# Toward a Contingency Framework of Export Entrepreneurship: Conceptualisations and Empirical Evidence

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ABSTRACT. This paper reports the findings of a study, which employed a contingency, export-entrepreneurial approach to investigate the critical influences on export venture creation among a sample of Nigerian small firms. Responding to the repeated calls in the literature for multidisciplinary research frameworks, the paper draws on perspectives from entrepreneurship, exporting, and contingency literatures to examine the antecedent and moderating influences on the export behavior of small firms. It explores, in particular, the effect of entrepreneurial orientation and external environmental moderators in the export venture creation process of small firms. The findings suggest that an entrepreneurial orientation is associated with better export venturing, and is the appropriate strategic posture for small firms operating in hostile environments. It would appear, also, that this orientation is associated with certain decision-maker characteristics (including international orientation and contacts and previous business experience) and firm-level competencies. By thus highlighting the entrepreneurial dimensions of export venturing, this paper makes the case for greater policy focus on strengthening the entrepreneurial foundations/ capacities of small firms.

## 1. Introduction

Against the background of the increasing recognition of entrepreneurial dimensions of exporting (Yeoh and Jeong, 1995) and the widespread calls for research approaches that consider the exporter's contextual – including environmental – situation (Reid, 1983; Samiee et al., 1993; Young, 1995; Robertson and Chetty, 2000), this paper proposes and examines a contingency, export-entrepreneurial framework for studying export venturing among small firms. It follows in the tradition of the emerging international entrepreneurship school (e.g. McDougall et al., 1994; McDougall and Oviatt, 1997; Jones, 1999; Knight, 2000a) to give explicit recognition to the influence of entrepreneurial orientation and external environmental moderators in the export venture creation process of small firms.

The small firm's external environment refers not only to some foreign locus of opportunities or impediments that could be explored or avoided at will, but also to the domestic and industry environments within which these firms operate. Its critical impact on small-firm export venturing is underpinned by the characteristic lack of requisite resources and political influence on the part of small firms to significantly alter their operating environment (Gnyawaii and Fogel, 1994) or to develop multiple home bases, as their larger multinational counterparts have traditionally done (Knight, 2000b). It must be observed, however, that the environment can have a negative as well as positive impact on small firm export venture creation and performance. For some small firms, adverse environmental conditions, with their limited capacity to support firms' missions and goals, may have a stultifying effect on the new venture creation activities and success (Zahra and Neubaum, 1998). Yet for some others, such conditions may be perceived as a challenge and a stimulus to apply their relative agility and flexibility to innovate, take risks, and become entrepreneurial (Miller, 1983; Zahra and Neubaum, 1998; Knight, 2000b); the latter is more likely to occur in high technology sectors than in low technology ones (Covin and Slevin, 1989; Zahra and Neubaum, 1998).

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The aim of this paper is to contribute to the understanding of the moderating impact of the external environment on the export venture creation process of small firms, by integrating perspectives from the entrepreneurship, exporting, and contingency literatures, and using empirical data from a representative sample of Nigerian firms. The paper relates to small and medium-sized enterprises (SMEs), employing 500 or fewer employees (e.g. Knight, 2000a).

Organized in five parts, this article first identifies the gaps in export behavior literature which suggest the need for the proposed framework. Next, it sets out the proposed contingency framework of export entrepreneurship, replete with propositions based on literature evidence and this researcher's insights. Section three reports on the methodology employed for empirical research, including information on construct measurement and analysis. Section four presents the findings and discusses the results of the propositions' tests, while the final section draws relevant conclusions, including policy and future research implications. The limitations of the present study are also acknowledged.

## 2. The case for a new research framework

Previous export studies have been criticized on a number of grounds, one of which is the narrow range of perspectives from which they have been undertaken (Young, 1995). This scant attention to the possible effect of moderating, contextual factors may explain the inconsistency in empirical findings reported in the literature (Aaby and Slater, 1989). Wind and Robertson (1983, p. 12) probably had exporting in mind when they called for the development of approaches that would change the "isolatory focus of marketing".

The fundamental theoretical challenge facing researchers in the export field, according to Young (1995, p. 14), is that of "linking external environmental variables to aspects of firm behavior, and modeling the effects of rational versus behavioral approaches from different discipline roots, including organizational buying behavior and entrepreneurship, economics, and international business". This indeed reflects the trend in the wider marketing discipline towards contingency approaches which integrate perspectives from other management disciplines, "thereby acknowledging the interdependency of the business functions" (Zeithaml et al., 1988, p. 58). Based on a contention that the internationalization patterns and processes of individual firms are highly situation-specific, Reid (1983) has proposed a contingency view of internationalization, a position which is reflected in Yeoh and Jeong's (1995, p. 108) emphasis on "contingent linkages and interrelationships." Samiee et al. (1993) stress the exporters' contextual situation; and Leonidou's (1995a, p. 34) puts forth recommendations on managerial and environmental factors.

It should be noted that a similar trend towards multi-disciplinary and contingent linkages is increasingly being pursued in entrepreneurship research. Kollermeier (1992, p. 37), for example, found Gartner's (1985) multi-dimensional framework very useful in his study of "greening entrepreneurship" in the transiting ex-GDR economy. The foregoing suggests a convergence in exporting and entrepreneurship literature, at least, with respect to the increasing realization of the potential of multi-dimensional, contingency frameworks in improving understanding of the export venturing process.

## 3. A contingency export-entrepreneurial framework

This framework adapts the approach used by Kohli and Jaworski (1990) in their seminal theory-building work on the market orientation construct (see Figure 1).

Briefly explained, it comprises four sets of factors: (1) the export-entrepreneurial orientation construct; (2) the antecedent conditions that foster or discourage an export-entrepreneurial orientation; (3) the environmental variables that moderate the relationship between export-entrepreneurial orientation and firms' export behavior; and (4) the consequences of the interaction between export-entrepreneurial orientation and the environmental moderators. In contingency theory terms, the environmental moderators are contingency variables, usually exogenous to the focal organization or manager; export-entrepreneurial orientation is the response variable; while the outcomes are performance variables or dependent measures, which reflect varying results of the interaction

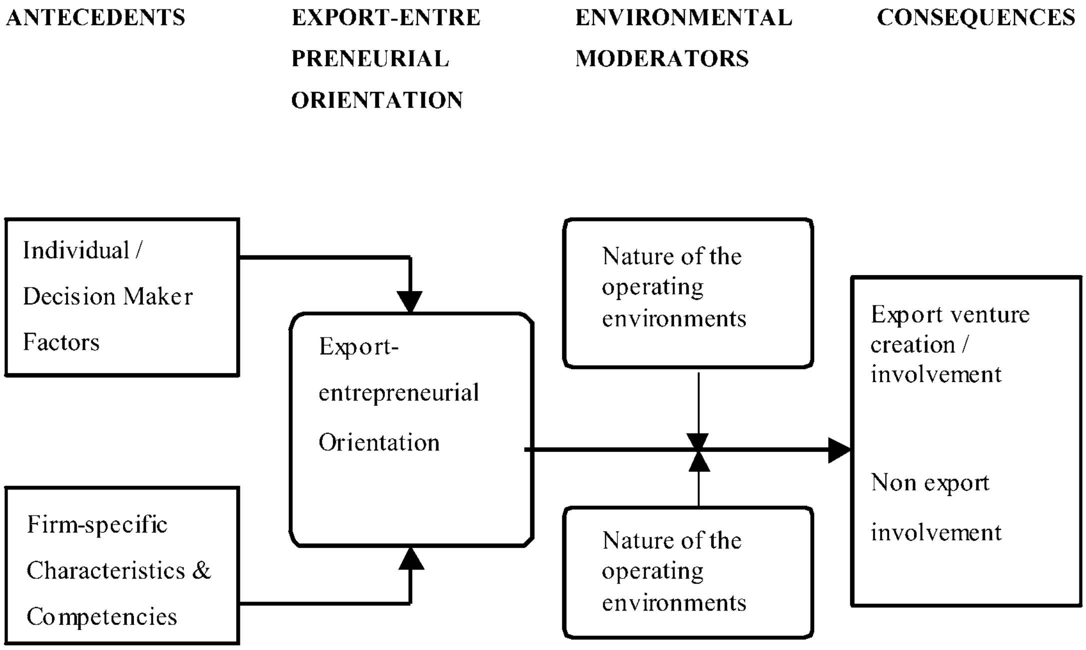


Figure 1. Antecedents and consequences of export-entrepreneurial orientation.

between the response variables and contingency variables (Zeithaml et al., 1988). Subsequent discussion addresses each of the above category of variables. Associated *Propositions* are developed based on the literature and the author's research on the issues being discussed.

### *The export-entrepreneurial orientation construct*

The basic proposition here is that small firm export entry is an entrepreneurial act. This reflects the recognition, in both the exporting and entrepreneurship literatures, of the entrepreneurial dimensions of new export (or international) market entry, particularly for the small firm. Schumpeter (1934) identified the opening of a new market as one of the entrepreneur's *new combinations*. Lumpkin and Dess (1996, p. 136), obviously agree, as evident in their observation, that "new entry" (i.e. entering new or established markets or launching new ventures) "is the essential act of entrepreneurship". In an insightful discussion of entrepreneurship, Thorelli (1987, p. 183) had noted that "small business venturing into international marketing in itself constitutes entrepreneurship". Similar understanding of this entrepreneurship-export venturing interface is evident in the growing body of literature on international entrepreneurship (Zahra, 1993; McDougall et al., 1994; Knight, 2000b; Fischer and Rueber, 2000).

Export entrepreneurship is viewed in this paper as the process by which individuals, either on their own or inside organizations, engage in proactive and aggressive pursuit of exporting-related product-market innovations and opportunities without regard to the environmental disincentives which they face (adapted from Miller, 1983; Stevenson et al., 1989). This perspective diverges from the reactive or reluctant posture (e.g. the receipt of fortuitous foreign orders) that appears to characterize the export initiation process in the mainstream exporting literature (Leonidou, 1995b; Bell and Young, 1998), but reflects the key operational dimensions of entrepreneurial orientation (EO) – proactiveness, risk-taking, innovativeness, autonomy and competitive aggressiveness – employed in empirical entrepreneurship research (Miller, 1983; Covin and Slevin, 1986; Morris and Paul, 1987; Lumpkin and Dess, 1996). In Zahra and Naubaum's (1998, p. 124) words, EO is "the sum total of a firm's radical innovation, proactive strategic action, and risk taking activities that are manifested in its support of projects with uncertain outcomes".

The entrepreneurial view of exporting is not totally unexplored in export behavior research. Simmonds and Smith's (1968) study of the first export order as a *marketing innovation* and Samiee et al. (1993) research into exporting as *innovative behavior* are notable examples. The latter developed an empirically valid taxonomy (high/low innovative exporters), based on the *export innovation* construct. Export entry, according to Roux (1987, p. 95), is "a novel action . . . (and) can be compared to a process of innovation adoption". Bell (1994) agrees, as evident in his conclusion on the *essentially entrepreneurial* nature of decision makers' characteristics and attitudes, which are critical to firms' export development. Yeoh and Jeong (1995) have also sought, through a contingency framework, to explain export performance based on the fit between a firm's entrepreneurial orientation, environment, and export channel structure.

The major flaw of previous efforts to explain export behavior in entrepreneurial terms is their tendency to focus on the relationships between specific dimensions of entrepreneurial orientation and export performance. Yeoh and Jeong (1995) have, however, improved on this by including all the key dimensions of entrepreneurial orientation in their operationalisation of a firm's strategic posture. According to these authors (p. 99), "a firm's strategic posture can be established, on the basis of the three-dimensional construct of entrepreneurial orientation, along a continuum ranging from conservative to entrepreneurial".[1] This paper follows their approach in defining export entrepreneurial orientation as a three-dimensional construct, along a continuum ranging from high to low.

P1: *Firms can be differentiated based on their export-entrepreneurial orientation. Relative to firms with low export-entrepreneurial orientation, high export-entrepreneurial firms are likely to:*
- *(a) be more innovative in developing exporting;*
- *(b) have more proactive motivations for exporting;*
- *(c) be less averse to export market risks.*

*Antecedents to export-entrepreneurial orientation*

The export-entrepreneurial orientation construct, as used in this paper, is a characteristic specific to the firm, as well as to the individual decision makers within it. This perspective is particularly important given the high incidence of single or few decision makers among small firms (Reid, 1981; Hyaverinen, 1990; Reuber and Fischer, 1997). It is also in line with the specification, in Figure 1, of individual (decision-maker) and firm factors as antecedents to an export-entrepreneurial orientation. We now discuss each of these two sets of antecedent conditions and their influence on export-entrepreneurial orientation.

*Individual (decision maker) factors and export-entrepreneurial orientation*

The influence of individual characteristics on export and entrepreneurial behavior has received much research attention. These scholarly contributions have generally taken either of two approaches, namely: the process perspective, which studies individuals as part of an organization; and the traits perspective, which sees the individual as the primary unit of analysis, and focuses on his/her psychological or personality characteristics. The focus of this paper is on individuals, in their role as decision makers within small firms.

In the exporting literature, decision-maker characteristics are generally considered to have a decisive impact on the export decision (Brooks and Rosson, 1982). All the major review articles on empirical export research (e.g. Bilkey, 1978; Aaby and Slater, 1989) have similarly concluded on the importance of decision maker(s)' characteristics. This is notably the case in small firms, where power, particularly decision-making power, is generally concentrated in the hands of one or very few persons (Reid, 1981).

The decision maker is even more critically regarded in the entrepreneurship literature, particularly in SMEs where "the influence of the manager/owner is especially strong" (Hyvarinen, 1990, p. 69). In most recent entrepreneurship studies, research focus has shifted from the personal characteristics of entrepreneurs to the more relevant issue of why the entrepreneur develops such characteristics (Morris and Lewis, 1995); that is, the personal life experiences which lead to the development of the entrepreneurial personality.

One such personal life experience whose influence has been studied is international orientation, variously defined as foreign education or work experience, travel, foreign birth, or world-mindedness. The balance of empirical evidence is that decision makers of exporting firms are likely to have spent part of their lives abroad (may be foreign-born or educated); and are generally less affected by foreign business-related uncertainties (Simmonds and Smith, 1968; Wiedersheim-Paul et al., 1978; Reuber and Fischer, 1997). In entrepreneurship research, the evidence is that individuals with foreign birth (i.e. immigrants or children of immigrants) are likely to be more entrepreneurial than the indigenous population (Morris and Lewis, 1995).

Related to the above is another characteristic referred to in this paper as *international ethnic ties or contact networks*. Owing to a combination of factors (colonial ties, foreign education and travel, inter-cultural marriages), sizeable populations of foreign ethnic nationalities are found in many countries of the world. It is argued here that decision makers whose personal contact networks (Carson et al., 1995) include such foreign-based, culturally-similar communities are more likely to be attuned to export opportunities than those who lack such ties. Jackson (1981), indeed, found such ties to be significant in explaining the flow of Israeli exports into Britain. Crick and Chaudhry (1995) similarly explained the British-Asian exporters' choice of East Africa as initial export market. Zafarullah et al. reported further evidence (1998, p. 32) thus: "Pakistani networks (relatives, friends, ethnic ties) were influential in all aspects of business and (export) market development". It is arguable that these *ethnic networks* may be particularly important to small firms in view of their relative lack of limited access to other potentially useful networks.

Studies have also underlined the importance of the *entrepreneur's family unit (background)* in instilling the need for achievement, the need for independence and control of an unstructured environment, and patterning later modes of behavior (see Morris and Lewis, 1995). The dimensions of family background, which seem to affect entrepreneurial behavior include parental relationships, order of birth, immigrant status, and family income/business history. It would, indeed, appear that decision makers born into business families are more likely to have positive attitudes toward risks, prepared in part by the family's accumulated business experience, including age-old ties and business networks. Family (business) background, obviously, can be a source of previous work experience – another influential personal life experience (Brockhaus, 1980).

The foregoing, taken together, leads to the following propositions:

P2a: *Firms with internationally-oriented decision makers are more likely to exhibit high export-entrepreneurial orientation than those lacking internationally-oriented decision makers.*

P2b: *Firms whose decision makers maintain ties with culturally-similar communities abroad are more likely to have high export-entrepreneurial orientation than those without any such ties.*

P2c: *Firms with decision makers born into business families are more likely to exhibit high export-entrepreneurial orientation.*

P2d: *Firms whose decision makers have previous business experience are more likely to possess high export-entrepreneurial orientation.*

### *Firm-specific factors and export-entrepreneurial orientation*

#### *Firm characteristics*

Studies on firm-level entrepreneurship have found an array of micro-level (management) practices relevant to the success of innovative ventures. Based on an in-depth literature review and accompanying empirical study, Kuratko et al. (1990) have consolidated these into three, namely management support for entrepreneurship (including risk-taking behavior), organization structure, and rewards and resource availability. There appear to be no real differences between the foregoing and the critical success factors for managing entrepreneurship in SMEs, as identified by a number of researchers: providing leadership and vision, building entrepreneurial teams, providing the appropriate organization structure, planning for change, ensuring things happen, and acquiring skills, and resources (Carson et al., 1995); the use of incentive schemes and idea champions (Thom, 1990); appointing capable coordinators for specific innovative tasks and using outside help, usually on a part-time basis (Hyvarinen, 1990).

Empirical exporting evidence strongly suggests the importance of management support – commitment, perceptions, and attitude – for positive export behavior (Aaby and Slater, 1989; Cavusgil and Zou, 1994). Supportive evidence largely exists, also, for planning orientation. Several exporting studies have found a much higher propensity to export among firms with formal market planning or export exploration procedures (e.g. Reid, 1983; Diamantopoulos and Inglis, 1988). The foregoing explains Aaby and Slater's (1989, p. 19) conclusion to the effect that "the implementation of a process for systematically exploring, analyzing, and planning for export seems to be a very powerful discriminator between . . . exporters and non-exporters".

Some evidence has emerged from the entrepreneurship literature on the nature of planning in innovative SMEs. Bracker and Pearson (1986) as well as Sexton and Van Auken (1982) have found planning in small enterprises to be irregular and carried out only to a limited degree. Hyvarinen (1990, p. 70) has suggested that the expression "strategic orientation" be employed in respect of SMEs rather than strategy, as the "former carries only some of the operations and activities included in a strategy". In other words, it is enough that the SME has an orientation positive to planning, and not necessarily engage in formal strategic planning (Berry, 1993).

Against the backdrop of the foregoing discussion, the following propositions are presented in respect of firm characteristics and export-entrepreneurial orientation:

P3a: *Firms whose management are supportive of entrepreneurial ventures, including risk taking behavior, are more likely to have a high export-entrepreneurial orientation than those whose management are not so disposed.*

P3b: *Firms having a positive orientation to planning are more likely to have a high export entrepreneurial orientation than those that lack the same.*

P3c: *Firms that link specific incentives and resources to entrepreneurial ventures are more likely to have a higher export-entrepreneurial orientation than those, which do not.*

*Firm competencies*

Empirical studies in exporting and entrepreneurship have also underscored the importance of firm competencies. Aaby and Slater (1989, p. 21) actually stated in their review of empirical export literature that "competencies are probably more important than firm characteristics". The specific dimensions of firm competency which, on balance, have been empirically supported include technology intensity, R&D, market research (McGuinness and Little, 1981; Samiee et al., 1993), product development/quality (Tesar and Tarleton, 1982), distribution/channel relationships (Brooks and Rosson, 1982; Styles and Ambler, 1994), and export cooperation and networking (Hansen et al., 1994; Bell, 1994).

The last mentioned area of competency (developing and maintaining mutually beneficial relationships with network partners) is, indeed, becoming increasingly important in the literature (see e.g. Coviello and Munro, 1997). Networking arrangements, whether in the form of export consortia (Fletcher and Wheeler, 1989), client-followership (Bell, 1994), entrepreneurial networks (Carson et al., 1995), and international ethnic ties (Zafarullah et al., 1998), have been shown to mitigate, for the SME, some of the size and experience-related difficulties associated with export venturing.

The foregoing discussion sets the stage for the following propositions in respect of firm competencies and export-entrepreneurial orientation:

P4a: *Firms with more favorable perceptions of their competitive competencies are likely to have a high export-entrepreneurial orientation.*

P4b: *Firms that actively develop network relationships are more likely to have high export entrepreneurial orientation.*

### *Environmental moderators between export-entrepreneurial orientation and export behavior*

The discussion so far has focused on decision-maker and firm-specific factors, as antecedents to export-entrepreneurial orientation. The nature of the relationship between antecedents and actual behavior has been the subject of much scholarly discussion, particularly in social psychology and consumer behavior research (e.g. Ajzen and Fishbein, 1980). Drawing from these literature streams, Eshghi (1992) has contended that managerial attitudes toward exporting, and actual exporting behavior, do not necessarily have to be consistent, and that certain facilitating/moderating conditions or situational factors make such inconsistencies not only possible but also quite likely. Similarly, Yeoh and Jeong (1995) have argued that the relationship between entrepreneurial orientation and export performance may not be a direct one. Their contingency framework built around Covin and Slevin's (1989) earlier work suggests that the positive association between entrepreneurial orientation (EO) and export performance is moderated by the former's fit with such other contextual variables as organizational and environmental factors.

The moderating factors that are considered important in this paper relate to the small firms' external environment, domestic and international. Export behavior researchers have conceptualized the external environment as comprising "push" (e.g. home market adversity, domestic recession/saturation) and "pull" factors (e.g. foreign market opportunities) (Pavord and Bogart, 1975; Bilkey, 1978; Rao et al., 1990). They have also associated it with a variety of exporting barriers, including poor marketing infrastructure, government barriers, political climate (Bodur, 1986). A perspective on the entrepreneur's environment, which appears to be particularly useful for this paper has been offered by researchers on small business entrepreneurship (Bruno and Tyebjee, 1982; and Covin and Slevin, 1991); these scholars characterize it along four main dimensions, namely munificence, hostility, volatility, and complexity.[2]

The hostility level of the environment has been the focus of several studies, with distinctions generally made between benign and hostile environments (Khandwalla, 1977; Covin and Slevin, 1989). Benign environments are generally thought to provide a safe setting for business operations due to their overall level of munificence and richness in investment and marketing opportunities (Covin and Slevin, 1989). Hostile environments, on the other hand, are characterized by precarious industry settings, intense competition, harsh, overwhelming business climates, and the relative lack of exploitable opportunities (Yeoh and Jeong, 1995). A recent work by Zahra and Neubaum (1998) has identified four dimensions of environmental hostility, including macro environmental hostility, market hostility, competitive hostility and technological hostility.[3]

Two broad approaches have also been adopted in investigating the environment-entrepreneurship interface. The first, the population ecology perspective, considers environmental characteristics as being of decisive importance in new venture performance (Aldrich, 1979; Morris and Lewis, 1995). The second approach, the contingency perspective, adopts a less deterministic view of the environment; it contends that entrepreneurs can consciously select strategies, which optimize the characteristics of a given environment. Entrepreneurial performance, therefore, is dependent on the interaction between strategy and environment (Miles and Snow, 1978). This latter viewpoint further suggests that conservative and entrepreneurial firms manifest quite different characteristics in coping with their environments (Morris and Lewis, 1995). Research evidence, for example, suggests a contingent fit between an entrepreneurial strategic posture and hostile environment; a conservative strategic posture would, on the other hand, be needed to achieve better performance in benign environments (Covin and Slevin, 1989). As Yeoh and Jeong (1995, pp. 103–104) concluded, "an entrepreneurial orientation may be particularly beneficial to small exporting firms in hostile environments".

The position taken in this paper is that the nature of the firm's operating environment (whether hostile or benign) moderates the relationship between export-entrepreneurial orientation and export venture creation. The following propositions are thus adopted:

P5a: *Firms with high export-entrepreneurial orientation, which face hostile operating environment, are more likely to initiate export ventures.*

P5b: *Firms with high export-entrepreneurial orientation, which face benign operating environment, are less likely to initiate export ventures.*

### *Consequences of export-entrepreneurial orientation*

Among the difficulties of measuring export performance is the fact that export behavior research generally encompass firms at different levels of the export development process, including pre-export, initial, and advanced (Leonidou and Katsikeas, 1996). Two broad approaches to export performance measurement have, thus, been used: separating firms into categories of exporters and non-exporters; and measuring firms' position on *some dimension of export performance* (Aaby and Slater, 1989). These two approaches arguably approximate the soft/perceptual/qualitative and hard/objective/quantitative dichotomy in export performance measurement (see Zou and Stan, 1998).

Although the use of qualitative and perceptual measures of performance has increased recently (McAuley, 1999; Fischer and Reuber, 2000; Crick and Jones, 2000), it is still the case that the traditional bias in favor of positivist/quantitative methodologies in exporting research (Kamath et al., 1987) has persisted. One obvious indication of this is the continued exclusion of studies that did not employ hard/objective/quantitative export performance measures in many of the integrative reviews/meta-analyses conducted in exporting research (see Zou and Stan, 1998). It can be argued that this exclusion has detracted from the overall understanding of small firm export behavior and performance, since these softer export performance measures (e.g. exploring export involvement or lack of it, export intentions and attitudes, and so on) are dominantly employed in studying small firms at the pre- or initial stages of exporting stages (see Leonidou, 1995a),

The foregoing informs the choice of the outcome variables in this present framework. As can be seen from the propositions (5a and b) above, the environmentally moderated outcomes of export-entrepreneurial orientation are defined in terms of the softer measures of export performance measures, including export venture creation/involvement or lack of it.

## 4. Methodology

The empirical evidence reported in this paper comes from a wider study undertaken into the exporting and initial internationalization behavior of Nigerian firms, mainly SMEs. Aspects of this methodology are thus similar to what has appeared elsewhere (e.g. Ibeh and Young, 2001).

During the late summer of 1996, a questionnaire survey was undertaken among a population of Nigerian firms, which met a range of criteria: (i) manufacture/export the following products, namely, textiles and wearing apparel, footwear and leather, food and beverages, plastics and furniture; (ii) listed in the most recent editions of either the Nigerian Exporters directory or Nigerian Industrial directory; (iii) located in one of three major Nigerian industrial cities, namely Lagos, Kano, and Aba; (iv) have a minimum annual turnover of five million *naira* (about US$50,000).

The product areas specified above fall within the category of labor intensive, light manufactured products, which previous developing country-based exporting studies (e.g. Dominguez and Sequeira, 1993) and relevant Nigerian agencies (Manufacturers Association of Nigeria, 1994; Nigerian Export Promotion Council, 1995) consider suitable platforms for exporting development. The decision to limit the study to firms in three major industrial cities spread across the main geo-political regions of the country, namely, Lagos (South-west), Kano (North), and Aba (South-east) was aimed at managing the logistics problems associated with conducting a Nigerian-wide survey. However, these three cities also account for over 75 per cent of Nigerian manufacturing firms. The specification of minimum five million naira (about US$50,000) sales revenue assured the export viability of individual sample units.

The decision to develop the study frame from both the Nigerian Industrial directory and Nigerian Exporters directory served to ensure the coverage of the population of interest: they respectively provided listings of manufacturing firms and manufacturing exporters in the specified product areas and cities. Double-counting was avoided; and efforts were also made to mitigate some of the well-known limitations associated with the use of directories (incomplete, out-of-date, and inflexible – Churchill, 1995) by verifying and editing the generated study frame at the headquarters of the Nigerian Export Promotion Council (NEPC) and the Manufacturers Association of Nigeria (MAN), at Abuja and Lagos respectively.

The total number of firms which met the above, pre-specified criteria was 226, made up of 146 from the industrial directory and 80 from the exporters directory. Given this modest population size, the decision was taken to target all the identified firms with structured and properly pilot-tested questionnaires.

The drop and pick technique (Brown, 1987) was adopted to minimize the envisaged impact of Nigeria's poor and unreliable infrastructure (postal and telephone systems) on the response rate. This method involved an average of four visits to each of the identified firms: there were 188 of them eventually; 38 were not found owing to reasons including wrong address, re-location and business failures. Three experienced field supervisors and nine well-trained field assistants facilitated the process. A total of 112 questionnaires were returned, 78 of which were useable; this produced an overall response rate of 52.4 per cent, and a useable response rate of 41.2 per cent. The key informant technique was employed in eliciting responses from the sampled firms. The questionnaire respondents eventually comprised 23 Chief Executive Officers (CEOs), 14 General Managers, 30 Marketing/Sales Managers, and 11 Export Managers. Conscious of the limitations of the key informant technique (Philips, 1981), second responses were collected from some five randomly selected firms. Further analysis of these five pairs of responses through paired sample *t*-tests validated this key informant approach.

The later stage of primary research involved the selection of a quota sub-sample of sixteen firms for in-depth interviews – methodological pluralism as advocated for behavior-orientated studies (Kamath et al., 1987). The actual number of firms interviewed, however, was nine, as the cooperation of the other interview targets could not be secured before the end of the field visit. The nine above included two plastic exporting firms; four textile firms, only one of which was exporting; two firms in the food industry, one of which was formerly exporting; and one non-exporting furniture company. Four CEOs and 5 Marketing Managers participated in these depth interviews. Two additional interviews were undertaken with relevant officials of the NEPC and the MAN.

### *Construct measurement and analysis*

One useful step taken to enhance the validity of the export-entrepreneurial orientation construct was to adapt previously-validated constructs of firm-level entrepreneurial orientation, including innovativeness, proactiveness, and risk taking (Miller, 1983; Covin and Slevin, 1986; Zahra and Neubaum, 1998; Robertson and Chetty, 2000). Firm export-entrepreneurial orientation construct was, thus, operationalised by ten-item, five point Likert-scale statements that probed respondents' assessment (rating) of their firms regarding export-related innovativeness (i.e. the extent to which they pursue new product ideas for export, consider new export markets, seek new information on exporting); proactiveness (nature of motivations regarding exporting, search for export information, attendance at local/foreign trade fairs); and risk taking (perceptions of exporting risks versus opportunities, relative focus on domestic versus export markets, relative emphasis on current export returns versus long term marketing objectives). The validity of these operational measures was shown by a significant coefficient (alpha) for the firm export-entrepreneurial orientation construct (0.78), its three sub-scales, as well as fairly significant item-to-total correlations for all, but one, of the individual items.

The cluster analysis procedure was employed to identify (on the basis of data generated by the above operational measures) categories of firms that reflected different levels of export-entrepreneurial orientation (Proposition 1). This would appear to be the appropriate statistical tool, given the need to identify how responding firms relate to/differ from one another, based on a simultaneous analysis of several interdependent variables (Churchill, 1995). The (discriminant) validity of the resulting high and low export-entrepreneurial orientation clusters was subsequently assessed using both quantitative and qualitative (in-depth interview) data. These data related to the responding firms' characteristics and competitive competencies, decision makers' characteristics, perceptions of environmental factors, and export performance indicators.

Discriminant analysis was specifically used to explore which decision-maker characteristics discriminated between high and low export-entrepreneurial firm-clusters (P2a–d). This procedure was preferred to the linear regression method for two main reasons: (i) the dependent (two-cluster export-entrepreneurial orientation) variable is categorical in nature; and (ii) discriminant analysis is more accommodating of violations to the recommended observations-independent variable ratio. The stepwise computational procedure was chosen over the simultaneous method to take advantage of its potential to rank-order the large number of independent variables (Hair et al., 1992; Das, 1994). This starts with all the variables excluded from the model and selects the variable that maximizes the Mehalanobis distance between the groups. This combination of the Stepwise and Mehalanobis procedure (preferred to the Fisher's method) ensured maximum use of information on predictor variability – particularly critical given the large number of independent variables (Hair et al., 1992).

Further profiling of high export-entrepreneurial firms was undertaken using primary data on the relevant indicators of firm-level entrepreneurial behavior and competitive competencies. To investigate, for example, whether high and low export-entrepreneurial firms have markedly different perceptions of their key characteristics (P3a–c) and competencies (P4a–b), respondents were asked to rate their firms on a five point scale, where 1 represents "considerable weakness" and 5 "considerable strength". Respondents' perceptions of the nature of the operating (domestic) environment were measured using a 10-item scale, which adapts the 3-item scale widely employed in previous studies to measure environmental hostility (Kwandwalla, 1977; Robertson and Chetty, 2000); the scale items also adapt the earlier-mentioned dimensions of environmental hostility identified by Zahra and Neubaum (1998). To measure macro environmental hostility, for example, respondents were asked to assess, on a five point Likert scale, with 1 representing "very encouraging" (i.e. benign) and 5 "very discouraging" (i.e. hostile), the impact of such factors as government macro-economic policies, export documentation and procedures, the implementation of government policies, the political climate, and the state of local infrastructure. Data obtained on these scale items were used, in conjunction with the aggregate results on export venturing of high and low export-entrepreneurial firms, in testing propositions 5a and 5b.

## 5. Findings and discussion

*The first proposition of this paper (i.e. firms can be distinguished based on their export-entrepreneurial orientation level) would appear to be supported by the obtained data*: the cluster analysis procedure undertaken produced two fairly stable clusters considered amenable to reasonable interpretation.

Table Ia contains the mean scores of the two clusters on each of the ten operational items of export-entrepreneurial orientation, as well as the cluster sizes (34 firms and 29 firms for clusters 1 and 2 respectively). The univariate F ratios and the significance levels for the differences between the cluster means are shown in Table Ib. The latter Table shows that the two clusters are significantly different on all but one of the ten indicator variables. For the remaining nine operational measures, cluster 2 exhibits consistently higher mean scores than cluster 1, indicating a higher export-entrepreneurial orientation level among the cluster 2 firms.

Further illustrative insights on this high versus low export-entrepreneurial orientation categorization came from the in-depth interviews. Typical of the firms within the high export-entrepreneurial cluster was a fashion designing company, which had over the previous six years, developed its major market (the U.S.A.) through relationship-building with market-based representatives and merchandisers, including participation in fashion shows and exhibitions. The initial export venturing, according to the Managing Director, was

TABLE IA
Mean scores of the indicator variables for the two clusters

| Final cluster centers (from subcommand FILE) | Cluster 1 ($n$ = 34)* | Cluster 2 ($n$ = 29)* |
|---|---|---|
| We are always working on new product ideas for exporting | 1.7647 | 4.0345 |
| We are always considering new export markets to enter | 1.6765 | 4.2414 |
| We actively seek export market information | 2.2059 | 4.2759 |
| We have been to international fairs/export seminars in Nigeria | 2.3235 | 4.0000 |
| We have attended a number of trade fairs/missions abroad | 1.4118 | 2.7931 |
| We have given serious consideration to exporting | 3.2941 | 4.2759 |
| Exporting should wait until we have satisfied domestic demand | 1.6176 | 2.6897 |
| Export market is too risky, too problematic to venture into | 3.3235 | 3.2414 |
| Exporting risks are of less concern to us than the opportunities | 2.6471 | 3.3793 |
| We can accept short term export losses so as to build market share | 2.2647 | 3.5172 |

* The two clusters add up to 63 because some sample firms were eliminated as outliers.

TABLE IB
Significance testing of differences between cluster centers

| Variables | Cluster MS | **DF** | Error MS | *DF* | *F* | Prob. |
|---|---|---|---|---|---|---|
| We are always working on new product ideas for exporting | 80.6311 | 1 | 1.1165 | 61.0 | 69.1936 | 0.00* |
| We are always considering new export markets to enter | 102.9628 | 1 | 0.504 | 61.0 | 204.2412 | 0.00* |
| We actively seek export market information | 67.0608 | 1 | 1.169 | 61.0 | 57.3314 | 0.00* |
| We have been to international fairs/export seminars in Nigeria | 43.9874 | 1 | 1.761 | 61.0 | 24.9740 | 0.00* |
| We have attended a number of trade fairs/missions abroad | 29.8632 | 1 | 1.131 | 61.0 | 26.4032 | 0.00* |
| We have given serious consideration to exporting | 15.0846 | 1 | 1.095 | 61.0 | 13.7641 | 0.00* |
| Exporting should wait until we have satisfied domestic demand | 17.9859 | 1 | 1.315 | 61.0 | 13.6739 | 0.00* |
| Export market is too risky, too problematic to venture into | 0.1056 | 1 | 1.651 | 61.0 | 0.0639 | 0.80 |
| Exporting risks are of less concern to us than the opportunities | 8.3918 | 1 | 1.878 | 61.0 | 4.4672 | 0.04* |
| We can accept short term export losses so as to build market share | 24.5537 | 1 | 1.440 | 61.0 | 17.0475 | 0.00* |

* Significant at alpha 0.05 or greater.

motivated by the need to exploit the company's skills in designing African fashions at an international stage. In contrast to the above account of proactive exporting behavior, the six interviewees in the low export-entrepreneurial cluster included two textile manufacturers both of which had apparently not given any serious consideration to exporting – one had recently secured a large contract for the supply of military uniforms while the other claimed to have an assured domestic market, which appeared to be its major preoccupation. There was also a furniture company with an owner-manager clearly uninterested in exporting, and a plastic exporter, whose occasional export sales were accounted for by an unsolicited customer from Ghana.

*Proposition 2 of this paper relates to the characteristics that are likely to be possessed by decision makers of export-entrepreneurial firms.* As explained in the methodology section, the stepwise discriminant analysis procedure was used to profile high and low export-entrepreneurial firms based on the demographic characteristics of top management staff, including educational qualification, age, previous business experience, family business history, and international experience and orientation. This procedure produced a validated discriminant function that comprised four significant independent variables, including previous business experience, previous foreign residency, having friends and family abroad (i.e. personal contact network, according to Carson et al. (1995) – see Table IIa. For interpretation purposes, these are ranked in terms of their standardized weights, discriminant loading and *F* values, as indicators of their discriminating power.

As can be seen from Table IIa, the decision maker's previous business experience (with discriminant weight of 0.73, loading of 0.79, and univariate *F* value of 10.5) is the most successful discriminator, followed by current international – familial/friendship – links (0.65, 0.63, and 6.71 respectively), and previous foreign residency (0.41, 0.50, and 4.13 respectively). Referring to the descriptive statistics in Table IIb, it can be seen that the means for firms in cluster 2 are higher for all the independent variables included in the model. These suggest, therefore, that relative to their low export-entrepreneurial counterparts, firms with a high export-entrepreneurial orientation exhibit greater likelihood of having decision makers with previous business experience, current international contacts, and previous residency abroad.

This observed positive association between firms' export-entrepreneurial orientation and decision makers' international experience and contacts supports earlier findings in both the more

TABLE IIA
Summary of interpretative measures for two-group discriminant analysis

| Variables | Standardized weights | Discriminant loading | | Univariate *F* ratio | |
|---|---|---|---|---|---|
| | Value | Value | Rank | Value | Rank |
| Have previous business experience | 0.72841 | 0.78696 | 1 | 10.4469 | 1 |
| Have a postgraduate qualification | NI* | 0.63300 | 2 | 4.3412 | 3 |
| Have friends/families abroad | 0.64970 | 0.63050 | 3 | 6.7059 | 2 |
| Have lived abroad | 0.41255 | 0.49481 | 4 | 4.1300 | 4 |
| Have a first (University) degree | NI | 0.47117 | 5 | 4.0002 | 5 |
| Speak a foreign language other than English | NI | 0.42283 | 6 | 1.8391 | 8 |
| Have traveled abroad | NI | 0.36555 | 7 | 3.1525 | 7 |
| Come from a business family | NI | 0.36507 | 8 | 3.2801 | 6 |
| Are under 40 years old | –0.74179 | 0.25210 | 9 | 1.0721 | 10 |
| Are under 30 years old | NI | 0.21781 | 10 | 1.3206 | 9 |

* NI means not included in the stepwise solution.

TABLE IIB
Group descriptive statistics for the two-group discriminant analysis sample

| Group standard deviations<br>Independent variables | Group 1 mean<br>($n$ = 26)* | Group 2 mean<br>($n$ = 26)** | Total<br>($n$ = 52) |
|---|---|---|---|
| Have lived abroad | 1.21021 | 2.37584 | 7.87362 |
| Have friends/families abroad | 2.37584 | 6.87123 | 5.42090 |
| Have traveled abroad | 3.60619 | 11.83378 | 8.93035 |
| Speak a foreign language other than English | 1.97834 | 4.18348 | 3.29907 |
| Are under 30 years of age | 1.17408 | 9.65633 | 6.89993 |
| Are under 40 years of age | 2.15549 | 15.19013 | 10.85630 |
| Have a first (university) degree | 5.57692 | 12.56815 | 9.98845 |
| Have postgraduate qualification | 2.96337 | 6.40733 | 5.15268 |
| Have previous business experience | 2.14117 | 6.51354 | 5.27820 |
| Come from a business family | 4.06429 | 5.34372 | 4.8522 |

* Group 1 = Low export-entrepreneurial firms; ** Group 2 = High export-entrepreneurial firms.

traditional export literature (e.g. Simmonds and Smith, 1968), and the emerging literature on international entrepreneurship, networks and resource-based internationalisation ventures (McDougall et al., 1994; McDougall and Oviatt, 1997; Coviello and Munro, 1997; Bell and Young, 1998). It correlates also with findings in mainstream entrepreneurship studies concerning the higher tendency of foreign-born persons or children of immigrants to exhibit entrepreneurial behaviour (Morris and Lewis, 1995). The explanation is that prior exposure to or involvement in an international environment removes some of the fears and uncertainties inherently associated with the "unknown" export market. Such decision makers, thus, focus more on opportunities linked to export venturing and less on possible risks of exporting.

*The empirical data also suggest support for propositions 3 and 4.* Table III shows significant differences in favor of high export-entrepreneurial firms with respect to the operational variables for planning orientation and management support. High export-entrepreneurial firms also exhibit better performance on a range of competitive factors, including developing new markets, developing new products and distribution networks within Nigeria and abroad, innovation and technology, and usage of export information sources.

These findings are largely in line with previous evidence on the correlates of positive exporting and entrepreneurship behavior. For example, the importance of top management support and planning orientation has been widely reported in previous exporting (Aaby and Slater, 1989) and

TABLE III
Firm characteristics and competencies by export entrepreneurial level

| | Low EeF♣ ($n$ = 34) | High EeF♣ ($n$ = 29) | K-W Anova |
|---|---|---|---|
| | (Mean score) | | |
| *Planning orientation*** | | | |
| No real planning because the environment is too uncertain | 2.76 | 4.07 | 0.00* |
| Crucial decisions are taken as situations arise | 2.09 | 3.03 | 0.00* |
| Forward thinking by management, but no written plans | 2.38 | 3.79 | 0.00* |
| Importance of exports in 5 year plan | 2.12 | 3.9 | 0.00* |
| *Management support*** | | | |
| Special treatment for export ventures | 2.76 | 4.12 | 0.01* |
| *Competitive factors*** | | | |
| Developing new markets | 2.80 | 3.93 | 0.00* |
| Developing new products | 3.06 | 3.86 | 0.00* |
| Middlemen network in Nigeria | 2.68 | 3.42 | 0.03* |
| Middlemen network abroad | 1.62 | 2.69 | 0.00* |
| Innovation | 2.88 | 3.90 | 0.00* |
| Technology | 2.62 | 3.55 | 0.00* |
| *Export information search**** | | | |
| Business publications | 1.58 | 2.22 | 0.00* |
| Chamber of Commerce | 1.48 | 1.96 | 0.00* |
| Manufacturers Association of Nigeria | 1.69 | 2.33 | 0.00* |
| Nigerian Export-Import Bank | 1.24 | 1.93 | 0.00* |
| Banks' Export Divisions | 1.48 | 1.96 | 0.01* |
| Company Marketing Research effort | 1.34 | 1.88 | 0.00* |

♣ Low Eef stands for firms with low export-entrepreneurial orientation, while high Eef refers to those with high export-entrepreneurial orientation.
* Significant at alpha 0.05 or greater; only the significant variables are shown.
** Measured on a 1–5 interval scale; e.g. regarding 'Developing new markets', 1 represents 'considerable weakness' and 5 'considerable strength'.
*** Measured on a 1–3 scale where 1 stands for 'never used' and 3 'frequently used'.

entrepreneurship research (Kuratko et al., 1990; Knight, 2000a, b). Such support has, indeed, been shown to manifest in the exploration of export information sources (Johnston and Czinkota, 1982; Samiee et al., 1993) – another key competency associated with export-entrepreneurial firms in this present research, which further distinguishes the high versus low export-entrepreneurial firm-clusters on key dimensions of entrepreneurial orientation, namely, *proactive* search for information and *innovative* adoption of new information (Lee and Brasch, 1978). Also, competencies in new product-market, and technology development have for long been accepted as indicators of entrepreneurial behaviour. Hyvarinen (1990), for example, attributed innovative SMEs with skills in developing new or improved products, processes, markets, and organisations. Lastly, this study's finding of a positive association between export-entrepreneurial orientation and developing channel networks/relationships adds to the growing body of literature (Styles and Ambler, 1994; Bell, 1994; Coviello and Munro, 1997), which links international market relationships to better exporting and internationalisation behavior.

*Proposition 5a suggests that high export-entrepreneurial firms operating in hostile environments are more likely to initiate export ventures than their less entrepreneurial counterparts*. This would appear to be supported by the analyses results. Although both high and low export-entrepreneurial firms exhibited dominantly negative perceptions of their operating environment (see Table IVa), a greater likelihood to initiating export ventures was found among high export-entrepreneurial firms relative to their less entrepreneurial counterparts (See Table IVb).

This higher level of export venturing found among export-entrepreneurial firms in hostile operating environments resonates with the previous findings in firm-level entrepreneurship (e.g. Covin and Slevin, 1989; Zahra and Neubaum, 1998; Knight, 2000a), reinforcing Yeoh and Jeong (1995, pp. 103–104) remark that "an entrepreneurial orientation may be particularly beneficial to small exporting firms in hostile environments".

TABLE IVA
Perceptions of environmental factors by export-entrepreneurial level

| Environmental variables | Low EeF♣ ($n$ = 32) | High EeF♣ ($n$ = 29) | K-W Anova |
|---|---|---|---|
| | | (Mean score†) | |
| Government macro-economic policies | 3.61 | 3.28 | 0.20 |
| Implementation of Government policies | 3.94 | 3.45 | 0.04* |
| Unstable political climate | 4.50 | 4.45 | 0.77 |
| Export procedures and documentation | 3.56 | 3.39 | 0.60 |
| Poor state of local infrastructure | 3.72 | 3.96 | 0.48 |
| Country's low technological level | 4.22 | 4.03 | 0.49 |
| Low usage of installed capacity | 3.84 | 3.17 | 0.04* |
| Access to raw materials and other inputs | 3.15 | 3.42 | 0.40 |
| High production cost | 3.78 | 3.61 | 0.50 |
| Low domestic demand | 3.47 | 2.86 | 0.06 |

♣ EeF stands for Export-entrepreneurial Firms
† Measured on a 1–5 scale, where 1 stands for "very encouraging" and 5 "very discouraging".
* Significant at alpha = 0.05 or greater.

TABLE IVB
Export venturing by export-entrepreneurial level

| Export-entrepreneurial level | Value | DF | Sig. |
|---|---|---|---|
| Export market entry (involvement) | 17.12 | 1 | 0.00* |

It also agrees with Knight's (2000a, 2000b) conclusions on the criticality of an entrepreneurial orientation for achieving success in complex environments, particularly for SMEs in international markets.

The dominantly negative perceptions of the operating environment among the Nigerian firms surveyed have meant that the proposition 5b (i.e. firms with high export-entrepreneurial orientation operating in benign environments are less likely to initiate export ventures) could not be tested in this present paper. Further research in a munificent operating environment will be needed to test this proposition. It is worth highlighting, however, that Robertson and Chetty's (2000, p. 227) recent finding, that "entrepreneurial firms have the ability to operate successfully in (*both*) hostile and *benign* external environments . . ." [emphasis added], would appear to challenge this viewpoint.

The foregoing results provide general support for the contingency framework of export entrepreneurship proposed in this paper (see Figure 2). They also suggest some potential for greater understanding of small firms' export venturing, through the integration of perspectives from other disciplines (Young, 1995).

Although earlier exporting research has, in general, attributed superior export performance to certain firm categories (e.g. aggressive firms, Tesar and Tarleton, 1982; proactive, Johnson and Czinkota, 1982; high innovative, Samiee et al., 1993), little previous attempt has been made to

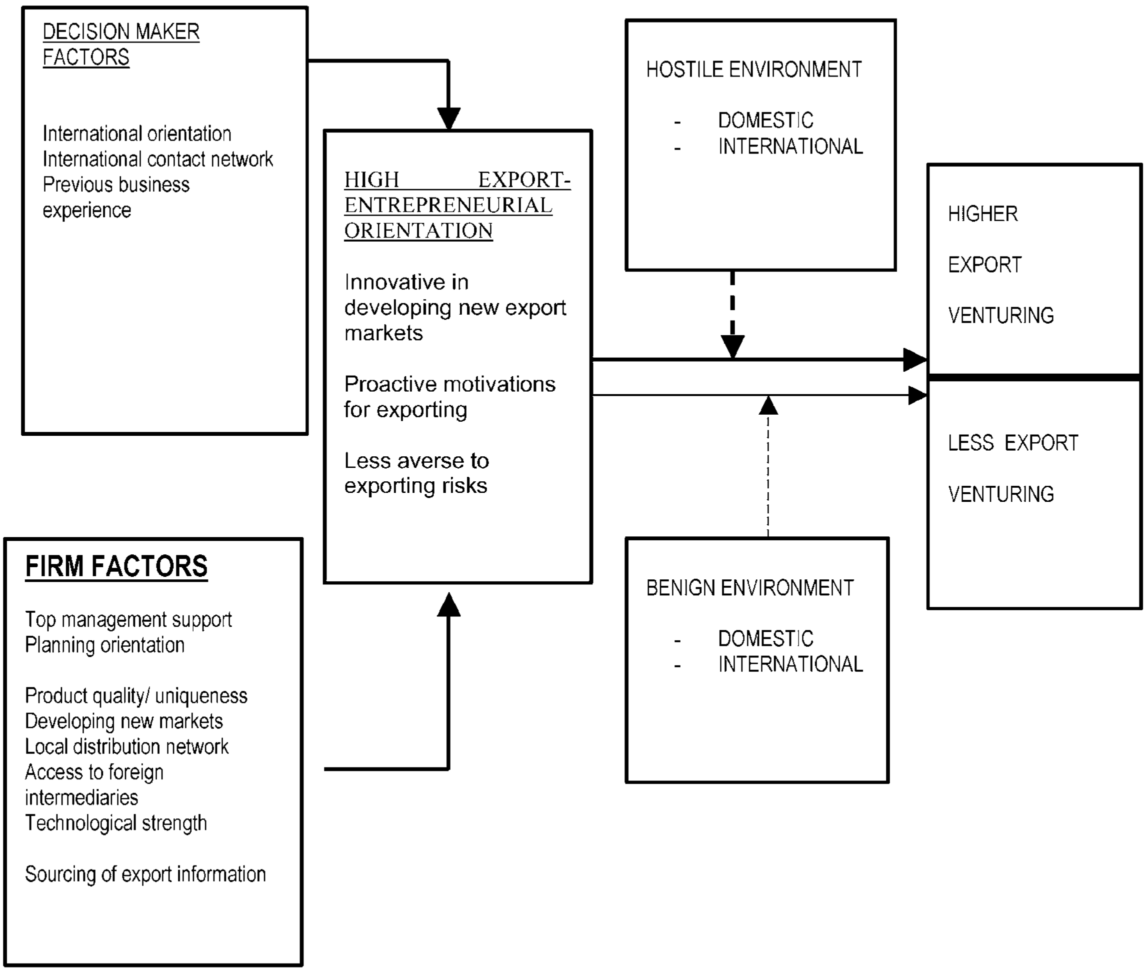


Figure 2. A contingency framework of export-entrepreneurship.

investigate the effect of entrepreneurial orientation on export behavior. This present study contributes in this regard, and adds to recent empirical efforts, notably by Robertson and Chetty (2000) on entrepreneurial orientation and export performance and Knight (2000b) on international entrepreneurial orientation and internationalization behavior. More significantly, it adds to the fewer number of studies, which have examined the moderating effect of the small firms' operating environment on export behavior (Robertson and Chetty, 2000; Knight, 2000a); *it complements this literature by providing useful developing country evidence on small firm export venturing and performance*.

It is worth observing that the present study's finding, as well as similar supportive evidence from McAuley (1999) and Robertson and Chetty (2000), all involving low technology firms' samples, challenge the suggestion in the literature that an entrepreneurial orientation may be less useful in low technology industries than in high technology sectors (see Zahra and Neubaum, 1998). It would, indeed, appear that an export-entrepreneurial orientation is the more appropriate strategic orientation for small firms, including low technology ones, seeking to improve export venture creation and performance in hostile operating conditions.

## 6. Conclusions, implications and limitations

This paper explored the insights which the integration of perspectives from the exporting and entrepreneurship, and contingency literatures may offer into the understanding of export venture creation of small firms. It highlights the criticality of the firm's export-entrepreneurial orientation level in the process, and identifies the key decision maker and company characteristics and competencies that are associated with high export-entrepreneurial firms. It also suggests that small firms faced with hostile operating environments are more likely to venture into exporting if they possessed an entrepreneurial orientation, replete with the appropriate antecedent attributes.

These findings challenge internationalizing small firms to seek to improve the entrepreneurial credentials and overall capabilities of their key decision makers (Reuber and Fischer, 1997; McAuley, 1999), while, also, attempting to strengthen their businesses on other key resources and competencies, which are associated with a high export-entrepreneurial orientation. Decision makers' characteristics are considered particularly important in view of the high incidence of single decision makers among small firms (Hyvarinen, 1990). The qualities that have been found to be critical include international orientation and contacts, and previous relevant experience. Small firms with top management staff, committed and supportive of exporting, and which possess requisite competencies in product quality and technology, foreign market information search and new market development and networking skills would appear to have good export venturing prospects (Ibeh, 2000).

Policy makers should, thus, focus more on programs that seek to improve small firms' internal competencies, including entrepreneurial and international orientation (Reuber and Fischer, 1997). This implies active encouragement for the acquisition and emergence (through training) of decision makers with proactive and supportive interest in exporting. It also implies appropriate assistance to help small firms develop requisite capabilities and competencies (in product/process technologies and networking) that could enhance their ability to compete in chosen export market(s). In these exciting days of E-commerce and online marketing, small firms should be encouraged and supported with appropriate training and resources to optimize the global benefits of Information and Communication Technologies (ICTs); this is particularly important given the capacity of ICTs to obviate some of the size-related impediments normally associated with traditional, physical internationalisation (Lituchy and Rail, 2000; Brock, 2000).

The adoption of the framework proposed in this paper may lead to a new, potentially useful firm taxonomy, built around export-entrepreneurial orientation and exporting status of small firms, thus: entrepreneurial exporters (I); less entrepreneurial exporters (II); entrepreneurial non-exporters (III); and less entrepreneurial non-exporters (IV) (see Ibeh and Young, 2001). It is envisaged that this new emphasis on the entrepreneurial credentials of firm categories rather than their levels of export development (Seringhaus, 1987) would improve the targeting of export assistance. To be sure, the export development efforts of governments, export promotion organizations (including private sector providers), regional enterprise development agencies, and multilateral institutions could benefit from a new focus on developing the entrepreneurial, including networking capacities of small firms.

At a theoretical level, it is expected that the export-entrepreneurial framework suggested in this paper would stimulate further effort at developing richer multi-disciplinary frameworks. A highly achievable target for such effort is a composite model of small-firm internationalization, which would draw from various relevant disciplines and research streams, including strategic management, international marketing, small business research and entrepreneurship. This envisaged model could be framed around the similarities and complementarities observed among the extant perspectives on small firm internationalization, namely the "stage of development" approach, the network approach, the business strategy/resource-based frameworks (Bell and Young, 1998), and this paper's export entrepreneurial framework. While the importance of certain internal factors (notably international orientation and contacts, top management support, requisite competencies in product/process technologies) is generally acknowledged in the various research traditions, other concepts such as inward-outward network links (Jones, 1999), export-entrepreneurial orientation, external environmental moderators are not as commonly shared; this suggests some potentials for a richer, more robust integrative model.

It is necessary, at this stage, to acknowledge *the limitations* of the present research in the context of which its conclusions should be considered. One, is that the relatively low size of the study sample constrained the choice of analytical tools that could be employed in testing the proposed model. Future studies should strive to obtain larger samples, to enable a more rigorous test of the proposed framework, preferably through multiple regression or structural equation modeling methods. Another limitation of the study relates to its focus on initial export venturing. Although this focus reflects the widespread agreement on the criticality of the initial export decision for the small firm, future researchers are urged, nevertheless, to extend the model to include other export performance dimensions.

Although the impact of the Internet (and related communication platforms) on international business venturing is still unfolding, what is known about this new medium/business model, with its blurring of boundaries between domestic and international companies (Lituchy and Rail, 2000; Knight, 2000b), suggests some potential for a fundamental shift in the way initial export venturing is conceptualized. Further research is, to be sure, needed to illuminate the dimensions of this change. There can be little doubt, however, that the technological complexity, which Web-orchestrated changes imply, favors the adoption of an entrepreneurial orientation; this orientation will, therefore, remain central to the understanding of small firm export venture creation for the foreseeable future. In the final analysis, small-firm internationalization (including virtual or market-space internationalization (Brock, 2000) would most likely result from the proactive and aggressive pursuit of innovative, cross-border, product-market opportunities by entrepreneurial, risk-accepting decision makers, acting either on their own or as part of nimble entrepreneurial organizations.

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## Notes

[1] This conservative-entrepreneurial taxonomy shares conceptual boundaries with earlier taxonomies developed in the management and organization theory literature, as well as some of the dichotomies developed in the exporting literature, e.g. active/reactive (Piercy, 1981); proactive/reactive (Johnson and Czinkota, 1982).

[2] *Munificence* refers to the richness of the market for new ventures, usually indicated by the potential market demand and opportunities and market receptivity for innovations. *Volatility* measures the rate of change in the environment, as expressed by variations in needs of customers and competitor relations. *Complexity* refers to the number of different factors, which the entrepreneur must face, while *Hostility* describes the extent of competition as indicated by the strength of competitors present in a market (Shane and Kolvereid, 1995).

[3] *Macro environmental hostility* refers to the existence of unfavorable conditions in the firm's general, external environment – political, legal, regulatory, and economic. *Market hostility* refers to the unfavourableness of an industry's structure (e.g. supply and demand conditions) and dynamics as they affect a firm's operations. *Competitive hostility* refers to the intensity of competition in the industry and the relative powers of different rivals who may use diverse competitive approaches, while *technological hostility* refers to radical shifts in the industry's technological resources and capabilities (Zahra and Neubaum, 1998).

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