights and freedom it embraces are simultaneously highlighted. The Nordic welfare state, which emphasizes the collective value system, is still firmly supported by citizens [Muuri 2008] who simultaneously endorse individual values based on the democratic system.

2. Entrepreneurship discourse and its criticism

Traditionally, entrepreneurship in Finland has been considered a significant manifestation of the society's freedom. Entrepreneurs can even be seen as ideal citizens who simultaneously realize a Western individual's right to personal freedom and keep the wheels of economy turning. According to numerous studies, diligence, perseverance and hard work are accentuated in the image of entrepreneurship [e.g. Kivelä 2002; Nevanperä 2003; Hyytiäinen & Pajarinen 2005; Home 2007].

The cultural dimensions of entrepreneurship have also been examined through Geert Hofstede's cultural value theory by using the concepts of individualism and collectivism [e.g. Mueller & Thomas 2000; Lindsay 2005; Linan & Chen 2009]. It has been proposed that low collectivism and high individualism belong to entrepreneurship-oriented cultural values. Strong emphasis on an individual's autonomy is traditionally connected with the very core of individualism, which can be considered as an important motive for entrepreneurship.

The relationship between entrepreneurship and individualism has certainly been put under critical scrutiny as well. The empirical research findings of Patrick Kreiser, Louis Marino and K. Mark Weaver [2001], for instance, show that there is no significant correlation between individualism and risk-taking willingness. They suggest that an explanation for this can be found in the notion that dependence is non-linear, and individualism taken to its extreme level may be a disincentive to en-

trepreneurial behaviour. In his analysis of images of entrepreneurship, Kari Vesala [1996] in turn juxtaposes the individualistic image with a relationistic image of entrepreneurship, which emphasizes the central role of stakeholder cooperation.

The relationship of the individual pursue for private financial profit, inherent to entrepreneurial activity, with the Finnish thinking that gives priority to collective social responsibility is also not fully unproblematic. Indeed, two contradictory conceptions of entrepreneurship and the societal significance of entrepreneurs exist and are traditionally apparent in Finnish research of attitudes. Entrepreneurs have been seen not only as diligent ideal citizens with a strong sense of responsibility but also as exploiters who are power-hungry and take advantage of others [e.g. Pitkänen & Vesala 1988, pp. 79–80].

In the Finnish political discourse, entrepreneurship has become increasingly emphasized throughout the 2000's. Entrepreneurial activity is seen as a prerequisite for creating new jobs, as well as for national competitiveness. In many statements, entrepreneurship has been seen as a solution for the challenges of both regional viability and employment of individuals. There are various kinds of programs to support innovative opportunities of businesses. Entrepreneurship has become a core part and task of Finnish politics [Turunen 2011].

Entrepreneurial discourse in Finland is related to the trend of neoliberalism which sees entrepreneurial activity and free markets are seen as the best solution to advancing people's welfare [Harvey 2007; Clarke 2008]. According to Heikki Patomäki [2007], however, hardly anyone in Finland is a self-declared neoliberal. The majority of Finns still believe in the welfare state and the principle of collective responsible inherent to it. Finland has been reformed for nearly two decades consistently with the neoliberal agenda which, nevertheless, has not condensed to be as strong ideology as in many other countries. The reform of the Finnish society has been more pragmatic than ideological. Reforms have been made because they are seen as an imperative solution to globalization and maintaining national competitiveness.

According to Patomäki [2007], the neoliberal reforms applied in Finland often originate from international commissions in which both civil servants of the Ministry of Finance and experts of both administration and business economy have participated [see Alasuutari & Rasimus 2009]. OECD, IMF and the meetings and conferences of the European Union have recommended neoliberal reforms. In this sense, we can claim that in a certain way neoliberalism has, unlike in many other countries, been a project of the elite of civil servants rather than a political movement. In Finland, the neoliberal revolution has been technocratic. It is the experts of different fields that hold the power in a technocratic society: civil servants, researchers and consultants.

Entrepreneurship has made a breakthrough also in the Finnish educational system. Schools want to bring up individuals into entrepreneurial citizens who themselves are responsible for their own employment and wellbeing. Teachers and stu-

dents are trained for internal and external entrepreneurship at all school levels [e.g. OPM 2004]. Entrepreneurial education is seen as learning that promotes active and self-initiated way of functioning which provides the students the opportunity to develop their own skills. Patricia Mccafferty [2010] even speaks about a neoliberal pedagogy.

Within the Finnish entrepreneurial education research community, the neoliberal entrepreneurship discourse and its dominance has also been critically evaluated. According to Risto Ikonen [2006, pp. 35–36] the concept of entrepreneurship has been appropriated as part of neoliberal rhetoric; however, it has also always been part of the expression that defends the Nordic welfare state. In these discourses, also the meanings of entrepreneurship are crucially divergent: Whereas neoliberalism conceives the markets as the only factor regulating the economy, the welfare state-oriented tradition sees that the goals of the economy are subordinate to common decision-making.

Ikonen [2006] makes a division between the two concepts of entrepreneur education and entrepreneurial education. Along with the promotion of economic enterprise, he sees democratic education and the upbringing of an active citizen as the central goals of entrepreneurial education. Intellectual education, democracy education and entrepreneurial education together form a foundation on which a capable and autonomic citizenship is built. At the same time, the promotion of the ability to see differently, criticism of corporate power and media literacy, among other things, become part of entrepreneurial education [Ikonen 2006].

However, the citizenship education as the goal of entrepreneurial education has been called into question in Finnish entrepreneurship research. S. Keskitalo-Foley, K. Komulainen and P. Naskali [2010, p. 21], for instance, emphasize that the entrepreneurial self that is produced by entrepreneurial education is the ideal subject of the new economy: citizenship is first and foremost defined by its relationship with the markets. An individual has a role as a consumer, as well as a producer and an employee. Expressly the concept of agency lies in the background of the critical analysis of entrepreneurship discourse. According to Nikolas Rose's and Peter Miller's [1992] analysis concerning government, the neoliberal discourse works - despite the markets' apparent freedom of choice – as a new form of social government. An individual's activity is built on constant coercion to make a choice in the markets. From an individual's perspective, entrepreneurial agency contains the possibility of independence, personally significant experiences, and materially rewarding way of life. On the other hand, entrepreneurship discourse signifies a model of social government and making politics where responsibility is to be carried by an individual [Pyysiäinen 2011].

3. Research objective, research questions, and hypotheses

Previous research depicts a multidimensional and even somewhat contradictory image of the social value premises of entrepreneurship discourse and entrepreneurial education. Interest is raised by the type of relationship between collective responsibility, emphasis on individual rights and entrepreneurship from the perspective of young people. Furthermore, it is interesting to analyze young people's societal entrepreneurship attitudes and the criticism of neoliberal entrepreneurial education that they possibly contain. Is the entrepreneurial intention of young people connected to social values or is it mainly a question of a pragmatic career choice? What are the ideological premises that Finnish entrepreneurship discourse and its criticism connect to?

In this research, we focused our interest on Finnish youth's social values, societal entrepreneurship attitudes and entrepreneurial intention. We examined two types of social values: the individual's democratic rights and social justice. Similarly, we studied two types of entrepreneurship attitudes: the general entrepreneurship attitude (a social appreciation of entrepreneurship) and critical entrepreneurship attitude (critique of entrepreneurial discourse). Our examination is limited to the Helsinki–Uusimaa region. We sought to answer the following four research questions:

1. How do Finnish young people relate to the values that emphasize an individual's democratic rights on the one hand and social justice on the other, as well as what is the relationship between these two different values?
2. What is the reciprocal relationship between social values and societal entrepreneurship attitudes among Finnish young people?
3. What type of reciprocal relationship is there between social values and societal entrepreneurship intentions among Finnish young people?
4. What type of reciprocal relationship is there between societal entrepreneurship attitudes and entrepreneurial intentions among Finnish young people?

The first research question is mainly descriptive by nature. We tested the following hypothesis:

H1. Values that highlight an individual's democratic rights and values related to social justice are co-dependent.

We addressed the second research question by studying four hypotheses:

H2. Values that highlight an individual's democratic rights correlate (positively) with social appreciation of entrepreneurship.

H3. Values connected to social justice correlate negatively with social appreciation of entrepreneurship.

H4. Values that highlight an individual's democratic rights correlate negatively with the critique of entrepreneurial discourse.

H5. Values connected to social justice relate to the critique of entrepreneurial discourse.

Two hypotheses are connected with the third research question:

H6. Values that highlight an individual's democratic rights relate to entrepreneurial intention.

H7. Values connected to social justice relate negatively to entrepreneurial intention.

Three next hypotheses are connected with the fourth research question:

H8. General entrepreneurship attitude relates positively to entrepreneurial intention.

H9. Critical entrepreneurship attitude relates negatively to entrepreneurial intention.

H10. General entrepreneurship attitude and critical entrepreneurship attitude are negatively co-dependent.

A research design of the study is shown in Figure 2.

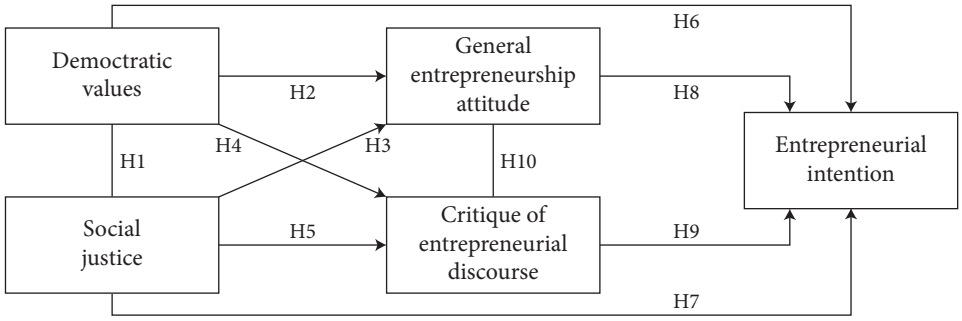

Figure 2. Study research design

The basis of these hypotheses is the traditional assumption of the Finnish image of entrepreneurship being divided into positive and negative entrepreneurship images and that this division is connected with social values. The assumption is that appreciation of entrepreneurship is closely connected to individualism and an individual's democratic rights. Correspondingly, we assumed that values connected to the social justice relate to criticism of neoliberalism, critical entrepreneurship attitude and unwillingness to become an entrepreneur. We also analyzed contradictory conceptions that entrepreneurial emphasis is well suited to the welfare state discourse [Ikonen 2006] and that Finnish neoliberalism is not in fact so much an ideological trend but rather a pragmatic emphasis [Patomäki 2007].

4. General description of the research data

We collected our research data by using an electronic questionnaire we sent to secondary schools in the Uusimaa region located in the Southern part of Finland in January-March 2012. The respondents (N = 873) were 2nd grade students in altogether 13 high schools and vocational schools. Most of the students were 17–18 years old.

The questionnaire contained altogether 72 questions the majority of which were Likert-type scale items (1= Strongly disagree,… , 5 = Strongly agree). The questions were related to entrepreneurial intention, conceptions concerning entrepreneurship, societal entrepreneurial attitudes, social values and certain social-psychological background factors (subjective norm, perceived behavioural control and outcome expectation). In this article, we examine the part of the data that is specifically related to social values, societal entrepreneurship attitudes and entrepreneurial intention [see Rantanen 2013].

The results were statistically analysed. The sum variables were variables formed as averages by means of factor analysis (Generalized Least Squares, Varimax with Kaiser Normalization. Rotation converged in 5 iterations). The reliabilities of the sum variables were calculated (Cronbach's alpha) and the normality of the distributions was examined by using the Kolmogorov-Smirnov test. In calculating the correlations, we used Spearman's rank correlation coefficient and the Mean scores were examined by using a t-test.

464 high school students and 409 vocational school students responded to the questionnaire. The entrepreneurial intentions of these groups were not significantly divergent from each other ($t = 0.572$; $p = 0.568$), and hence the groups are examined together from now on.

The used questionnaire was pre-tested with 19 students. On the basis of the test only small changes needed to be made. Electronic data collection proved to be quite feasible and the respondent percentage was 71.0%. The representativeness of the survey appeared quite good in terms of both the native language of the respondents (the proportion of Swedish-speaking Finns in the sample was 6.8% and 8.6% in the population) and their residential area (the proportion of the Helsinki Metropolitan Area was 71.1% in the sample and 68.4% in the population). Also the used measures proved to be feasible and the reliabilities were rather good (the reliability of one sum variable is below 0.70). However, the sum variable distributions do not quite follow the normal distribution.

4.1. Research factors

At first, we formed sum variables related to social values and social entrepreneurship intentions by means of factor analysis. We got 44.0% for the coefficient of determination of the four factor model (see Table 1).

By means of factor analysis, we formed four new variables focusing attention on factor loadings above 0.5. On the basis of factor 1 we formed the sum variable "general entrepreneurship attitude", on the basis of factor 2 the sum variable "an individual's democratic rights" and on the basis of factor 3 "critique of entrepreneurial discourse". When forming the sum variable "social justice" we also included question "*efforts should be made to prevent the growth of income inequality*" in factor 4, even though its factor loading was below 0.5 (see Table 2).

Table 1. Factor analysis: 4 factors, loading items above 0.5

Question	Factor 1 13.0%	Factor 2 12.8%	Factor 3 11.7%	Factor 4 6.6%
27. Entrepreneurs are ideal citizens	0.567	.	.	.
31. Entrepreneurs are typically hard-working and responsible	0.571	.	.	.
35. The work of entrepreneurs is valuable in terms of the entire society	0.720	.	.	.
39. Entrepreneurs are in a key position in terms of society's success	0.677	.	.	.
43. Society's mission is to guarantee the well-being of all citizens	.	.	.	0.592
44. Western democracy is an essential value in our society	.	0.543	.	.
45. Entrepreneurship is over-valued in our society	.	.	0.525	.
46. Society should ensure that no one becomes socially excluded	.	.	.	0.600
47. Individual freedom is one of the core values in our society	.	0.664	.	.
48. Young people are encouraged to become entrepreneurs with too unsubstantial rationale	.	.	0.602	.
49. Efforts should be made to prevent the growth of income inequality	.	.	.	.
50. Civil rights is the foundation of our society	.	0.731	.	.
51. Entrepreneurship is often discussed with too positive tones	.	.	0.666	.
54. Entrepreneurship is suggested a solution to much too many issues	.	.	0.691	.

Table 2. Sum variables and their reliabilities

Variable	N	Items	Cronbach's alpha
Democratic values	873	3	0.729
Social justice	873	3	0.629
Critique of entrepreneurial discourse	873	4	0.717
General entrepreneurship attitude	872	4	0.740

The reliabilities of sum variables formed this way were quite good (above 0.7) except the variable social justice. In accordance with the Kolmogorov-Smirnov test, the variables did not quite follow the normal distribution, even though they were quite close to it when briefly looked at.

4.2. Young people's social values

The respondents related very positively to an individual's democratic rights and questions concerning social justice (see Table 3). Opinions were divided the strongest by the question "*Efforts should be made to prevent the growth of income inequality*" but still clearly over half of the respondents agreed and only 10% disagreed with it. 64% agreed with "*Western democracy is a core value in our society*" and one third took a neutral stand. We can assume that the abstract quality of the concept Western democracy partly explains the multitude of a neutral position with this question. As concerns the rest of the questions, 75–85% of respondents agreed with each one.

Table 3. Questions concerning social values (N = 873)

Variable	Question	N	Mean	Sd	Agree (in %)	Disagree (in %)
Democratic rights	44. Western democracy is an essential value in our society	872	3.86	.881	63.9	3.6
	47. Individual freedom is one of the core values in our society	872	4.24	.870	80.4	3.0
	50. Civil rights is the foundation of our society	873	4.14	.860	77.5	3.1
Social justice	43. Society's mission is to guarantee the well-being of all citizens	873	4.30	0.937	84.7	6.1
	46. Society should ensure that no one becomes socially excluded	872	4.06	0.970	74.9	7.5
	49. Efforts should be made to prevent the growth of income inequality	873	3.74	1.054	57.7	10.1

The results are in harmony with the previous ones. In concern with an individual's democratic rights the respondents largely agreed with the claims. More specifically, 80% of the respondents agreed with the claim "*individual freedom is one of the core social values*". Hence, the results support the view of the Finnish society's individualistic quality [Hofstade]. On the other hand, the results also support the assumption that the basic value premise of the welfare state is also strongly endorsed amongst young people [see Muuri 2008].

Democratic rights of an individual and social justice were strongly correlated ($R = 0.486$; $p < 0.000$). Hence, our first hypothesis proved to be valid: The social values of the Finnish youth form an entity in which an individual's democratic rights and the social justice are combined. Even though individualism and collectivism divert from each other in regard to their basic premises, they become intertwined in the Finnish young people's social values.

4.3. Social values and societal entrepreneurship attitudes

Next, we focus on societal entrepreneurship attitudes. We separately examine the general entrepreneurship attitude and, on the other hand, the critical entrepreneurship attitude (criticism of entrepreneurship discourse). The distribution of responses to these questions is shown in Table 4.

Table 4. General entrepreneurship attitude and critique of entrepreneurial discourse

Variable	Question	N	Mean	Sd	Agree (in %)	Disagree (in %)
General entrepreneurship attitude	27. Entrepreneurs are ideal citizens	872	3.37	0.890	41.2	12.2
	31. Entrepreneurs are typically hard-working and responsible	872	3.80	0.811	68.5	4.9
	35. The work of entrepreneurs is valuable in terms of the entire society	872	3.84	0.912	65.6	5.7
	39. Entrepreneurs are in a key position in terms of society's success	872	3.41	0.865	43.5	11.9
Critique of entrepreneurial discourse	45. Entrepreneurship is overvalued in our society	873	2.73	0.920	14.8	36.8
	48. Young people are encouraged to become entrepreneurs with too unsubstantial rationale	873	3.20	0.906	33.3	18.4
	51. Entrepreneurship is often discussed with too positive tones	873	3.10	0.969	31.3	23.8
	54. Entrepreneurship is suggested a solution to much too many issues	873	3.08	0.913	26.1	19.7

All in all, young people's relationship with entrepreneurship seems to be fairly positive according to the research results. In particular, entrepreneurs were considered diligent and responsible, which also is in accordance with the previous research findings [e.g. Kivelä 2002; Nevanperä 2003; Hyytiäinen & Pajarinen 2005; Home 2007]. In contrast, a neutral stand was pronounced on questions concerning entrepreneurship discourse criticism. Approximately one third of the respondents estimated that young people are encouraged to become entrepreneurs with too unsubstantial rationale and entrepreneurship is often discussed with too positive tones.

Next, we analyse whether these entrepreneurship attitudes of young people are explained by social values. The correlations between the sum variables are shown in Table 5.

Table 5. Attitudes towards entrepreneurship and social values: correlations

Variable	General entrepreneurship attitude		Critique of entrepreneurial discourse	
	Spearman's rho	sign (2-tailed)	Spearman's rho	sign (2-tailed)
Democratic rights	0.315	0.000	–0.045	0.179
Social justice	0.129	0.000	0.083	0.014

Democratic rights of an individual clearly correlated with the *social appreciation of entrepreneurship* as we had assumed. Hence, hypothesis 2 is valid. In other terms the correlation coefficients were fairly small. The correlation between social justice and entrepreneurship discourse criticism points to the right direction but is only almost significant (hypothesis 5). Our two other hypotheses were not supported: Democratic rights and critical entrepreneurship attitude do not correlate with each other (hypothesis 4). The correlation between social justice and social appreciation of entrepreneurship in turn was, against our assumption (hypothesis 3), faintly positive. Hence, social justice in fact correlated positively with both general and critical entrepreneurship attitudes.

All in all, social entrepreneurial attitude does seem to be related to social values to some extent. The obtained results are in accordance with Ikonen's [2006] view that emphasis on entrepreneurship and welfare state discourse are well-suited to each other. Similarly, the positive correlation between an individual's democratic rights and positive conception of entrepreneurship is rather natural from the viewpoint of Ikonen's conception of citizenship.

A critical entrepreneurship attitude correlated only quite faintly with social values. This is rather surprising, taking into account the neoliberal tones related to new entrepreneurship discourse. Perhaps an explanation lies in Patomäki's [2007] analy-

sis, according to which the neoliberal emphasis in Finland has been more pragmatic than ideological. Hence, neither would criticism of entrepreneurship discourse be related to social values.

4.4. Social values and entrepreneurial intention

Lastly, we analyse the relationship between social values and entrepreneurial intention. Sum variable entrepreneurial intention is formed of four questions which were connected not only to the actual entrepreneurial willingness but also to how likely a career choice entrepreneurship is considered by a young person. The reliability of the formed sum variable was quite good (alpha = 0.899). Questions concerning entrepreneurial intention and the distribution of their responses are shown in Table 6.

Table 6. Questions concerning entrepreneurial intention

Question	N	Mean	Sd	Agree (in %)	Disagree (in %)
55. If I could freely choose, I'd rather be an entrepreneur than an employee	873	2.95	1.25	34.0	38.3
59. My aim is to become an entrepreneur in the future	873	2.53	1.17	18.8	48.9
63. I am going to make a living as an entrepreneur	873	2.42	1.12	13.6	49.1
67. For me, entrepreneurship is a probable career choice	873	2.45	1.16	17.1	51.3

As Table 6 shows, the proportion of young people intending to become entrepreneurs was fairly small. The question that compared entrepreneurship and employment as career choices received a larger proportion of those who disagreed than those who agreed, which is in line with the GEM survey. Less than one fifth of the respondents agreed with the other questions.

The correlation coefficients and their significance between social values, societal entrepreneurship attitudes, and entrepreneurship intent are shown in Figure 3.

The correlations between societal entrepreneurial attitudes and entrepreneurial intentions were in accordance with the assumptions: social appreciation of entrepreneurship is in a positive (hypothesis 8) and critical entrepreneurship attitude is negative relation with entrepreneurial intention (hypothesis 9). Also hypothesis 10 is valid: general entrepreneurial attitude is negatively dependent on critique of entrepreneurial discourse.

Social justice in turn correlated negatively with entrepreneurial intention as we assumed (hypothesis 7). On the contrary, an individual's democratic rights do not correlate with entrepreneurial intention; that is, hypothesis 6 did not prove to be

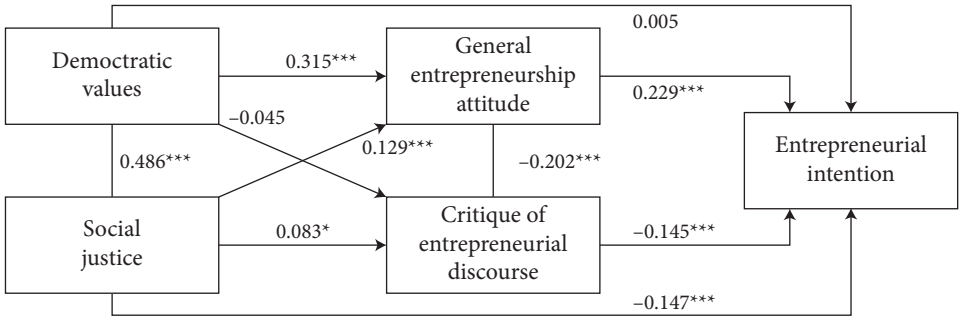

Figure 3. The correlation coefficients and their significance between social values, social entrepreneurial attitudes, and entrepreneurship intent

valid. This is interesting also from the point of view that an individual's democratic rights and, again, general entrepreneurship attitude in turn correlated significantly with entrepreneurial intention.

According to the research findings, the relationship of social values with social entrepreneurial attitudes and entrepreneurial intention is very complex and all connections and interactions between them are insubstantial and incoherent. The relationship of democratic rights with social appreciation of entrepreneurship is clearly positive (R = 0.315). Other correlations are quite low (R < 0.15). Social values explain entrepreneurial intention clearly weaker than, for instance, the expectations of a young person's close environment, faith in one's own capacities and faith in one's own success [Rantanen 2013]. It is possible that there is also a common social psychological phenomenon in the background: general attitudes (such as relating to the society or social values in general) explain rather poorly the behaviour of an individual, whereas more specific attitudes (such as attitude towards entrepreneurship) have a clearly better explanatory capacity [see Eagly & Chaiken 1993; Ajzen 1991].

Conclusions and discussion

Our research results showed that the Finnish young people's world of values contains two closely connected entities. On the one hand, young people emphasise an individual's democratic rights, and on the other hand, they are committed to the value premise of the Nordic welfare state. Young people share the Finnish value climate, which is a combination of individualism and collective responsibility. How can individualism and collectivism then be so well reconciled? One possible interpretation is connected to the Finnish welfare state's current historical phase. In an

institutionalized welfare state, the core of collective responsibility is the state's responsibility to all citizens rather than an individual's commitment to joint liability. Hence, welfare state-oriented collectivism is not an obstacle to individualism.

In the cultural models of entrepreneurial attitudes, high individualism has been related to entrepreneurship-oriented cultural values [e.g., Lindsay 2005] and entrepreneurial orientation [Mueller & Thomas 2000]. According to our research findings, there is a clear connection between highlighting an individual's democratic rights and social appreciation of entrepreneurship. A positive conception of entrepreneurship can be seen as a natural continuation of individualism that underscores individual rights. However, this connection remains largely at the level of attitudes. Young people's concrete entrepreneurial willingness remains at a modest level [Flash Eurobarometer 2009; Stenholm et al. 2011].

Our core perception is indeed the weak connection between social values and entrepreneurship. It is likewise apparent in our findings that criticism of entrepreneurship discourse has little to do with social values. One explanation for these perceptions may be that young people consider entrepreneurship as the first and foremost pragmatic career option rather than an ideological choice. Similarly, entrepreneurship discourse and its assessment are perceived more from a practical perspective than from ideological criticism of neoliberalism [see Saari 2001; Patomäki 2007].

According to Ikonen [2006, p. 35], entrepreneurship can be emphasised from the discourse premises of both neoliberalism and the welfare state. Ikonen suggests that it is erroneous to assume that the importance of entrepreneurial education is justified only with one of the two narratives as the point of departure. According to our research findings, entrepreneurial intentions of young people have an insubstantial connection with social values. Hence, promoting entrepreneurship does not necessarily need to be supported by any great social narrative.

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POZNAŃ UNIVERSITY OF ECONOMICS REVIEW
Volume 13 Number 1 2013

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Constructing entrepreneurial orientation in a selling context: the qualitative attitude approach

Abstract: This paper explores the construction of attitudes in argumentative talk to underscore the context-specific nature of the dimensions of entrepreneurial orientation (EO) and their interrelations. The material comprises interviews in which the directors, who form the management group of a Finnish firm, individually commented on a statement that 'each salesperson is an autonomous entrepreneur'. Our analysis identified two opposing evaluations of entrepreneurial autonomy, which were labeled as proactive selling and internal competitive aggressiveness. The analysis points out limitations on the realistic and positivist premises of the conventional EO measures by identifying related yet differing understandings which actors involved in everyday organizational practices display in their talk.
Keywords: rhetorical social psychology, qualitative attitude approach, entrepreneurial orientation, autonomy.
JEL codes: L21, L26, L29.

Introduction

Rhetorical approaches to organizational and management-related issues have become influential in recent years [Sillince & Suddaby 2008]. Rhetorical analyses have been combined with different organizational theories, and explicated the role of rhetoric in creating, maintaining, and challenging organizational order and practices [Engstrom 2010]. These studies consider rhetoric mainly as a persuasion and legitimation technique, the application of which may help organizations arrive at desired ends, such as maintaining stakeholder relations [Holt & Macpherson 2010],

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diffusing innovations [Green 2004], and establishing corporate control [Green, Babb & Alpaslan 2008].

Some scholars [e.g. Conrad & Malphurs 2008], however, claim that rhetoric should not be reduced to mere technique or style. Instead, rhetoric should be viewed, for example, as a practice of sense-making by which people arrive at a clear and reasonable understanding of alternate possibilities and their potential effects [Holt & Macpherson 2010]. The present paper contributes to this broader research agenda by taking a social psychological perspective to rhetoric in organizational contexts. More specifically, we apply this perspective to the theoretical concept of entrepreneurial orientation (EO), as rhetoric approaches have to date not been utilized in EO research.

Our approach draws on Billig's [1996] rhetorical social psychology, which emphasizes rhetoric as argumentation. Instead of focusing solely on social influence and persuasion, Billig considers rhetoric as the key to understanding the social nature of human thinking. He criticizes cognitive social psychology for focusing too emphatically on the consensual side of cognition, and for forgetting the argumentative and controversial aspect of thinking. Billig [1996, pp. 71–74] refers to Protagoras' maxim that "*it is always possible to mount an opposing case*" and that "*there are two sides to every question*". He suggests that the strategy of considering, searching for, and inventing not only arguments but also counter-arguments is basic to human cognitive processing. Internal cognitive structures (e.g. schemas or scripts) do not mechanically or straightforwardly dictate human conduct, because people are capable of deliberating and reflecting on alternate and competing viewpoints to solve problems, to make decisions, and to deal with social situations. Such capacity is essential in the social reality of everyday life where controversial issues frequently occur. Repeatedly, individuals face situations that demand decisions between alternate options, and therefore need to consider and evaluate also differing and opposing viewpoints.

Several institutions are also built on the management of controversies, for example, courtrooms, governmental strategies, political debates, and commercial bargaining. Further, many ideologies and ideological issues (e.g. the relation between freedom and equality), which people are forced to deal with, are inherently dilemmatic [see Billig 1991]. Organizations represent one important social context in which controversial issues can emerge and compete with each other. Therefore, it is feasible to study how these potentially controversial issues and their rhetorical management in everyday organizational situations are related to entrepreneurship.

Our study examines the rhetorical management of organizational issues through the concept of attitude. In rhetorical social psychology, an attitude is defined as an argumentative position in a controversy [Billig 1996]. An attitude consists of a stand that an individual takes for or against a particular issue, and those justifications that the individual gives to support the taken stand. An attitude toward a particular is-

sue seldom translates into one completely fixed position that applies unchangeably across different situations. Instead, an attitude can frequently include different positions that emerge in different contexts. Therefore, attitudes are contextually flexible. The first step for organizations to manage and make sense of any entrepreneurship-related issue is to understand what the multiple viewpoints towards it actually are, and how organizational members justify these views for themselves and for the entire organization.

Our paper introduces the qualitative attitude approach [Vesala & Rantanen 2007] as a potential method for studying entrepreneurship in organizations. The qualitative attitude approach is based on Billig's [1996] rhetorical social psychology, as mentioned above. The approach has previously been utilized to examine evaluation in social interaction [Pyysiainen 2010; Pyysiainen & Vesala 2013] and the construction of various objects of evaluation, for example, close customer relations [Vesala & Peura 2007], alternative food systems [Nousiainen et al. 2009], and animal welfare [Kauppinen et al. 2010]. In this study we analyze a salesperson's entrepreneurial autonomy as an object of evaluation for members of a management team. To demonstrate the relevance of our analysis to entrepreneurship research, we connect the results with the discussion on the theoretical concept of entrepreneurial orientation [Lumpkin & Dess 1996; Covin & Slevin 1989] and its autonomy dimension. Our primary aim is to show how the qualitative attitude approach is applied in practice when studying the rhetorical construction of entrepreneurship-related attitudes within organizations.

This paper proceeds as follows: first, we briefly review social psychological attitude research, and explicate the premises of the qualitative attitude approach. Second, the methodological section explains the interview design and the principles of analysis. Next, we introduce our practical application example, namely EO and the nature of its autonomy dimension together with the empirical research material. Thereafter, we present the classifying and interpretative analysis of the generated material. Finally, the last section provides a discussion of the relevance of the qualitative attitude approach to entrepreneurship research in organizational contexts. We further discuss EO in the light of these findings and provide potential avenues for future applications of the qualitative attitude approach in EO research.

1. Qualitative attitude approach: the rhetorical construction of attitudes

The mainstream social psychological research conceptualizes an attitude predominantly as an internal disposition to respond to an object of evaluation in a particular manner, either favorably or unfavorably [e.g. McGuire 1985; Eagly & Chaiken

1993]. These internal dispositions are assumed to influence overt behavior regardless of context and consistently over time. The dispositional attitude conceptualization has been criticized on several grounds [Augoustinos & Walker 1995, Billig 1996; Lalljee, Brown & Ginsburg 1984; Potter & Wetherell 1987; Vesala & Rantanen 2007]. For instance, the non-contextual conceptualization of attitudes is considered to lead to simplified and empirically untenable hypotheses about the connection between attitudes and overt behavior. Furthermore, the dispositional view seems not to be able to account for the variety of attitude expressions in everyday talk and conversation. Taking language merely as a means for reporting the inner dispositions, it fails to address the question what individuals actually do when they express their opinions.

Consequently, attitudes have also been conceptualized as evaluative practices [e.g. Potter 1998; Lalljee, Brown & Ginsburg 1984]. According to this conceptualization, situational variability (and not long-term consistency) of attitudes is to be expected, because individuals often take a pragmatic view on attitudes: they are not confined to any single pre-determined attitude but rather they adjust their attitude expressions according to situation. Individuals may thus express their opinions in a specific manner that suits what they try to accomplish with their talk in each particular occasion. The pragmatic function of attitudes for individuals is realized in social situations. Attitude research should therefore explicate the nature of evaluative practices across different contexts.

In rhetorical social psychology [Billig 1996; 1991], the concept of attitude, as any other key concept of social psychology, is interpreted in terms of rhetoric. The rhetorical approach to attitudes emphasizes the argumentative nature of social reality in which people construct, deliberate, and express different stands and opinions. The practice of rhetoric organizes interaction and is spread throughout social life. In social interaction attitudes are always present in that people express their views on different questions, argue for their own views, and reject those of others, especially on controversial issues which require stand-taking. Even the holders of strong views usually display a variety of positions instead of expressing only one fixed view. Attitudes have both an individual and a social meaning: an expression of an attitude manifests something personal about the opinion-holder and places this individual in a wider context of the particular controversial issue at hand. Any attitude is therefore more than an expression in favor of or against a position: it is also implicitly or explicitly an argument against a counter-position.

The rhetorical meaning and construction of attitudes can be identified in argumentation. According to Billig [1991; 2009], the identification and the study of rhetorical meaning do not require a specific methodology, because a single methodological toolbox would restrict the analysis of argumentation patterns. Thus, the formal procedures of an analysis may vary even though the theoretical principles of the rhetoric approach to attitudes remain constant. In this paper we utilize the

qualitative attitude approach [Vesala & Rantanen 2007], which combines Billig's rhetorical view and a specific empirical procedure for generating and analyzing argumentative talk.

In the qualitative attitude approach [Vesala & Rantanen 2007] an attitude is studied as a communicative and evaluative viewpoint, either positive or negative, to a particular issue in a particular social context. When taking a stand, an individual usually justifies the stand and accounts for it, also when the stand is presented conditionally or with reservations. In such argumentative rhetoric, pre-given objects of evaluation do not remain fixed and unambiguous. As Asch noticed already in 1940, positive and negative evaluations of an object are typically associated with qualitatively different representations of the given object. Analogically, when justifying their stands, people frame and reframe the issue they are taking a stand to. Furthermore, the construction of dimensions and subjects of evaluation (e.g. the identity and role of the evaluator) can be viewed as rhetorical processes. The qualitative attitude approach aims to provide a systematic procedure to study the construction of attitudes in evaluative argumentative talk empirically.

2. Qualitative attitude approach: methodological procedures

2.1. Interview design

The empirical research material in the qualitative attitude approach is typically generated in individual or group interview settings. The approach involves a particular practice for conducting interviews in order to produce and stimulate free and multifaceted argumentative talk [Vesala 2008]. The idea is to create comparability between individual interviews by a semi-structured interview design, which organizes the interview into distinct sections. Each section involves a conversation which begins with an introduction of a given attitude statement presented uniformly in each interview. Attitude statements, similar to those in quantitative attitude measures, are used as prompts to produce a rich and open-ended argumentation about a particular issue [Vesala 2008].

In the process of interviews the interviewer has to accomplish two tasks: to elicit the interviewees' opinion about each attitude statement, and to promote commenting while remaining neutral toward the issue at hand [Vesala 2008]. The interviewees, in their own words, take a stand on each statement and justify their stands. The qualitative attitude approach requires the interviewer not to define the concepts and ideas included in the statements, but, instead, it lets the interviewees define them.

Even though exact (theoretically motivated) wordings are used to formulate the statements, the interviewees are free to contest them and their relevance in each specific research context.

Congruently, in each interview, the interviewer introduces the prompt statements one by one by reading them aloud, and also presents them in a written form on a sheet of paper. The interviewer can elicit clarifications from the interviewees by asking them to describe more deeply how an argument would present itself in practice. Further, the interviewees can be offered recapitulations of their previous views in order to encourage more profound reflections on the statement or to ensure a valid understanding of given views.

2.2. Principles of analysis

The analysis in the qualitative attitude approach proceeds from details of the material to outlining general patterns of argumentation [Vesala & Rantanen 2007]. The analysis is usually performed in two stages. First, in the *classifying* analysis, the argumentative talk is categorized according to a literal reading of the research material. Second, the *interpretative* analysis brings these categories into a conceptual dialogue with theoretical concepts and discussions relevant to the particular study at hand.

The classifying analysis aims to identify different explicit stands taken towards each attitude statement together with specific arguments intended to reason and justify these stands [Vesala & Rantanen 2007]. The analysis also details stand-taking that participants express in a reserved, conditional, or hesitant manner [see also Billig 1996]. At this stage of the analysis, individual interviewees are not the primary analytical units. Different types of stands or justifications can therefore be identified also within one and the same interview. The different stands are then classified into categories: first, according to the type of stand, and, thereafter, on the basis of what type of justifications were presented for each stand. As a result, an overall view of multiple stand-justification combinations observable in the material can be obtained. In addition, comparisons between different interviews or groups of interviews may be made with the help of the categories.

The interpretative analysis elaborates on the initial classificatory analysis [Vesala & Rantanen 2007]. It aims to identify general patterns of argumentation evident among the detailed categories of stands and justifications. These patterns can be articulated as qualitatively different attitudes which can be linked to chosen theoretical concepts and discussions. The interpretative analysis can further include an explication of possible functions and rhetorical resources of the evaluative argumentation. For instance, the analysis can, at this level, focus on the self-expressive and interpersonal functions of attitudes, or on the beliefs, values, and experiences that are utilized to justify or construct a particular stand or attitude.

3. Empirical setting for approaching the concept of entrepreneurial orientation

This section presents the setting of an empirical study that we employ as an application example of the qualitative attitude approach. The study deals with the construct of entrepreneurial orientation, and focuses on its autonomy dimension. Our qualitative approach represents a distinctly dissimilar methodology than what has hitherto been applied in EO research.

3.1. The autonomy dimension in the concept of EO

In recent decades, EO has received substantial theoretical and empirical attention as a potential means for existing firms to ensure their position, growth, and economic performance, especially in increasingly competitive business environments [Rauch et al. 2009]. The concept of EO constructs entrepreneurship as a firm-level phenomenon. Entrepreneurship is viewed not as an attitude or a characteristic of individual employees or managers, but as something connected with a firm's strategy-making orientation and thus encompassing the entire firm [Dess, Lumpkin & Covin 1997; Lechner & Gudmundsson 2012; Gaweł 2012].

EO describes firm-level entrepreneurship by foregrounding five specific dimensions. These five key dimensions include innovativeness, proactiveness, risk-taking, autonomy, and competitive aggressiveness [Lumpkin & Dess 1996; Covin & Slevin 1989; Miller 1983]. Most empirical studies treat them as one dimension when defining whether a firm can be described as entrepreneurial [Basso, Fayolle & Bouchard 2009; Covin & Wales 2012]. The concept of EO claims that entrepreneurial firms innovate and experiment with new products, services, and processes; proactively anticipate future demand and seize market opportunities; aggressively compete with their industry rivals; take bold risks in the face of unknown opportunities; support independent initiatives of individual employees [Covin & Slevin 1989; 1991; Lumpkin & Dess 1996, 2001].

Lumpkin and Dess [1996] define autonomy in the concept of EO as an independent action of an individual or team in bringing forth an opportunity, and carrying it through to completion. Thus, unlike other EO dimensions, autonomy functions primarily on an individual or micro-level, and its role is to set in motion, and prime the other dimensions. A recently developed autonomy measure [Lumpkin, Cogliser & Schneider 2009] conceptually differentiates EO-related autonomy more distinctly from management-related autonomy, such as autonomy induced by decentralization or other structural arrangements. A firm should support the efforts of independently working individuals and teams that make decisions on their own about what business opportunities to pursue, regardless of organizational constraints.

These initiatives and input should play a major role when the firm identifies and selects suitable opportunities in the marketplace.

To date, EO research has kept to one methodological tradition. The theoretical EO formulations have largely taken place within a positivist and realistic quantitative research paradigm [Rauch et al. 2009; Covin & Wales 2012; see also Anderson & Starnawska 2008; Grant & Perren 2002; Lindgren & Packendorff 2009]. This paradigm considers EO an abstract characteristic; it cannot be defined as a separate, clearly observable entity, but is instead inferred from the EO attitude measure that seeks indications of entrepreneurial activities within the organization [Covin & Lumpkin 2011].

However, from the perspective of the rhetorical construction of attitudes [Billig, 1996], EO and its dimensions can be evaluated and reacted to differently across different organizational members and contexts [Miller 2011; Wales, Monsen & McKelvie 2011]. Therefore, the dimensions of EO are not absolute, as their meaning and usage can vary according to organizational members and contexts. This qualitative variation of attitudes can positively contribute to the theoretical discussion of EO. For example, even though the concept of EO presumes all dimensions to add equally to the overall quantitative level of EO in any given firm, the exact nature of the relations between the five dimensions of EO remains an unresolved issue [Wales, Gupta & Mousa 2011].

3.2. Empirical research material

The empirical research material of this study consists of interviews with six directors who form the management group of a small, privately-owned Finnish enterprise. The case firm offers consultative business management services to other organizations. According to the managing director, the firm's financial position was very good at the time when the interviews took place, and its workload in previous months had been tremendous.

In the practices informed by the concept of EO, a firm's EO has traditionally been examined from the perspective of its managing director [Wiklund & Shepherd 2003]. The senior-most executive is assumed to possess the most relevant information on an organization to provide a firm-level viewpoint of its entrepreneurial actions [Lyon, Lumpkin & Dess 2000]. Instead of relying on only one key informant, this study introduces a wider organizational perspective to EO by drawing on the talk of the entire management group of the case firm.

The empirical context of this study is business-to-business selling. Selling can be considered relevant to EO as firms normally realize their economic outcomes through sales activities. In fact, survey research on EO most often operationalizes economic performance as sales growth, and views growth in other dimensions as a result of increased sales [Wiklund 1999; Wales, Gupta & Mousa 2011]. The sales

function of the case firm was organized mainly around face-to-face meetings with representatives of their client organizations. The position of the directors was equal as far as selling was concerned, because all of them also served as salespersons and had personal client-related sales responsibilities to attend to. Therefore, they all occupied a dual position in that they, on the one hand, served as directors responsible for the entire firm and, on the other hand, as salespeople with individual sales obligations.

The directors were interviewed individually in May 2008. The interviews were conducted in Finnish and recorded for later transcription with the permission of the interviewees. Each interview lasted approximately 30 minutes. All the excerpts presented in this paper are translations of the original interview talk. The translations aim to maintain a clear sense of the Finnish original. In the excerpts the interviewees are identified by codes M1–M6.

3.3. Formulation of the attitude statement

In this study, we are interested in the evaluation of the autonomy of a salesperson. The management group members commented on the statement that '*each salesperson is an autonomous entrepreneur*'. This particular statement introduced one of the central ideas of the concept of EO to the interviewees by linking the words *autonomy* and *entrepreneurship* to the selling activities that take place within the case firm and its management group. However, the formulation does not directly suggest that a salesperson's autonomy can also be viewed as an organizational characteristic, as one would expect within the concept of EO. In this interview setting it remained to be seen whether the interviewees themselves would take up such rhetoric.

The study deals with autonomy as it was perceived and treated in the management group members' rhetoric. We do not examine individual-level autonomy as such, but consider salespeople's autonomy and its consequences as a phenomenon manifested in the management group members' talk.

4. Classifying analysis: conditional, supporting, and rejecting argumentation

This section presents the qualitative variation in stand-taking and argumentation. The analysis is based on the comments by all the interviewees. First, their immediate responses to the attitude statement are described. Second, the analysis shows what kind of stands the management group members took either in support of or against the statement, and how they justified these stands.

4.1. First reactions: Conditional argumentation

Overall, the most striking observation that emerged during the literal reading of our material was the instant conditional stand that four of the interviewees took in favour of the statement (i.e. each salesperson is an autonomous entrepreneur) directly after the interviewer had presented it to them. In the words of one of the directors:

> Yes, in a way; well at least spirit-. Well, so yes and no, yes and no, yeah. (M6)

The "yes and no" formulation clearly indicates that the interviewee can accept the statement, but only partly. Another director's immediate comment on the statement explains the conditional view more in detail:

> Yeah, I would say that, quite comprehensively, it is correct, but there is also another side to that issue. If one thinks about this type of typical consultative role, I suppose that one goes more and more, and we have also gone, quite far in doing it also together. (M2)

According to interviewee M2, selling has two sides: autonomous action and collaboration. Pursuing sales opportunities together can be interpreted as emphasizing the meaning of internal relationships between different salespeople in the case firm. A third example of an immediate conditional stand highlights the business-to-business selling context more specifically:

> My opinion is that it depends on the sales scope, what kind of sales it is about, what kind of business line. (M4)

The explanation focused on the kind of selling one discusses, and the kind of business area in which the firm acts. Independent action does not fit all lines of business or all types of sales items. An additional explanation was that autonomous action does not suit all clients either.

The collaborative side of selling was also the reason why two directors quite strongly rejected the statement at the beginning, as the following excerpt shows:

> Well, literally speaking, I guess each salesperson is <u>not</u> an autonomous entrepreneur; after all, there are a lot of entrepreneurial characteristics in selling as such but depending, of course, a little on what one is selling and to whom. Often, selling is nevertheless collaboration. (M5)

It is worth noting, however, that the two management group members who initially opposed the statement did mention the importance of being autonomous in one's selling pursuits soon after explaining the need for collaboration. Their argumentation pattern is thus similarly two-sided, as was that of the other directors' who began their stand in a conditional manner.

In sum, their initial stands either conditionally supported or rejected the statement. In this conditional evaluation, the interviewees offered approving arguments alongside opposite counter-arguments. When further elaborating their initial stands,

all six interviewees finally presented and considered both supporting and rejecting arguments regarding the statement of a salesperson as an autonomous entrepreneur.

4.2. Supporting arguments

All interviewees presented at least one supportive argument. The justifications for positive stands can be organized into four categories. The first category lays out a general principle of autonomous spirit in selling:

> Good sales work also requires very many of the characteristics of an independent entrepreneur. Let's say that selling cannot only be directed somewhere from above, like "Hey! Go there, do that", but also requires an awful lot of one's own thinking and an awful lot of one's own actions. In this firm, for example, we have one principle according to which nobody owns a single client and anyone can go anywhere. (M2)

The interviewee states that the qualities of an independent entrepreneur are indeed essential for successful selling activities. The firm's basic guideline allows each salesperson to freely pursue any sales opportunity one is inclined to pursue. Actually, being in need of explicit directions from supervisors would eventually be interpreted as a sign of incompetence, even though some principles "from above" might exist in actual practice, such as in the form of personal sales budgets. The arguments of M2 can be interpreted as being in accordance with Lumpkin and Dess's [1996] definition of autonomy as well as that of the recent entrepreneurial autonomy measure [Lumpkin, Cogliser & Schneider 2009].

The second category emphasizes each salesperson's personal responsibilities:

> So yes, in the sense that a salesperson always, when selling, has his own profit responsibility, and the objectives and the budget he must meet; and, anyway, he is responsible for reaching them in one way or the other. (M6)

The interviewees often employed this argument when arguing in favor of the statement. As far as selling is concerned, all the salespeople share the same responsibility of reaching the goal that has been set to them individually. Objectives are clearly defined, although who set them remained unclear. Furthermore, the interviewees stressed that the responsibility for reaching those objectives cannot be delegated to others. The direction is unambiguous, but the means can be freely chosen.

Third, the interviewees pointed out the importance of "intense activeness", "determination", and "establishing one's own contacts" when pursuing their personal sales budgets. Independent salespeople must also take the initiative in order for the selling to succeed:

> Of course, one must be independent in the sense that one has the courage to take the initiative and make uncompelled solutions, suggestions, decisions, and situation analyses to back up sales. (M5)

This comment indicates that selling requires thorough preliminary work on possible solutions and situational contexts. More specifically, the comment emphasizes the analysis and decision-making skills of salespeople as well as one important personal characteristic, the courage. Selling is not meant for people who fail to take the initiative.

> Fourth, salespeople must also build trust among clients:
>
> It [the statement] is correct in the sense that selling quite essentially includes the intention to build trust and actually building it, and I would say that I quite comprehensively think that selling trust and one's own person, selling collaboration with the client, are an essential part of selling, so I am in a way selling myself to the client. (M5)

Autonomous salespeople must also place their personalities on the line, and independently build a relationship with the client. A compatibility of personalities between salespeople and clients enhances trust among clients as well as a willingness to collaborate with the salesperson. Trust and collaboration do not exist on their own but need to be actively constructed as essential elements of selling. On a more general level, interviewee M5 implicitly indicates how client relationships are formed in business-to-business contexts. The first step involves selling the salesperson's personality, which, in turn, creates trust among clients. Only then can the salesperson proceed with the actual selling of the business services the firm has to offer.

The supporting arguments represent, as one interviewee put it, different aspects of an "entrepreneurial spirit". They also bring to the fore the meaning of external client relationships. The positive aspects of an autonomous entrepreneur in selling fit the requirements of how client relationships should be handled in the case firm. Self-directed action is at the core of successful selling. In the eyes of both individual salespeople and the firm, those trustworthy salespeople who carry different sales opportunities through to completion can produce results. If the salesperson is passive and unresourceful, neither the salesperson nor the firm will reach their turnover or sales budget objectives.

4.3. Rejecting arguments

The rejecting arguments can be categorized into four classes. The first category underscores internal competition, of which interviewee M1 presented the most critical account:

> This idea of an autonomous entrepreneur, well, it creates quite a lot of internal competition, which, in my opinion, is not such a good way to encourage people inside a firm. The departure point, in my opinion, is a little bit negative: everybody is pursuing their own benefits. This idea is something that has

> also reared its head to a greater extent in this firm. Sometimes, when one has established a contact somewhere, one cannot be quite certain that someone else does not then push in to sell and get the client for himself. If everyone is an autonomous entrepreneur, it means that all are, in a way, competitors even inside the same firm. (M1)

The interviewee indicated that if a firm chooses to encourage salespeople towards autonomous action, it can result in internal competition. The entrepreneurial spirit of independent actors is present, but has unfortunate consequences because everybody is allowed to disregard the opportunity pursuit of one's colleagues. Interviewee M1 emphasized this stand by stating that such internal competition actually occurred in the case firm when a salesperson invaded somebody else's sales territory. Personal goals drive selling, and colleagues fail to respect mutual working relationships.

The second category of rejecting arguments stresses collegial interdependence and teamwork:

> If one is conducting sales that depend on the contribution of several people, one must, of course, also take those other persons', how should I put it, strengths and perspectives into account. (M5)

Interviewee M5 indicates that individual salespersons depend on others because they may not possess all the required expertise to carry through complex client projects. Instead of autonomy, collaboration is supported, because it involves utilizing colleagues' strengths and insights to fulfil more complicated client needs. Furthermore, as one interviewee noted, even though certain responsibilities of extensive projects can be turned over to colleagues, the salespersons still maintain their leading role in pursuing the sales opportunity in question. This relaxes the need to be overly autonomous in every aspect.

The third class of rejecting arguments highlights what can occur if a short-term selling perspective is very strongly emphasized. This is evident in the following excerpt:

> Well, the entrepreneurial attitude means that you start with the fact that you have to get butter on your bread in any case, and, in a certain way, one probably has to look at it from two perspectives: that one really gets what one wants, but that one cannot always maximize profits, because one must start from the fact that one has to be able to earn one's bread on the longest possible term with the client. One cannot stain one's reputation. (M4)

In trying to reach their individual sales goals, salespeople sometimes tend to maximize their short-term economic outcomes instead of pursuing a long-term client relationship. This can deteriorate their image in the eyes of their clients. Salespeople must balance their own individual needs with those of their clients in order to create a trustworthy and successful long-term relationship. On a more general level, sell-

ing seems to be the core function of client relationships, and can potentially harm them if handled unilaterally. Client needs, more than the economic objectives of individual salespeople, should thus be the main driving force of these relationships.

Interactive situations with the client raise a potential problem that the firm must solve and which represents the fourth justification category:

> On the other hand, when meeting the client, we like to go with someone together because this business is often quite chemistry-dependent; the risk decreases when we are two, so if with the first person the client feels that, "Hey, we are not quite finding a common feeling", then he might find it with the other one. (M3)

Selling requires teamwork and collaboration because not all clients accept the salesperson the firm has assigned to them. The strongest reason in favor of being alert to "interpersonal chemistry" issues seems to be the fact that clients do not buy from people they do not like. Incompatible personalities represent another clear risk to building trustworthy client relationship, so it is wise to introduce several salespeople to clients to ensure that they like at least one of them. All salespeople should thus be willing to hand over their client to another autonomous salesperson whose chemistry suits better that of the client's. In the selling context, independent action should be regarded as a way to serve the cultivation of profitable, long-term client relationships rather than treated as an absolute value as such.

The rejecting arguments represent, as one interviewee suggested, the actions of "lone wolfs". They also bring the firm's internal relationships as integral part of external client relationships to the fore. If salespeople choose to behave overly independently, they actually undermine collaboration and hinder the exploration and development of clients' needs for which their colleagues are responsible. Such salespeople not only fail to help their colleagues, but also end up being less effective in their own sales efforts, since the expertise of other is no longer at their disposal. The most critical arguments illustrate that individual salespersons can even engage in bitter competition for clients as well as sales opportunities. This has unfortunate consequences both for client firms and within the organization.

5. Interpretative analysis: two attitudes towards an autonomous entrepreneur in selling

Generally, the interviewees effortlessly and thoroughly commented on the attitude statement of an autonomous entrepreneur, and applied entrepreneurship-related vocabulary in their talk. They treated autonomy, above all, as an individual characteristic, and described it, for example, as an entrepreneurial spirit, attitude, and

characteristic. Therefore, they seemed to be familiar with the phenomenon of entrepreneurship and possess distinct representations of it.

However, the interviewees presented qualitatively different accounts when taking a stand towards the statement. Even though entrepreneurship is theoretically regarded as a positive orientation that supports growth and profitability [e.g. Rauch et al. 2009], the interviewees in this study regarded it as something more. They enumerated both positive and negative aspects and consequences of entrepreneurial autonomy, and their talk depicted two different perspectives on the statement. These perspectives can be interpreted as two opposing argumentative patterns, or attitudes, in which the statement was treated; these two patterns led to the consequent construction of autonomy in two dissimilar ways. These two patterns can be further interpreted to be congruent with and linked to the dimensions of proactiveness and competitive aggressiveness in the concept of EO. A summary of the two identified attitudes is presented in the following table.

Two attitudes towards an autonomous entrepreneur in selling

Evaluation	Argumentation pattern	Target	Justification
Positive	proactive selling	organization	independency
			ability to fulfill personal responsibilities
		external relationships	initiative-taking
			trust-building
Negative	internal competitive aggressiveness	internal relationships	internal competition
			interdependency
		external relationships	short-term sales maximization
			matching personalities

In the business-to-business selling context of this study, the *positive* version of an autonomous entrepreneur in selling can be interpreted as *proactive selling*. The interviewees constructed it by way of their external client relationships and their personal obligations towards the entire organization. Theoretically, EO measures [Covin & Slevin 1989; Lumpkin & Dess 2001] operationalize proactiveness as anticipating opportunities and being ahead of competitors. In this study, proactiveness represented an encompassing way to nurture long-term client relationships in which individual salespeople give priority to client needs over their own. Selling was described as a process in which a thorough examination and development of relevant selling opportunities precede and anticipate the actual selling situation with

the client. This seemed to be the most advantageous stage to apply the expertise of colleagues too. The entire selling process should ideally be led by one self-directed and active salesperson who has earned the trust of the client. Proactiveness in selling displaces autonomous and short-term sales maximizing activities in favor of external client relationships, and uses internal working relationships to anticipate sales opportunities within client relationships to reach overall firm goals. This, however, does not indicate that individual objectives are unimportant, but rather that they should not endanger the process of proactively attending to client relationships.

The *negative* version of an autonomous entrepreneur in selling may be interpreted as *internal competitive aggressiveness*. The interviewees constructed it by way of their internal relationships that can, if non-existent or poor, harm external relationships. Theoretically, in the concept of EO, competitive aggressiveness is targeted at competitors in the marketplace [Miller 1983]. In this study, however, as far as selling was concerned, the target was also within the firm. One's own colleagues may represent a threat to the fulfillment of one's own sales budget which can lead to disregarding the opportunity pursuit of others. Internal competitive aggressiveness takes two forms. In the stronger form, salespeople steal clients from each other by directing their sales opportunity pursuit towards those colleagues who have already executed a preliminary opportunity assessment. From an individual salesperson's viewpoint this can be a much easier way to identify opportunities than a more tedious search among clients in the marketplace. The milder form of internal competition represents an absence of collaboration among colleagues. If salespeople refuse to share their knowledge and experience with each other, they may put their client relationships at risk, because opportunities may go unnoticed or underexplored. As a result, the firm fails to fully meet its clients' needs and overall performance objectives.

Every member of the management group of the case firm expressed and utilized both attitudes in their talk. The conditional argumentation described earlier can be understood as a rhetorical device intended to manage the two opposing patterns of argumentation. Thus, notwithstanding the individual differences in the tone of argumentation, a considerable consensus and shared understanding of the nature and relevance of an autonomous entrepreneur in selling seemed to prevail within the management group.

Discussion

The purpose of this paper was to introduce the qualitative attitude approach as a potential method for entrepreneurship research. The concept of entrepreneurial orientation was utilized as an example to demonstrate the relevance of the approach to entrepreneurship research in organizational contexts.

The qualitative attitude approach simulated well the problem-oriented and controversial nature of entrepreneurship-related issues. The classifying and interpretative analyses illustrated how two opposing attitudes towards the idea of an autonomous entrepreneur in selling were rhetorically constructed in interview interaction. All management group members presented both positive and negative views towards the statement, and thus possessed the ability to position themselves to the issue in these qualitatively dissimilar manners.

Consequently, the interviewees placed the object of evaluation in two different contexts and constructed two attitudes towards the object. Just as Asch's [1940] research participants interpreted 'politician' either as a respected statesperson or a corrupted individual, the management group members evaluated the idea of an autonomous entrepreneur in selling as an active relationship promoter or a self-serving lone wolf. These evaluations represent such distinct opinions that they could even be linked to two separate EO dimensions.

Conditional argumentation appeared extensively in the empirical material. The reserved argumentation in initial stand-taking can be interpreted to illustrate the flexibility of attitudes in two respects. First, once a person is capable of constructing more than one view to the same object of evaluation, the argumentation may become conditional, reserved, or hesitant. In this study the conditional argumentation functioned as a rhetorical resource to manage the two opposing and conflicting evaluations. Second, the reserved argumentation in initial stand-taking can be interpreted in terms of "*latitude of acceptance*" [Billig 1996, pp. 256–263]. In the conditional argumentation a person does not immediately take a too definite stand towards an issue. This latitude allows the person to adjust the stand later on according to how the situation evolves. In the interview interaction itself conditional argumentation may also serve as a rhetorical resource to ensure a thorough evaluation of the prompt statement before a more definite stand or a more comprehensive view towards the issue may be reached.

Methodologically, the relevance of the qualitative attitude approach stems from the nature of argumentation it stimulates. In the same interview the interviewee can construct different opinions on a single statement. In other words, the immediate commenting on the same statement produces different attitudes. This special feature of the method demonstrates how the same object of evaluation (in this case, an autonomous entrepreneur in selling) can be constructed in various ways. This feature of the qualitative attitude approach contrasts, for example, with many discursive approaches in which several discourses (interpretative repertoires) are identified in the research material according to their meaning rather than their position in conversational sequence. For example, in the study by Lähdesmäki and Siltaoja [2010] four evaluative constructions of reputation were identified, but they were each produced as responses to different issues and in different entry points within the interviews.

From the perspective of EO, the two opposing attitudes offered a wider view to the context of both selling and EO. Compared to the quantitative methodology conventionally utilized in the EO research, the two constructed attitudes highlight the contextual nature of the EO and the interrelations between its dimensions. Next, we will discuss the relevance of these results' to the theoretical concept of EO.

In the management group members' argumentation, autonomy was evaluated both as a positive and a negative phenomenon. This result is unsurprising, because EO research has already raised some questions about the potential negative effects of individual EO dimensions. For example, some researchers have claimed that autonomy carried to extremes may actually diminish a firm's returns [Lumpkin, Cogliser & Schneider 2009]. The point of our study, however, is to highlight the fact that autonomy was evaluated negatively when it was connected to another EO dimension (competitive aggressiveness) and treated as a particular type of firm-level issue. Contrary to what the concept of EO suggests, the amount of autonomy as such did not appear to be a key question.

Autonomy was further constructed as a firm-level phenomenon through proactiveness and competitive aggressiveness. Even though the prompt statement presented autonomy as an individual-level issue, the interviewees also considered the issue of autonomy in relation to the salesperson's co-workers, clients, and the entire firm. According to the management group members' argumentation, autonomous actions ought to be organized to serve the firm's overall objectives. In the larger context of EO as a firm-level strategy-making process, it is paramount that individual actions be constructed as a firm-level issue. The simultaneous presence of the two opposing attitudes suggests how firms may reach a positive competitive status in the market but also how they can jeopardize their position and weaken their overall results. Awareness of both attitudes may provide firms with better tools to manage their entrepreneurial activities, compared to a situation in which the downside of autonomous actions fails to emerge.

In our research material, autonomy failed to connect to the other two of the EO dimensions, namely innovativeness and risk-taking. This would have been possible, in principle at least, because of the open-ended interview design, as the realized linking with proactiveness and competitive aggressiveness attests. Innovativeness and risk-taking were not explicitly present in the interviewees' argumentation, although the rhetoric of internal competitive aggressiveness could be interpreted to reflect a risk management perspective. The link between autonomy and innovativeness was completely absent. This could point to the possibility that, in the case firm, innovativeness was treated as a separate phenomenon not directly linked to selling. The discussions, know-how or processes of innovativeness may, of course, still have been executed elsewhere in a manner quite unconnected to selling, such as in separate strategic or research and development meetings. In any event, the absence of innovativeness is extraordinary in that the outcomes of innovativeness process-

es, namely new products or services, could generally be considered essential to the selling function. This observation raises an intriguing question about the conceptual nature of autonomy in the EO: does any form of autonomy contribute to the level of EO even if unconnected to innovativeness or the processes of generating innovations? Or is it specifically the innovativeness-enhancing type of autonomy that should be considered relevant in the case of EO?

In sum, the application of the qualitative attitude approach to the study of the autonomy dimension of EO has pointed out limitations in the realistic and positivist premises of EO. The dimensions of EO do not automatically emerge or link to each other and their evaluations may vary by organizational contexts. In such situations, what is fundamental to the EO and how one should interpret the EO level of a firm remains unclear. Therefore, identifying the EO within organizational practices seems not to be as straightforward and mechanical a task as the theoretical literature suggests.

As with any study, the present findings are subject to certain limitations. Because the findings rely on the argumentation of six management group members in one case firm, they cannot offer an exhaustive description of attitudes that management groups in other organizations might express. The findings cannot be generalized in this way. Rather, the findings from the case firm demonstrate a *possibility* which may be relevant also for other business service organizations with similar interaction-based selling activities. Hence, the findings offer empirically valid views into the theoretical concept of EO [see Miller 2011]. The generalizability of possibilities is a view that social scientists generally adopt to explain the validity of qualitative research in social interaction [Peräkylä 2004].

In conclusion, the qualitative attitude approach offers methodological tools to examine complex entrepreneurship-related issues in different social contexts and from multiple internal and external perspectives. The organized access to the variation in attitudes in organizational rhetoric can be utilized to contest traditional and taken-for-granted theoretical understandings of entrepreneurial orientation. Future studies could apply the qualitative attitude approach to clarify the context-specific nature of EO and the contextual relationships between the EO dimensions. These new research avenues could, for instance, offer critical contributions to the future development of EO measures. In fact, Covin and Wales [2012] claim that practically no progress was made in the development of EO assessment during the past decade. Finally, the qualitative attitude approach benefits organizations in producing more encompassing insights into practical phenomena in their everyday reality.

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POZNAŃ UNIVERSITY OF ECONOMICS REVIEW
Volume 13 Number 1 2013

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The emergence of entrepreneurship in organizations: joint decision-making about new sales practices in management group meeting interaction

Abstract: This study examines the emergence of entrepreneurship in organizations. The material consists of the audio-recorded meetings of management group members in one Finnish firm specialized in management services. The analysis illustrates how the members jointly negotiated new entrepreneurial sales practices in their meeting interaction but failed to demonstrate commitment to their future application. The findings conceptualize the emergence of entrepreneurship as a collaborative, four-stage decision-making process based on shared understandings of entrepreneurial ideals. They further suggest that this process is contingent on the agreement and commitment of organizational members to whom the responsibility to apply entrepreneurial practices in their daily work is assigned.
Keywords: Entrepreneurship, organizational practices, meeting interaction, joint decision-making, case study.
JEL codes: L21, L26, L29.

Introduction

In today's increasingly competitive business environments, entrepreneurial attitudes and actions are claimed to be paramount for firms of all sizes to prosper and survive [e.g. Kuratko 2009]. In organizational contexts, the main task of entrepreneurship is to improve economic performance [Rauch et al. 2009] and to rejuvenate strategies and operations [Ireland, Covin & Kuratko 2009]. However, despite the heavy emphasis on the need for firms to behave entrepreneurially, there are

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surprisingly few empirical studies on the processes of how organizations *become* entrepreneurial [see, however, Peltola 2012]. For instance, the concept of entrepreneurial orientation (EO) that defines the entrepreneurial behavior of organizations [Covin & Slevin 1991] regards entrepreneurial actions and their outcomes as already accomplished facts by utilizing archival performance data and assessments of past activities when measuring the hypothetical entrepreneurial behavior of firms [Covin & Slevin 1989; Rauch et al. 2009]. On a similar note, the theoretical models of corporate entrepreneurship (CE) define important antecedents and elements of entrepreneurship [e.g. Ireland, Covin & Kuratko 2009], but fail to explain how entrepreneurial practices *emerge* in the everyday reality of organizations. As Steyaert [2007; 1997] argues, scholars have thus far largely omitted to explain the entrepreneurial processes of emergence within organizations and how they are enacted in social interaction. The present study aims to contribute to this underexplored topic.

Change is an essential element of entrepreneurial processes [Steyaert 2007]. Change occurs when habitual practices of doing are transformed into new ones after practical experience has shown that the current ones no longer serve the organization. Change processes typically take place in interaction situations, such as meetings, where participants bring outdated practices to the center of attention and negotiate how they should be reformulated.

In organizational life, meetings are, in fact, the very situations in which firms produce and reproduce themselves, where firm activities are created and maintained, and where divergent issues meet and potentially merge [Boden 1994; Drew & Heritage, 1992]. Meetings can therefore be considered central places where entrepreneurship can also emerge in social interaction, and where attempts aim to renew and maintain it as an interactional joint achievement of the meeting participants [see Asmuß & Svennevig 2009]. For example, regarding the development of the concept of EO, Miller [2011] suggests that meetings could be particularly informative in offering new insights into how directors discuss their entrepreneurial activities.

The purpose of this study is to explain in detail the discourse in which new entrepreneurial sales practices are negotiated in the meeting interaction of one Finnish case firm's management group. The interaction discourse described here is obviously but one possible version of what can be understood and meant by entrepreneurship. In fact, entrepreneurship as defined in theoretical literature, entrepreneurship operationalized as a particular type of competitive behavior of organizations, and entrepreneurship constructed in different occasions and circumstances represent various versions of entrepreneurship that may overlap or differ. The fact that there is no absolute or objective meaning of entrepreneurship does not prevent scholars from discussing entrepreneurship as a socially and discursively constructed phenomenon.

1. Joint decision-making as an interactional achievement

The present analysis takes advantage of established interaction structures of joint decision-making, proposals and complaints that conversation analysis has already laid out. Applying conversation-analytical tools to fine-grained analyses of discourse in this manner is common in discursive psychology [Billig 1999].

In interaction situations, *joint decision-making* normally begins with descriptions and assessments of the present situation, and then progresses to creating a solution for a different, better future [Huisman 2001]. Decision-making sequences typically entail discussing and deciding about more or less distant future activities, proposing appropriate solutions to identified problems, as well as building a joint commitment to them [Stevanovic & Peräkylä 2012; Gunnarsson 2006].

The depiction of present situations may take the form of *complaints*. Complaints express discontent about a state of affairs for which someone is responsible [Heinemann & Traverso 2009]. Thus, they are inherently negative [Edwards 2005]. Attributing responsibility to a person or an organization renders complaining potentially problematic. Therefore, speakers tend not to engage in complaining without sufficient grounds and may not even label their action as complaining, but as criticizing or reporting facts instead [Edwards 2005]. In addition, interaction participants can completely refrain from affiliating with the complainant or joining the complaining activity. This is because, by demonstrating affiliation with one participant, a speaker necessarily disaffiliates with another and potentially harms this relationship [Heinemann & Traverso 2009].

Stevanovic [2012] conceptualizes joint decision-making by a hierarchical four-stage process: 1) proposal, 2) access, 3) agreement and 4) commitment. The process typically begins with a proposal that becomes established as a joint decision when participants have a shared understanding of the content of the proposal (i.e., access to common knowledge on which the proposal is grounded), agree with the proposer's opinion, and demonstrate commitment to the suggested future action. The hierarchical nature of the decision-making process allows participants to also bypass the stages of access and agreement. In those cases, the decision-making sequence results in a non-decision.

Joint decision-making sequences indeed often end without the participants reaching a decision or the process can continue in forthcoming interaction situations [Huisman 2001]. Proposals may hence not only win approval as such or with qualifications and modifications, but also be rejected either overtly or implicitly. Participants have several techniques to steer the discussion towards a non-decision without becoming accountable for doing that [Stevanovic 2012; Houtkoop 1987]. They can, for example, postpone their responses by asking further information at the access stage. On the other hand, if agreement is wanting, the pro-

poser may also try to pursue more adequate responses from the other participants [Pomerantz 1984b].

Proposals invite recipients to perform some action in the future and to comply with the proposed action [Houtkoop 1987]. Proposals can take different forms, such as requests, offers, invitations and suggestions [Houtkoop-Steenstra 1990]. Participants can elaborate the proposals further by offering subsequent versions [Davidsson 1984] of them. In joint decision-making, every proposal inherently implicates that there is a decision to be made and that this decision is contingent upon participants' commitment [Stevanovic & Peräkylä 2012]. In other words, proposals indicate that the decision should be reached together instead of proposers imposing their views on the other participants [Stevanovic 2012]. Therefore, in order to guarantee a genuinely joint decision, the task of moving the discussion towards a decision rests on the recipients and not on the proposer. Even though this may lead to the abandonment of the proposal, the proposer typically takes this risk to avoid forcing unilateral decisions on others.

Joint decision-making further evokes two specific authority-related issues about the proposed future action: who is authorized to define and determine this action, and who should then perform it [Stevanovic & Peräkylä 2012]. Decision-making sequences that start with a proposal place participants in a symmetrical position from which to agree or disagree on and to commit to the suggested future action. In comparison to decision announcements, proposals encourage positive assessment without undermining individual participants' authority to freely evaluate the proposal. Commitment must, however, be separated from the actual performance of the desired action [Stevanovic & Peräkylä 2012]. They are often two different issues, as a mere display of commitment can take place in interactive situations regardless of what happens afterwards.

2. The case firm

The case firm offers consultative business management services to other organizations. This study addresses the management group (i.e. the managing director and five other directors) of this small privately-owned Finnish enterprise. Besides serving in their capacity as executive directors, the management group members were also intensely involved in their firm's daily activities as salespersons. They thus played an interesting dual role, as they were responsible for both the firm's overall strategy as well as how this strategy was implemented on a practical level within the organization.

The material comprises the meeting talk of the case firm's managing group. Altogether five consecutive management group meetings in the normal weekly

meeting sequence line were audio-recorded in January and February 2008, thus constituting a total of approximately 12 hours 40 min. of talk. The meetings were conducted in Finnish and recorded for later transcription (see Appendix 1) and translation with the prior permission of all the members. One of the management group members recorded the meetings. The longest meeting lasted 4.5 hours and was attended by all six members, whereas three to six members attended the other four meetings. The members are identified by the codes A, B, C, D, E and F. The analysis is based on the verbal meeting interaction of the participants.

The typical meeting conversation can be characterized as informal, argumentative and rapid. One indicator of rapidness was the fact that several talk sequences contained many utterance fragments and very few pauses. Because the chairperson did not allocate turns, there was plenty of turn-taking competition and overlapping talk, especially in meetings in which all members were present.

3. Joint decision-making about entrepreneurial practices for selling

The ideal of entrepreneurship was relevant to the case firm as an officially stated key aspect of its strategic goals. In the fourth recorded meeting, the managing director explicated that the firm's culture should emphasize *entrepreneurship* and that one of the strategic elements on an individual level was an *entrepreneur attitude*. At that point, the managing director offered no further explanations as to the specific content, purpose or target of entrepreneurship.

During the analysis, it became evident that the entrepreneurial ideals were linked to solving problems the firm had encountered in selling. The most pressing problem was the need to do something to boost sales. To this practical end, the members negotiated three proposals of new practices to be applied in their future sales activities. The first two proposals *initiate* a new interaction activity, whereas the third is a *response* to a prior turn. At the end of each subsection, the three practices are linked to the theoretical concepts of entrepreneurship.

3.1. Presenting a proposal to anticipate client needs

The first new sales practice concerns a proposal to anticipate client needs as a part of the case firm's general sales culture. The style and tone of the conversation in this sequence was humorous and cheerful. The sequence took place towards the end of the fourth meeting. Immediately before the extract, the members had consulted the agenda to check what issues they still needed to cover, after which member B initiated a new topic:

Extract 1 (Meeting 4, 2:05:42–2:06:51, three members present)

Extract 1–1 PREPARATION

01 B: hey this is in my opinion (.) this is well a thought that
02 I was actually thinking about (.) I even thoug- even thought that way
03 that this would be more like a sales director (.) issue

Extract 1–2 PROPOSAL

04 but (.) should one even more create such a culture that it is even
05 a bit (1.5) it is even a bit EMbarrassing that a client contacts us
06 C: mm
07 B: because in that case (.) in that case we have not been [early enough
08 C: [we have not ()
09 B: there on the move
10 C: yeah
11 B: in a way at that point when a client contacts us
12 we are already too late
13 E: mm

In the first section (Preparation, lines 1–3) of the sequence, member B begins by noting that a proposal that follows falls to the official domain of someone else (a 'sales director'). The careful formulations (e.g. 'this is well a thought') can be heard as attending to potential problems that could arise from the fact the proposal lies outside B's own scope of responsibility.

In the second section (Proposal, lines 4–13), B presents the essence of the proposal. Member B suggests that the firm should feel embarrassed if their clients are the first to contact them, rather than the other way around. B formulates the proposal, here as well as throughout the entire sequence, with a mixture of cautious conditional forms and softeners ['a bit', 'in a way'; see Edwards 2000] and more direct forms of talk [e.g. emphasized not]. These formulations appear to help maintain good working relationships with colleagues, but at the same time, render the actual proposal explicit and unambiguous. C agrees with B's idea by partly overlapping talk and repetition of B's exact wordings. B continues with an extra clarification that receives only minimal token acknowledgement from E (line 13). Member B seems to interpret it as insufficient because, thereafter, B begins to pursue a more adequate response from E by offering a subsequent version of the proposal:

Extract 1–3 PROPOSAL REFORMULATION/ASSESSMENT

14 B: you know the (.) the need has already existed there so long that
15 that (.) that in a way like (.) in a sales culture
16 C: mm mm
17 B: it should be just like
18 C: that (.) that is quite I think
19 B: [those cases should always be so that
20 C: [a good (.) good point
21 E: but
22 B: that you would be we would be the first to contact
23 E: hey

In the third section (Proposal reformulation/Assessment, lines 14–23), member B specifies why exactly they should be the first to contact their clients and thus offers the other participants a better access to the justification for the proposal. From a sales point of view, one should 'always' (extreme case formulation; Pomerantz 1986) be the first to understand what one's clients need and the first to inform them of these identified needs. The firm should prevent the accumulation of client needs on the client's side such that the client would feel compelled to contact the firm first. Rather, the firm should anticipate the client's needs before anyone else. After assessing B's viewpoint as 'good', member C reformulates the proposal:

Extract 1–4 AGREEMENT THROUGH ASSESSMENT

```
24 C: the mi- mindset
25 B: it would be like
26 C: £has to be exactly like that£
27 B: yeah
28 C: £that one knows before the cl(h)ient£
29 E: but
```

Extract 1–5 ASSESSMENT OF PRESENT STATE

```
30 B: these these (.) well cases that come via telephone
31 E: but
32 B: are more like
33 C: heh
34 B: well that (.) well (.) #well it is good that money is coming in# (.)
35    but [£damn it£
36 C:     [heh heh heh heh
37 E: but well actually this has (.) this has been the tendency
38 C: £receiving orders£
```

In the fourth section (Agreement through assessment, lines 24–29), member C agrees with B's idea by assessing it as a mindset the firm should indeed adopt [cf. Pomerantz 1984a]. C's talk in this section is marked by smiling and laughing voice. In the fifth section (Assessment of present state, lines 30–38), B seems to have found adequate agreement on C's part and continues along the humorous lines C has set. Member B further emphasizes the proposal by noting that money coming in as a result of one's own efforts is more valuable than money that comes in from clients that have contacted the firm first. After this comment, C laughs.

During the entire sequence, members C and B intertwine their talk activities in restating and reinforcing B's proposal, whereas E, after offering only minimal token acknowledgement (line 13), remains silent. From line 21 onwards, however, E attempts to gain the next turn. E finally succeeds (line 37) and assesses the actual situation of the firm. Instead of anticipating client needs, the firm tends to merely wait for clients to contact them. Member C accepts this assessment by calling it 're-

ceiving orders'. After this discussion, B further reinforces this proposal by providing an example of failing to personally anticipate one particular client (not shown in the transcript). Thereafter, the discussion moved on to other topics.

In summary, even though the core of the proposal addressed a potentially delicate issue (embarrassing non-action), member B managed to deliver it in an engaging manner without being insulting and to garner initial support for it. Mutual access to the justification of the proposal was constructed by recounting experiences of the unacceptable behavior member B described. No commitment decisions were made, however. From the theoretical viewpoint of entrepreneurship, the idea of anticipating client needs laid out in the sequence can be interpreted to address the proactiveness dimension of entrepreneurial orientation and intrapreneurship. Proactive behavior underscores initiating actions over responding to them, taking the initiative toward clients and being ahead of the market [Antoncic & Hisrich 2003; Lumpkin & Dess 1996, 2001]. B's proposal reinterprets proactiveness as anticipation and links it specifically to clients and their needs. Reactive action, such as merely receiving orders from clients, was described as embarrassing and not in line with a proper sales culture.

3.2. Presenting a proposal to apply new perspectives to service development

The second example of presenting a proposal of new sales practices concerns the firm's service portfolio. Extract 2 is drawn from the beginning of the third meeting. The members discussed the current status of some of their client projects. Member B concluded that these projects mainly revolved around their basic services. Even though these services are crucial to sales now, they are nonetheless services that all their competitors also offer. These observations served as a foundation for the proposal that member B presented next:

Extract 2 (Meeting 3, 0:06:07–0:06:42, all members present)
Extract 2–1 PROPOSAL

```
01 B: what if one could really look at the entire firm somehow
02    like from a completely new perspective (1.0)
03    to bring them ((clients)) those kinds of thoughts
04    that they have not even been able to think about themselves
05    that from which they could look at
06 A: mm
```

In the first section (Proposal, lines 1–6), member B suggests that they view their clients ('the entire firm') from a perspective that is so new, no one has thought of

it before. The essence of this proposal is in presenting clients with something unheard of that could make them realize their business in a new way. Even though the proposal contains enthusiasm about the new idea ('really', 'completely new'), B's expressions ('somehow', 'what if') evince some doubt. Member B does not seem to take it for granted that these new perspectives would automatically or easily emerge. Rather, such new perspectives may require extensive effort on the part of the case firm before submitting anything to their clients' closer scrutiny. Next, member D participates in the conversation by commenting on the specific situation of one particular client:

Extract 2–2 COMPETING PERSPECTIVES

```
07 D: well there ((at a particular client)) the business is now at
08 B: mm
09 D: such a situation that they just have to
10 B: yeah
11 D: first set goals for thems(h)elves
12 B: yes yes [this is (.) now they are at that stage but
13 D:         [that that is just something (.)
14    that the business no doubt demands for the next half a year
15 B: yes but when one thinks about our offering (.)
16    a bit further
17 C: mm
18 B: over a longer term
```

In the second section (Competing perspectives, lines 7–18), member D first recounts the situation of a particular client. D points out that this client actually needs not only now, but also in the near future, the very basic services that the firm offers (line 11). D emphasizes this position with extreme case formulations ('just have to', 'no doubt'). Member B agrees ('yes yes'), but reduces the absoluteness of D's point by stating that this is only a stage that will eventually pass. D's and B's turns can be interpreted as competing perspectives (i.e., that of the case firm and that of the client) that aim to build common ground for the content of the proposal. The simultaneous existence of these two views would represent a mutually-shared knowledge on which to ground the proposal. In practice, then, even though the firm must meet its clients' immediate, short-term needs with basic services, it should, at the same time, also anticipate its clients' future needs. Member B seems to indicate that short-term issues eventually blow over ('now they are at that stage') and new issues will emerge. This occurrence requires something extraordinary in the form of a new perspective. B further specifies that these new perspectives are related to their own long-term offering (i.e. how they are able to develop the content of their service portfolio to match their clients' future needs). Next, member A agrees with B's proposal:

Extract 2–3 ALIGNMENT/AGREEMENT THROUGH ASSESSMENT

```
19 A: so I believe that (.) that from this (.) if we get from (.)
20    this kind of thinking (.) something more for our business
21    so I claim that that could that is something that
22 B: yeah
23 A: no one else
24 B: yeah
25 A: necessarily does
```

In the third section (Alignment/Agreement through assessment, lines 19–25), member A gives credit to B's proposal by assessing it as a way by which the firm could differentiate itself from its competitors ('no one else') and create something new. In addition to offering new ideas to clients, service portfolio development would also serve as a tool to help the firm stand above its competition. Both B and A have thus identified an opportunity in a new kind of thinking that could potentially help their business with respect to its clients and competitors. At this particular moment, however, this opportunity seems quite unclear ('something more our business') and distant ('if', line 19). The discussion continues for some time along these lines (not shown in the transcript). However, the members made no decisions about how to apply these new perspectives even though they agreed on their importance.

From the theoretical perspective of entrepreneurship, Extract 2 can be interpreted to deal with innovativeness. Innovativeness is typically related to the creation of new products and services, but the literature also explicitly mentions other types of newness. These include new administrative techniques, operating technologies and processes, but the array is not limited to these definitions alone [Antoncic & Hisrich 2003; Covin & Slevin 1989]. Therefore, one can safely view new perspectives as one specific form of innovativeness. The proposal laid out in this extract connects innovativeness in the form of completely new, unprecedented perspectives to service development in particular. The proposal can be interpreted to indicate that, without new perspectives, only short-term client needs can be fulfilled. This would, in the long run, be detrimental to the firm's business and sales efforts. To conclude, the proposals in this and the previous extract dealt with the future activities of the case firm and highlighted the fact that the firm must understand *now* what will happen in the future in order to make that future happen.

3.3. Responding to an individual-level sales complaint with a proposal of personal responsibility

The third proposal addresses individual-level, sales-related complaints. The common feature in this type of proposals in the research material is the idea of personal responsibility as a solution to sales problems. Immediately before Extract 3, the group

had discussed how the firm allocates incoming client projects to the management group members. Member C stated a general rule by explaining that each project is allocated to the person who has the most expertise in that particular field. Member D followed with a question and a complaint:

Extract 3 (Meeting 2 1:20:07–1:20:34, all members present)
Extract 3–1 COMPLAINT

```
01 D: [has this happened in practice for example international cases
02    I have been awfully seldom in on ca°ses°
03    (3.0)
04 D: #Cli[ent1 I'm not in on#
```

Extract 3–2 TENTATIVE EXPLANATION

```
05 C:     [well I mean
06    (1.0)
07 C: yeah but [one does have to
08 D:          [(together) ()
09 C: in one way or another then [also allocate them ()
10 D:                           [mm
```

In the first section of this sequence (Complaint, lines 1–4), member D formulates a cautious (quiet voice, longer pause) personal complaint about not having participated in client projects that concern international cases. Although these cases would fall within D's area of expertise, D has nevertheless not taken part in them. Member D further emphasizes this stance by referring, in a slightly ironic tone of voice, to a specific client firm ("Client1") that actually bought this type of project from the case firm. Instead of D, however, someone else was responsible for the project. No one joins the complaining activity, and D thus fails to receive affiliation from others. Affiliation could, in fact, be problematic because D's complaint can also be interpreted as assigning blame for the formulated state of affairs [Heinemann & Traverso 2009].

In the second section (Tentative explanation, lines 5–10), member C explains in a slightly hesitant manner (hesitation tokens, a short pause) that one must distribute the projects 'in one way or another'. Such hesitation is understandable because D's claim contradicts what C just said earlier about the general allocation rule (i.e. allocation seems, in this case, to have occurred on some other grounds). D, in fact, withholds acceptance of this explanation ('mm'). Thereafter, a turn-taking competition ensues (not shown in the transcript). Member A emerges as the winner and continues the discussion:

Extract 3–3 PROPOSAL

```
15 A: I I would somehow like to emphasize that
16    well one should also consider it from the perspective that (.)
```

```
17    that ah (.) when there are areas with which (.)
18    one i- is #frustrated# or there are areas
19    that are not handled well (.) so one should think about it (.)
20    ll- like #from that persp-# that
21    <what (.) can I (.) and what can we (.) [do>
22 F:                                          [mm
23 A: about it
```

Extract 3–4 AGREEMENT

```
24 F: #ye[°s°#
```

In the third section (Proposal, lines 15–23), rather than affiliate with the complaint, member A formulates a solution to D's complaint. In that formulation, A first invites the other members to consider the complaint from a different perspective. Thereafter, A introduces the called-for different perspective by reformulating D's complaint as frustration and general discontent about work not properly done. After these preparatory comments, A produces the actual solution proposal, marked very strongly by slower speech and several points of emphasis (line 21). A recommends that whenever members think something needs to be done differently, they should consider what they could do themselves to improve the situation. Member A thus attributes the responsibility for solving potential problems to each management group member. Despite A's careful formulations (conditional verb forms and softeners, such as 'I would somehow like to'), some reproach to the other members can be heard in the tone of voice. In the fourth section (Agreement, line 24), member F emphatically agrees with A's proposal. A then offers an example of what the proposal could mean in practice:

Extract 3–5 PRACTICAL EXAMPLE

```
25 A: [so if I think about for example these international cases (.)
26    so (.) we have (.) an awfully good list of (.) these (.)
27    potential clients that no one has called ↓through (.)
28    international cases could e- even be coming up if (.)
29    if somebody #just called them through# (.)
```

In the fifth section (Practical example, lines 25–29), member A introduces a concrete illustration that directly targets D's complaint about international projects. A refers to an existing list of potential clients that need to be gone through. If one wants to work with international projects, phoning these clients would be one way to find *new* projects of this type. In other words, complaining about *old* projects is unnecessary because new ones can be found if only 'somebody' (maybe D; line 29) would call to find out. It is also worth noting that this concrete example also serves to divert the talk away from the project allocation rule that, at least in D's case, seems to have been violated. Member A bypasses the initial problem and solves D's

complaint by implicitly proposing that D take the initiative in finding new projects of interest. After the practical example, D continues and puts forward another personal complaint to which A responds with another recommendation of personal responsibility (not shown in the transcript). Member A reinforces the proposal with a practical example that entails the idea of simply asking colleagues for permission to join in on their client projects. Member D offers no comment, but B agrees with the proposal. Member E, however, explicitly rejects it:

Extract 3–6 REJECTION

```
81 E: no but yea but there is this thing here (.) also
82    that i- if one asks just as I have many times sai-
      ((6 lines removed))
89    I have talked about it for a year but I have not been allowed ↓in
      ((2 lines removed))
92    so that it doesn't happen just by asking .hh (.) n: it doesn't
```

In the sixth section (Rejection, lines 81–92), member E rejects A's proposal because, according to E, it has proved ineffective in practice. Member E claims to have behaved according to the proposed action on many occasions ('for a year'), but has so far met with refusal. At this, members E and A continue their argument, which quickly dies down, however, and ends with a short silence (not shown in the transcript). Thereafter, the discussion moves on to other topics.

From the theoretical perspective of entrepreneurship, Extract 3 can be interpreted to deal with autonomy. Autonomy is defined as the independent action of an individual or team in bringing forth an opportunity and carrying it through to completion [Lumpkin & Dess 1996]. A firm should support the efforts of independently working individuals and teams that make decisions on their own about what business opportunities to pursue, regardless of organizational constraints [Lumpkin, Cogliser & Schneider 2009]. These initiatives should play a major role when the firm identifies and selects suitable opportunities in the marketplace. Member A's proposal can be described as an elaborated recommendation of personal responsibility, supported by practical examples. To move from mere complaining to solving the actual problem behind each complaint, members should take personal responsibility, initiate corrective actions and follow them through to completion. Complaining would be considered undesirable, and negative inferences would color the complaining persons, whereas personal responsibility is considered the proper, routine way of handling unsatisfactory matters.

Summary of the analysis

Considering all five recordings, the management group members were especially worried about finding ways to increase and improve their sales efforts. Selling can be considered relevant to entrepreneurship because firms normally realize their economic performance through sales activities. In fact, EO research most often operationalizes the effectiveness of EO activities as sales growth and views growth in other dimensions as a result of increased sales [Wiklund 1999; Wales, Gupta & Mousa 2011]. In their meeting discourse, members constructed new entrepreneurial practices to solve the problems they had encountered in selling. These practices included: 1) presenting a proposal to anticipate client needs, 2) presenting a proposal to apply new perspectives to service development, and 3) responding to an individual-level sales complaint with a proposal of personal responsibility.

In the analysis, the content of the proposals was linked to entrepreneurship by means of the theoretical concepts of proactive, innovative and independent action [Antoncic & Hisrich 2003; Lumpkin & Dess 1996, 2001]. Proactiveness in the form of anticipating client needs, innovativeness in the form of generating new unprecedented perspectives, and autonomy in the form of assuming encompassing personal responsibility could, in the view of the management group members, improve the overall success of sales efforts. Compared to the theoretical concepts of proactiveness, innovativeness and autonomy, the members thus gave these dimensions of entrepreneurial behavior a somewhat new interpretation.

The structural process of how the management group members negotiated the new sales practices exemplifies typical decision-making sequences in interaction [Stevanovic 2012]. The departure point for the sales practices was a formulation of a *present* state of affairs based on *past* behavior in sales. These formulations often took on a negative form (i.e. a complaint), such as something the firm or an individual member had *failed* to do (e.g. failing to understand what clients need before clients request it from the firm). Thus, the management group members formulated a *present* problem in sales that required a solution. In order for the *future* state of affairs to improve, the members proposed entrepreneurial practices for selling. They did not treat these practices as an accomplished, ongoing action, but introduced them in the form of proposals which they should begin implementing. However, even though the members seemed to possess discursive tools to build access to commonly-shared ideals of entrepreneurship and to agree on some of the practices, they made no formal commitment to the proposed practices.

Discussion

The findings of this study suggest that collaborative decision-making about new practices to solve jointly-acknowledged, performance-related problems may be particularly relevant in the emergent stages of entrepreneurship. New practices may initially be discussed and decided on in response to organizational problems that impede firms to reach their economic goals. The process of transforming outdated and ineffective current practices into new entrepreneurial ones may represent a means to implement strategic, firm-level entrepreneurial ideals into everyday operation. These transformation processes typically take place in meeting interaction.

The findings further indicate that entrepreneurship, like any other organizational phenomenon, may be founded on a decision-making process of proposals, access, agreement and commitment. In order to become effective, entrepreneurship may require and be founded on a continuous line of decisions in which organizational members negotiate new practices and concrete details of entrepreneurship, and try to convince themselves of their utility. These decisions can focus on assessing past behavior, building a shared understanding of entrepreneurial ideals, agreeing on desired future states of affairs and securing wide organizational commitment to common practices on a continuous basis.

As the detailed analysis demonstrated, the decision-making process requires particular conversational subtlety. For example, complaints may be an effective means to assess and problematize past practices but their formulation demands consideration because complainants may not otherwise reach their goal of bringing organizational problems to other participants' attention [see Heinemann & Traverso 2009]. In general, maintaining good working relationships between organizational members may hence be particularly relevant when new practices are being negotiated in interaction. Proposals, for their part, may represent a potent vehicle for participants to negotiate experience-based practices to reach desirable future states. Proposals also place all participants in an equal position to evaluate and commit to the suggested action [see Stevanovic & Peräkylä 2012]. However, if proposals are formulated in explicitly accusatory or declarative manners or unilaterally imposed on other participants, they may fail to meet with agreement and to evoke commitment. In the present research material, this problem seemed to concern the autonomy dimension of entrepreneurship. Complaining about sales problems led to recommendations of personal responsibility that were met also with disagreement and overt rejection, unlike the proposals about innovativeness and proactiveness.

The decision-making sequences described here ended without the participants reaching formal commitment decisions during the five recorded meetings. All decision-making sequences may indeed neither begin nor end within the relatively short time-frame of a single interaction sequence or meeting, or even in several consecutive meetings. This observation can be especially important in complex organizational

phenomena such as entrepreneurship. While the structural joint decision-making process as such may proceed similarly, it can be quite a different matter for organizational members to decide whether to buy a new copy machine to solve printing problems [see Huisman 2001] or to commit to new practices to solve collective firm-level financial problems. Therefore, a failure to reach commitment decisions offers no reason to assume that entrepreneurship would *not* be a joint decision-making process. In fact, the difficulty to commit to entrepreneurial practices may be the practical stumbling block for organizations interested in improving their financial standing. As this study indicated, organizational members may possess an easy access to shared understandings of entrepreneurial ideals, and even relatively effortlessly acknowledge and agree on the content and benefits of entrepreneurship. The decision-making process can, however, be blocked at the final commitment stage.

Several reasons may explain why commitment decisions were entirely absent from the research material. First, the entrepreneurial practices failed to explain the desired behavior in detail, but remained abstract instead (apart from Extract 3–5). In fact, it may be relatively straightforward to agree on general practices, but quite difficult to commit to them because they leave the particulars open; this can later on lead to arbitrary attributions of responsibility, at least from the perspective of the individual actor. Second, the meeting participants also used the practices in their discourse to steer the conversation away from delicate issues and to avoid directly addressing complaints on a personal level. As a result, the argumentative purposes for which entrepreneurial ideals are used in interaction may represent an obstacle to commitment. Third, some dimensions of entrepreneurship may be too dilemmatic to be easily oriented to as self-evident ideals. In this study, the autonomy dimension seemed to occupy such a position. Finally, autonomous action allows for individual members pursuing opportunities to make decisions on their own [Lumpkin, Cogliser & Schneider 2009]. Therefore, they are also free to decide *not* to do something, as in choosing *not* to commit to collective practices.

This study further indicates that access, agreement and commitment are contingent on those organizational members who presumably behave according to new practices in their work. This was the case in the case firm because all management group members also worked as salespersons and were therefore targets of the newly-formulated practices. In order for entrepreneurship to actually emerge, however, the relevant individuals may need to participate in discussions which build common ground for entrepreneurial ideals and define the details of desired entrepreneurial behavior. In these discussions, some participants may assume the position of defining the desired behavior while others co-participate by agreeing, rejecting, assessing, contesting and reformulating this behavior, and steering the proposal actively towards a decision. In fact, permitting competing perspectives and subsequent versions of current and future states to emerge may help organizations gain wider support for new practices. Further, participation in joint decision-making that is

allowed to extend over several meetings may be essential for agreement because, without them, commitment may also be wanting.

The present study demonstrated one process by which new practices were negotiated in meeting interaction, but obviously offered no exhaustive description of other types of processes that may exist in the everyday realities of other firms. The findings are, however, one possible interpretation of the research material and are thus generalizable as a *possibility* for other business service organizations. The generalizability of possibilities is a view taken by social scientists to explain the validity of qualitative research in social interaction [Peräkylä 2004].

In conclusion, the findings of this study conceptualize the emergence of entrepreneurship as a four-stage, joint decision-making process of proposal, access, agreement and commitment. In this process, complaints problematize past practices and proposals construct experience-based solutions to reach desirable outcomes. Future research could continue examining entrepreneurship in interaction situations in order to understand how and why especially the commitment stage of the decision-making process may be wanting. These new perspectives could in turn yield a deeper insight into the practical obstacles that organizations face before they can commit to entrepreneurial actions.

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APPENDIX 1. Transcription conventions

[	the point of overlap onset
(.)	a micropause
(1.2)	silence timed in seconds
↑yes	rising intonation
↓yes	falling intonation
ye:s	lengthening of the sound
ye-	cut off
YES	increased volume
°yes°	especially soft sounds relative to the surrounding talk
yes	emphasis
#yes#	different voice quality relative to the surrounding talk
<yes>	slower speech
y(h)es	laughing voice
£yes£	smiling voice
heh heh	laugh
.hh	audible intake of breath
( )	dubious hearings
(( ))	transcriber's comments

POZNAŃ UNIVERSITY OF ECONOMICS REVIEW
Volume 13 Number 1 2013

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Clusters as absorbers and diffusers of knowledge

Summary: The last two decades have been characterized by rapid developments in networking and clustering. The first clusters emerged spontaneously, led by internal forces oriented towards competition. Temporary clusters are much more dynamic, searching for other sources of competitive advantage, and cross national borders. This paper is an attempt to identify the effects of knowledge spillovers and knowledge transfer within regional business networks, especially business clusters. These effects are associated with the innovations which appear within such networks and clusters. The paper indicates those barriers and solutions that support innovativeness within the networks under study. Knowledge transfer within business networks that shape the innovative environment in the Wielkopolska region has been described using both a theoretical and practical approach. The findings and conclusions of the research provide an opportunity to increase business efficiency within business networks.
Keywords: cluster, network, innovation, knowledge transfer, knowledge spillovers.
JEL codes: L14, 031, D22.

Introduction

The last two decades have been characterized by rapid developments in networking and clustering. These processes have become a source of competitive advantage for local and regional economies as well as a challenge for economic policy and research. The initial observations of the European Cluster Observatory have shown that clusters indeed play a crucial role in economic reality. It can be assumed that roughly 38% of all European employees work in enterprises that are part of the cluster sector [European Commission 2007]. Further observations suggest a positive

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correlation between the strength of regional portfolios (human resources, patent applications, employment in medium- and high-tech manufacturing) and regional innovation performance. Thus clustering is vital for the output of innovation as well as for the growth of productivity and competitiveness.

The first clusters emerged spontaneously, led by internal forces oriented towards competition. Their existence was based on the static advantages of agglomeration, such as lower transaction costs, availability of skilled labour force, vertical disintegration of production and better interactions between the companies in a cluster. However, as time goes by, changes in their foundations have transformed the reasons for clustering. Temporary clusters are much more dynamic, searching for other sources of competitive advantage, and cross national borders.

This paper is an attempt to identify the results of knowledge spillovers and knowledge transfer within regional business networks, especially business clusters in one region of Poland. The results are associated with innovations which appear within the above mentioned networks and clusters. The authors present the entities engaged in knowledge spillovers and knowledge transfer, devoting much attention to the barriers which hinder cooperation between the business sector and the R&D institutions crucial for innovation throughout networks along with their actors and those solutions which can support cooperation aimed at increasing innovativeness.

To clarify their terminology the authors point out that the term business network is broader than the term cluster. Each cluster is a network, but not each network is a cluster. Clusters are networks characterized by the spatial proximity of their actors.

1. Clusters and knowledge – conceptualization and operationalization of the terms used in the research

In the literature one can come across many definitions of clusters. As the aim of the paper is not to review them, the authors present only the one they used in their empirical research. The most popular concept of a cluster was developed by Porter [Porter 1998], according to whom a cluster is "a group of companies existing in a geographical neighbourhood along with the institutions which are related to them and deal with a particular activity, connected by similarities and competing with one another". According to Ketels and Memedovic [Ketels & Memedovic 2008] the definition of clusters is built on three pillars: geography, creating value and the business environment. Geography refers to proximity – clusters as groupings of entities which are concentrated in one region within a larger nation or in one town. Creating value means that clusters include different industries, are networks of supportive and related industries engaged in bringing value to the customers.

The functioning of clusters is connected with creating a specific business environment which is developed thanks to cooperation between the business sector, R&D institutions and the public sector. Researchers have been trying to identify the most typical attributes of clusters. Above mentioned Christian Ketels [2004] defined the attributes of clusters as follows:

- Proximity: the entities need to be sufficiently close spatially to permit positive spillovers and enable the sharing of common resources to occur,
- Linkages: their activities need to share a common goal for them to be able to profit from proximity and interactions,
- Interactions: being close and working on related issues does not seem to be enough – some level of interaction is essential,
- Critical mass: a sufficient number of participants being present are required for the interactions to have a meaningful impact on companies.

Quite a similar set of attributes was defined by the experts group working on a cluster project for the European Commission. It uses Porter's basic concept but adds a few finer points to it [European Commission 2003]:

"Clusters are groups of independent companies and associated institutions that are:

- Collaborating and competing,
- Geographically concentrated in one or several regions, even though the cluster may have global extensions,
- Specialized in a particular field, linked by common technologies and skills,
- Either science-based or traditional,
- Clusters can be either institutionalized (they have a proper cluster manager) or non-institutionalized."

Due to the recent effects of globalisation, cluster research has moved away from putting an emphasis on agglomeration economics (in terms of the availability of skilled labour or certain infrastructure), minimisation of transaction costs and greater market access as the factors that constitute cluster performance. A knowledge driven economy along with globalisation and its main feature – liberalisation – have strongly affected the whole philosophy of clustering, becoming a very interesting issue for researchers as well as policy makers. The concept of clusters developed by Porter was adopted by politics very quickly. Many governments have implemented cluster policies as a part of their industrial and innovation policies. According to the EC's Green Paper recommendations [European Commission 2007, pp. 4–23], Europe should support emerging research driven clusters. This can be done by better integrating the science base with private R&D in new and existing clusters. In this way Europe can face the challenge of globalization. The competitiveness of the European economy can be significantly increased through close cooperation and by interlinking innovative enterprises with market-oriented research institutes. Understanding, explaining and describing the mechanisms of creating and sharing both knowledge and innovation should facilitate the identification of the correct

cluster policy instruments and encourage policy makers to engage in the process of increasing the competitiveness of local economies.

However, why could such access to knowledge not be gained through web techniques or even just the old-fashioned telephone? According to the available evidence, even high tech firms and knowledge based industries that should obviously be well acquainted with Internet technologies and less sensitive to the need for agglomeration, tend to cluster [Lawson 1999]. To explain this phenomenon, we have to analyse the concept of knowledge. Knowledge flows comprise a set of processes, activities, behaviours and events through which data, information and knowledge are transformed.

The General Knowledge Model distinguishes four basic areas of activity: knowledge creation, retention, transfer and utilisation [Newman & Conrad 1999, pp. 1–20]. Following the creation of knowledge and its entry into the system, we have to preserve it and secure its viability, then share it within a system and finally apply it to business purposes. Each phase of the activity has its own small cycles and knowledge flows and people's involvement in these flows is through various artefacts (files, papers, documents, ideas, pictures, etc.). These knowledge artefacts can be either explicit or tacit in nature and Nonaka and Takeuchi have examined both in their research [Nonaka & Takeuchi 1995]. Tacit knowledge can be considered as experience, gained through an action (learning by doing); while explicit knowledge can be stored and published in the form of a book or other learning material. The premise of the tacit knowledge approach is a belief that knowledge is essentially personal in nature, cannot be extracted from the heads of individuals and therefore the only possible method of dissemination is a transfer of employees – "knowledge carriers" – from one part of an organisation to another [Sanchez 2004, p. 3]. Some kinds of interaction have to be arranged between various individuals while performing certain tasks, realizing projects, organising joint ventures, etc., which in a structured form can be a social network. In this network people have to collaborate, as it intensifies interaction and increases the chances of transmitting the ideas that exist in an individual's mind to others. As the knowledge is "subconsciously understood and applied" and "difficult to articulate" people have to collaborate, since interaction itself is an insufficient condition for embedding the knowledge [Zakk 1999, pp. 45–48]. The process of transmitting tacit knowledge between people in an organisation and its conversion into explicit knowledge is a real challenge to the managers and researchers exploring the issue. This transfer is also a major factor in the emergence of knowledge clusters. The more important the tacit knowledge is for production, the more localised the production is likely to be [Evers 2008, p. 6]. Pinch and others have argued that, over time, agglomerations can develop a cluster-specific form of architectural knowledge that facilities rapid dissemination of knowledge throughout the cluster by increasing the learning capacity of proximate firms and thereby conferring cluster-specific competitive advantages [Pinch et al. 2003, pp. 373–388].

Evers defines knowledge architecture as "the institutions of communications and the type and intensity of knowledge flows (knowledge sharing), based on the formal and informal interaction between persons and organisations" [Evers 2008, p. 8]. Going further we can assume that the quality of human capital in a specific location, the intensity of interactions, mobility factors and the internal dynamics influence the efficiency of the whole system, determining the capacity for acquiring, assimilating and adopting new knowledge. Systems of knowledge sharing and dissemination can exist within cluster, but also beyond. Therefore, we have to distinguish between a cluster hub, considered as a local innovation system (a node in networks of knowledge production and sharing), and a knowledge cluster, considered as an agglomeration of organisations that have the organisational capability to drive innovation and create new industries [Evers 2008, pp. 9–10]. This implies that a knowledge hub can be found even in a single organisation full of creative human resources and an effective information system, but a knowledge cluster requires an agglomeration of organisations that are ready to cooperate, share and transfer knowledge among themselves. A knowledge hub consists of various linkages to suppliers, competitors, co-operators and customers that enable knowledge transfers into the cluster. The nature and type of knowledge flows in a specific cluster depends on three inter-related dimensions [Basant 2002, p. 3]: the internal characteristic of the cluster (internal structure, linkages, capabilities, etc.), the types of external linkages, plus the external policy and economic environment faced by the cluster. The first dimension is based on endogenous factors, such as industrial sector, number of organisations, level of collaboration, similarity or diversity of organisation, etc. The second and third dimension are determined by external linkages, and the quality of these connections influence a cluster's innovative performance.

The next issue to be explained is: what are the sources of knowledge? The main sources of knowledge can be highlighted thus: a firm can develop new sources within the company (R&D), exploit past discoveries, develop new solutions by sharing knowledge within the company or they can acquire knowledge from outside [Crespi et al. 2008, p. 1]. Acquiring knowledge from outside can be in a form of inheriting, purchasing or imitating. Through the innovative performance of a cluster there can be many spillover effects. According to Levin and Reiss' definition, spillovers are the "side effects of a firm's strategies investing in R&D" [Levin & Reiss 1988]. When knowledge is exchanged between people or organizations, is a "knowledge transfer", everything that goes beyond the boundaries of a system is a "spillover". The unintended use of exchanged knowledge is called "Knowledge Externality" [Fallah & Sherwat 2004, p. 8]. The relationship between cluster innovation and spillovers has been the object of research many times. Jaffe used "knowledge production function" to describe the relationship between clustering and innovation [Jaffe 1986, pp. 984–1001]. Other research used patent citations to prove the geographical localisation of innovations [Maurseth & Verspagen 2002] or the effectiveness of vari-

ous channels of R&D spillovers at the intra-industry level [Harabi 1997]. Spillovers can occur on at least three levels [Fallah & Sherwat 2004, p. 10]: Individual (across people), enterprise (across firms) and global (across nations). As spillovers benefit other firms, societies and nations, this is an issue of great importance for encouraging clustering. Having knowledge clusters, effective knowledge architecture, high quality human resources and an effective innovative system, it is necessary to translate new ideas into productive economic capacity. This process should be supported by policy makers in the framework of National Innovations Systems. The capacity to acquire new knowledge, new technologies, and to transmit and apply them should be considered as a national attribute and a source of competitive advantage on the international market. Knowledge spillovers and knowledge transfers are to some extent processes of knowledge diffusion and knowledge absorption. Some entities diffuse and absorb knowledge intentionally (knowledge transfer) and some do it unintentionally. Regional networks or business clusters of Porter's type create convenient circumstances for these processes to occur.

The concept of clusters is related to the concept of knowledge spillovers. Clusters, thanks to their attributes, are predisposed to foster knowledge spillovers. Knowledge spillover effects are an inseparable element of a cluster.

The issue of spillover effects and their relationship with the location factor was raised by Marshall, who indicated that one of the objects of a spillover is knowledge. This spillover can occur even if relations between companies are non-existent. Porter emphasises the significance of local competition for innovativeness and the stimulation of knowledge spillover effects. Continuing Porter's argument, it could be stated that knowledge within a cluster is determined by the interrelations among companies operating in the same location [Henry & Pinch 2002]. Storper [1993, 1995], similarly explains that the acquisition of knowledge occurs thanks to relationships among companies which have nothing to do with market exchanges typical of knowledge acquisition through licensing, alliances or takeovers.

Attempts have even been made to build a knowledge-based theory of regional geographic clusters [Maskell 2001; Morgan 1997]. Maskell [2001] finds the key cause for cluster creation to be company's appreciation of the fact that such solutions generate knowledge. Cluster-level knowledge is similar to industry routines, recipes for success and know-how for performing particular activities. While studying Taiwanese high-tech companies, Tsai [2005, pp. 126–127] found that intra- and inter-industrial spillover effects in the field of R&D have a greater significance from the viewpoint of production growth than do individual companies' efforts in the field of R&D. The phenomenon of clusters as "devices" fostering knowledge flows is clearly visible in the concept of clusters as triple helix. This defines clusters as subjects existing on the boundaries of the business sector, public sector and R&D sector. The more or less visible presence of R&D institutions in clusters can be a kind of measure for the intensity of potential knowledge spillovers and knowledge flows.

Knowledge spillovers and knowledge flows appear due to two interdependent processes – knowledge diffusion and knowledge absorption.

Bearing in mind some of the above mentioned points, it can be stated that clusters are a phenomenon which, on the one hand, fosters the diffusion of knowledge: if this takes place within a cluster it can be called inter-cluster knowledge diffusion; and outside the cluster – between it and its environment – intra-cluster knowledge diffusion. On the other hand, it is a means of absorbing knowledge. Such absorption appearing within clusters – among the cluster participants – is inter-cluster absorption of knowledge; and from the cluster to the environment, intra-cluster absorption of knowledge.

In the following parts of the paper the authors will look at knowledge diffusion and the absorption of knowledge in respect of twelve regional and local networks functioning in one region of Poland. The core of the study is inter-cluster diffusion and inter-cluster absorption of knowledge.

2. Methodology of the study

In the period from September to December 2009 field research was conducted on the subject of the potential of regional and local networks in Wielkopolska to develop in the future. The study was done within a broader project commissioned by the Marshal Office of the Wielkopolska Region as part of the Human Capital Project 8.2.2. "Construction of the Wielkopolska System of Innovation"; co-financed by the European Union through the European Social Fund. In this paper only that part of the results obtained which focused on innovations and knowledge transfer within the networks under the research is presented.

2.1. Research population and research sample

The general population of the research was business networks (clusters among others) operating in Wielkopolska. Institutionalized, formalized and non-institutionalized networks were taken into account. They have different legal and organizational forms, specific to Poland.

In the first phase of the research a list of the different networks operating in Wielkopolska was prepared. To complete the list an in-depth critical analysis of reports on the subject of networking in Wielkopolska was conducted. The authors used Internet websites presenting data about regional and local networks and conducted telephone interviews with representatives of fourteen business environment organizations engaged in fostering the innovativeness of companies. The aim was to prepare a list of networks which could potentially participate in the research.

Altogether 164 different networks were identified. To select the networks which have the highest potential for growth the authors asked four regional experts from Poznań University of Economics, the leading University in the region in the fields of clustering, competitiveness and innovation, which of the identified networks should participate in the next phase of the research. After discussion twelve networks were selected as the research sample. The selected networks had to be real operating objects, performing real tasks and activities not just existing as artificial arrangements on paper. In the research sample there were networks of regional and local scope. Ten of them were formalized, institutionalized clusters with dedicated cluster initiatives and functioning cluster organizations. Additionally, two more networks were taken into consideration - one institutionalized network in tourism, and one network in the food industry which can be treated as a cluster though without a cluster organization.

Table 1. Subjects in the research sample

Local economic networks	Regional economic networks
Boiler-making Cluster	Wielkopolska Telecommunication and Information Cluster
Printing and Advertising Cluster	Wielkopolska Automotive Cluster
North-Wielkopolska Tourism Cluster	Wielkopolska Food and Agriculture Network
Wielkopolska Renewable Energy Cluster	
South-Wielkopolska Food Cluster	
Wielkopolska Aviation Cluster	
Wielkopolska Horses and Carriages Cluster	
Wielkopolska Advanced Automation Technique Cluster – ELPROTECH	
Poznań Local Tourist Organisation	

Looking at Table 1, clusters and networks focused on the same industry can be seen, e.g. food or tourism. The explanation for this is that in one case the network is formalized and operates with the support of cluster initiatives, and in the second case there is no cluster initiatives dedicated to it. The division between local and regional networks depends on the geographical scope of the network. In the region of Wielkopolska there are four sub-regions and the city of Poznań. Networks with participants coming from one sub-region, or with the domination of participants coming from one sub-region, are local ones.

The research sample comprises 12 different networks. Ten of them are clusters. They are represented by their coordinators. In the case of formalized clusters the coordinators are associated with the chairmen of cluster organizations. The two networks which

are not formalized clusters were represented by the chairmen of industrial self-government institutions associated respectively with tourism, and food and agriculture.

2.2. Research method

The authors used a postal survey as a method for collecting data. The questionnaire was sent to the formal or non-formal coordinators of the networks, as mentioned in 2.1.; to the chairmen of cluster organizations and industrial self-government institutions – altogether to 12 people and each of them fully completed the survey. This was the qualitative research.

The questionnaire consisted of screening, research specific, demographic and archive parts. The respondents opinions were assessed on a rating scale (1-the quality exists and 0-the quality does not exist), but in some cases a five degree ordinal scale was used [Greek, Tull & Album 1988, pp. 305–308], where 1 meant –"definitely not important"; 2 – "rather not important"; 3 – "difficult to say"; 4 – "rather important"; 5 – "definitely important".

There were 22 questions in the survey. The first section was devoted to general data about a network – core industry, name and location of the coordinator of a network. The second section gathered data about the actors involved in a network – their number, sector of operation, and the activities performed by coordinators of network actors. The intensity of linkages, their quality and diversity as well as the innovativeness of the network were the focus of the third part. In the fourth part there were questions regarding the relationships of a network with outside entities and the instruments supporting innovation processes.

3. Results of the research

3.1. Innovation as a sign of effective knowledge transfer and knowledge spillover

The research was an attempt to identify the knowledge spillovers and knowledge transfers within business networks, especially business clusters. The authors tried to investigate how effective knowledge transfer is and what kinds of barriers are met in business networks (including clusters) in the Wielkopolska region. Based on the findings in the first part of the paper, the authors tried to measure the effectiveness of knowledge transfer using the number and diversity of innovations that appeared in the networks over the period 2007–2009. The respondents were asked about the level of novelty and the type of innovations which appeared in their networks. Bearing in mind the methodology of the Oslo Manual, it was assumed that

there are four types of innovation: product, process, organizational and marketing. Each type can be a novelty for a company: regional scale novelty, national scale novelty or international scale novelty. Among the 12 networks, 9 indicated product innovations and 7 market innovations that were novelties at the national level.

Table 2. Innovation matrix

	Product	Process	Organi-zation	Market
Novelty for company	7	6	5	2
Regional scale novelty	6	6	2	2
National scale novelty	9	5	2	7
International scale novelty	0	0	0	0

Going into more detail, one can look closer at the types of innovation. In the set of organizational innovation, the first position goes to the deployment of an IT system. More than half the networks declared they had introduced new information systems. One third had started to use a new logistic system and changed their organizational structure. None of the networks studied declared they had deployed modern cost calculations (Figure 1). The types of organizational innovation indicated by the majority of network representatives highlight their awareness of the

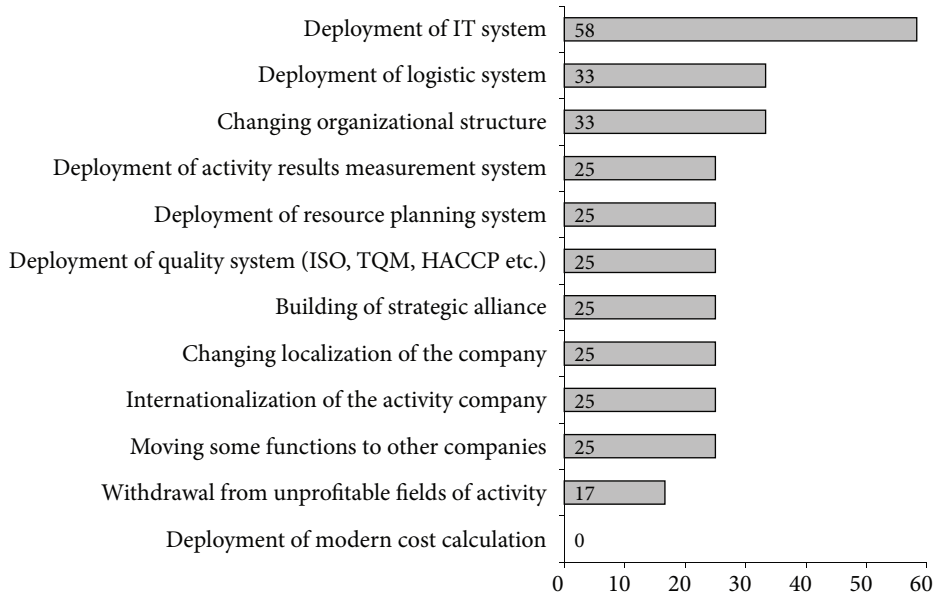

Figure 1. Organizational innovation (in %)
Source: Own study based on survey

importance of new information technologies to the existence of networked companies in the market.

As regards market innovation, 67% of respondents declared using new forms of promotion and over half of the investigated companies indicated new distribution channels. An optimistic note is that over half of the investigated companies indicated entry into new markets (Figure 2), which implies that being in a network does matter when considering the internationalization of a company. However, from the interviews with network coordinators, it turns out that other markets are conquered by only a few firms. Just one third of the entities participating in the research were involved in creating new needs in the market. This type of market innovation is of great importance when taking into consideration the process of value migration which is experienced by many industries.

The data relating to examples of innovation in the investigated networks show

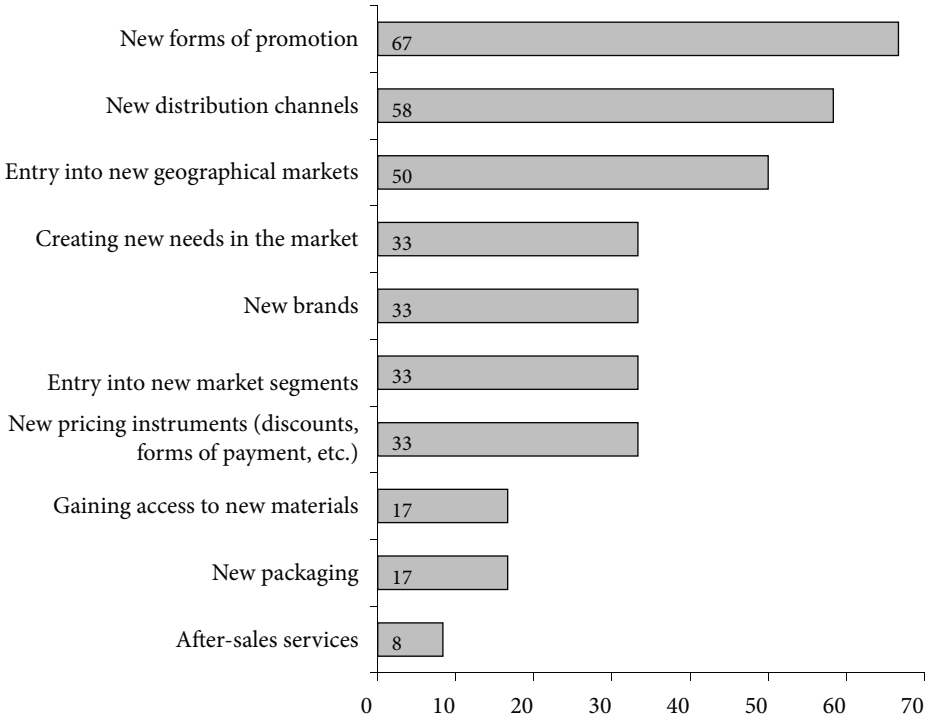

Figure 2. Market innovation (in %)
Source: Own study based on survey

that they have the capacity for innovative performance, and that this capacity is used. From the results obtained, the networks can even be ranked according to their level of diversity in market and organisational innovation. The greatest num-

ber for organisational innovation seen was 9; the number for market innovation was 8. Highly ranked are the following: an organisational network cooperating in the agro-food sector, Wielkopolska Horses and Carriages Cluster and the Poznań Local Tourist Organisation. However, it should be pointed out that the most important number is not the one for innovation, but its diversity. Networks can be characterized by numerous innovations, but be limited to 2 or 3 types. One also has to keep in mind that these evaluations have been made by network coordinators themselves, which can raise concerns about their objectivity. Among the networks with the widest spectrum of market and organisational innovation, there are clusters generally perceived as not innovative. **This assessment should be interpreted with great care**.

3.2. The support for diffusion and absorption of knowledge

Innovations which are defined as novelties implemented in the marketplace, and in some cases recognized along with others as the results of successful knowledge spillovers and knowledge transfer, can be fostered by cooperation between actors representing the business and R&D sectors. The cooperative efforts aimed at generating innovations are quite often supported by the authorities of the region where they are located. Regional and local authorities have the opportunity and ability to encourage companies as well as educational and research institutions to cooperate in order to improve their innovativeness. The explanation for this may be the fact that regional or local authorities through various information campaigns can reduce the asymmetry of information which very often hinders effective and trustful cooperation. An assessment of the capacity of the networks studied to be innovative required a review of the cooperation between business and R&D institutions. As can be expected, and as was mentioned earlier, the interactions which promoted knowledge flows were supported by the regional authorities. The capacity for being innovative was determined by the support experienced while building cooperative networks between companies in the network and scientists (Figure 3). Eight out of the 12 investigated networks (67%) indicated that support for cooperation between the R&D sector and firms in a network took the form of mediating between various entities in searching for information about opportunities for technology transfer and other entities that could contribute to this transfer. Strong support was also expressed for joint projects in the local business environment and recourse to schemes enabling cooperation between companies and scientists. Also listed was support in the form of developing common laboratories for business and science, but it was not very widespread. One more option for cooperative support between business and R&D institutions are programmes for spin-offs. This solution was not used in respect of the networks under research.

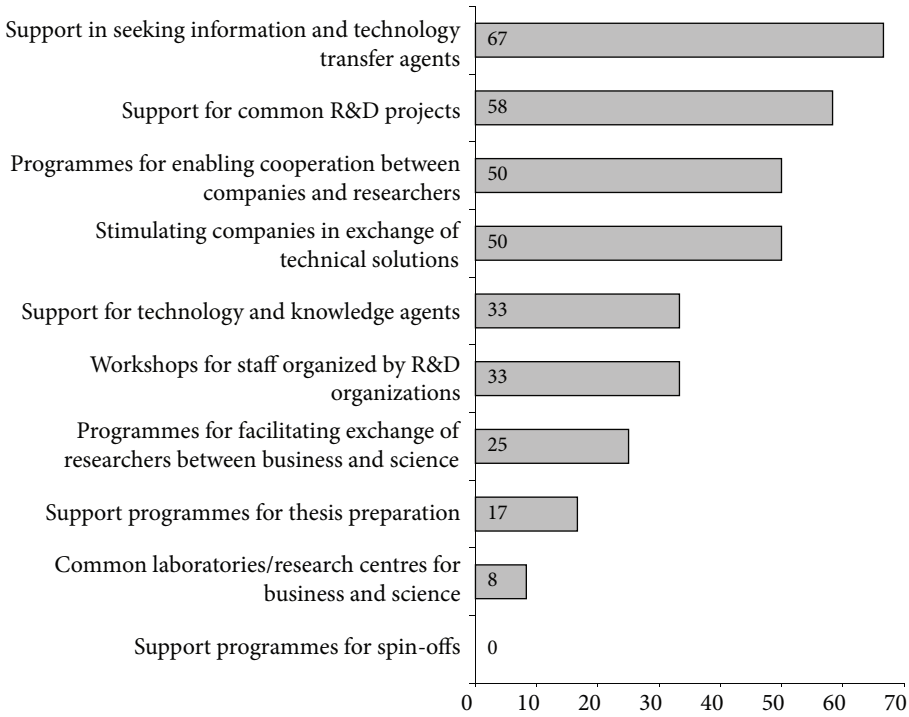

Figure 3. Ways of supporting cooperation between business and R&D institutions 2007–2009 (in %)
Source: Own study based on survey

3.3. Main barriers to diffusion and absorption of knowledge

The capacity to be innovative is also determined by the number of existent barriers to cooperation between firms and the R&D sector. These barriers can hinder the processes of innovation through blocking knowledge, information and the transfer of ideas. Such obstacles can appear not only when transferring knowledge and ideas, but even later when there is a new solution, a new process or a new product and there are difficulties in commercializing them. Figure 4 shows the perceived barriers mentioned by the network coordinators. The barriers were assessed through the use of a 5-point scale; where 1 stood for unimportant, 2 for less important, 3 for important, 4 for very important and 5 for crucial. Each of the 16 barriers has been assessed from the most to the least important. Crucial barriers were ranked as follows: a lack of information about R&D activity (score 4.55), different time perspectives, discrepancies in formulating the goals of R&D activity and a lack of funding in enterprises (score 4.45). The first two crucial barriers are related to the phase of generating new ideas; the third one can hinder not only the search for novelties but

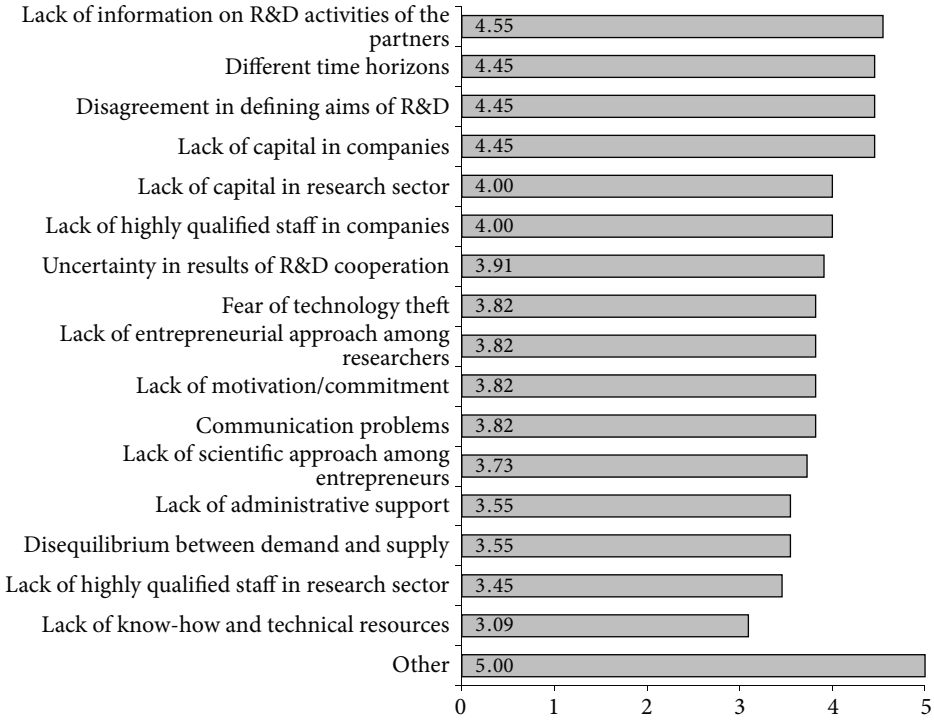

Figure 4. Barriers to cooperation between business and R&D institutions
Source: Own study based on survey

especially their commercialization. The barriers indicated by the network coordinators indirectly show why there may be problems in extending the capacity to be innovative and suggest what has to be done to improve the intensity of knowledge transfer and processes aimed at increasing the innovativeness of networks.

3.4. Financial instruments supporting effective knowledge transfer

Being innovative is particularly sensitive to financial considerations. Companies are very concerned about the risks associated with innovation, which was often indicated by network coordinators, as well as the significance of the companies' participation in Framework Programmes. The capacity for being innovative is in this way strongly determined by the financial instruments supporting such innovativeness. Respondents were asked which financial instrument in support of innovativeness and entrepreneurship they used in the period 2007–2008 and how they assessed these instruments. The assessment was done again on a 5-point scale; where 1 stood for unimportant, 2 for less important, 3 for important, 4 for very important and 5 for crucial. The majority of respondents indicated instruments for refunds or grants

for the creation of new workplaces (8 networks – 67% of total), grants for consultancy services, credit and loans, credit lines (58% – 7 networks), then refunds or grants for staff training (6 networks); see Figure 5.

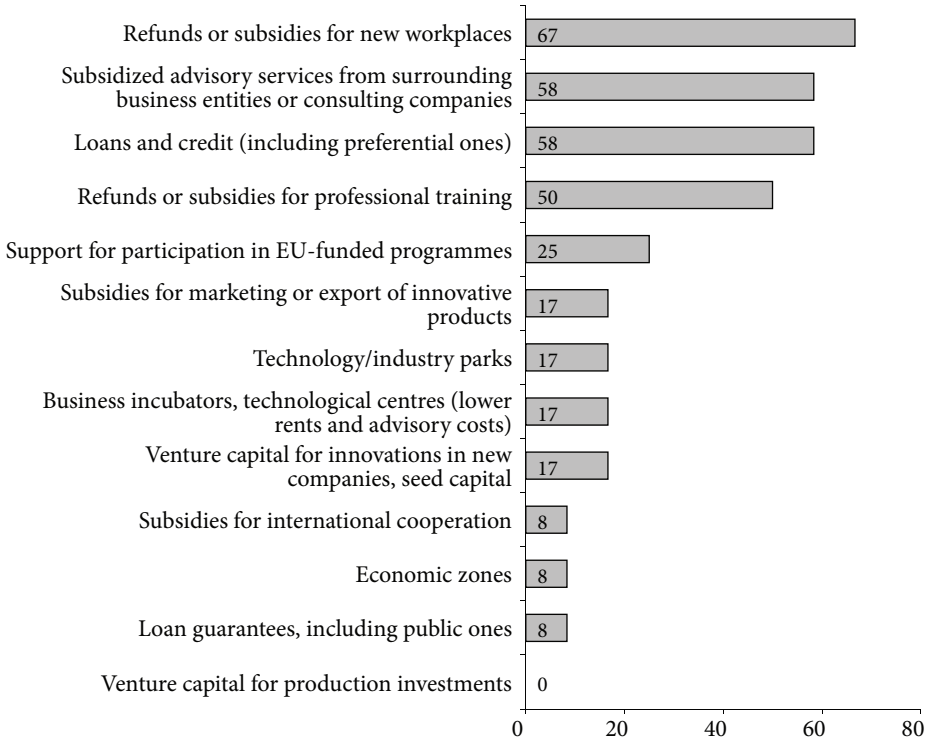

Figure 5. Financial instruments supporting innovativeness and entrepreneurship utilized by networks in 2007–2008 (in %)
Source: Own study based on survey

The network coordinators were asked to assess the importance of the available instruments to companies involved in the networks. A number of financial support instruments were assessed and ranked according to their importance for the company. The provision of high risk capital for production investments was assessed at (5.00), then support for participation in programmes financed by the EU and grants for international cooperation. The latter is particularly important since it could increase the internationalisation of companies. A similar assessment was seen in the case of grants for marketing or the export of innovative products, which again is related to the competitive position of a firm in foreign markets (Figure 6).

According to the research results, though high risk capital for production investments is crucial, astonishingly, firms have not used it. It would be interesting to

Figure 6. Importance of financial instruments supporting innovativeness and entrepreneurship

Source: Own study based on survey

find out what the reasons of such behaviour are. Low ranked were high risk capital for innovative ventures of new companies, but network coordinators explained this by the lack of a market for this kind of capital in Poland, which at the same time should be an encouragement to develop this market. There are a lot of barriers that decrease the benefits from the financial instruments supporting innovativeness and entrepreneurship in networks (Figure 7). The most important barriers indicated by the respondents were as follows: long procedures for receiving funding (score 4.20), the necessity to deliver additional documentation (score 3.82), then a lack of trust by financial institutions towards local entrepreneurs (score 3.73). The network of entities actively cooperating in the agro-food sector indicates that the risks associated with using this financial instrument is a barrier. Assessments by coordinators could be a help in rebuilding the system of external financing regarding innovativeness and entrepreneurship in the region.

The capacity for being innovative is also determined by the linkages which a network has with R&D entities and outside institutions in the business environment. The

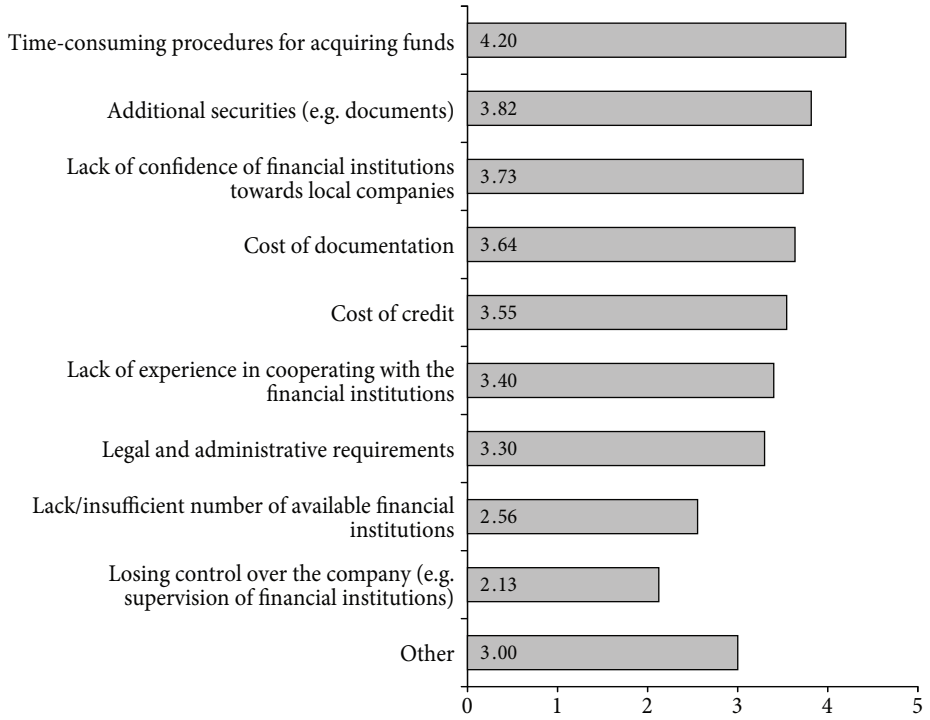

Figure 7. Barriers to the utilization of financial instruments supporting innovativeness and entrepreneurship
Source: Own study based on survey

intensity of interactions also indicates how a network is embedded in the Regional Innovation System, whether it is an integral part or an external element. Figure 8 shows the most common partners for the networks investigated. Apart from the location of such partners (municipality, district, region, country or abroad), crucial partners are consultancy firms and universities (58% of total – 7 networks). This rating of universities in the top group of cooperation partners is a good sign, as it increases the probability of knowledge and technology transfer which is crucial from the perspective of network innovativeness. Next in the pecking order were technological and industrial parks as well as R&D entities. Universities along with technological and industrial parks which cooperate with firms are localized in the regions. Among regional partners there were also Chambers of Commerce and Industry Associations. At the local level the most important partners are financial institutions. Looking at partners at the national level, universities should be considered; and the Boiler-making Cluster had a partner from abroad. Others were quality control laboratories and certification bodies.

Figure 8. Main partners of networks (in %)
Source: Own study based on survey

Conclusions

Successful economies are those which have the ability to learn. They are able to take the ideas embodied in the existing academic knowledge and technologies, and translate them into an innovative capability at the level of the firm [Bozemann et al. 2003] and at the level of the state.

The research presented here and carried out in the Wielkopolska Region has provided an insight into the threats that hinder the fostering of innovativeness through economic cooperation within networks, including clusters, and motivated by the need to formulate some recommendations for regional and local authorities. The threats related to the phenomenon of innovativeness can be associated with the barriers to cooperation between companies and R&D institutions involved in networks. The most important barrier is still a gap in the financial system which supports networking performance and the lack of any final conclusion whether such a system will be established. Establishing such a system is not easy since there are many divergent interests among the regional actors of the Regional System of Innovation. It is a challenging task for the regional and local authorities to think about such a system and especially to decide whether to finance or subsidize the activities of network and cluster organizations. Beside the financial system, there is also the barrier in an entrepreneur's mind which blocks undertaking attempts at cooperation. To break this barrier the regional and local authorities should promote the good practices of such cooperation and show their benefits.

Fostering knowledge spillovers and knowledge transfers in regional networks and clusters in Wielkopolska requires an increase in the vital, though ethical and simultaneously based on economic values, cooperation among various actors. It is a prerequisite for the success of building a knowledge economy in this region. The importance of this fact is even greater if one takes into account recent trends in clustering – the internationalization of clusters. Clustering in Europe crosses borders; European initiatives are enhancing cross-national scientific cooperation and building strong and close relationships between research institutions and the business community [European Commission 2006]. There are therefore projects focused on building international clusters, e.g. projects developed by Europa Innova like BelCAR, Innotex or CASTLE. To take advantage of these processes it is crucial for the Polish firms and other cluster participants to develop the strategic capabilities of collaborating with others.

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POZNAŃ UNIVERSITY OF ECONOMICS REVIEW
Volume 13 Number 1 2013

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From going international to being international – strategies for international competitiveness[1]

Abstract: While the international business and international entrepreneurship literature has commonly focused on market entry mode choices, the increase of a firm's international involvement causes changes in different aspects, such as the configuration of value chain activities, the design of the organisational structure and business processes. Given the inconclusive research on the relationship between internationalisation and corporate performance, we argue that the impact of internationalisation on a firm's competitiveness is contingent on its stage of advancement. The analysis of four case studies shows that different dimensions of competitiveness are affected at rising levels of commitment to foreign markets. However, the organisational challenges related to managing international operations require strategy adaptations so that the firm can remain internationally competitive.
Keywords: internationalisation process, multinational companies, firm competitiveness, case study approach.
JEL codes: F23, M16, M21.

Introduction

While the debate regarding the "big question" driving international business research is ongoing [Buckley 2002; Shenkar 2004], the internationalisation of firms, its motives, patterns and processes have been unanimously recognised as one of the major

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[1] Earlier version of the paper was released as the Working Paper 2012, no. 10 of the Faculty of International Business and Economics, Poznań University of Economics. The authors would like to thank the anonymous reviewers for their constructive comments.

themes in this discipline [Griffith, Cavusgil & Xu 2008, p. 1224; Seno-Alday 2010, p. 21]. Wrona and Breuer [2008, p. 23] underline the role of internationalisation as a key component of corporate growth strategy. Thus, as Peng [2004, p. 105] put it, the predominant interest of international business research should lie in the explanation of "international success and failure of firms". Meanwhile, decades of research devoted to the link between a firm's internationalisation degree and its performance have generated inconsistent results [Li 2007, p. 123]. This is somewhat surprising given the fact that the issue of maximising performance in foreign markets lies at the heart of internationalisation theories [Glaum & Oesterle 2007, p. 308]. As it has been argued, the difficulty related to studying this complex relationship stems from the fact that the increased exposure to foreign operations increases the possibilities for enhancing firm competitiveness, yet simultaneously adds to its organisational complexity.

At the same time, the popular concept of firm internationalisation has been subject to criticism, among others for its deterministic and unidirectional character, which can obscure its complexity and the role of managerial intent. Moreover, while a lot of attention has been paid to the choice of foreign operating modes and host countries, there are other relevant dimensions of the process, which undergo substantial changes as firms become more internationalised. We argue that a more complete understanding of the link between internationalisation and firm competitiveness can be achieved by analysing different dimensions of internationalisation, whose importance can differ depending on the advancement of foreign expansions. Internationalisation can be seen as a source of new competitive advantages on the one hand, yet it requires adaptive measures to effectively manage the rising organisational complexity, on the other.

Accordingly, the purpose of this paper is to explore the "how" of the link between internationalisation and firm competitiveness. Thereby, we draw on extant literature on internationalisation dimensions (Section 1) and on competitiveness dimensions (Section 2) to propose a conceptual framework to study this complex relationship. Subsequently, by using a qualitative methodology outlined in Section 3, we explore the influence of different aspects of the internationalisation strategy on firm competitiveness, focusing both on the role of foreign expansion itself and on the adaptive actions, which companies need to undertake in order to remain competitive faced with the increasing environmental complexity. In Sections 4.1–4.4 we present the analysed cases. Finally, we summarise the findings to provide suggestions for future research.

1. Internationalisation as a multidimensional phenomenon

Welch and Luostarinen [1988, p. 36] define internationalisation as "the process of increasing involvement in international operations". Given the organisational and

environmental complexity, which increases with the extension of a firm's international activities [Verbeke, Li & Goerzen 2009, p. 152], it seems legitimate to adopt a more holistic definition of internationalisation as "the process of adapting firms' operations (strategy, structure, resources, etc.) to international environments" [Calof & Beamish 1995, p. 116]. This adaptive approach implies that internationalisation should be regarded not merely from the perspective of entering foreign markets, but more broadly – that of developing and managing international operations. The literature on international entrepreneurship extends this view by stressing the role of innovative, proactive, and risk-seeking behaviour as a source of value creation [McDougall & Oviatt 2000, p. 903]. In this vein, Andersson and Florén [2008] argue that managerial characteristics and behaviour are critical determinants of a firm's internationalisation process. The decision-making approach in international management examines the character of decision making processes, particularly in SME internationalisation, whereby decision makers are exposed to a high degree of uncertainty and goal ambiguity [Acedo & Jones 2007]. Schweizer [2012] finds that the decision-making behaviour in the internationalisation process of SMEs changes from a muddling-through approach to rational decision-making with the increase of international experience and knowledge, as well as a decrease of goal ambiguity.

Meanwhile, the choice of foreign operation modes traditionally remains the dominant object of analysis within the mainstream literature on internationalisation strategy [Calof 1993; Fletcher 2001; Wrona & Trąpczyński 2012b]. This seems understandable given that the initial mode choice is critical to establishing the basis for further foreign market penetration [Benito & Welch 1994; Welch & Luostarinen 1988; Wrona & Trąpczyński 2012a]. Since market entry modes are a determinant of resource commitment to a foreign market, they are a relevant strategy dimension in managing the international involvement. As entrants tend to combine different operation modes in a given market, a foreign involvement should not only be measured by the depth, but also diversity of entry modes [Benito, Petersen & Welch 2009, p. 1458]. However, the dimension of operating modes cannot fully reflect the internationalisation process, since a partial increase or withdrawal in terms of operating modes might not be indicative of the overall exposure to cross-border operations [Turner & Gardiner 2007]. A substitution of the changed operating mode through other modes or the transfer of resources to other countries can increase the international market share [Chetty 1999, p. 137]. Thus, the analysis of international strategy should also include decisions about the extension of the geographical scope of operations [Welch & Luostarinen 1988, p. 40]. According to the process approach, internationalisation follows an incremental pattern from geo-culturally close to more distant markets [Johanson & Vahlne 2009; Andersen 1993]. Thereby, companies can allocate their resources over a limited number of markets or follow a strategy of market diversification. However, the strategy of diversification can lead

to a decrease of the number of markets in the long run, as a result of re-concentration and exit from less profitable markets in the international portfolio [Cairns et al. 2008]. A fast rate of expansion can result in a limited managerial attention, thus exposing entrants to mistakes in the market choice and resulting in subsequent de-internationalisation [Ayal & Zif 1979, Bamberger & Upitz 2007].

International firms can offer different products, depending on the decisions about their product-market combinations [Bamberger & Delic 2010, p. 17]. However, many studies on foreign expansion do not account for the fact that distinct product divisions of a single company can in fact follow separate internationalisation paths. The conceptual differentiation between geographic market and product market diversification is relevant for several reasons. Internationalisation can namely be initiated not only at the corporate level, but also at the level of strategic business units, offering different product lines and thus constituting separate decision centres within the corporate network [Forsgren & Johanson 1992]. Previous research has emphasised synergies between product diversification and international diversification in determining firm performance, as product diversity can be a source of enhanced managerial capacities, efficient structure and better governance [Hitt, Hoskisson & Kim 1996]. On the other hand, it can be expected that decisions concerning the growth or contraction of product divisions of the parent firm can also affect the diversification of international markets in which they operate. Hence, changes in the internationalisation strategy should be regarded from the perspective of the changes in product strategy. Since there is evidence for a performance decline in line with decreasing relatedness of industries [Wernerfelt & Montgomery 1988], it can be expected that a change in the product-market combinations can impact upon the international strategy and its performance implications.

Furthermore, while the operating modes within one foreign market and for one given product unit might remain constant, the extent of value added by a foreign venture can vary. A wholly-owned subsidiary can carry out different activities along the value chain. Moreover, in a particular country, different entry modes can be used by a company to handle different parts of the value chain [Benito, Petersen & Welch 2009, p. 1457]. Changes in foreign governance of value adding activities can be seen from a global strategy perspective, depending on decisions concerning international concentration or dispersion of activities [Porter 1986, p. 25]. This can result from critical success factors of the company's industry, ranging between the need for global integration of value activities and the increase of operating efficiency, and the need for local responsiveness and adaptation to the local market environment [Bartlett 1986; Prahalad & Doz 1987].

Finally, the rising complexity of international activities requires companies to integrate differentiated parts of the entire system [Jarillo & Martinez 1991, p. 296]. The strength of integration of international involvements into the corporate network can express itself in the interdependence of resources and responsibilities be-

tween the units of a multinational corporation [Harzing 2000]. As companies internationalise and become more diverse, the flows of goods, resources and information among organisational units need to be coordinated [Bartlett & Ghoshal 1987, p. 49]. Companies can develop mechanisms to coordinate the differentiated and interdependent organizational units, along several dimensions, such as centralisation, based on formal authority and hierarchical mechanisms [Bartlett & Ghoshal 1989, p. 183], formalisation of decision-making through bureaucratic mechanisms, such as formal systems, rules and procedures, as well as normative integration, relying on shared values and objectives [Gupta & Govindarajan 1991, p. 779]. However, the analysis of international operations should be further enhanced by incorporating the network approach to embrace the external relationships of a firm [Fonfara 2011, p. 8]. According to this view, the network of customers, competitors, suppliers and other actors in international markets plays a crucial role in achieving the firm›s long-term goals [Johanson & Mattson 1988]. Chetty and Blankenburg-Holm [2000] regard internationalisation as a process driven by the creation of relationships with network partners in new foreign markets, through increasing commitment to extant foreign networks and through integrating positions in networks in different foreign markets. Thus, given the relevance of both internal and external international networks in the internationalisation process, their integration and management should be regarded as an important determinant of a firm›s international competitiveness.

Obviously, one should note that there are important interrelationships between the said dimensions of internationalisation, which have recently been discussed in international management and international entrepreneurship literature. The strategic-thinking approach emphasises the links between a firm›s strategic orientation and its internationalisation patterns, processes and pace. Bell, Crick and Young [2004] found important differences between the internationalisation processes of knowledge-intensive and traditional manufacturing SMEs, the latter being involved in foreign markets from the very beginning of their operations, relying on foreign networks to a larger extent, entering a larger number of export markets with new «global offerings». Hagen et al. [2012] identify four broad strategic types of SMEs, namely an entrepreneurial group, a customer-oriented group, a product-oriented group and a group without strategic orientation, and indicate that a clear and proactive strategic orientation results in higher international performance.

To sum up the above discussion, the internationalisation process implies changes along several dimensions. Defining a firm›s international footprint merely in terms of its international sales or the number of foreign direct investments would therefore present a simplified image. For instance, not only the number, but also the geographic-cultural distance of countries should be considered, as more distant markets are argued to increase the firm›s internationalisation degree [Kutschker & Bäurle 1997, p. 105]. Moreover, the presence in a given foreign market will differ in terms of the

realised value chain modules, such as purchasing, R&D, manufacturing, logistics and sales. It has been suggested that the extent and diversity of foreign added value activities also determine the internationalisation degree [Kutschker 1994, p. 135]. It was further underlined that – since an increased internationalisation requires an enhanced integration of the whole company – a higher mutual interdependence and intensity of resource flows between subsidiaries, as well as a higher unification of shared values, norms and beliefs imply a higher degree of firm internationalisation [Kutschker 2002, pp. 51–52].

One can argue that depending on the development stage of a company, emphasis will shift between the above discussed dimensions. Therefore, following the classification of Ringlstetter and Skrobarczyk [1994, p. 341], three successive maturity stages of firm internationalisation can be distinguished, starting from the internationalisation of the product-market strategy, through the internationalisation of value activities, to the most advanced stage of internationalisation of the organisation, in which more or less autonomous parts of the international network need to be integrated into the corporation.

2. Internationalisation and competitiveness – a conceptual framework

Despite the large number of empirical studies devoted to the internationalisation-performance link, their statistical findings have been inconsistent, ranging from a positive to an insignificant, or even negative, relationship [Matysiak & Bausch 2012, p. 198]. In a call to better explain the performance effects of internationalisation, it has been argued that research should "unbundle the substance of the multinationality" [Verbeke, Li & Goerzen 2009, p. 150]. The mere use of simple measures, such as the ratio of foreign sales to total sales or the number of foreign subsidiaries blinds out the complexity related to internationalisation, discussed in the previous section, which results in both benefits and costs for the parent firm. In order to enhance performance, the internationalisation process requires the firm to both exploit and develop firm-specific advantages [Śliwiński 2012, p. 21], as well as profit from the host country-specific advantages [Verbeke & Brugman 2009, p. 273]. This argument leads to the other side of the equation, performance, which has been predominantly operationalised with accounting-based or market-based financial indicators [Li 2007, p. 130]. While corporate results are indeed a focal variable studied in strategic and international management, such a narrow focus obscures other important gains from firm internationalisation, which have been discussed in extant literature. As it was argued by Dunning and Lundan [1998, p. 118]:

> "[…] as firms become more multinational and globally integrated in their value added activities, they are likely to derive an increasing proportion of their core assets from outside their national boundaries and, indeed, may deliberately seek out foreign assets which they perceive will help augment or complement their home based competencies".

Empirical results indicated that a rising internationalisation degree increases the role of foreign sources of firm competitiveness [see e.g. Dunning 1996; Dunning & McKaig-Berliner 2002]. In an attempt to classify the sources of competitive advantages of international companies, Ghoshal [1987, p. 428] distinguished between the benefits from national differences, scale economies and scope economies. The realisation of specific advantages of each of these types is related to the firm's strategic objectives, which include achieving efficiency in current operations, managing risks, as well as innovation learning and adaptation.

Given that internationalisation can affect the competitiveness of firms in a broader sense, performance being only one of its aspects, it seems useful to define competitiveness more precisely. According to the concept of Gorynia [2002, 2004, 2005], firm competitiveness can be subdivided into competitive potential, competitive strategy and competitive position. The competitive potential embraces the resources used by or available to a company, as well as its corporate culture, organisational structure, strategic vision or strategy formulation process [Gorynia 2004, p. 2]. The competitive strategy is a set of instruments aimed at generating a competitive advantage necessary to reach a favourable competitive position. The competitive position, in turn, can be defined as the result of market evaluation of a firm's offering, which expresses itself, *inter alia*, in relative profitability, market share or product features as compared to competitors [Gorynia 2002, p. 95]. Linking the three dimensions, it can be argued that the competitive strategy is an analytical category allowing to move from the competitive potential to the competitive position. A similar conceptualisation can be found in the German stream of strategic management, whereby Bamberger and Wrona [2012, p. 20] see the foundation of competitiveness in the success potential, comprised of resources necessary to reach strategic objectives. Success potential may result from both the characteristics of markets and industries in which a company is engaged, and from a firm's position in a certain industry. Therefore, success potential can be achieved by a choice of markets maximising the value of possessed resources and the used strategies.

The discussion of internationalisation stages on the one hand, and of competitiveness dimensions on the other, presented in Sections 1 and 2, can be summarised in the form of an analytical framework for studying the influence of internationalisation on firm competitiveness (see Figure 1). Based on the analytical framework, we tentatively formulate a proposition that:

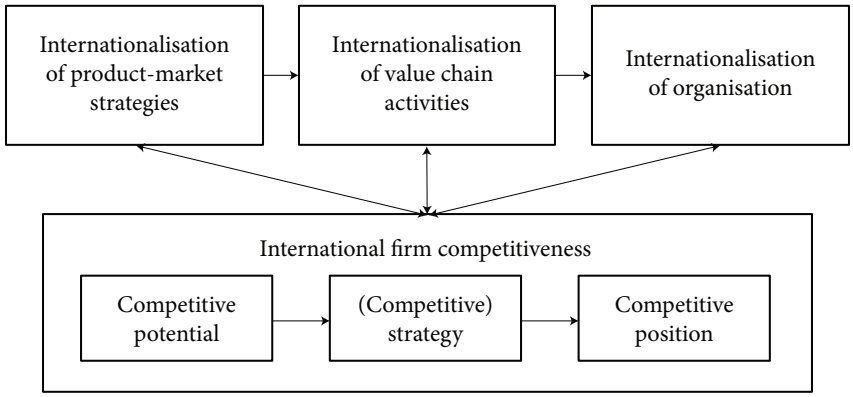

Figure 1. An analytical framework of the internationalisation impact on competitiveness

P: The influence of internationalisation on firm competitiveness is contingent on its stage of advancement.

This relationship is two-way, since the internationalisation strategy can play a role in enhancing a firm's competitiveness, while the latter can simultaneously be seen as a condition for a successful internationalisation.

3. Data collection and analysis

The main objective of the paper is not to test the impact of the internationalisation degree on firm competitiveness, which may seem relatively intuitive, but to explore the substance of this relationship. Thus, emphasis is placed on the influence of and strategies for enhancing different firm competitiveness dimensions, as firms' progress along the stages of their internationalisation process and both face pressures towards managing additional complexity on the one hand, and gain new possibilities to improve their performance on the other. Given the present objectives, we adopt a qualitative approach, which can be useful in providing fresh insights building on prior theory and may help to unfreeze thinking [Eisenhardt 1989; Bluhm et al. 2011]. On the other hand, it would be naïve to assume that a researcher could approach the data without theory [Wrona & Gunnesch 2012]. Therefore, it is relevant to bare prior knowledge and to use it as a point of departure to develop a theoretical framework, which can enrich extant knowledge in the field (see Figure 1). The use of the analytical framework enabled to structure the interview guide and support the analytical process.

Summary of data collection

Case study	Respondent position	Respondent location
Schering	ex-marketing and sales director, commonwealth of independent states	Berlin, Germany
Jungheinrich	head of group controlling	Hamburg, Germany
CWS-boco International	chief financial officer	Duisburg, Germany
Bombardier Transportation	head of talent management	Berlin, Germany

The case selection followed the principle of theoretical sampling [Corbin & Strauss 2008]. Accordingly, the sampling process was aimed at identifying cases relevant to the research objectives. Thus, in order to be eligible for inclusion in the study, the chosen cases had to refer to different stages of the internationalisation process. Thereby, according to the principle of maximal contrast [Corbin & Strauss 2008], we could ensure the variation of internationalisation phases and complexity levels, ranging from market entry, over an international configuration of the value chain, to the integration of international operations. The study comprised four in-depth, semi-structured interviews, with durations ranging between 70 and 180 minutes (see Table). We implemented an interview guide of open-ended questions, with introductory questions designed to gather information on the internationalisation stage (e.g. entry mode, organisational arrangement, strategy aspects involved in managing international operations), the role of international operations in increasing firm competitiveness or, on the other hand, requiring the firm to undertake adaptive actions to increase performance. By interviewing respondents directly responsible for strategy implementation, we were able to reconstruct cases in detail and better place them in their original context [Evans 2010]. The analysis took place on the basis of this verbal data. As the recipients sometimes refer to additional firm-specific documents or charts, we integrated these kinds of written data, as well, and complemented our findings using a data triangulation approach [Flick 2004; Yin 2009].

4. Case studies

4.1. Internationalisation of markets – the case of Schering in Russia

With its innovative products, Schering AG belonged to the worldwide leaders in specialist pharmaceuticals already at the beginning of the 1990s, operating through a network of 130 subsidiaries in the world. Its activities embraced four business areas: gynecology, oncology, special therapies and diagnostic imaging. Schering had

revolutionised the contraceptives market with the introduction of the "pill" back in 1961, which gained a global market share of 50% already in 1971. The acquisition of Schering by Bayer AG in 2006 was primarily motivated by the integration of the pharmaceutical businesses of the two firms and the realisation of synergies in terms of product offering. Bayer HealthCare Pharmaceuticals (formerly Bayer Schering Pharma), headquartered in Berlin, now belongs to the ten top pharmaceutical specialists in the world. The company generated revenues of almost € 10 billion in 2011, whereby Schering brands accounted for 2/3 of the sold drugs.

Despite a growing demand for medicines related to the increased life expectancy and a simultaneous surge of chronic diseases, allowing for a stable growth even in times of global recession, the dramatic rise of research & development costs in the industry leads to a pressure on cost reduction. Moreover, a successful development and a possibly wide market introduction of blockbuster[2] drugs can be regarded as a condition for survival. In this context, a rapid expansion into foreign markets occupied a particular position in the growth strategy of Schering.

A natural course of expansion at the beginning of the 1990s was Central and Eastern Europe (CEE), whose political transformation opened significant markets for Western firms. The Russian market alone, with its population of ca. 140 million and positive GDP growth forecasts, showed an enormous potential despite its still limited income per capita. From the perspective of Schering, the primary issue related to the uncertainty of entering an unknown market, on which no reliable market reports existed, as it was usual in the case of developed markets. This lack of knowledge significantly hindered identification of the market structure, particularly in terms of the state-owned distribution channels and credibility of local business partners. Moreover, drug manufacturers were subject to bureaucratised and highly arbitrary registration procedures, necessary to introduce drugs to the Russian market, which immensely prolonged the time-to-market. However, these delays differed between firms, depending on their informal relationships with authorities and hence the ability to influence the formal procedures. On the demand side, the high inflation rate afflicted the purchasing power of Russian patients, while the drug reimbursement by the state was limited due to budgetary constraints and subjected to highly arbitrary procedures. The low political stability and legal security posed a direct threat to the operations of foreign entrants, as the bureaucratic rules for business activity and the complex fiscal laws deteriorated the business planning process due to their constant and unforeseeable changes. While the patent law was in place, its violations and the diffusion of copy or fake products were commonplace, eroding the profits of original drug manufacturers.

In spite of these risk factors, Schering seized the opportunity to enter the Russian market immediately after the political change in CEE and opened the first repre-

[2] A drug which generates annual sales of at least $1 billion.

sentative office in Moscow in 1992. The geo-cultural proximity, existing traditional trade contacts with the regional markets and the perspectives for economic transformation in the region facilitated this decision. Schering could also benefit from the experience of entering other CEE countries in 1991, as well as prior expansion to China. The entry mode choice had a concrete rationale, resulting from the evaluation of the outlined risks and market potential and – in this sense – constituted a strategic compromise between minimising the risk exposure and enabling a rapid market penetration. For this "first landing" stage, the management decided to support the exports from Germany with several branches of the Moscow representative office, thus establishing a minimal footprint in financial and administrative terms. The office employed local medical consultants responsible for the development of contacts with practitioners, medical institutions and pharmacies. While it did not possess legal autonomy and could not engage in trade and marketing activities itself, it nevertheless fulfilled several relevant objectives. Firstly, the demand for products in certain market niches, such as contraceptives or menopause treatment, was constrained due to cultural barriers and ignorance and hence required an active development in intensive cooperation with individual doctors and health authorities. Secondly, a critical success factor for the strategy implementation was the reliance on formal and informal contacts with local authorities, allowing to evade the arbitrary procedures for drug registration and reimbursement. Thirdly, the representative office enabled to develop a more complete knowledge base on the local market and the further evolution of the unstable political framework, without committing substantial resources to the Russian market (see Figure 2).

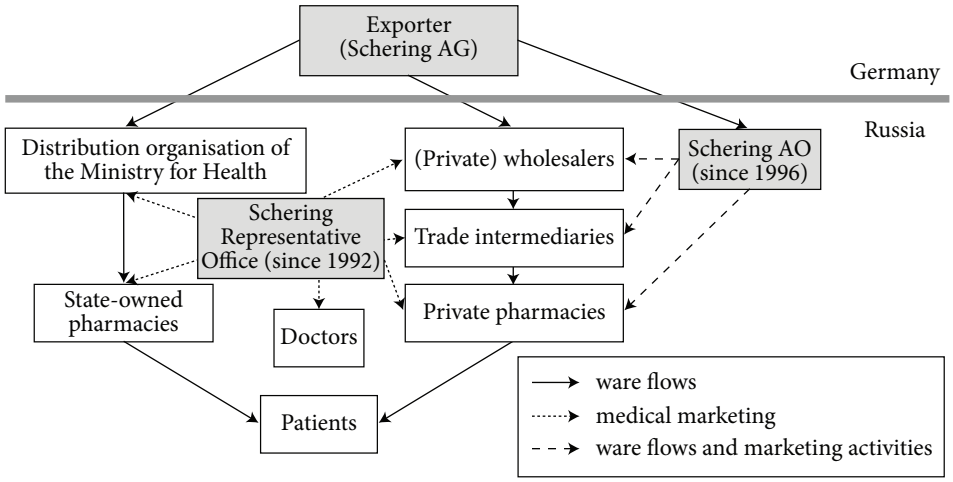

Figure 2. Schering's market entry model in Russia
Source: Schering AG

Since Schering's management perceived the Russian market as important for the firm's long-term competitive position, it gradually decided to increase the investment and extend market penetration. For this purpose, a subsidiary of local law (Schering AO) was founded in 1996, reinforcing the market presence. The new operating mode enabled Schering to shape its marketing strategy in Russia independently of local intermediaries, particularly in terms of pricing. For the contraceptives segment, the local marketing department introduced a "three-pill" competitive strategy, differentiating between low-priced pills for public tenders, middle-priced pills for wholesalers and the most innovative premium-priced pills for private pharmacies. Product differentiation and Schering's strong brand image provided an additional protection against me-too- and copy-products. Moreover, the product offering allowed Schering to capitalise on the significant demand for innovative drugs, which were lacking in an emerging economy.

Last but not least, the development of own distribution network had an operational advantage of internalising the logistic chain and making it independent of local distribution agents. On the other hand, the creation of Schering AO exposed the firm to local regulations to a larger extent than before. However, the risk of unexpected and unfavourable legal changes was deliberately accepted in the light of the long-term orientation towards increasing market sales in Central and Eastern Europe.

4.2. Internationalisation of value chain modules – the case of Jungheinrich

Jungheinrich is one of the world's three leading companies in the material handling equipment, warehousing and material flow engineering sectors, as well as the European leader in warehousing technology. Established in Hamburg, the company offers a broad range of products and services for the intralogistics. The business model of Jungheinrich is based on direct sales of products and services via wholly-owned subsidiaries in international markets. A primary reason for this internalisation extent is the critical role of customer service for business growth. Therefore, a focal question prior to each market entry pertains to the existence of a sufficient sales volume of new products and, consequently, a potential for service activities. This relevance of market potential for both new products and service activities remains in a close relationship with the firm's competitive strategy. The market for indoor electro-technical trucks is of top priority to Jungheinrich, although its level of development varies across countries, especially emerging markets. In the segment of outdoor combustion engine trucks, which grows dynamically in emerging markets, premium, middle and low-cost product segments can be distinguished. Jungheinrich basically follows a differentiation strategy and therefore puts emphasis on the premium segment. Thus, markets with a dominance of the low-cost segment are to a large extent inaccessible for the company.

When planning the expansion on the Chinese market, Jungheinrich's management followed several objectives. Firstly, China was regarded as pivotal in terms of the potential sales volume for staplers, which required establishing a local distribution structure. The market entry model of Jungheinrich relied on the generation of a sufficient volume of new product sales through export to local trade intermediaries, in order to implement its own, highly profitable customer service activities via wholly-owned subsidiaries. The company had indirectly entered China already in 1997 over a local trade intermediary responsible for the distribution of the Jungheinrich offering. After reaching a sufficient volume of sold warehouse products, it was decided to engage in service activities by establishing own direct sales structures in 2003. The delayed extension of the Chinese commitment was due to a recent shift in the competitive strategy, which aimed at reducing the number of brands in the portfolio, the consolidation of distribution networks and the rationalisation of international manufacturing networks. Moreover, the company had just accomplished a resource-intensive expansion campaign in Eastern Europe, which had been initiated after the fall of the "iron curtain". After the acceptance of the business plan, a foundation team launched the sales operations headquartered in Shanghai, implementing corporate business processes and hiring local workforce. In regions with a sufficient service potential for the already sold new devices, branches responsible for the customer service were established. Due to the significant area of the country, provinces with low registered sales were served by an external network of trade intermediaries. This twofold distribution model allowed for the most complete exploitation of the existing market potential with a view to a gradual extension of the direct sales channels.

Apart from the market-seeking motives, which justified the extension of distribution activities in China, a strategic objective of the top management was also to benefit from the comparative advantages of China by relocating production activities to the local market, in line with the resource-seeking logic. Jungheinrich's new single-brand competitive strategy was supported by a worldwide consolidation of manufacturing sites. Given the substantial labour cost advantages of China in terms of simple warehouse technology products, such as hand pallet trucks, the company decided to close down the existing factory in France and to search for an appropriate production partner in China. This choice followed according to such evaluation criteria as pricing, market reputation and product quality. The Chinese firm identified in this way possessed a large manufacturing site, a relatively long experience and good market access, which prompted Jungheinrich to establish a manufacturing joint venture. The new entity assumed a worldwide responsibility for the production of hand pallet trucks, whereby Jungheinrich provided the know-how in terms of development.

Apart from producing hand pallet trucks in China, Jungheinrich also opened an assembly site for more complex warehouse technology products in Qingpu in 2006.

For this purpose, the Jungheinrich Lift Truck Manufacturing (Shanghai) Co. Ltd. was established. The primary motives for this decision related to shortening and controlling delivery times and to evading high import tariffs. On the other hand, the production cost advantages in case of more advanced warehouse technology products are limited. This explained the low vertical range of manufacturing in China, limited to mere assembling. In order to increase the depth of value-added activities in China, Jungheinrich would have to invest in pre-fabrication know-how, while its actual core competence was based on the development of control units, lifting frames and on the assembly process itself. In consequence, the manufacturing site still remains dependent on European supplies of relevant components, in order to differentiate the company against competitors through unique technological knowledge. Nevertheless, Jungheinrich planned to increase the extent of localisation through two measures. Firstly, the local development competence was to be gradually enhanced, in order to better adapt the outdated, second-class products from Europe to the local market needs, the Chinese subsidiary becoming a regional competence centre. Secondly, the development of a local purchasing network aimed

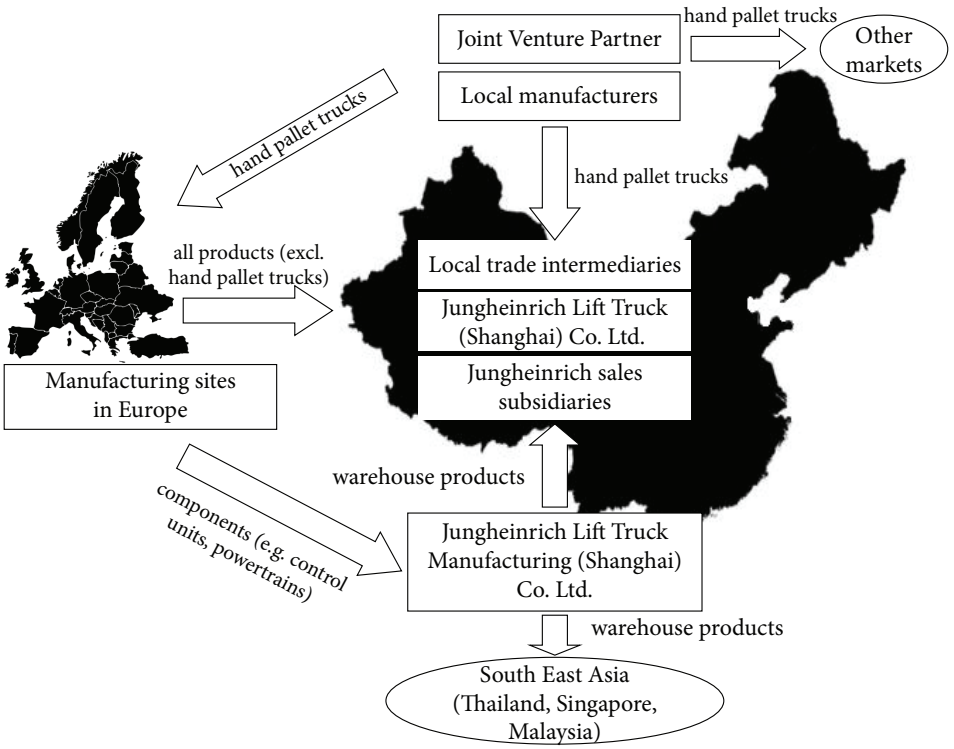

Figure 3. Jungheinrich's international value chain configuration
Source: Jungheinrich AG

at generating sourcing advantages for the entire corporate network. The Qingpu site is currently serving the markets of South East Asia and, in Jungheinrichs's plans, could supply further non-Asian markets showing similar demand characteristics. After the global economic downturn, the manufacturing activity in China was to be further developed, in order to supply regional markets. Moreover, the increasing localisation of Jungheinrich's production would allow to reach the middle-priced segment, whose dynamic growth and convergence towards the premium segment is forecasted. However, for the time being, premium products are still to be imported from Europe.

4.3. Controlling the performance of international operations – the case of CWS-boco International

CWS-boco International, based in Germany, is one of the business areas of the Haniel group. It offers a broad portfolio of fragrances and hygiene systems for the washroom, as well as dust control mats, via its network of 18 subsidiaries in Europe and China. Apart from the geographical differentiation of the company, the operations of CWS-boco International are organised into the washroom care, textile care and floor care business units. This international complexity results in the need for a strict cross-border performance control in order to achieve the set objectives at the group level. Given that the country subsidiaries face different pressures in their own local markets and are thus faced with specific success factors, a holistic approach to performance evaluation is indispensable. Moreover, the internationalisation process was to a large extent driven by acquisitions of local firms, which had implemented heterogeneous enterprise resource planning (ERP) systems and hence applied divergent data formats. Consequently, business-relevant information, such as customer contracts, were stored in different operative information systems in different countries, posing a consolidation challenge on the level of international performance evaluation.

Therefore, to devise a unified integrative basis for performance evaluation and control, the Haniel Group introduced a holistic system, allowing to monitor the critical success factors of each business unit and compare their individual performance against benchmarks in pre-defined performance aspects. In order to implement the international performance management concept, the management board of CWS-boco International had to implement new strategic management information systems. A multidimensional analysis for company-wide data stemming from various countries was made possible thanks to the use of SAP Strategic Enterprise Management (SAP-SEM) and SAP Business Warehouse (BW). Data collected in these systems can be manipulated to produce standardised, user-defined reports according to the online analytical processing (OLAP) approach. While the local subsidiary management can generate reports and the related indicators directly

from the data warehouse (SAP-BW), the consolidation of data for the top management of CWS-boco International occurs in the SAP-SEM system. Data contained in these major information systems allow to create four main categories of reports, presented in Figure 4.

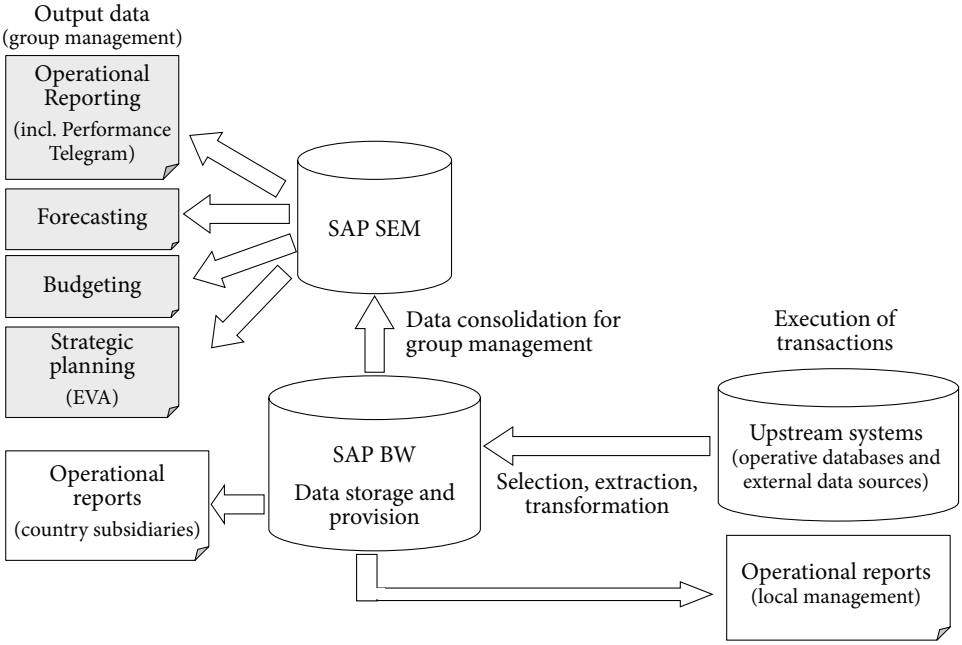

Figure 4. Strategic and operational management information systems
Source: CWS-boco International

Firstly, the management information systems support the monthly operational reporting, which includes the current reporting and annual forecasting. Thereby, two different consolidation levels can be distinguished. On the one hand, the local subsidiary management can access the upstream systems to obtain detailed information on the sales evolution, particularly revenues, volume and price development, as well as cost variables from such operational areas as the distribution network, washroom, service and logistics units. On the other hand, the management of CWS-boco International obtains aggregated indicators on the sales evolution, profit and loss account and balance sheet information. These parametres are presented monthly in the form of "performance telegram", which is of vital importance for corporate performance management. The "performance telegram" allows to filter performance data by business units in two formats: a profit and loss account for a particular country subsidiary with a classical cost hierarchy (personnel expenditure, material costs and other operating expenditure), or a profit and loss account subdivided into functional areas of every country subsidiary. Moreover, the man-

agement can view operative key performance indicators (KPI) in all product areas for comparisons. The "performance telegram" poses therefore a basis for dialogue between the top management team and local subsidiary management in order to analyse the current performance evolution and deviations from the set objectives.

Another core component of the performance management is composed of forecasting and budgeting. The annual budgets, based on local budgeting accepted by the group management, are entered into SAP-SEM. Subsequently, annual forecasts are devised and submitted for consultation in quarterly meetings of the top management with local subsidiary managers. The last, long-term performance component of the integrated system is strategic planning based on the concept of economic value added (EVA, see Figure 5).

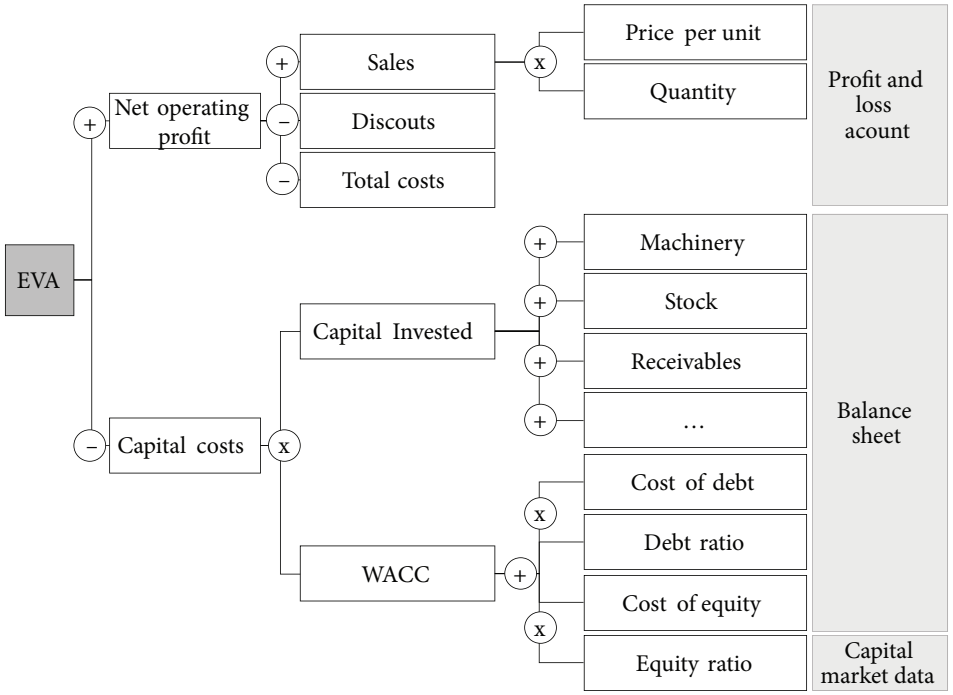

Figure 5. Performance components according to the EVA concept

The performance management based on the EVA concept enables to create a direct link between the overarching objective of enhancing corporate value and increasing performance of all local subsidiaries of CWS-boco International. At the level of CWS-boco International, a 5-year EVA "corridor" is defined, with specification of annual EVA values and a cumulated total EVA value. The EVA values are based on the anticipated balance sheet, profit and loss account and investment data from all subsidiaries and – once announced – constitute a reference point for the opera-

tional planning. The achievement of the strategic performance targets expressed by the EVA corridor is verified during annual management meetings. In order to contribute to the corporate value, local subsidiaries not only need to monitor specific performance-driving variables, but also orient all business processes towards value creation, which necessitates the integration of non-financial, qualitative value drivers. Thus, the EVA-concept poses a starting point for concrete improvement measures in all subsidiaries of the international group.

4.4. Unifying performance across borders – the case of Bombardier Transportation

Bombardier is a diversified corporation operating in the manufacturing of transportation equipment, including business and commercial aircraft, rail transportation equipment and systems, as well as related services. The aerospace unit of the company is engaged in the design and manufacturing of aviation products, such as regional jets, turboprops, business jets and amphibious aircrafts. The rail transportation segment is a leading provider of the rail equipment including rolling stock, bogies and propulsion and controls. The company operates in more than 60 countries in five continents, adding the geographical dimension to the industrial complexity of the company. Therefore, differences exist in terms of resource equipment, competences and operational efficiency between the subsidiaries in different countries.

One of the company's business areas, Bombardier Transportation, headquartered in Berlin and embracing further seven manufacturing sites in Germany alone, is a worldwide market leader in rail transport industry and the related services. The largest division within Bombardier Transportation is the Passengers Division with about 12 000 employees in 20 locations worldwide. In 2006, the top management of the Division discussed the critical determinants of the global competitiveness of the company. It was stated that both the cost level and delivery times had risen, while the products did not fulfill the assumed quality in certain cases. From the perspective of intra-group competitiveness and an optimal resource allocation between divisions, a high performance variation among the same product divisions in different locations could be identified. Accordingly, a comprehensive competitiveness evaluation of organisational units was identified as a prerequisite for increasing the overall firm performance, especially in the light of an increasing pressure from Asian competitors to reduce manufacturing costs and delivery times. In this situation, differentiation by quality seemed even more important to the management. Therefore, in order to align business processes with the highest industry standards on the one hand, and to create a common basis for the exchange of best practices among the geographically dispersed units, an integrative concept of Bombardier Operations System (BOS) was introduced. It embraces five fundamental principles

of integrated quality, short delivery times, employee involvement, standardisation and continuous improvement. The formulation of common rules aimed at creating a cross-border, performance-oriented corporate culture, serving as a guideline for doing business regardless of industry and host country. The integrative character of the programme implies changes not only in relation to business processes, but also to international human resources management, communication procedures and the entire value chain management.

In order to implement the fundamental principles at the operational level, they were subdivided in further evaluation dimensions, as well as specific guidelines for processes and procedures facilitating the implementation. For instance, the principle of employee involvement was subdivided into the existence measures aiming at a higher workplace security, the extent of communication of strategic information or the integration of the teamwork component in employee incentive schemes. For each of the criteria, internal BOS-auditors visiting a given subsidiary evaluate performance along four grades, ranging from baseline to excellence. In 2007, the first BOS-audits were carried out in different divisions of Bombardier Transportation in 12 countries, in order to identify the existence or planned introduction of business process, procedures and practices related to the fundamental principles. This led to an obligation for subsidiary managers to adopt the first emerging best practices already in 2008.

The improvement in each detailed dimension of the fundamental principles means a step in the change process of the company, for which each subsidiary manager is personally responsible. In a dialogue with the division management, subsidiary managers determine priorities in terms of subsidiary weaknesses and the necessary improvement measures. The periodical BOS-assessments not only allow to measure performance and evaluate progress, but also to compare the unit against best-in-class Bombardier subsidiaries in other countries. Thereby, gradual improvements in single criteria may be sufficient or, on the other hand, fundamental changes may be necessary. The extent of change is co-determined by the historical background of a subsidiary, its strategic priorities and the available resources, therefore it can vary between small adaptations and breakthrough changes in a given year.

In order to facilitate the international change management process, the Change Leadership project was launched in 2010 within the Passengers Division. In the first pilot phase, the general managers and human resources managers of five selected subsidiaries were involved in trainings, consulting and coaching in the field of change management. These comprised both internal workshops on change management and leadership issues, led by an internal coaching team, as well as consulting by external experts in the so called "change dialogue". The focus on the human resources aspects of the improvement process reflects the critical relevance of the human factor in change management and therefore helps to minimise resistance against changes, which occurs in all organisations, particularly those of high or-

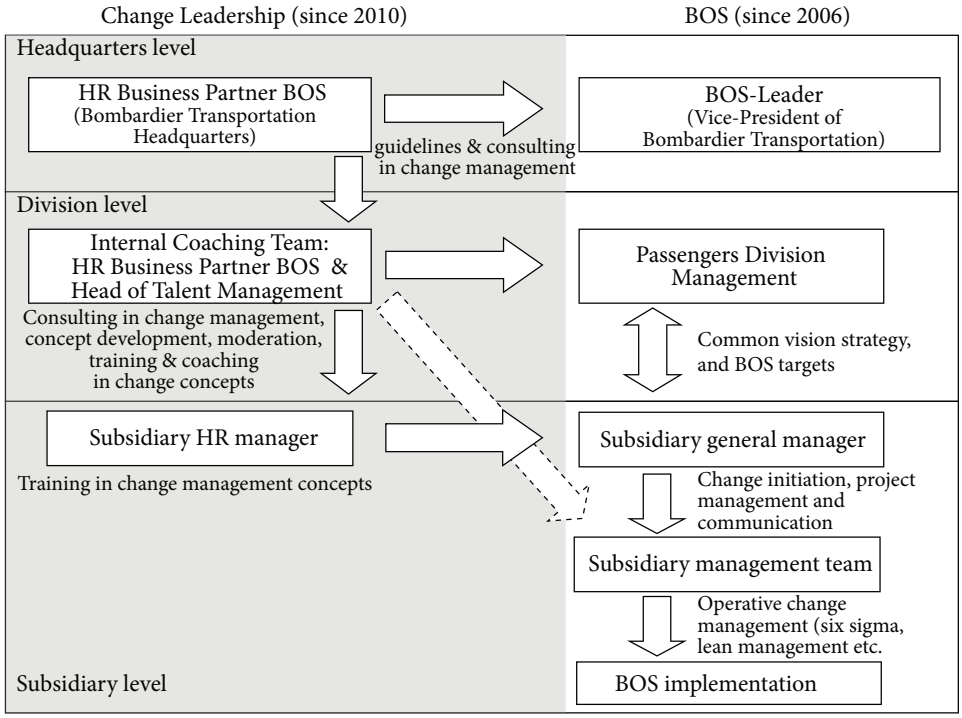

Figure 6. Change Leadership in support of the BOS-implementation
Source: Bombardier Transportation

ganisational complexity. Figure 6 synthetically presents the organisational design of the Bombardier Operations System, alongside the role of the Change Leadership project in its company-wide implementation.

Contribution and conclusion

The conducted case analysis aimed at exploring and illustrating the ways in which different dimensions of the internationalisation strategy allow to increase firm competitiveness. The case studies put emphasis on the complex entity of internationality and its variation. As mentioned below and discussed in extant literature, this complexity is not always covered in current international management research – instead, research is frequently focused on several "hot topics", including entry modes, alliances and networks or subsidiary-HQ-relations [Werner 2002, p. 282]. As a result, some important "blind spots" remain under-researched. A prominent

example is the issue of the development and adaptation of management systems to the international activities of the firm, which is strongly underexposed [Wrona 2009]. This paper contributes especially to the ongoing debate on the complex interplay between international market entry strategies and the adaptation or change of management systems. By seeking complementarities [Ridder, Hoon & McCandless Baluch 2012], we analysed four cases that represented different aspects of the internationalisation strategy and its implementation via management systems, starting with entry mode choice in an emerging market, through a global configuration of value chain activities, to the integration of foreign operations by implementing value-based management and financial control on the one hand, and institutionalising knowledge flows, on the other. As the case study analysis illustrated, the advancement of the internationalisation process affects different competitiveness dimensions by providing new opportunities for companies. On the other hand, the organisational challenges related to managing international operations prompted the studied firms to adapt their strategy to remain internationally competitive and benefit from their cross-border presence.

The case of Schering (Section 4.1) illustrated that the entry into a market with initially non-existing market structures, yet showing a substantial growth potential, can positively affect the competitive potential of the entrant by providing knowledge on operating in emerging markets and hence creating a basis for further expansion into similar markets. However, the competitive strategy of the firm required an adaptation to the local demand structure in terms of the product portfolio and pricing strategy, which did not entirely fit the overall differentiation strategy. In the same vein, the formulation of the entry strategy required a consideration of operational risks and resulted in the adoption of a minimal financial commitment, which could be easily reversed. Nonetheless, the strategic objective of improving the long-term competitive position by gradually increasing the market share in the Russian market prompted the management to offset the substantial risks to the short-term competitive position and increase investments in the local operations, even if some of Schering's competitors withdrew from Russia.

Jungheinrich's relocation of manufacturing to China (Section 4.2) shows a more complex image of relationships between internationalisation strategy and competitiveness and also points to the fact that a firm's competitive strategy can vary between different strategic business areas. The internationalisation of the value chain in the low-cost product market was driven by market-seeking motives, allowing the firm to exploit comparative advantages of foreign locations, thus affecting its competitive potential in terms of the production efficiency, and its competitive position by a better adjustment to the demand in emerging economies. On the other hand, the effects of internationalisation for the premium segment are more complex, since the replication of strategy from the low-cost segment would have resulted in the deterioration of Jungheinrich's reputation. Conversely, rather than completely relocating the man-

ufacturing of premium products, the company used the opportunity of assembling products in China to develop new skills, outside of its traditional core competencies.

Managing a portfolio of international markets requires an integrative perspective on competitiveness, as the resources and strategies of local subsidiaries can be heterogeneous and therefore make different contributions to the parent firm. The management of CWS-boco International realised that the heterogeneity of subsidiary performance, inherited from a rapid internationalisation by acquisitions, requires a systematic and holistic control of subunit performance, facilitated by strategic information systems (Section 4.3). Moreover, as the overall firm performance strongly depends on the results generated by its foreign subunits, the introduction of value-based concepts allowed to motivate all subsidiaries to reach a common, overarching growth objective. The case of Bombardier Transportation (Section 4.4) goes a step further in this regard, showing that the implementation of corrective measures to reduce the competitiveness gaps within a multinational group needs to be institutionalised and supported by managerial efforts. The company, faced with crucial challenges to its international competitiveness, developed a complex evaluation and benchmarking system, allowing its subsidiaries in various countries to learn from each other and exchange best practices. Thereby, information transfers were facilitated to increase the common knowledge base of the company. At the same time, the case highlighted that the learning process can cause substantial changes, which need to be reinforced by the development of new skills in the area of human resource management.

Therefore, our paper extends the discussion on internationalisation behaviour of companies, which may be regarded as strongly focused on foreign market entry. Case-based evidence was provided on the complex interplay between strategy and management systems. It also illustrated that adaptations in further strategic and organisational dimensions accompany the increased advancement of international operations. While our qualitative approach may be criticised for its conceptual breadth, it draws attention to several important aspects of the relationship between internationalisation and firm competitiveness. A major implication for other studies is that the substance of the internationalisation strategy, in particular its scope and complexity, requires consideration in order to better unveil its competitive implications. Moreover, the connection between competitive strategy in different business areas (or business units) and the corresponding internationalisation strategy deserves more attention in future research. Finally, further studies should differentiate more clearly between the sources of firm competitiveness resulting from the mere fact of internationalising business operations, and the competitiveness outcomes of the measures undertaken to manage the arising complexity, whose creation can in itself add to a company's pool of abilities.

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POZNAŃ UNIVERSITY OF ECONOMICS REVIEW
Volume 13 Number 1 2013

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Female entrepreneurship in Poland

Abstract: The aim of this paper is to present the issues connected with female entrepreneurship and in particular to analyse the changes in the rates of female entrepreneurship in Poland between the years 1993 and 2010 against the background of the job market situation, as well as identifying the factors which determine the entrepreneurship of women. The dynamics of female entrepreneurship will be contrasted with entrepreneurship among men.

The entrepreneurship gender gap in Poland only slightly decreased during the studied period even though the situation of women in the job market is more difficult than that of men, which could engender a negative entrepreneurial motivation. The results of the research show that female entrepreneurship is significantly more susceptible to the influences of the general market situation, measured by GDP, than the entrepreneurship of men. This means that the entrepreneurship gender gap can decrease only when there is long-term economic growth.
Keywords: entrepreneurship, female entrepreneurship, gender gap in entrepreneurship.
JEL codes: L29, J62.

1. Female entrepreneurship – a theoretical view

Entrepreneurship is outside the mainstream of economics, therefore a comprehensive homogeneous theory of entrepreneurship, or even its definition, does not exist [e.g. Campbell 1992; Bygrave & Hofer 1991]. This lack of a generally accepted definition of entrepreneurship results in problems with defining female entrepreneurship, an area of research which originated in the mid-1980s so is relatively new [Moore 1990]. Three stages can be distinguished in the research into female entrepreneurship. The first stage, before the 1970s, was a move from the gender-neutral position to the male-specific position. The second stage, from the 1970s to the beginning of the 1990s, was stereotypical in nature, indicating how women are perceived in relation to men. Finally, the third, postmodernist, stage began to study the

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otherness of female entrepreneurship. The postmodernist context makes it possible to ask questions about how women perceive being entrepreneurs and business owners [Kyrö 2009].

Linking gender issues and entrepreneurship may be a result of the way in which the two topics are perceived in our culture and how they are incorporated into social practice. The symbolic image of a business enterprise is associated with a personality that is pragmatic, creative, open-minded and adventurous. Entrepreneurship is symbolically connected with initiative-taking, accomplishment and relative risk, which are traditionally thought to be the domain of men. The traditional image of women involves passivity, adaptation and flexibility. As a result, female entrepreneurship has to be justified, as femininity and entrepreneurship belong to different imageries [Bruni, Gherardi & Poggio 2004], and entrepreneurship is traditionally perceived as a male attribute.

The above imagery is connected with the issue of gender-role stereotyping in entrepreneurship. Research results show that when students were asked in a questionnaire study about their perception of entrepreneurs in the context of gender-role stereotypes, they tended to perceive being an entrepreneur as a male-type role [Gupta et al. 2005]. Those people who perceive themselves as more similar to males, have stronger entrepreneurial intentions than those who describe themselves as less masculine [Gupta et al. 2009].

In order to be treated as serious business people many women tend to play down any issues relating to their gender and try to stress their similarities to male entrepreneurs. This shows that the gender issue seems to be crucial in the perception of female entrepreneurs [Lewis 2006].

It may be noticed, however, that although entrepreneurship is strongly perceived through the prism of gender stereotypes, it can also be a factor which will alter the meaning of gender and the way in which gender is lived [Hanson 2009].

Female entrepreneurship can be divided into two categories: the traditional generation of entrepreneurial women, concentrated around businesses involving household services, which require reduced skills and experience; and the modern generation, more actively involved in businesses more oriented towards profit and creating new markets [Moore 1990].

Women worldwide are less likely to become involved in entrepreneurial activity than men [Minniti & Nardone 2007]. Male and female kinds of entrepreneurship differ in respect of the personal and business profiles, as the companies set up by men and women operate in different sectors, develop different products, have different aims and different structures [Verheul, van Stel & Thurik 2006]. Women tend to set up companies operating in the consumer or business service sectors and they usually achieve lower profits than men. They are also less willing than men to work very long hours [Zinger et al. 2007], which is obviously caused by the necessity to combine business and domestic duties.

The level of income achieved by female entrepreneurs is lower than that achieved by companies run by men. This discrepancy is usually explained by the lower level of women's human capital in business, which is a result of their more limited professional experience in similar companies or in family businesses, as well as their tendency to work shorter hours than men [Fairlie & Robb 2009].

In many other respects, however, male and female kinds of entrepreneurship do not differ significantly, for example in respect of the likelihood of their companies' success or failure, the level of risk involved in their business decisions, the choice of strategies and many others [Mueller 2004]. The rates of entrepreneurship among men and women react similarly to economic factors, the two exceptions being the unemployment rate and life satisfaction. The negative effect of the unemployment rate is weaker in the case of female than in the case of male entrepreneurship, and life satisfaction has a positive influence on women's entrepreneurial activity whereas it has no influence on male entrepreneurship [Verheul, van Stel & Thurik 2006]. Also, no significant gender differences have been found between men and women as regards the relationship between the likelihood of embarking on entrepreneurial activity and such factors as age, household income, work status or education. Men and women react in similar ways to the working environment [Minniti & Nardone 2007].

On the other hand, among the factors which are connected with gender those which have a positive and statistically significant influence on women's entrepreneurial activity include female education, the extent of female economic activities and the fertility rate, while the female earnings ratio has a negative influence [Kobeissi 2010].

The findings presented above were obtained by analysing, primarily, developed economies, whereas a study which compared female entrepreneurship in two countries undergoing a systemic transformation, Lithuania and Ukraine, showed that women had considerably more limited actual access to financial resources than men. Although formal access is equal, some informal factors such as gender norms and values, which are a reflection of a patriarchal system, restrict women's activity and their access to resources [Aidis et al. 2007].

Female entrepreneurs also come up against a number of myths and stereotypes when they try to obtain external financing from venture capital funds to develop their companies. Those myths relate to their abilities and capabilities, the composition and use of their networks, and the attractiveness of the industry where they run their businesses [Gatewood et al. 2009].

Despite these differences and similarities, in every country, regardless of the cultural or social factors, there exists a gender gap. The gender gap refers to a considerably lower level of entrepreneurship among women than among men. A review of the literature which discusses the causes of this gender gap [Startiene & Remeikiene 2008] has led to a grouping of the factors into the following catego-

ries: cultural factors, psychological factors, organizational factors, technical development, economic factors, demographic factors, institutional factors and governmental interventions. Additionally, these factors can be classified according to their influence on the gender gap. Some of the factors increase the gender gap, some decrease it, and some have no influence on it. For example, access to financial capital and the wage gap tend to increase the gender gap, whereas the share of the service sector in the economy is a factor which decreases the gender gap. The neutral factors, which do not affect the gender gap, include age and motivation [Startiene & Remeikiene 2008].

Above all, it is often stressed that, on the one hand, women are the driving force of the economy because they are active and efficient members of economic, political, professional or managerial communities. On the other hand, however, female entrepreneurs have a number of parental duties and inflexible household obligations which they try to effectively combine to maintain a balance between running a business and running a home [Apergis & Pekka-Economou 2010].

2. Female entrepreneurship in Poland in the years 1993–2010

In the discussion of female entrepreneurship it is assumed that entrepreneurship is one of the forms of professional activity. People who work can be either hired employees who receive remuneration for their work, or entrepreneurs who obtain income from running their own businesses. This approach is consistent with the occupational choice theory, which treats being an entrepreneur as one form of professional activity, which is an alternative to being an employee. The decision about becoming an entrepreneur or an employee is undertaken in a rational way, using all the available information to make the most profit from the chosen form of activity [Minniti & Bygrave 1999]. This choice is influenced by a number of factors, such as attitude towards risk-taking [Kihlstrom & Laffont 1979; Banerjee & Newman 1993], access to financial resources as a result of liquidity constraint models [e.g. Blanchflower & Oswald 1998; Holtz-Eakin, Joulfaian & Rosen 1994], or financial market imperfections [Paulson, Townsend & Karaivanov 2006].

The labour market is another factor influencing the occupational choice, e.g. the relationship between the wages available in the labour market and the potential profits from entrepreneurial activity [Blau 1987; Bernhardt 1994; Taylor 1996], or imbalances in the spheres of labour demand and labour supply [Alba-Ramirez 1994] which influence the quantity and quality of the jobs offered as well as the opportunities to find a job as an alternative occupational choice to entrepreneurship. According to empirical findings the propensity to take up self-employment is higher for males, unemployed people and those with past entrepreneurial experience, who

live in more densely populated and faster growing regions with higher rates of new company formation [Wagner & Sternberg 2004].

Adopting the assumption that entrepreneurship is one of the forms of professional activity, any alternative to entrepreneurship means that female entrepreneurship in Poland must be considered against the background of the situation of women in the job market in comparison with the situation of men. In order to do this, first the rates of unemployment among men and women were compared together with the average periods of looking for work (Table 1).

Table 1. Unemployment rate and the average period of looking for work in 1993 and 2010

Time	Rate of unemployment			Average period of looking for work (in months)	
	total	women	men	women	men
1st quarter 1993	14.2	15.6	13.1	13.6	12.4
4th quarter 2010	9.6	10	9.3	10.3	10

Source: Own compilation on the basis of Central Statistical Office data, *Aktywność ekonomiczna ludności Polski w IV kw. 2010* [Economic activity of the Polish population in the 4th quarter of 2010], Warszawa 2011.

Between the beginning of 1993 and the end of 2010 the situation of men and women in the job market improved, which is reflected in the decline of the overall unemployment rate from 14.2% to 9.6% as well as in the reduction of the period of looking for employment. This improvement did not depend on gender as for both men and women the unemployment rate was lower, and both men and women needed less time to find work.

It must be noticed, however, that despite those favourable trends in the job market, throughout the whole analysed period the situation of women was more difficult than that of men. The rate of female unemployment was higher than the rate of male unemployment both in 1993 (women – 15.6%, men – 13.1%) and in 2010 (women – 10%, men – 9.3%), even though the difference decreased. In 1993 the difference between male and female unemployment amounted to 2.5 percentage points, and in 2010 it fell to the level of 0.7 percentage points.

The average time of looking for work among unemployed women throughout the analysed period was longer than in the case of unemployed men, although in this respect also the difference became smaller. In 1993, on average, women spent 13.6 months looking for employment, whereas men spent 12.4 months, which means that women had to look for work, on average, 1.2 months longer than men. In 2010 unemployed women needed, on average, 10.3 months to find work while men needed 10 months, so the difference in the time necessary to find a job decreased, on average, to 0.3 months.

The next set of variables which describe the situation in the job market is the professional activity rate and the employment rate (Table 2).

Table 2. Professional activity rate and unemployment rate among men and women in 1993 and 2010

Time	Professional activity rate			Employment rate		
	total	women	men	total	women	men
1st quarter1993	61.4	53.5	69.2	52.3	45.1	60.1
4th quarter 2010	55.8	48.2	64.1	50.4	43.4	58.6

Source: Own compilation on the basis of Central Statistical Office data, *Aktywność ekonomiczna...*, op. cit.

Between the beginning of 1993 and the end of 2010 the overall rate of professional activity decreased from 61.4% of the total productive age population to 55.8%. This decrease affected both men and women. The level of women's professional activity was lower than men's both at the beginning of the analysed period (women – 53.5%, men – 69.2%) and at the end (women – 48.2%, men – 64.1%). The discrepancy between the rates of men's and women's professional activity decreased from 15.7 to 12.9 percentage points.

Also, the rate of employment fell from 52.3% of the productive age population in 1993 to 50.4% in 2010, irrespective of gender. The rate of women's employment was lower than the rate of men's employment both in 1993 (women – 45.1%, men – 60.1%) and in 2010 (women – 43.3%, men – 58.6%). However, in the case of this parameter the difference between the rates of men's and women's employment increased from 15 percentage points in 1993 to 15.2 percentage points in 2010, and although this increase is relatively small, it indicates a growing discrepancy between the rates of employment of men and women.

The rates of employment were also studied in respect of the age of men and women (Table 3), although due to data availability only the 4th quarter of 2010 was analysed.

Table 3. Rate of employment for men and women according to age in the 4th quarter of 2010

	Employment rate according to age						
	total	15–24	25–34	35–44	45–54	55–59(64)	over 60(65)
Total	50.4	25.8	77	81.9	73.9	42.4	6.4
Women	43.4	21	68.9	77.1	70	35.8	5.8
Men	58.6	30.4	85	86.8	77.3	46.5	7.5

Source: Own compilation on the basis of Central Statistical Office data, *Aktywność ekonomiczna...*, op.cit.

In the 4th quarter of 2010 the rate of employment in the total population of women (43.4%) was lower by approximately 15 percentage points than the rate of employment in the total population of men (58.6%). The situation was very similar in each age group. The rate of employment is the highest among women between 35 and 44 years of age, in which group 77% of women work. Obviously, the lowest rate of employment is recorded among women at retirement age, of which only about 5.8% are employed.

Comparing the discrepancy between men's and women's rates of employment, it can be observed that the greatest discrepancy occurs in the 24–34 age group, where the rate of employment among men (85%) is higher by over 16 percentage points than among women (68.9%). The smallest discrepancy, only 1.7 percentage points, is in the retirement age group, where 5.8% of women and 7.5% of men are employed. Apart from the retirement age group, the second smallest discrepancy, about 7.3 percentage points, was recorded in the 45–54 age group, in which 70% of women and 77.3% of men work.

The above data indicate that the situation of women in the job market in respect of the possibilities of employment, the rate of professional activity and the rate of employment is worse than the situation of men. Between the years 1993 and 2010 the situation with regard to unemployment improved in general, but unemployment among women is still higher than among men. As regards professional activity, it declined both for men and for women, but the proportion of professionally active women is lower than professionally active men.

It is generally thought that despite a high level of education, women in Poland generally tend to work in lower positions and get lower salaries than men who do comparable work. As a result of this, women might be tempted to start their own businesses for two main reasons: firstly, to create a workplace for themselves; and secondly, to become independent as regards managing their time [Wasilczuk & Zieba 2008].

One could assume that the above situation will trigger a negative motivation in women and push a considerable number of them into entrepreneurship as an alternative to paid employment, especially that running one's own business makes it possible to be independent. Table 4 presents the professional activity structures of men and women. However, the interpretation of the data is not clear-cut.

Women accounted for approximately 46% and men for approximately 54% of wage-earning employees both at the beginning of 1993 and at the end of 2010. So the gender structure of wage earning employees remained fairly stable over time, and the difference between the proportions of men and women, about 8 percentage points, is not very large.

Far greater discrepancies can be observed when analysing the gender structure of entrepreneurs. Only about 30% of entrepreneurs are women and about 70% are men. Among the self-employed, i.e. people who run their own businesses but do

Table 4. Structure of professional activity according to gender (in %)

Structure		2nd quarter 1993	4th quarter 2010
Proportion of working women in:	labour force	39.08	40.80
Proportion of working men in:		47.12	49.90
Proportion of women in:	wage-earning employees	46.10	46.57
Proportion of men in:		53.90	53.43
Proportion of women in:	self-employed in the non-agricultural sector	29.68	32.74
Proportion of men in:		70.32	67.26
Proportion of women in:	entrepreneurs in the non-agricultural sector	28.72	31.08
Proportion of men in:		71.28	68.92

Source: Own compilation on the basis of Central Statistical Office data.

not employ workers, the proportion of women is higher by approximately 1 percentage point than among entrepreneurs proper, i.e. those who run a business and employ staff.

Although the proportion of women in the number of wage-earning employees remained fairly stable between the years 1993 and 2010, their proportion among entrepreneurs increased. In 1993 women accounted for 29.68% of self-employed people in the non-agricultural sector, and in 2010 this figure increased to 32.74%; an increase of approximately 3 percentage points. The proportion of women among entrepreneurs was 28.72% in 1993 and 31.08% in 2010, so the proportion increased by approximately 2.4 percentage points.

Concluding, it can be observed that although the proportion of women among entrepreneurs is rather low, it did increase a little, which may indicate that female entrepreneurship is beginning to catch up.

Additionally, the results of research into entrepreneurship in Poland show that companies run by women are on average smaller than those run by men and are characterised by lower development aspirations [Wasilczuk & Zieba 2008].

3. The dynamics of female entrepreneurship in Poland

In this article entrepreneurship is understood as conducting business activity on one's own account, regardless of issues such as employing workers or the extent of ownership or co-ownership of the company. Thus female entrepreneurs are those women who are involved in business activity. As a result of the definition adopted

two rates of female entrepreneurship were distinguished, which was the basis for analysing changes in the areas studied:

– the rate of female self-employment (RFS) in labour force, which denotes the proportion of women involved in business activities without employing workers in the non-agricultural sector of the female labour force
– the rate of female entrepreneurship (RFE), which denotes the proportion of women involved in business activities and employing workers in the non-agricultural sector of the female labour force.

For comparison purposes the situation of women is contrasted with the situation of men, where male entrepreneurship is a reference point. For this reason the rate of male self-employment in the non-agricultural sector (RMS) and the rate of male entrepreneurship in the non-agricultural sector (RME) were determined.

In order to calculate the above mentioned rates data from the Central Statistical Office were used, which is published quarterly in "Aktywność ekonomiczna ludności Polski"[Economic activity of the Polish population].

First of all, the dynamics of the male and female rates of entrepreneurship in the years 1993–2010 were analysed. The findings are presented in Table 5.

Table 5. Dynamics of the rates of male and female entrepreneurship in the years 1993–2010

Measures	Rate of female self-employment in the labour force	Rate of female entrepreneurship in the labour force	Rate of male self-employment in the labour force	Rate of male entrepreneurship in the labour force
Average	3.58	1.98	6.56	3.85
Standard deviation	0.39	0.27	0.45	0.41
Percentage deviation	10.76	13.47	6.85	10.55
Dynamics	145.14	176.94	121.17	152.22

Source: Own compilation on the basis of Central Statistical Office data.

On average, in the years 1993–2010 the proportion of self-employed women in the non-agricultural sector amounted to approximately 3.58% of the total female labour force, whereas the proportion of self-employed men amounted to approximately 6.56% of the total male labour force. Additionally, in the female labour force, on average, about 1.98% of women were entrepreneurs, whereas male entrepreneurs represented approximately 3.85% of the male labour force. These data show that women undertake both of the above-mentioned kinds of entrepreneurial activity approximately half as often as men, which confirms the existence of a gender gap in this respect in Poland.

Calculating the standard deviation as a percentage of the average value, it can be observed that the dynamics of entrepreneurship is greater than the dynamics of self-employment in relation to both genders. However, both the female self-employment rate and the female entrepreneurship rate are characterised by greater dynamics than the corresponding rates among men. In the case of both rates, the differences amount to approximately 3 percentage points.

Throughout the analysed period the rates of male and female entrepreneurship increased, but the rates among women were more dynamic. Between the 2nd quarter of 1993 and the end of 2010 the rate of self-employment among women rose by about 45% and among men by about 21%. During the same period the rate of entrepreneurship increased by about 76% among women and by about 52% among men.

In order to further analyse female entrepreneurship in comparison to male entrepreneurship the time series were transformed into logarithms, and then subjected to seasonal decomposition to eliminate any seasonal and irregular components. As a result, time series were obtained which reflected the effect of the development trend and cyclical fluctuations. These are presented in Chart 1 and Chart 2.

As the data in Chart 1 show, throughout the 1993–2010 period the rate of female self-employment remained at a lower level than the rate of male self-employment, which confirms the existence of a gender gap in Poland in the time period studied. This difference is fairly stable over time: in those time periods when the rate of male employment increased (e.g. 1996–1998 or 2006–2010), the rate of female self-employment increased as well. On the other hand, when the rate of male self-employment dropped (e.g. 1998–2006), so did the rate of female self-employment.

It is worth noting, however, that the trajectory over time for the rate of male self-employment is considerably more stable than that for the rate of female self-employment, with the latter showing greater fluctuation.

The situation was very similar in the case of entrepreneurship rates. One can observe that the changes in the rates of male and female entrepreneurship followed a broadly similar pattern. Over the whole of the period studied the rate of male entrepreneurship remained at a higher level than the rate of female entrepreneurship. The two rates tended to rise simultaneously in the same time periods (e.g. 1993–1998, 2003–2009) as well as drop simultaneously (e.g. 1998–2003).

One look at the rates self-employment and entrepreneurship among men and women (Chart 1 and Chart 2) reveals that there exists a considerable gender gap which did not significantly decrease during the analysed period.

In order to assess the influence of the economic situation on female entrepreneurship, an estimation of regression function parameters was conducted. The dependent variables were two rates for women (RFS and RFE) and two rates for men (RMS and RME), and the independent variable was GDP. The value of GDP was adjusted according to the Consumer Price Index, then transformed into a logarithm and, just as in the case of entrepreneurship rates, cleared of seasonal and random

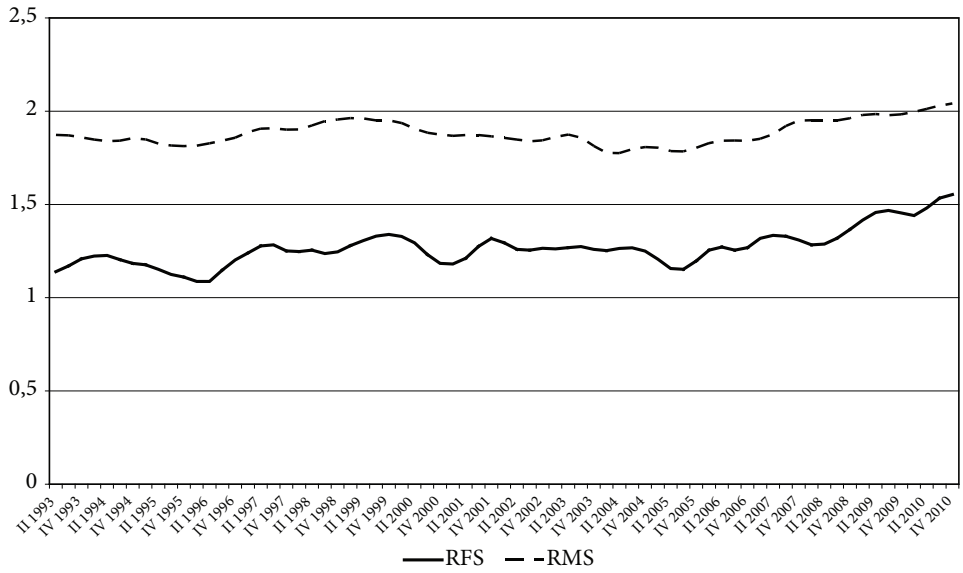
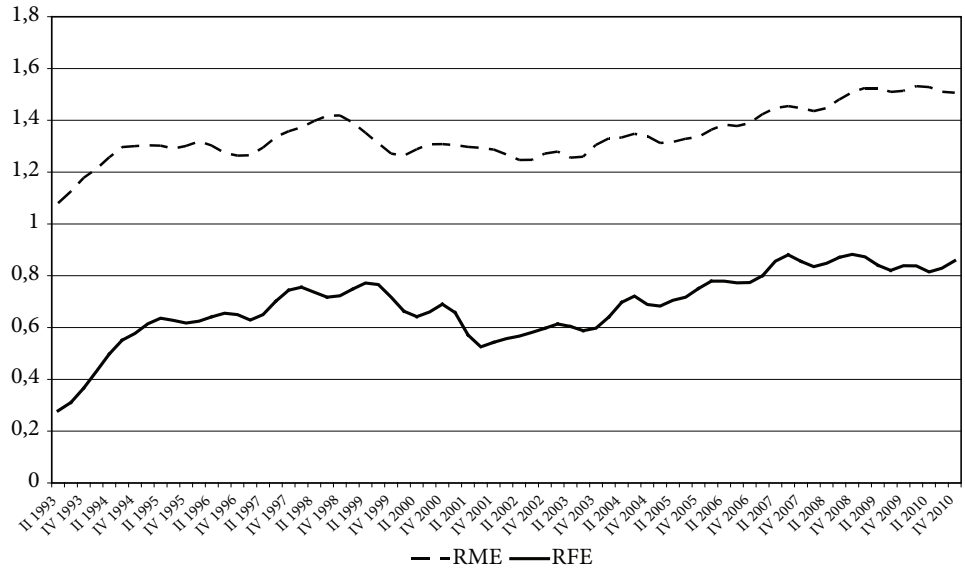


Figure 1. Rates of male and female self-employment in the labour force in the non-agricultural sector (data in natural logarithms cleared of seasonality and random fluctuations)

Source: Own compilation on the basis of Central Statistical Office data



Firgure 2. Rates of male and female entrepreneurship in the labour force in the non-agricultural sector (data in natural logarithms cleared of seasonality and random fluctuations)

Source: Own compilation on the basis of Central Statistical Office data

fluctuations. As a result of the regression function parameter estimation, four functions were specified. These are presented in Table 6.

Table 6. The results of an estimation of regression function parameters for the rates of self-employment and entrepreneurship among men and women in relation to GDP as an independent variable

Dependent variables	Function adjustment	Independent variables				
		name	coefficient	std. error	t-ratio	p-value
RFS	Sum squared resid = 0.357269 S.E. of regression = 0.071957 R-squared = 0.456780 Adjusted R-squared = 0.448907 F(1, 69) = 58.02033	const	0.4320	0.1101	3.9230	0.0002
		GDP	0.1128	0.0148	7.6170	0.0000
RFE	Sum squared resid = 0.458289 S.E. of regression = 0.081498 R-squared = 0.619198 Adjusted R-squared = 0.613679 F(1, 69) = 112.1963	const	–0.6319	0.1247	–5.066	0.0000
		GDP	0.1777	0.0168	10.59	0.0000
RMS	Sum squared resid = 0.258777 S.E. of regression = 0.061240 R-squared = 0.130582 Adjusted R-squared = 0.117982 F(1, 69) = 10.36346	const	1.5833	0.0937	16.89	0.0000
		GDP	0.0406	0.0126	3.2190	0.0020
RME	Sum squared resid = 0.292769 S.E. of regression = 0.065139 R-squared = 0.554387 Adjusted R-squared = 0.547929 F(1, 69) = 85.84294	const	0.4233	0.0997	4.2460	0.0000
		GDP	0.1242	0.0134	9.2650	0.0000

Source: Own compilation on the basis of Central Statistical Office data.

As indicated by the data in Table 6, the level of GDP is a factor which in a statistically significant way influences the statistical activity rates of entrepreneurs irrespective of gender. The evidence for this is the p-value, which in the case of each of the regression functions is lower than the critical value 0.01.

For each of the functions the value of the regression function parameter is positive, which means that the level of GDP is directly proportional to the rates of male and female entrepreneurship. An improvement in the overall economic situation, measured by GDP, contributes to an increase in entrepreneurial activity, both in the form of self-employment and full entrepreneurship, among men and women. Thus it can be stated that both male and female entrepreneurs respond to positive motivations generated by the market.

When comparing the values of the regression function parameters, one can notice that the parameters of the regression functions for the rates of female entrepreneurship are higher than for the corresponding functions for male entrepreneurship. This indicates that the level of female entrepreneurial activity is more sensitive to changes in the overall market situation. In times of economic growth the increase in entrepreneurial activity among women is greater than among men, so the entrepreneurial gender gap decreases. However, when the economic situation deteriorates, the level of entrepreneurial activity among women declines more substantially than among men, so the gender gap increases. The ultimate proportion between male and female levels of entrepreneurial activity is the result of changes occurring over a long period of time, when the periods of economic upturn were altogether relatively longer than the periods of economic downturn. The findings presented above can also be linked with the results of research which compared female entrepreneurship in Lithuania and Ukraine, two countries undergoing transformation. The research in Lithuania discovered that the relatively fast economic growth contributed to a rapid increase in the number of female entrepreneurs [Aidis et al. 2007]. Thus it can be assumed that a prolonged period of economic growth is a factor which could lead to a decrease in the gender gap in the long term.

When comparing both rates of female entrepreneurship it can be observed that the rate of full entrepreneurship is more susceptible to the influence of changes in the economic situation measured by GDP than the rate of female self-employment. This is showed in the values of regression function parameters: in the case of the regression function relating to the rate of female entrepreneurship the value is higher.

Conclusions

During the period between 1993 and 2010 a considerable and lasting gender gap in entrepreneurship existed in Poland. The rates of female self-employment and entrepreneurship in the non-agricultural sector were on average approximately half as high as the corresponding rates among men. In the studied period self-employed women represented approximately 3.58% of the total female labour force, whereas self-employed men accounted for approximately 6.56% of the total male labour force. Additionally, in the female labour force, on average, 1.98% of women were entrepreneurs, while in the male labour force the proportion of entrepreneurs was approximately 3.85%.

The rates of female self-employment and entrepreneurship are not only lower but also more dynamic and more susceptible to changes in the overall economic situation than the corresponding rates among men. This greater susceptibility means that during economic upturns the rates for women increase faster than the rates for

men, but also that during economic downturns they tend to decrease more sharply than the rates of male entrepreneurship. This relationship might be the result of the overall female situation. During economic upturns there is a growing number of business opportunities and it is much easier to achieve entrepreneurial success even with reduced effort. This might encourage women to become entrepreneurs because running a business during a time of economic growth is easier and more profitable than during downturns and helps women to combine professional and family duties. Conversely, during economic downturns business opportunities are less numerous and profitable, which means that it is much more difficult to run a business. Therefore it might be much more difficult for women to combine their professional and private activities and this could be the reason why during such times the rate of female entrepreneurship decreases more sharply than the rate of male entrepreneurship.

The above findings indicate that decreasing or even eliminating the entrepreneurship gender gap in Poland is going to be a long-lasting process which will only be possible if there are prolonged periods of economic growth. At the same time the results of the analyses presented in this paper seem to provide some support for the opinion that there is a link between entrepreneurship and masculinity [Bruni, Gherardi & Poggio 2004]. However, it also seems appropriate to stress that women ought to be provided with support so that they could more easily combine their home responsibilities with running their own companies [Apergis & Pekka-Economou 2010], which from the perspective of the foreseeable future could reduce the extent of the entrepreneurial gender gap. Further research could investigate questions regarding how entrepreneurial women perceive running their own companies as a part of their overall activities.

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