FOSTERING ENTREPRENEURSHIP THROUGH INTERNATIONAL EXPANSION: THE DYNAMIC INTERPLAY OF CHALLENGES AND ENABLERS IN NEW SUBSIDIARIES (SUMMARY)

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Principal Topic

How do entrepreneurial firms foster dispersed entrepreneurship as they expand geographically? We draw on two literatures - new venture creation and entrepreneurship in multinational enterprises – to answer this question using theory-building, qualitative methods. Our findings highlight the enabling role of culture, talent and space in instituting dispersed entrepreneurship, and the amplifying effect of the reinforcing dynamics between these pillars.

Entrepreneurship scholars focus on growth at start-up, but less on growth at later stages. International business scholars focus on entrepreneurship within established multinationals, but less on how they become established. Our research fits in the middle, studying how new firms become multinationals, while maintaining their entrepreneurial nature. Following Rindova and Kotha (2001), we define morphing as ongoing and continuous transformation and dispersed entrepreneurship as geographically distributed recognition and exploitation of opportunities within and across an organization (Birkinshaw, 2000).

Method

We use case-based methods, studying eight entrepreneurial firms inductively. Data was collected through interviews and archivally. We followed a four step analytic procedure, involving the development of case histories, the identification of lower order themes, the aggregation of these themes into theoretical dimensions, and the construction of a process model linking the theoretical constructs, to build a process model of dispersed entrepreneurship.

Results and Implications

Our findings illustrate that international expansion through subsidiaries invokes challenges, namely a threat to their flexibility, nimbleness and agility and the introduction of standardized and bureaucratic practices. To manage these impediments, firms rely on three factors – culture, talent and space – to sustain a continued pursuit of opportunities during international expansion. Moreover, it is not necessarily the presence of these cornerstones but the synergistic amplification effect between them which allows dispersed entrepreneurship to be created and maintained.

This paper primarily contributes to an understanding of the dynamic process by which entrepreneurial firms drive forward their international expansion while embedding entrepreneurship throughout their organization. Additionally, our findings highlight the relevance of spatial factors and their inherent symbolism in fostering dispersed entrepreneurship. Our paper also offers practical insights on how to stay entrepreneurial while managing the challenges of growth.

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