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Entrepreneurial action in the context of firms and managers operating internationally: An empirical study

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Abstract
This exploratory study draws on entrepreneurial action theory, and proposes a theoretical framework to understand the main rationale for companies and their managers to have an international presence. The perspectives of managers representing four international companies operating in the state of Western Australia were examined through in-depth face-to-face interviews. The findings revealed various strong associations with the theory. Notably, while firms’ action was partly motivated by the significance of Western Australia’s natural resources, equally important were strategic elements surrounding such decision, including matching or anticipating competitors’ moves. Entrepreneurial action was also manifested among participants, particularly in that their accumulated knowledge and expertise provided an ideal fit with their organisations’ goals. The framework can therefore inform future research, both from a practical and theoretical perspective.

Keywords: Entrepreneurial action, international entrepreneurship, corporations, managers, natural resources, Western Australia.

1 Introduction
In the past decade, there has been a noticeable growth of research on international entrepreneurship, including on the motivations for and involvement in international business activities. This research stream has focused on both companies (Madsen and Servais, 1997; Sharma and Blomstermo, 2003; Thite et al., 2016; Weerawardena et al., 2007; Yeoh, 2000; Zahra et al., 2005) and expatriate managers (Cerdin and Le Pargneux, 2009; Dickman et al., 2008; Jokinen et al., 2008; Suutari, 2003; Suutari and Brewster, 2000; Suutari and Taka, 2004).

According to Venkataraman (1997), the field of entrepreneurship aims at understanding opportunity discovery, creation, and its exploitation. Entrepreneurship also seeks to understand the initiator (the entrepreneur) of those discoveries (Venkataraman, 1997). Among other conceptualisations, international entrepreneurship has also been viewed as activities which are new, proactive, innovative, risk-taking, and
aimed at growth and value creation in businesses organisations operating across national boundaries (McDougall and Oviatt, 1997).

With considering international entrepreneurship based on firms’ international path, Gu’s (2011) study of Chinese private enterprises operating in Africa identifies a ‘jump’ or escalation pattern underlining stages in which these firms develop their understanding of business opportunities, then moving from one stage to the next, taking on greater assignments. In the first stage, firms go from conducting business domestically to becoming involved in exports to Africa, while in the second they progress from exporting to Africa to investing in production, and in the third they invest in industry parks (Gu, 2011). This jump pattern illustrates a progression in opportunity discovery, which is being increasingly challenged by other Chinese firms equally attracted by available opportunities (Gu, 2011).

Krull et al.’s (2012) research study of engineering consulting firms provides another useful illustration. Their findings revealed an evolutionary process of motives to internationalisation composing five phases. In the first, firms took every opportunity, chasing work and developing networks and contacts; similarly, in the second phase, firms primarily focused on taking most opportunities, though they also searched for more profitable and larger projects. The third phase entailed a consolidation of existing client relationships, as well as an increased interest to develop geographically close markets (Krull et al., 2012). The strengthening of existing networks and relations was followed by the fourth phase, integrating international operations, developing office centres, and selecting new markets. Finally, the fifth phase included the increased coordination of business operations internationally, growing and strengthening centre offices, while decreasing their autonomy (Krull et al., 2012).

To operate internationally, companies also seek appropriate human resources, as Caligiuri and Colakoglu (2007) found among organisations with a global management strategy. These organisations tended to use more senior managers who had expatriate experience, and focused more strongly “on leadership development through expatriation” (p. 393).

Many studies also provide useful insights from expatriates’ perspective. Doherty, Dickmann, and Mills (2011) posit that limited research has explored those issues deemed significant by expatriates in their decision to move abroad, or comparing between self-initiated and company-backed expatriates. To narrow these knowledge gaps, these authors surveyed 522 individuals who had worked internationally, and found clear differences between the above groups. Fundamentally, whereas self-initiated expatriates placed more value on host country reputation and location, company-backed expatriates considered career impact, skills, or job more important (Doherty et al., 2011).

Suutari and Brewster (2000) also compared the same groups. Their findings revealed that while personal interest in increasing one’s international experience was significant for both groups, it ranked higher among individuals with a self-initiated foreign work experience. However, no significant differences were found between these groups and such factors as economic benefits or professional development (Suutari and Brewster, 2000). Tangible as well as intangible elements were perceived clearly different in a study comparing French and German expatriates (Stahl and Cerdin, 2004). For example, monetary incentives, encouragement from partner/spouse, or family considerations were key factors for French expatriates to accept an international assignment. In contrast, anticipated job success, opportunities for career advancement, and the perceived challenges of working and living overseas were most significant to German expatriates (Stahl and Cerdin, 2004).
Extending from this body of research, the present study will make an empirical and theoretical contribution to the literature on international business and management, investigating the journey of foreign companies and managers to venture internationally, including their motivations to do so. More specifically, the research will examine entrepreneurial action through the cases of four firms and their managers operating internationally drawing on entrepreneurial action theory (McMullen and Shepherd, 2006; Mitchell and Shepherd, 2010). An extension of this ideology in the context of firms and expatriates will be proposed, and therefore, a theoretical contribution will be made. Indeed, by emphasising the associations between firms, individuals, and opportunity recognition processes, which constitute the foundation of entrepreneurial action theory (Mitchell and Shepherd, 2010), the framework could offer valuable insights on international business from both individual and company perspectives.

2 Literature Review

2.1 Entrepreneurial action

The academic literature proposes several conceptualisations of entrepreneurial action; given their significance for the present research, those of various authors will be presented. Kuratko et al. (2001) define entrepreneurial action as behaviour through which organisations can maximise opportunities that others have not identified or aggressively pursued. By interpreting the work of Shane (2003) and Shane and Venkataraman (2000), Alvarez and Barney (2007) conceptualise entrepreneurial action as activities undertaken by entrepreneurs in order to create and maximise opportunities. Entrepreneurial action is also defined as “behavior in response to a judgmental decision under uncertainty about a possible opportunity for profit” (McMullen and Shepherd, 2006, p. 134). In this context, uncertainty can be interpreted as a barrier between entrepreneurs and entrepreneurial action; thus, less perceived uncertainty or more willingness to accept it can be conducive to entrepreneurial action (McMullen and Shepherd, 2006).

Furthermore, entrepreneurial actions are efforts to develop, identify or pursue ideas to create new organisations, make investments, or introduce new business models, products or services in specific markets, and involve individuals’ interpretation of their environment (Klein, 2008; Wood et al., 2012). Entrepreneurial action can also be understood in terms of the opportunities being pursued, volume, novelty, flow rate, or magnitude, all of which contribute to firms’ performance, and is manifested through market share, sales or profits (Chandra et al., 2015). Similarly, entrepreneurial action can be construed as the making of innovative, creative or adventurous deals or exchanges between entrepreneurial actors’ home enterprises, and other trading parties (Spedale and Watson, 2014; Watson, 2013). Therefore, the motivation for entrepreneurial action extends beyond financial returns (Grégoire et al., 2011).

2.2 Entrepreneurial action theory

Various researchers have contributed to the development of theoretical notions, and as a result, to the theoretical foundation of entrepreneurial action. For example, Alvarez and Barney (2007) proposed these two central assumptions in the form of creation and discovery theories. First, in reflecting on opportunities as an objective phenomena, that is, opportunities waiting to be found and maximised, Alvarez and Barney (2007) posit that the task of ambitious entrepreneurs is to find opportunities, and maximise them using whatever strategies or whatever data collection techniques are available. In this context, first-time discovery advantage is crucial, as those entrepreneurs identifying and exploiting opportunities thereafter might not experience the same success (Alvarez and
Thus, the discovery theory assumption underlines a realist philosophy, whereby opportunities exist independent of entrepreneurs, and decision making contexts are risky (Alvarez and Barney, 2007).

However, if instead of waiting to be discovered, opportunities were to be created by entrepreneurs, then arguably entrepreneurs will have to engage in continuous learning processes that could eventually result in opportunity creation (Alvarez and Barney, 2007). Therefore, in contrast to the discovery theory assumption, the creation theory applies an evolutionary realist philosophy, suggesting that opportunities do not exist independent of entrepreneurs, and that the nature of decision making contexts is uncertain (Alvarez and Barney, 2007).

McMullen and Shepherd (2006) made an additional important contribution to theory building, proposing a theoretical framework illustrating two different stages of entrepreneurial action: opportunity attention and opportunity evaluation (Mitchell and Shepherd, 2006). The first stage encompasses questions of why business opportunities are identified and subsequently acted upon in general. This stage is also referred to as ‘a third-person opportunity’ (Mitchell and Shepherd, 2010), or “an opportunity for someone” (McMullen and Shepherd, 2006, p. 133).

The second stage involves a similar rational, and is conceptualised in terms of opportunities identified and acted upon by individuals, or ‘a first-person opportunity’ (Mitchell and Shepherd, 2010), which is also known as “an opportunity for the actor” (McMullen and Shepherd, 2006, p. 133). Moreover, this second stage emphasises the significance of individuals’ recognition of opportunities, and the decision to act upon these through investment in their search while facing uncertainty (Mitchell and Shepherd, 2010).

Within the two stages of entrepreneurial action theory, there is a clear nexus between knowledge and motivation; moreover, the model hypothesises the outcome of entrepreneurs’ willingness to accept perceived uncertainty (McMullen and Shepherd, 2006). Indeed, in the attention stage, or ‘radical uncertainty’, prior knowledge and personal strategy (motivation) are suggested to result in opportunities for someone (McMullen and Shepherd, 2006). The attention stage then overlaps into the evaluation stage or ‘action-specific uncertainty’, which illustrates that the nexus between feasibility assessment (knowledge) and desirability assessment (motivation) result in entrepreneurial action (McMullen and Shepherd, 2006).

While not referring directly to entrepreneurial action theory, various empirical studies support the usefulness of examining real-world scenarios through entrepreneurial action. In an earlier research (Kuratko et al., 2001) focusing on Acordia Inc., a company involved in the field of healthcare, a clear manifestation emerged. Indeed, facing rapid industry changes, including technology, societal values or customer needs, entrepreneurial action constituted the medium through which the firm endeavoured to establish its position and influence its competitive environment (Kuratko et al., 2001). The relationship between Acordia Inc. and entrepreneurial action became apparent through the formation and implementation of a corporate entrepreneurship strategy based on marketing programs, computer applications and administrative skills to develop innovation as its competitive advantage (Kuratko et al., 2001).

Furthermore, in investigating 12 cases of internationalising enterprises, Oyson and Whittaker (2015) were able to ascertain the importance of entrepreneurial action in the substantial creation of international business opportunities. Moreover, these opportunities which combined capabilities, product, and customers, entailed investments in the form of time, effort and resources, demanding such entrepreneurial
actions as international travel, networking, discussing collaborative options, or improving and customising products and services (Oyson and Whittaker, 2015). Their findings led Oyson and Whittaker (2015) to propose an entrepreneurial opportunity creation process framework, which emphasises the links between entrepreneurial knowledge and imagination, potential opportunities, and entrepreneurial action (e.g., foreign travel) to bring together opportunities (product, customers, capabilities) representing entrepreneurial opportunities.

Wensley et al.’s (2011) research in the telecommunications industry sheds light on the significance of entrepreneurial actions to renew the organisation- or even to replace-existing entrepreneurial actions. Moreover, they argue that, given the rapid changing environment organisations and their members face, existing entrepreneurial actions stemming from the founding entrepreneurs should be challenged, and more autonomy should be given to employees. Wensley et al.’s (2011) rationale is that organisations involved in customer relations need to update practices based on explicit or tacit knowledge for employees to have access to both exploitative and explorative knowledge processes that are needed to keep or enhance relations with customers. However, as highlighted in the case of other theoretical frameworks, including the dynamic capabilities approach (e.g., Patterson and Ambrosini, 2015; Wang et al., 2015), some dimensions and contexts of entrepreneurial action still remain under-examined.

For example, Wensley et al. (2011) note the scant research conducted “to examine the entrepreneurial actions that may be associated with new organisations and the creation and sustaining of customer capital” (p. 142). Other areas with an obvious knowledge gap are those related to the present study, notably, expatriates and firms engaged in global business activities. Indeed, the processes of creating or exploiting opportunities, either at an individual or firm level, have not received significant attention from the entrepreneurship action literature. New knowledge and insights on these dimensions could be useful in a number of ways, for instance, informing other firms, industries, or individuals of the behavioural processes that guide such opportunity discovery and maximisation journey. Consequently, the study will address two fundamental research questions (RQs):

How is entrepreneurial action manifested in:

- RQ1: participants’ decision to engage in international business, in this case, working for a global organisation?
- RQ2: firms’ decision to become involved in international business, particularly working for the firm in the study’s geographic context?

2.3 The geographic context of the study

This study was undertaken in Western Australia, a state where natural resources constitute the main economic driver. Recent information (Government of Western Australia, 2018) indicates that during 2016-2017, Western Australia’s gross state product (GSP) reached AU$ 247.7 billion, representing 14 percent of Australia’s gross domestic product (GDP). Combined, sales for the mineral and petrol sectors totalled AU$ 105 billion (Department of Minerals and Petroleum, 2017), while major export commodities in the same year period included iron ore (AU$62.4 billion), gold (AU$17.7 billion), and petroleum (AU$16.9 billion) (Government of Western Australia, 2018). As of March 2017, the worth of the state’s resource projects under construction or development totalled AU$101 billion, suggesting the future potential for growth and business opportunities in this sector (Department of Minerals and Petroleum, 2017). Direct employment from the minerals sector continues to be strong, with approximately
108,930 jobs, a 75 percent increase compared to 10 years ago (Department of Minerals and Petroleum, 2017). Despite the significance of natural resources, efforts are being undertaken to develop other industries, including agriculture, forestry and fishing, whose value added increase by 24 percent during 2016-2017 (Government of Western Australia, 2018).

3 Methods
In adopting entrepreneurial action theory, this exploratory study examines the extent to which entrepreneurial action is manifested, notably, in the decision of firms and their managers to operate internationally. Therefore, the study’s unit of analysis, or those entities about which data are collected to make inferences or generalisations (Brewer and Hunter, 2006) is represented by entrepreneurial action through firm and individuals’ decisions. The study focuses on international firms and expatriates operating in the state of Western Australia. The economic importance of this state, particularly through natural resource exploration and exports, with opportunities for both national and international firms, provides a solid background for the exploration of the above themes, thus, supporting its selection to conduct the research.

The study is exploratory in purpose, which entails broad questions to investigate “uncharted territories of research” (Sim and Wright, 2000, p. 19). Exploratory research is typically emergent, general, qualitative, qualitative, and seeks to build theory, for instance, by generating a theoretical model of understanding (Sim and Wright, 2000). The study also follows an inductive approach; under this approach, researchers frequently shift direction, reanalysing sections of text data “as emerging results provide new insights” (Kondracki et al., 2002, p. 225). Moreover, inductive analysis entails approaches that mainly employ detailed readings of data to develop themes, concepts or a model (Thomas, 2006). This model, in this study illustrated by Figure 1, is the result of interpretations made by researchers from the raw data gathered (Thomas, 2006).

In accord with previous expatriate/manager of multinational corporation subsidiary research (Fisher and Härtel, 2003; Johnson and Duxbury, 2010), a purposive sampling to select firms and individuals for this study was employed. This method consists of deliberately choosing participants based on the qualities they possess (Etikan, Musa and Alkassim, 2015; Tongco, 2007); furthermore, participants typically possess “most information on the characteristic of interest” (Guarte and Barrios, 2007, p. 277).

3.1 Sample and data
An initial round of meetings with chambers of commerce and consulates in the city of Perth, Western Australia, led to the identification of four foreign companies operating in this state. This form of gathering information through contacts aligns with Williams and Lee (2011), who explain that, by using purposive sampling through networking, they were able to overcome access-related to experienced managers.

In October of 2015, these firms were contacted through email correspondence. The message sent to the attention of the general managers described the purpose and aims of the research, and made a formal invitation to these individuals to take part. Given some of these individuals’ commitments, meetings and interviews took place between November of 2015 and February of 2016. The semi-structured, face-to-face interviews took place at the companies’ offices and were on average 90 minutes long. Their content was complemented with company brochures and electronic information available on companies’ website; in addition, email correspondence with the participants after February of 2016.
The content of the interviews essentially focused on the following two questions, developed upon a review of the pertinent expatriate and multinational corporation literature (e.g., Doherty et al., 2011; Kuratko et al., 2001; Oyson and Whittaker, 2015; Stahl and Cerdin, 2004; Suutari and Brewster, 2000; Stahl et al., 2002; Wensley et al., 2011):

- Why did you choose to work for the firm internationally?
- Why did your firm choose to operate in Western Australia?

By asking these broad questions, it was assumed that participants would reflect on various aspects, both with regard to their personal interests and those of their firms. As a result, their answers might confirm or disconfirm the extent to which entrepreneurial action was manifested in their decisions or that of their firms to act or not act upon opportunities (McMullen and Shepherd, 2006; Mitchell and Shepherd, 2010). A similar protocol was utilised when contacting and meeting the participants, including with regard to the structure of the interviews.

3.2 Data analysis
The resulting qualitative were transcribed by a research assistant and the researcher; this process allowed for cross-checking of the data content, thus, ensuring the consistency of the transcribing process. Qualitative content analysis was employed to analysis the data. This method consists of subjectively interpreting content of text data; this interpretation is based on a systematic classification process that entails the identification and coding of research themes or patterns (Hsieh and Shannon, 2005). As with the transcription, data coding was undertaken by both the research assistant and researcher, thereby strengthening the consistency and robustness of identified themes or patterns. Furthermore, content analysis refers to a qualitative data reduction effort, which attempts to identify core meanings and consistencies within a volume of qualitative material (Patton, 2015). In the following sections, and to preserve the confidentiality of participants and their firms, abbreviations will be used; for instance, P1 will refer to ‘participant 1, and so forth.

3.3 Demographic characteristics of participants
As illustrated (Table 1), all four participants have at least one decade of experience working in their chosen industry, and three of the companies have existed for half a century. In terms of size (full-time employees), all firms are considered large according to the Australian Bureau of Statistics’ definition (2001). In terms of industry, two firms are directly related to natural resource extraction, while the other two are indirectly related, offering consultancy and shipping services, respectively.

4 Results
4.1 RQ1: Individuals’ decision to work internationally for their chosen firm
Previous research discusses the existence of uncertainty and risk for expatriates when they are on international assignments (e.g., Boyacigiller, 1990; McNulty and Vance, 2017; Novicevic and Harvey, 2004). While clearly the Australian lifestyle was one key component in participants’ decision to take their post in Western Australia, such assignment was filled with responsibilities, for instance, operating in an uncertain environment. In fact, at the time of the interviews, there was still a certain degree of uncertainty in Western Australia’s business environment. Moreover, in the preceding
years the state’s economy, and particularly the resource industry had been affected by a continuous decrease in prices, iron ore sales, resulting in a decrease in exploration expenditure, and property market and construction activity (Government of Western Australia, 2018).

However, in the case of this study, working for companies that, despite facing a very competitive business environment, maintain their presence and performance internationally reflects an intrinsic motivation for managers’ decision to work in their chosen environment. The content analysis (Table 2) illustrates various emerging patterns based on participants’ responses concerning elements triggering entrepreneurial action at an individual-personal level. These included the motivation to grow professionally, working in various countries, possessing the knowledge and expertise to make a significant impact on the company, and the opportunity to exploit one’s abilities, for instance, leading in or carrying out various business-related projects.

Table 2 Here

At the same time, while expatriates may not fall under the category of entrepreneurs, there were different instances where entrepreneurial characteristics and initiatives became apparent. Such was the case of P1, who started his journey with an appointment to the Philippines, then to India, and Egypt. Having the previous company been taken over by his current employer, he continued his professional journey with the new company, and eventually was sent to Australia based on his extensive expertise and knowledge: “I was initially the Business Development Manager in [city]. In six months I got promoted as the National Product Manager... I was there for seven years developing this technology... in mines and other areas. Then I became the Regional Manager for our activities in [state]. Now I’m in Western Australia.” This case demonstrates that by providing the necessary tools (working environment, infrastructure, opportunities for promotion and travel), the participant was encouraged to work for the company. More importantly, as his skills corresponded to the given opportunities to complete such international assignments and his involvement in various ground-breaking projects, he was able to harness his personal-level entrepreneurial action.

Indeed, P1 reflected on his initiative which resulted in the development of a safety system for mines with the collaboration of university researchers. This initiative presented opportunities for him as well as for his company: “Our presence in coal mining was quite limited. I realised that there is an issue called spontaneous combustion in coal mines... and we were very concerned. There were different approaches to address the issue of explosions in mines, and I started working very closely with [institution name]. We started getting input and developed a coalmine membrane system...” The following experience further mirrored the manifestation and significance of entrepreneurial action: “I was involved in a huge greenhouse project in [Australian states]. [Company name] using its greenhouse with a difference... They heat the water, they use that particular water for their applications... It’s a remarkable technology... We are supplying the sea water requirements for [company].”

Similarly, P2 and P3 were encouraged to move to Western Australia as they perceived that the company provided professional opportunities to advance in their careers. P2 reflected on his long experience contributing to the company while furthering his career: “I used to do all offshore work for Southeast Asia but as we’ve developed a higher profile and getting more enquiries, we have expanded... I’m still in a role that I support activities in Southeast Asia... because of my offshore knowledge...”
Interestingly, P2 had completed his university career around his current employer’s main business foci: “I studied naval architecture and I did an MBA.” The university background, coupled with his experience through his involvement with the company, helped him advance and become a much sought-after managerial candidate.

Moreover, and as with P1, P2’s accumulated expertise over the decades provided the motivation to exploit opportunities and make contributions. At a personal level, P2 demonstrated an in-depth industry knowledge, and at a company level, his leadership role helped create an environment that facilitated the operationalisation and maximisation of business opportunities: “You can’t balance a new innovative project if you haven’t got the experience and the skill to take on a project of that magnitude… I think that what I often bring in is a will to work together and trust... The only way we can innovate is by trusting each other and really think very hard internally...”

P3 also brought in a wealth of knowledge and expertise, after having completed posts in challenging environments that included Iraq, Kazakhstan and Russia. With the company’s trust, which was based on his considerable experience, he was now responsible for the company’s operations throughout Australia and in a neighbouring country.

In contrast to the previous three participants, P4’s case fits the characteristics of a self-initiated expatriate (Doherty et al., 2011). In fact, after working in his native country for a national mining company, he arrived in Western Australia in 2008 as a skilled migrant to work for an international mining company. However, P4’s professional life took an unexpected turn as he became an expatriate manager for another company of his native country: “I worked for [mining company] for almost three years and after those three years I felt confident enough to go for a small venture and bring [current company] to Australia; I have been working for [company name] for the last four years.”

4.2 RQ2: Companies’ decision to become involved in Western Australia
Table 3 illustrates some of the threads associated with companies’ decision to have a presence in Western Australia. Alongside to participants’ individual motivations, entrepreneurial action was fundamentally manifested in the strong desire to exploit existing or new business opportunities, either in Western Australia, nationwide, or even directing operations from Western Australia to other destinations. Such was the case of P2’s company, which strategically utilised the state or Perth as a springboard to other lucrative markets, particularly neighbouring South East Asian economies. As the participant explained: “We do a lot of utilities in other countries where the power is distributed or generated or the products are refined, so all across the spectrum.”

The companies’ focus on mineral, gas, and petrol exploration, or their specialisation in large volume shipping (P2) and in management consulting (P4) justified their strategic reasoning to become involved in Western Australia’s natural resources industry. Clearly, this finding is not surprising given the strong impact of the mining industry on the state, which, according to Garnett (2012) has been stronger than in all other Australian states and territories. As P2 acknowledged: “…because of the mega projects that were starting here, and we knew that it would be a requirement for heavy-lift shipping offshore services... we do a lot of work in oil and gas, and mining – those are our main areas for the Australian market. Australia is a typical country where things are mined, and that’s why we are involved here.”

However, while companies were focusing on the traditional resources market, some endeavoured and were keen to strengthen their diversification efforts. This finding was illustrated by P1’s company, which established collaborative research relationships and
synergies to solve sustainability-related problems, including developing more sustainable sources of energy, and increasing security in mines. These entrepreneurial initiatives helped to create new markets, including business-to-business ventures, increase the company’s business focus, and by doing so were contributing to its long-term competitiveness and sustainability. P1’s entrepreneurial drive is partly aligned with Muzychenko and Liesch’s (2015) research findings, in that they that the desire to develop a world class business was one of entrepreneurs’ main attitudinal drivers towards international opportunity identification.

P3 also acknowledged diversification as a key reason for his company to operate in Western Australia. Moreover, by identifying a gap in the market with potential to enhance its business, the company proceeded to complete an acquisition (P3): “It was an area where we were not present before... it was a new area with lots of potential.”

P4’s case is also illustrative of diversification, in that desire, trust between the manager and the company, knowledge of the market and deeper understanding of the industry- or industries- triggered the exploitation of viable opportunities, some of which spilled over into social capital:

I also had studied and worked before with the [company name] guys in [country], so I was a client for them... [years later] I was here, had a relationship of trust, knowledge about the market, so it’s more about the social capital and that partner that will help present the company over there. The market is almost a consequence [of that]. We will try to explore any market that we have someone with the characteristics to start the business... through that you can develop opportunities here.

These comments align with the notion of subsidiary evolution, which can be perceived as a process in which the subsidiary accumulates- or is depleted of- resources (Birkinshaw and Hood, 1998). Traditional academic models have contributed to the assumption that, over time, overseas subsidiaries have developed unique resources or have grown in size (Birkinshaw and Hood, 1998). As a result, many researchers perceive that corporate headquarters are no longer in a position to be the only provider of competitive advantage for the multinational corporation (Birkinshaw and Hood, 1998). The dramatic change arguably illustrates subsidiaries’ increasing independency and entrepreneurial initiative, which is further demonstrated in the above findings.

Apart from the above motives, it was also imperative to have a physical presence in order to challenge and make other competitors aware. Such presence was also indicative that there was a perceived existing market potential (P2): “The other reason we established here is because our competitor had been active here with one particular ship for twenty years, so we knew there was already a good base market that they could support themselves on, and with the projects being started in Western Australia it seemed to be a logical step to establish an office here.”

5 Discussion

In agreement with notions of exploratory research (Sim and Wright, 2000), the potential outcome of employing an inductive paradigm (Thomas, 2006), or emerging findings through purposive sampling (Johnson and Duxbury (2010), a theoretical model, which associates the results and entrepreneurial action theory (Figure 1) emerged from the findings.

Although McMullen and Shepherd’s (2006) principles of entrepreneurial action are positioned in the context of technological change, they also align with other
entrepreneurial dimensions, including those concerned with motivations to operate internationally and exploit opportunities. McMullen and Shepherd (2006) posit that individuals who possess the necessary motivation and knowledge are confident of a third person opportunity, while those who do not have such motivation and knowledge will not believe in such opportunity (McMullen and Shepherd, 2006). Furthermore, the attention stage underlines radical uncertainty, for instance, ignorance of markets (McMullen and Shepherd, 2006).

However, given participants’ expertise, companies’ history of operating in their industry, and that they are both aware of the changes in their business environment, arguably, they already acknowledge a third-person opportunity (McMullen and Shepherd, 2006). This notion thus suggests the value of considering the evaluation stage as a primary antecedent of entrepreneurial action. Among other principles, this stage underlines that individuals form beliefs concerning their rationale for action (what to do and why to do it), and that those beliefs are undermined to some extent by doubt (McMullen and Shepherd, 2006), which relates to uncertainty. Nevertheless, by learning or through the encouragement of others, individuals may overcome doubt and act (McMullen and Shepherd, 2006).

Likewise, the evaluation stage likens a risk versus return dilemma, whereby prospective actors reflect on whether “the payoff of the third-person opportunity justifies bearing the perceived uncertainty necessary to attain it” (McMullen and Shepherd, 2006, p. 141). If the answer is affirmative, then a first-person opportunity exists, and entrepreneurial action occurs (McMullen and Shepherd, 2006). Overall, to act entrepreneurially individuals do not necessarily have to possess strong tolerance for uncertainty as long as they are aware and knowledgeable of what they do (McMullen and Shepherd, 2006). Moreover, engaging in a particular action is a decision dependent upon individuals’ motivation to act, recognising opportunities even when there will be an element of uncertainty when pursuing these (McMullen and Shepherd, 2006; Mitchell and Shepherd, 2010). Thus, overall, in the context of individual entrepreneurial action, the findings justify a stronger consideration of the evaluation stage.

The above findings are in line with Alvarez and Barney’s (2007) research in two ways. First, discovery theory, arguably part or a subset of entrepreneurial action, applies a realist philosophy, and emphasises the existence of opportunities independent of entrepreneurs’ role. Discovery theory is clearly illustrated by companies moving to Western Australia in search of existing opportunities in its resource industry. Second, and in contrast, creation theory underlines that opportunities do not occur independent of entrepreneurs (Alvarez and Barney, 2007), or have no objective existence (Oyson and Whittaker, 2015). This view is also manifested in the findings in several ways. For example, while holding a role of great responsibility as a manager, P1’s actions do not differ significantly from those entrepreneurial characteristics articulated in the academic literature, including creation, discover, and exploitation of opportunities (McDougall and Oviatt, 1997; Venkataraman, 1997).

Creation theory was also revealed through diversification strategies to establish or tap into new markets, or by companies using Western Australia as a base to cater or extend the company’s scope, entering other neighbouring markets. These points are also in agreement with Kim and Gray (2017) who explain that prior international experiences constitute a firm-specific advantage, enabling companies to manage risks when seeking further expansion and increase their potential for entering other markets.
Moreover, creation theory became obvious, in that participants’ expertise and knowledge played a vital role in executing company objectives, which at the same time fitted or complemented the company’s entrepreneurial drive.

This research incorporates a new theoretical element to entrepreneurial action theory. Indeed, it identifies a clear overlap between individuals’ interests, professional competence, expertise, and even entrepreneurial drive, notably, in leading creative, problem-solving projects, and companies’ motivation to operate in Western Australia. The context of entrepreneurial action theory is therefore interlinked with both the desires of the individual and the firm. Indeed, given the over-arching findings of the study, when the desires of the individuals representing their firms internationally is equally matched by the objectives of the business, entrepreneurial action is then manifest. Furthermore, there is a need to consider if these desires and objectives are manifested more strongly when alignment of individual aims and those of firms exist. Nonetheless, it is clear that the notion of entrepreneurship exists regardless of the context of firms or managers.

6 Conclusion
This exploratory study makes various contributions to the management literature, from an empirically and theoretical perspective. Firstly, the study makes an empirical contribution by examining the cases of four expatriate managers working for company subsidiaries involved in international business, in this case, in Western Australia. Secondly, the study applies entrepreneurial action theory (Alvarez and Barney, 2007; McMullen and Shepherd, 2006; Mitchell and Shepherd, 2010) to gain understanding of individuals’ and companies’ motivations to operate internationally, and how they operationalise entrepreneurial action to capitalise on business opportunities.

The findings demonstrate the overlap between managers’ entrepreneurial drive and action, manifested in their motivations, knowledge and expertise, and those of their companies. For instance, managers’ multiple experiences working in international environments, coupled with their skills and abilities to develop collaborative relationships or develop new projects constitute an ideal match to companies’ pursuing and exploiting business opportunities. This overlap suggests the vital strategic importance for companies to create and provide an organisational environment where managers’ resources can be unleashed, not only for the company to capitalise on opportunities, but also for managers to experience professional growth and satisfaction. If their growth and with it a personal-level of entrepreneurial action is facilitated, this alignment could reap benefits for both the company and expatriate manager.

As the cases of P1 and P4 suggest, the company’s flexibility, freedom, or employee recognition can trigger entrepreneurial responses through creative, innovative and overall, opportunity seeking behaviours and endeavours. This finding is in agreement with previous entrepreneurial action research (Spedale and Watson, 2014), which posits that those individuals running organisations are continuously making exchanges with other parties (e.g., employees, suppliers, customers), and that sometimes these exchanges can be creative, innovative, and imaginative.

6.1 Implications
From a practical point of view, given the motives of the firm may be driven by its business objectives and the wants of its stakeholders, this study suggests that it will not be at the firm’s demise to recruit individuals that have similar goals. As manifested in the findings, through their multiple previous foreign posts and assignments, the accumulated expertise and knowledge, expatriate managers’ entrepreneurial behaviour
and endeavours can make significant contributions to the firm. At the same time, these behaviours and endeavours can be facilitated by the firm, for instance, and as the cases of P1 and P2 illustrate, by providing an environment where, through his/her experience, creativeness and drive, the expatriate manager takes the role of the entrepreneur. This view is also in accord with Barney et al. (2018), whose research concludes with the alternative view that, in contrast to bottom-up approaches to opportunity identification, there is an obvious involvement of senior managers in such processes. Therefore, there is an opportunity to understand deeper the synergies and the value-laden considerations of the manager and firm, which ultimately reflects and prompts entrepreneurial action. The examples of this scenario within this study suggests entrepreneurial action theory and its alignment here as a vital consideration for future business ventures and recruitment alongside its theoretical implications. In addition, both the behaviours exhibited by managers and their organisation through their entrepreneurial actions can have significant implications for regional development and prosperity. In this case, these implications concern the future of Western Australia as a recipient of foreign direct investment, an operations centre from which to exploit other opportunities, or in terms of regional development, through the development of diversification strategies.

From a theoretical perspective, the proposed model (Figure 1) posits an insightful notion of entrepreneurial psychology and with it the motivations in undertaking international roles. This underlines the significance in the recruiting of managers that have similar desires to that of the organisation, and the value of appropriately hiring them. It is also vital to consider that expatriate managers may exercise their own personal-level of entrepreneurial action and actively seek companies which have similar ambitions. Therefore, while it is important that companies hire appropriately, the entrepreneurial psychology may already be attuned to such opportunities. As Alvarez and Barney (2007) indicate, this is already within the premise of ambitious entrepreneurs. Nonetheless, these considerations provide both practical and theoretical value as the drivers of entrepreneurship (individual and firm) are examined from a different lens. The firm’s desire to exploit opportunities, maximise positioning and strongholds are often mirrored by the individual’s own keenness to utilise experience, knowledge and creativity to facilitate success.

In line with entrepreneurial action theory, in both cases, motivation, coupled with extensive acquisition and accumulation of knowledge and expertise are significant drivers of first-person opportunities. Furthermore, and as illustrated in the findings, the framework postulates that there is an overlap between the knowledge and expertise individuals and companies possess. This overlap, or value matching of the above drivers, which constitutes a primary source of competitiveness in the face of uncertainty and competition, also has the potential to enhance entrepreneurial endeavour and with it the potential for success.

6.2 Limitations and Future Research

While the four examined expatriate managers provided very useful insights that led to theoretical development, the study has several limitations. Clearly, the perceptions of only four managers limits the generalisability of the findings. The fact that these managers were based in Perth, in only one state and in only one country also limits the potential for making comparisons with managers operating elsewhere.

These limitations also provide avenues for future research, for instance, eliciting responses across the nation, or across nations. Such line of research not only could help corroborate the present study’s findings, but also identify if differences exist based on
participants’ nationality, the host country or organisational culture. In turn, these findings could illuminate organisations, for instance, when searching for a talent pool to manage, lead and contribute to their competitive advantage and sustainability. Potentially, by bringing in new ideas through their expertise and knowledge, or forging collaborative relationships, which help solve organisational problems.

Also, the proposed theoretical framework (Figure 1) is based on this study’s findings, and therefore its appropriateness, reviews examination in other locations or business environments for further empirical confirmation. Contrastingly, in terms of future theoretical contributions, if the alignment of focus and overall entrepreneurial action trajectory is interlinked by a matching of desires (expatriate manager and the company), then it could be similarly argued that changes could lead to disassociation. Indeed, the history of the participants here displays job movement as a product of a desired change. An inverse examination of this nature may reveal the strength of the findings of this study and identify that misalignment of endeavours of the company and manager lead to a weakening of entrepreneurial action.

Consequently, future studies could consider the proposed framework to examine various dimensions of international involvement from both a managerial and company perspective. The framework could, for instance, be employed to investigate the loss of entrepreneurship and entrepreneurial action as a timely indicator for change management or for remedial action to be undertaken. While the alignment of desires between the expatriates and companies breeds success, its separation could lead to failure, with clear strategic and operational implications for companies’ international involvement.

References


Table 1: Demographic characteristics of participants and their companies

<table>
<thead>
<tr>
<th>P*</th>
<th>Participant’s role at the firm</th>
<th>Participant’s experience (in years)</th>
<th>Age of the company</th>
<th>Size (full-time employees)</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>P1</td>
<td>General Manager</td>
<td>20</td>
<td>70</td>
<td>&gt;1,000</td>
<td>Gas</td>
</tr>
<tr>
<td>P2</td>
<td>Head of Sales, Head of Business Development</td>
<td>20</td>
<td>50</td>
<td>500</td>
<td>Shipping</td>
</tr>
<tr>
<td>P3</td>
<td>Operations Manager</td>
<td>15</td>
<td>60</td>
<td>&gt;1,000</td>
<td>Oil and gas</td>
</tr>
<tr>
<td>P4</td>
<td>General Manager</td>
<td>10</td>
<td>15</td>
<td>200</td>
<td>Management consultancy</td>
</tr>
</tbody>
</table>

P*: Denotes participant; for example, P1: Participant 1
Table 2: RQ2 - Content analysis – Individual-related entrepreneurial action

<table>
<thead>
<tr>
<th>Forms of individual-related entrepreneurial action</th>
<th>P1</th>
<th>P2</th>
<th>P3</th>
<th>P4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exploiting opportunities for professional growth.</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Exploiting opportunities to work in various countries.</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Previous experience in another company or in other countries equipped the participants with the tools to become ideal candidates, and seize professional opportunities.</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>The company allowed participants to operationalise their own creativity, expertise, and innovation through practices to solve problems (e.g., leading, carrying out, collaborating to carry out projects, develop new business ideas), overall, contributing to exploiting business opportunities.</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>The participant intentionally prepared to work in the industry his employer is involved in (e.g., studying engineering, naval architecture).</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 3: RQ2 - Content analysis – Company-related entrepreneurial action

<table>
<thead>
<tr>
<th>Forms of company-related entrepreneurial action</th>
<th>P1</th>
<th>P2</th>
<th>P3</th>
<th>P4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exploiting business opportunities related to Western Australia’s current resource industry wealth.</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Exploiting new business opportunities through diversification (e.g., in industries other than natural resources) within Australia.</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Using Western Australia as an operations hub or centre of operations to cater for other South-Pacific business interests.</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Following competitors (establishing own position, taking advantage of existing opportunities).</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


Figure 1: Proposed framework - Entrepreneurial action theory in the context of the findings

 Prelude

International business processes

The company (RQ1): The international subsidiary

The individual (RQ2): The expatriate manager

Overlap, interplay

Reasons - motivations
Capitalising on existing opportunities
Developing/exploiting new opportunities through diversification
Western Australia as a springboard to expand regionally

Entrepreneurial action
Evaluation stage
Discovery
Creation

Opportunity creation, exploitation

Implications

Company level
Future: competitiveness, sustainability, growth; future recruitment, staff rewarding

Manager (individual) level
Future: personal growth, new assignments/projects, motivation, creativity, innovation