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LUT School of Business and Management
Master's Degree Programme in International Business & Entrepreneurship

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MASTER'S THESIS

UNFOLDING INTERNATIONAL ENTREPRENEURIAL ORIENTATION: MITIGATING
THE NEGATIVE EFFECTS OF ENTREPRENEUR'S GENERAL EXPERIENCE
THROUGH INTERNATIONAL ENTREPRENEURIAL EXPERIENCE

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ABSTRACT

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The purpose of this study is to identify antecedent of international entrepreneurial orientation (IEO). International entrepreneurial orientation is crucial to internationalization of firm. Yet, there is no scholarships which identifies determinant of IEO. Taking microfoundation perspective into consideration, the study hypothesizes that like entrepreneurial orientation, IEO is also conditioned by entrepreneur's prior experience. This thesis also partakes to examine the differential impact of different types of entrepreneurial experience such as general entrepreneurial experience and international entrepreneurial experience on the development of IEO. Quantitative research was conducted based on primary data of 248 internationally operating firms in multiple industries of Bangladesh to test the hypothesis. Collected data were analyzed using SPSS both descriptively and explanatorily.

This empirical study reveals that IEO is negatively influenced by entrepreneur's general entrepreneurial experience and international entrepreneurial experience mitigates this negative relationship between general entrepreneurial experience and IEO such that general entrepreneurial experience is positively related to IEO when general entrepreneurial experience is interacted with international entrepreneurial experience. Possible findings and limitations have also been put forward. This study contributes to both IE scholars and practitioners by demonstrating the usefulness of entrepreneur's international experience in IEO development.

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LIST OF ABBREVIATIONS

EO — Entrepreneurial Orientation

GEE — General Entrepreneurial Orientation

IE — International Entrepreneurship

IEE — International Entrepreneurial Orientation

IEO — International Entrepreneurial Orientation

VIF — Variance inflation factor

KMO — Kaiser-Mayer_Olkin

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1. INTRODUCTION

Entrepreneurship plays an important role in country's economic growth. Entrepreneurship activities contributes to country's sustainable development through job creation, poverty reduction, and increasing GDP (Ivanović-Đukić et al., 2018). Likewise, international entrepreneurship (IE) helps in country's balance of trade, seizing the international business opportunity. To explore international business opportunity, entrepreneurs need to become entrepreneurial oriented. Therefore, with a view to gain insight on what makes entrepreneurs more entrepreneurial oriented, especially in international context, this thesis attempts to dissect international entrepreneurial orientation (IEO) to discover a possible antecedent of IEO.

In this introductory chapter, first, background of the study is discussed followed by relevant literature review, research question, theoretical framework, definition of important concepts, and delimitations. Research methodology and structure of the thesis are outlined at the end of the section.

1.1 Background

Entrepreneurship is an area of interest to researchers, practitioners, and government around the world (McDougall and Oviatt, 2000). This is one of the most highly discussed topics in business area (Gutterman, 2012). Entrepreneurship is about exploration or exploitation of entrepreneurial opportunities (Volkman et al., 2010) focusing on innovativeness. Entrepreneurs do business internationally, thus the field of international entrepreneurship (IE) emerged. International entrepreneurship is "the discovery, enactment, evaluation and exploitation of opportunities – across national borders – to create future goods and services" (Oviatt and McDougall, 2005). The influencing factors and determinants to facilitating and fostering IE are multifarious (Wach, 2015). IEO serves as a basis for internationalization of firms, thus contributing to IE.

International entrepreneurial orientation (IEO) serves as a precursor of firm's success in internationalization. Numerous studies suggest a favorable relationship between IEO and firm's

international performance (Emke-Szidónia, 2015; Forcadell and Úbeda, 2020; Hernández-Perlines et al., 2016; Thanos et al., 2017). Due to pervasive impact of IEO on firm's international performance, IEO has garnered a substantial attention from scholars over the years. Their research centered around measurement of IEO, IEO and performance relationship, and cross-country variation of IEO (Slevin and Terjesen, 2011). Nevertheless, there is a lack of scholarship regarding the influencing factors of IEO.

1.2 Preliminary literature review

One of the salient purposes of this thesis is to propose a determinant of IEO. IEO is “the firm's overall proactiveness and aggressiveness in its pursuit of international markets” (Knight, 2001). It refers to the global orientation of top management and captures the propensity for risk taking, innovativeness, and proactiveness (Freeman and Cavusgil, 2007). Its aim is to “discover, enact, evaluate and exploit opportunities across national borders” (Sundqvist et al., 2012). However, IEO is a “subcategory of EO” with an additional feature – “namely an “international” emphasis” (Covin and Miller, 2014). Since IEO is a subset of EO and shares the attributes of EO, to propose a possible antecedent of IEO, it would be helpful to investigate the antecedents of EO. In this section, literature review will be done in understanding the existing body of knowledge regarding what is EO and its antecedents, relationship between prior experience and IE and IEO, and why the study of the relationship between prior experience and IEO is important.

1.2.1 EO and its antecedents

EO refers to “the processes, practices, and decision-making activities that lead to new entry” (Lumpkin and Dess, 1996). Research related to EO is abundance in entrepreneurship literature. Researchers have investigated a plenty of antecedents of EO. Some researchers have found entrepreneur's personality traits influence the formation of EO, others have argued firm's environmental factors determine EO. However, upon reviewing existing literature, these antecedents are grouped into two broad categories: external and internal. External factors refer to those factors that are related to firm's external environment. External factors are divided in

two classes: environmental and societal. Environmental factors include environmental dynamism, environmental hostility, environmental heterogeneity, environmental infrastructure, technology, industry, resource abundance, and environmental complexity (Aloulou, 2005; Covin and Slevin, 1991; Cruz and Nordqvist, 2012; Miller, 1983; Morris et al., 1995; Spillecke and Brettel, 2014). Societal factors include social culture, and socioemotional wealth (Lee and Peterson, 2000). On the other hand, internal factors denote those that are directly related to organization itself. It can also be divided into two ways: organizational and individual. Organizational factors comprised of firm’s mission, values & philosophies, business practices and strategies, resources and competencies, culture, organizational structure, professional control, non-family managers, non-family investors, market orientation, organizational informalization, value based compensation, and number of partners (Aloulou, 2005; Covin and Slevin, 1991; Cruz and Nordqvist, 2012; Engelen et al., 2014; Hernández-Linares et al., 2019; Lee and Tsang, 2001; Miller, 1983; Sciascia et al., 2006; Spillecke and Brettel, 2014). On the other hand, internal factors consist of entrepreneur’s personality traits (internal locus of control, tolerance for ambiguity, motivations (intrinsic: need-for-achievement, need-for-independence, emotional attachment to the business; extrinsic: material needs, social expectations), learning orientation, CEO’s competencies, affective commitment, family, education, role model, experience, networking, attitude, subjective norm, Perceived Behavioral Control (PBC) (Aloulou, 2005; Hernández-Linares et al., 2019; Kautonen et al., 2013; Lee and Tsang, 2001; Miller, 1983; Miralles et al., 2016; Morris et al., 1995; Pittino et al., 2017; Sciascia et al., 2006; Spillecke and Brettel, 2014). A summary table of antecedents of EO is presented in Table 1.

Table 1: List of antecedents of EO

Antecedents of EO		
External	<p><i>Environmental</i> (Aloulou, 2005; Covin and Slevin, 1991; Cruz and Nordqvist, 2012; Miller, 1983; Morris et</p>	<ul style="list-style-type: none"> - Environmental dynamism - Environmental hostility - Environmental heterogeneity - Environmental infrastructure - Technology - Industry

	al., 1995; Spillecke and Brettel, 2014)	<ul style="list-style-type: none"> - Abundance - Complexity
	<i>Societal</i> (Lee and Peterson, 2000)	<ul style="list-style-type: none"> - Culture - Socioemotional Wealth
Internal	<i>Organizational</i> (Aloulou, 2005; Covin and Slevin, 1991; Cruz and Nordqvist, 2012; Engelen et al., 2014; Hernández-Linares et al., 2019; Lee and Tsang, 2001; Miller, 1983; Sciascia et al., 2006; Spillecke and Brettel, 2014)	<ul style="list-style-type: none"> - Mission - Business practices and strategies - Values & Philosophies - Organizational Resources & Competencies - Organizational Culture - Organizational Structure - Professional Control - Non-family managers - Non-family investors - Market orientation - Organizational informalization - Value based compensation - Number of partners
	<i>Individual</i> (Aloulou, 2005; Hernández-Linares et al., 2019; Kautonen et al., 2013; Lee and Tsang, 2001; Miller, 1983; Miralles et al., 2016; Morris et al., 1995; Pittino et al., 2017; Sciascia et al., 2006; Spillecke and Brettel, 2014)	<ul style="list-style-type: none"> - Personality traits (<i>Internal Locus of Control, Tolerance for ambiguity</i>) - Motivations (Intrinsic: <i>Need-for-achievement, Need-for-independence, Emotional attachment to the business;</i> Extrinsic: <i>Material needs, Social expectations</i>) - Learning Orientation - CEO's Competencies - Affective Commitment - Family, education, role model - Experience - Networking

		<ul style="list-style-type: none"> - Attitude - Subjective norm - Perceived Behavioral Control (PBC)
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Source: Author

1.2.2 Relationship between prior experience and IE and IEO

From the above discussion, it is clear that EO is influenced not by any single factor rather by a bunch factors depending on the context of the entrepreneur and his/her venture. As environmental, societal, organizational factors are important determinants of EO so as entrepreneur’s personality traits, knowledge, and experience are crucial for EO. It is well accepted that EO is a firm-level behavior (Covin and Miller, 2014; Covin and Slevin, 1991) and influenced by entrepreneur and measured his/her individual level (Thurik et al., 2016). Miralles et al., (2016) found that entrepreneurial knowledge positively determines entrepreneurial intention. Knowledge is a function of prior related experience (Cohen and Levinthal, 1990). Entrepreneur’s prior experience is an asset to the firm (Morris et al., 2012). It is a form of human capital that shapes the entrepreneurial orientation of the firm (Manev et al., 2005). In view of the above discussion, since entrepreneur’s prior experience plays a crucial role in EO, the thesis assumes that entrepreneur’s prior experience can also be an important determinant of IEO.

According to Uppsala model, firm internationalizes to a market where there is a relatively low psychic distance, since lack of foreign market experience is an important impediment for internationalization of firm (Johanson and Vahlne, 1977). International experience expedites the “speed at which perceived opportunity is exploited internationally” (Oviatt and McDougall, 2005). Furthermore, such experience is particularly crucial in international entrepreneurship (IE) as the international business environment is highly uncertain due to the lack of knowledge about the markets (Baum et al., 2000). In IE context, entrepreneur’s experience helps in recognizing new opportunity and to vanquish the liability of newness (Morris et al., 2012; Politis, 2008). However, relying on entrepreneurial experience without considering the context of entrepreneurial venture might act as double-edged sword. On the one hand, according to

conventional wisdom of experience curve, an entrepreneur with more experience would perform better (Argote and Todorova, 2007; Toft-Kehler et al., 2014), thus underscoring the importance of entrepreneur's experience in success of entrepreneurial venture. On the other hand, according to the learning theory, if current conditions are unlike previous situations, then application of prior experience can lead to adverse outcomes (Mazur, 1994, cited in Toft, 2014). This has a serious implication in exercising the experiential learning obtained from domestic environment in international market. Since the conditions of international market is different from domestic environment, using domestic entrepreneurial experience in international market can lead to unfavorable outcomes. This leads us to our second motive of this study: to see the differential impacts of different type of entrepreneurial experience in developing IEO. We argue that entrepreneur's domestic entrepreneurial experience is negatively related to IEO and entrepreneur's international entrepreneurial experience may attenuate the negative effects of GEE on IEO.

To better understand the differential impacts of different type of prior experience in IE context, we classified entrepreneur's prior experience into two broad categories considering the context of the experience: general entrepreneurial experience (hereinafter referred to as general experience or GEE) and international entrepreneurial experience (hereinafter referred to as international experience or IEE). We refer general experience to that experience that is derived from the entrepreneurial experience in domestic market, for example, prior experience in running own business, experience as manager, industry experience, and technical or functional experience in domestic market. On the other hand, international experience entails to that experience that are specifically tied to international entrepreneurship (IE), for example, international work experience, international network experience, and international business experience. Such classification also echoes the similar classification of classic human capital theory (Becker, 1994), which divides human capital into general human capital and specific human capital. General human capital denotes to general education and experience, whereas specific human capital entails to specific education and experience related to a particular activity or context (Becker, 1994). In the same vein, our classification is justified when we argue that international entrepreneurial experience is related to entrepreneur's international experience and

general entrepreneurial experience is related to the entrepreneur's experience in domestic market.

1.2.3 Why the study of the relationship between prior experience and IEO is important?

Attending to this gap is crucial in three ways. First, firm level IEO is studied as a dynamic capability (Jiao et al., 2010). To fully explicate this capability, one must fundamentally begin with the micro-foundations or the origins of this capability (Felin and Foss, 2005). In micro-foundations perspective, individuals matter, since organizations are made of individuals and “the underlying nature, choices, abilities, propensities, heterogeneity, purposes, expectations, and motivation of individuals shape the organizations” (Felin and Foss, 2005). Entrepreneur is the key resource of a firm. Therefore, his/her experience can be a key antecedent of IEO. Entrepreneur brings their experience in the firm, contributing to firm level IEO. Entrepreneur's experience, a form of human capital, provides a basis for proactive and innovative business strategies, reducing the odds of risk taking (Cooper et al., 1989; Dimov and Shepherd, 2005). However, researchers so far neglected this contribution of experience to IEO. In this context, given the multitudes of implications of experience in IEO, this study will underscore entrepreneur's general experience as the micro-foundation or antecedent of IEO and international experience as the moderator between general experience and IEO.

Second, scholars have defined entrepreneurial orientation (EO) in terms of innovativeness, proactiveness, and risk-seeking propensity (Covin and Slevin, 1989) and IEO as the EO that crosses national borders (Freeman and Cavusgil, 2007; McDougall and Oviatt, 2000). Scholars agree on that EO is influenced by entrepreneur's experience (Manev et al., 2005), leading to growth and performance (Covin et al., 2006; Manev et al., 2005) with some exceptions (Davidsson and Honig, 2003; Nowiński and Rialp, 2013). Such effect can also be attributed to IE. Experience can play a significant role in fostering IEO. In international entrepreneurship, when firms face uncertainty due to lack of information in unfamiliar markets (Baum et al., 2000; Karami and Tang, 2019), firms suffer from high level construal distance (Trope and Liberman, 2010), increasing the perceived costs such as fear of failure (or success) and the opportunities

lost by focusing on this action rather than another (Parker et al., 2010). Such perceived costs influence the firm's internal driving forces, stifling the development of IEO. Griffin et al. (2007) suggested that in high level construal distance where the means for achieving the goals are uncertain, firms need strong internal force to drive the potentially risky behavior of proactivity. Entrepreneur's prior experience can wash away this deleterious impact of perceived costs to motivate firms to act more proactively, to take more entrepreneurial risk decision, and to be more innovative (Howell and Boies, 2004).

Third, though it is assumed that experience has multitudes influence on IEO, it is still needed to systematically examine how different type of entrepreneurial experience (general and international) affects IEO. Findings from previous studies regarding the relationship between prior experience (general) and EO is contrasting. For example, Miralles et al. (2016) and Kuehn (2008) found positive association between prior experience and EO, while Kautonen et al. (2010) observed very weak linkage. The same can be inferred in case of experience and IEO relationship. As we earlier said applying general experience in international setting can be counterproductive, the relationship between different type of entrepreneurial experience and IEO needs to be investigated. This examination will extend the existing knowledge of IEO. This will also guide how to mitigate the negative effects of general experience on IEO through international experience.

1.3 Research questions

The study aims to bridge entrepreneur's prior experience and international entrepreneurial orientation (IEO), depicting the relationship between general experience and IEO, and the moderating effect of international experience thereon. Despite myriad research on prior experience and IEO separately in IE literature, there is no study which relates entrepreneur's prior experience with IEO. Extant literature on both entrepreneurship and IE studied prior experience mainly to see entrepreneurial performance outcome — export performance (Faroque et al., 2020c), and financial performance (Toft-Kehler et al., 2014) — entrepreneurial intention (Miralles et al., 2016; Quan, 2012; Ramayah et al., 2012), entrepreneurial behavior and

characteristics (Farmer et al., 2011; Ramayah et al., 2012), psychological state (Jenkins et al., 2014; Ucbasaran et al., 2010; Uy et al., 2013), entrepreneurs' learning (Lamont, 1972; Politis, 2008; Sardana and Scott-Kemmis, 2010; Yang and Hahn, 2015), opportunity identification or recognition (Alsos and Kaikkonen, 2006; Baron, 2006; Li and Gustafsson, 2012; Rerup, 2005; Ucbasaran et al., 2009), international opportunity identification (Kontinen and Ojala, 2011; Kraus et al., 2017; Santos-Álvarez and García-Merino, 2010; Westhead, 2008; Zahra et al., 2005), export market orientation (Faroque et al., 2020b), speed of internationalization (Bruneel et al., 2010; Evers and O’Gorman, 2011; Oviatt and McDougall, 2005; Zucchella et al., 2007), venture creation (Pruthi and Wright, 2019), and venture capital (Zhang, 2011). Surprisingly, researchers have not yet studied IEO as an outcome variable of prior experience. Even, they have not identified any antecedent of IEO. Therefore, reflecting on the gap that no study has been done so far on (a) the antecedent of IEO, and (b) the relationship between entrepreneurial experience and IEO as well as the differential impacts of different types of entrepreneurial experience (general vs. international) on IEO, this study aims to respond to.

Table 2: Outcome of Prior Experience

Outcome of Prior Experience	
Export performance	Faroque et al (2020c)
Financial performance	Toft-Kehler et al., (2014)
Entrepreneurial intention	Miralles et al., (2016); Quan, (2012); Ramayah et al., (2012)
Entrepreneurial behavior and characteristics	Farmer et al., (2011); Ramayah et al., (2012)
Psychological state	Jenkins et al., (2014); Ucbasaran et al., (2010); Uy et al., (2013)
Entrepreneurs' learning	Lamont, (1972); Politis, (2008); Sardana and Scott-Kemmis, (2010); Yang and Hahn, (2015)
Opportunity identification or recognition	Alsos and Kaikkonen, (2006); Baron, (2006); Li and Gustafsson, (2012); Rerup, (2005); Ucbasaran et al., (2009)

International opportunity identification	Kontinen and Ojala, (2011); Kraus et al., (2017); Santos-Álvarez and García-Merino, (2010); Westhead, (2008); Zahra et al., (2005)
Export market orientation	Faroque et al., (2020b)
Speed of internationalization	Bruneel et al., (2010); Evers and O’Gorman, (2011); Oviatt and McDougall, (2005); Zucchella et al., (2007)
Venture creation	Pruthi and Wright, (2019)
Venture capital	Zhang, (2011)

Source: Author

Therefore, in this thesis paper, the research question will be based on positivistic approach:

What is the impact of entrepreneur’s prior experience on international entrepreneurial orientation development?

This main research question is subdivided into following three sub-questions:

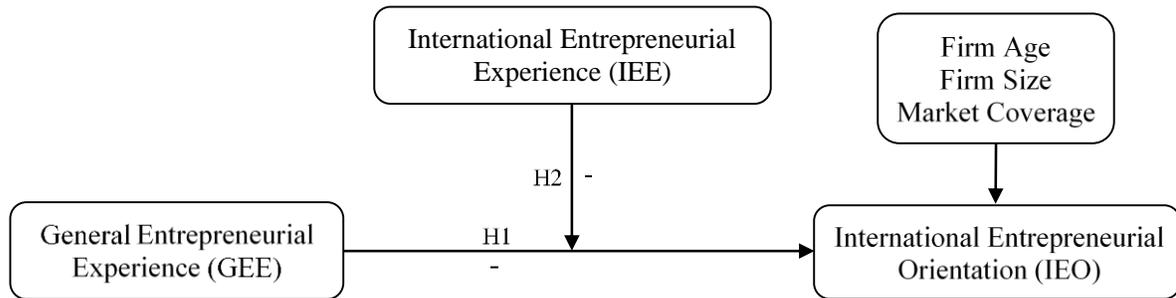
- 1) *What is the relationship between entrepreneur’s prior experience and IEO?*
- 2) *What is the relationship between GEE and IEO? and*
- 3) *What role does IEE play in the relationship between GEE and IEO?*

1.4 Theoretical framework

In supporting the theoretical framework of this thesis, we resorted to several theories of social science. To address the research questions this thesis will seek answers from related literature and theories. Human capital theory (Becker, 1964) is used to classify entrepreneurial experience into general entrepreneurial experience and international entrepreneurial experience with a view to see the differential impact of general entrepreneurial experience and international entrepreneurial experience on IEO. Figure 1 outlines the theoretical framework of this thesis. It is assumed that entrepreneur’s experience both GEE and IEE have influence on IEO. This thesis will study their differential impacts on IEO. We posit that GEE is inversely correlated with IEO

and IEE moderate this relationship such that the negative effect of GEE is likely to decrease as the stock of GEE with IEE accumulates. We also consider firm age, firm size, and market coverage control variable as these factors can influence the outcome of GEE and IEE. To buttress our proposition, we borrowed microfoundation view (Felin and Foss, 2005), construal level theory (Trope and Liberman, 2010), dynamic capability (Teece, 2014), superstitious learning (Levitt and March, 1988), Uppsala model (Johanson and Vahlne, 1977), similarity-attracting paradigm (Byrne, 1971), learning curve theory (Ebbinghaus, 1885), and experience curve theory (Henderson, 1984). The brief description of these theories and perspective is provided in conceptual background section.

Figure 1: Theoretical framework



1.5 Definitions and concept

Entrepreneurship

Entrepreneurship is seen as an important determinant of the wealth of economy of modern society (Tülüce and Yurtkur, 2015). Scholars have defined entrepreneurship from different perspectives such as entrepreneurs’ personal and psychological characteristics (Keogh and Polonsky, 1998), their roles in economy (Davidsson, 2016): creative destruction (Schumpeter, 1934), agent of market equilibrium (Kirzner, 1997), abilities of opportunity recognition and exploitation (Eisenmann, 2013; Gutterman, 2012; McDougall and Oviatt, 2000), involvements in organization (owner-manager), involvement (intrapreneurship) (Antoncic and Hisrich, 2003), operational area (born-global/IE) (Wictor, 2003), mission (social entrepreneur/ecopreneurs),

artificial science (effectuation) (Sarasvathy, 2009) etc. Most commonly entrepreneurship is seen as a process of creative destruction as described by Schumpeter. At the beginning researchers have focused on the identity of entrepreneur and what he performs to become an entrepreneur (Venkataraman, 1997). But, through the passage of time, the focus on defining entrepreneurship has been widened and the researchers have incorporated many other non-individual factors such as opportunity to define entrepreneurship (Shane and Venkataraman, 2000). Time to time scholars have attempted to define entrepreneurship in a concrete way, some examples are summarized in Table 3.

Table 3: Summary of important definition of entrepreneurship

Richard Cantillon, (1730)	Self-employment activity in proportion to market demand having uncertain return
Nicholas Baudeau, (1767)	Management of innovation
Jean-Baptiste Say, (1810)	Associated with many challenges and uncertainties, which necessitate entrepreneur to become talented
Alfred Marshall, (1890)	Entrepreneur's ability is different yet complementary to those of a manager
Joseph Schumpeter, (1910)	Agent of creative destruction in the economy through innovation
Frank Knight, (1920)	Having the courage to bear the uncertainty
Edith Penrose, (1960)	Identifying and exploiting opportunity for expansion of small business and the capacities of entrepreneur is different from those of manager
Harvey Leibenstein, (1970)	Activity to reduce the organizational inefficiency as well as to reverse organizational entropy
Israel Kirzner, (1975)	Market arbitrage leads to entrepreneurial activities
Stevenson, (1983)	Pursuit of opportunities disregarding the resources controlled
Miller, (1983)	Process to renew organization and the market through proactivity, risk-taking, and innovation

Low and Macmillan, (1988)	Creation of new enterprise
Stevenson and Jarillo (1990)	Pursuing opportunities either inside or outside of the organization without considering the resources controlled
Covin and Slevin, (1991)	Strategic posture reflected by firm's tendency to act proactively, having competitive aggressiveness, taking risk, and reliance on innovation
Kao, (1993)	Process of bringing change, doing something different, thus creating value for society and individual
Timmons, (1994)	Creating, seizing, and pursuing opportunity regardless of resources controlled
Kuratko and Audretsch, (2009)	Dynamic process of creation and implementation of new ideas and creative solutions
Abreu and Grinevich, (2013)	Activity to introduce new goods and service through innovative combination of resources
Per Davidsson, (2016)	Introduction of new economic activity that results in change in the marketplace

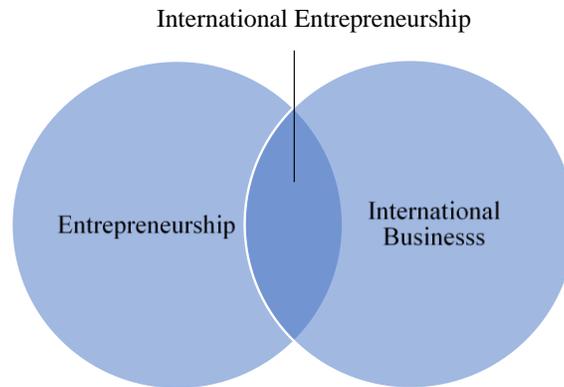
Source: For definition from 1730 to 1975 (Kao, 1993; Long, 1983), Rest of the definitions are compiled and summarized by the author

International Entrepreneurship (IE)

International entrepreneurship is an augmented feature of entrepreneurship, adding international component such as international business. Specifically, it is a blending form of both entrepreneurship and international business. Oviatt and McDougal (2005) defines international entrepreneurship as the “discovery, enactment, evaluation, and exploitation of opportunities-across national borders- to created future goods and services”. It is a “study of the nature and consequences of a firm’s risk-taking behaviours as it ventures into international markets” (Zahra and Covin, 1995). There are many forms of IE such as born-global, international new venture, and global start-ups. Such firms obtain a significant portion of their revenue from foreign market

and “seek to derive significant competitive advantages” from the commencement of their operations (Knight and Cavusgil, 2005).

Figure 2: Comparative position of IE between entrepreneurship & International Business



Source: Author

Entrepreneurial Orientation (EO)

While entrepreneurship involves new economic activity (Davidsson, 2016), entrepreneurial orientation (EO) describes how such new economic activity is undertaken (Lumpkin and Dess, 1996). It is the ‘processes, practices, and decision-making activities that lead to new entry’ (Lumpkin and Dess, 1996). EO is a firm level behavior and “reflected in a firm’s ongoing processes and corporate culture” (Dess and Lumpkin, 2005). EO is “demonstrated by the extent to which the top managers are inclined to take business-related risks (the risk-taking dimension), to favour change and innovation in order to obtain a competitive advantage for their firm (the innovation dimension), and to compete aggressively with other firms (the proactiveness dimension)” (Covin and Slevin, 1988). EO can be measured in several ways (Slevin and Terjesen, 2011). For example, Lumpkin and Dess (1996) measured EO using five dimensions: autonomy, innovativeness, risk taking, proactiveness, and competitive aggressiveness. However, the most accepted measure is Miller (1983)/Covin and Slevin (1989) (M/CS) scale (Rauch et al., 2009), consisting of three dimensions: innovativeness, risk-taking, and proactiveness.

International Entrepreneurial Orientation (IEO)

International entrepreneurial orientation (IEO) is a firm level attitude which captures the international orientation of top management and their propensity to take risk, innovate, and proactiveness (Freeman and Cavusgil, 2007). It is a “combination of innovative, proactive, and risk-seeking behaviour that crosses national borders and is intended to create value in organisation” McDougall and Oviatt (2000, p. 903). Both of these definitions highlighted three elements of IEO: risk taking, proactiveness, and innovativeness. However, Sundqvist et al. (2012, p.205) defines IEO adding two more elements: autonomy and competitive aggressiveness.

Proactiveness

Proactiveness refers to firm’s focus on anticipating future challenges and opportunities related to firm’s business environment (Smith and Jambulingam, 2018). It is an ‘opportunity seeking’ behavior attributed to the development of new products and services ahead of competition (Rauch et al., 2009; Venkataraman, 1997). Proactiveness enables firm to gain first-mover advantage in the market (Lumpkin and Dess, 1996; Thanos et al., 2017; Wang and Altinay, n.d.). Proactiveness is a dynamic attitude towards a continuous pursuit of new opportunities (Pittino et al., 2017).

Innovativeness

Innovativeness is an important component of IEO. Schumpeter is the first proponent of innovativeness as a part of entrepreneurship. It is how a firm pursues new opportunities. It is a tendency to foster creative environment that may bring new product, service, and technology in the market (Pittino et al., 2017). Innovativeness reflects on firm’s interest in pursuit of creative ideas to bring new value-based solution in the market (Smith and Jambulingam, 2018). It is a predisposition to involve in creativity and experimentation through R&D (Rauch et al., 2009). J.G. Burch (1986) has suggested several ways of entrepreneurial innovations such as

introduction of new product or service, the opening of new market, the introduction new process, the discovery of new source of supply or raw materials, and the creation of new organization.

Risk taking

Entrepreneurship is all about taking risk (Drucker, 1985; Tülüce and Yurtkur, 2015). Risk taking refers to making substantial resource commitment knowing that there is a fair chance of failure (Smith and Jambulingam, 2018). It is the proclivity to engage resources in projects with unknown returns (Wiklund and Shepherd, 2005).

Prior Entrepreneurial Experience

Entrepreneurial experience refers to the “the number of previous new venture involvements and the level of the management role played in such ventures” (Stuart and Abetti, 1990). According to Lee and Tsang (2001) entrepreneur’s experience consists of entrepreneurial, industrial, and managerial experience. In addition, Ucbasaran et al., (2003) underscore the importance of prior technical or functional experience in entrepreneurial journey. Entrepreneurial experience is related to the experience of forming and managing own venture. Industrial experience includes experience in industry that are related to the venture and managerial experience refers to the total experience in management regardless of industry (Lee and Tsang, 2001). Technical and functional experience denotes experience in handling technical and functional aspects of venture.

General Entrepreneurial Experience

By general entrepreneurial experience (GEE), we mean those experience that is obtained from domestic market through prior entrepreneurial experience, managerial experience, industry experience, or through expertise in a technical or functional area.

International Entrepreneurial Experience

We define international entrepreneurial experience (IEE) as experience that is accumulated through international work experience, network experience, or business experience.

1.6 Delimitations

While conducting research, researcher should set the delimitations of the study in order to arrive at concrete findings. Delimitations is the boundaries of a study, defined by the researcher (Nenty, 2009). Delimitation is different from limitations. Limitation is a systematic bias that researcher cannot control, whereas delimitation is a systematic bias that researcher draws deliberately (Price and Murnan, 2004).

This study has some specific delimitations, which restrict the applicability of this thesis findings. The foremost delimitation of the study is the choice of variables. The purpose of this study is to propose antecedents for IEO. In this regard, we choose only entrepreneurs' prior experience as our variable of interest to investigate the determinants of IEO. We might have chosen other factors related to individual entrepreneur such as personality traits, motivation, learning orientation, competencies, and network capability. We might have even considered different environmental, societal, and organizational factors to suggest antecedent of IEO. However, we found it intuitive to study entrepreneur's prior experience as entrepreneur's prior experience provides a landscape for venture's entrepreneurial orientation.

The second most important delimitation of this study is its limited scope in terms of geographical coverage. Though all surveyed companies operate their business internationally, they are located within the geographic area of Bangladesh. Therefore, the findings may differ from others if any study is done in this regard due to the variation in terms of socio-cultural and economic environment from some parts of the world.

Third, another significant delimitation is that the sample is chosen from a few industries such as garments, IT, and pharmaceuticals. Therefore, the results cannot be generalized for other industries. We could have considered all other industries. But this could be out of scope considering the time and cost.

Lastly, another note on delimitation is that due to the absent of research on antecedent of IEO, this study could not make a comparison to find the variation of the findings.

1.7 Research methodology

The purpose of this study is to describe entrepreneur's prior experience and its effects on IEO. Thus, it indicates that the research will try to establish a causal relationship between prior experience (cause) and IEO (effect). Hence, explanatory research design is applicable. Again, the descriptive statistics will be analyzed to investigate the relationship of the causality. This leads us to adopt a descripto-explanatory (Saunders et al., 2009) research design, which is a combination of descriptive research and explanatory research.

The research strategy would be to survey companies in order to collect primary data. Based on this survey data a quantitative research will be conducted. A cross-sectional approach is used as the data was collected at a certain point of time on a particular phenomenon. Both deductive and inductive research method will be applied. Deductive method will be undertaken to develop hypothesis based on existing theories and conventional wisdom. Inductive approach will be applied to understand the patterns of our empirical observation to test our hypothesis.

For collecting data, a structured questionnaire was used (Appendix 1). Data were collected in person using a structured questionnaire that was developed upon an extensive literature review and advice from academic experts. The questionnaire was pretested with 15 owner-managers. The respondents were selected randomly from the directory of trade body such as Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Bangladesh Association of Pharmaceutical Industries (BAPI), and Bangladesh Association of Software and Information

Services (BASIS). Data were collected in 2019 from a sample of 500 internationally operating firms in multiple industries of Bangladesh.

1.8 Structure of thesis

This thesis paper is divided into five chapters: introduction, theory and hypothesis, research methodology, findings, and discussion and conclusion. The introduction parts delineates the research background, preliminary literature review to formulate our research question, theoretical framework to address this research question, definitions of important terms, and research methodology.

The second chapter deals with theory and hypothesis. In this chapter a more detailed discussion of relevant theories have been put forward. Some of these concepts are human capital theory, micro foundation perspective, learning theory, experience curve, Uppsala model, similarity–attracting paradigm, and construal level theory. In addition, literature review has extensively conducted to develop hypothesis.

Research methodology chapter explains the research philosophy, research design, data collection methods, data analysis methods, reliability and validity, and variables and measures.

Findings chapter is divided into two parts: descriptive analysis and explanatory analysis. Descriptive part covers the general overview of data, central tendency, and dispersion among the data. The explanatory part describes in more detail the relationship between the variables. In this section the findings of the hypothesis testing will be diagnosed.

In the last chapter, the thesis outcome will be discussed and summarized. Lastly, after presenting the discussion and implication of the results, we conclude with limitations of our study and suggestions for further research.

Figure 3: Structure of Thesis



Source: Author

2. LITERATURE REVIEW

In the following sections, we discuss the key theoretical concepts that we employ in our study. We use these concepts to develop our theoretical framework and hypothesis regarding entrepreneurial experience and IEO.

2.1 Microfoundation lens and International Entrepreneurial Orientation

Our research started with the question what the relationship between general entrepreneurial experience and IEO is. We respond to this question resorting to microfoundation perspective (Felin and Foss, 2005). In this section, firstly we define different dimensions of IEO considering international context, and then explain how entrepreneur's prior experience is related to IEO.

IEO refers to top management's behavioral aspects of global orientation and "propensity for risk taking, innovativeness, and proactiveness" (Freeman and Cavusgil, 2007). IEO is determined

mostly by firm's proactiveness, risk taking, and innovativeness (Covin and Miller, 2014; Hernández-Perlines et al., 2016; Solano Acosta et al., 2018). While researchers define proactiveness, risk taking, and innovativeness in generic ways, we define these items/terms considering international context. We define proactiveness of IEO as the propensity of the firm to anticipate future opportunity in international market and to act on them to gain first-mover advantage (Crant, 2000; Kuivalainen et al., 2007; Wang and Altinay, n.d.). By risk taking of IEO, we imply the tendency of the firm to commit resources for international venture when the decisions have a reasonable chance of costly failure (Kuivalainen et al., 2007; Lumpkin and Dess, 1996; Wiklund and Shepherd, 2005). We posit that innovativeness of IEO is a proclivity of firm for introducing "new products and services or modify existing ones" to gain competitive advantage or access in international market (Zahra and Covin, 1995).

Covin and Miller (2014) argue that IEO is a firm-level activity. Zhang et al. (2009) also conceptualize the attributes of IEO: risk taking, innovativeness, and proactiveness as firm-level activities. IEO is operationalized in international market environment, which is characterized by greater competition (Rundh, 2001), higher levels of uncertainty (Skarmeas et al., 2008), and mammoth tasks (Czinkota and Ronkainen, 2013). This turbulence environment requires international entrepreneurial firm to have dynamic capability (Teece, 2014) to build and sustain competitive advantage as ordinary capability is not sufficient to understand the situation ((Vial, 2019). Therefore, firm-level IEO is viewed as a dynamic capability (Hernández-Perlines et al., 2016; Jiao et al., 2010). Dynamic capabilities is an important field for employing microfoundation perspective (Lafuente et al., 2020). Microfoundation is "the underlying individual-level and group actions" that form dynamic capabilities (Eisenhardt et al., 2010). Individual is considered nucleus of microfoundations (Faroque et al., 2020a). According to microfoundation approach, to fully apprehend anything related to organization, 'one must fundamentally begin with and understand the individuals that compose the whole'. Therefore, to fully grasp the development of IEO, we resort to the individuals, especially their experience. Experience is regarded as microfoundation of knowledge (Liu and Almor, 2016). We argue that entrepreneur's experiential knowledge can serve as a catalyst in IEO development.

2.2 Human Capital Theory and Entrepreneurial Experience

The motivating research question behind our study is to examine how different type of entrepreneurial experience (general and international) affects IEO development. In this regard, it is essential to see how different type of entrepreneurial experience can be grouped. We borrow classic human capital theory to classify entrepreneurial experience into general entrepreneurial experience and international entrepreneurial experience to explore the roles of these experience and how international entrepreneurial experience can moderate the relationship between general entrepreneurial experience and IEO.

Human capital theory (Becker, 1994) suggests that individual and society derive substantial returns from investing in people such as education and training (Sweetland, 1996). According to Becker (2002), human capital denotes to the “knowledge, information, ideas, skills, and health of individuals”. It is the stock of capabilities, skills and wisdom of an individual that have developed through education, training, and experience (Becker, 1994; Faroque et al., 2020b; Gimeno et al., 1997). Although the primary motive of this theory was to study individual decisions related to investment using economic logic (Gimeno et al., 1997), prior studies have shown that it is closely related to entrepreneurship (Li, 2013). Many entrepreneurship scholars adapted this theory to study different attributes of entrepreneurship. For example, Dimov and Shepherd (2005) used human capital theory to study the relationship between human capital and the performance of venture capital funds. (Martin et al., 2013) resorted to human capital theory to examine the relationship between entrepreneurship education and training and entrepreneurship-related human capital assets. Sahasranamam (2020) embraced this theory to explore the correlation between human capital and social entrepreneurship. In international entrepreneurship, scholars have also resorted to this theory to investigate entrepreneur’s education and experience (Terjesen et al., 2016). For instance, Robson et al., (2012) considered human capital theory while examined the association between entrepreneur’s human capital and export opportunity exploitation. (Faroque et al., 2020b) resorted to human capital theory to distinguish general entrepreneurial capability and international entrepreneurial capability and to see the relationship between entrepreneur’s human capital and export performance. IE

researchers acknowledge that entrepreneur's human capital can mold the internationalization process (Robson et al., 2012).

In entrepreneurship literature, two types of human capital are seen: general human capital and specific human capital. General human capital refers to general education and training of the entrepreneur, whereas specific human capital refers to entrepreneur's specific education, training and experience related to entrepreneurship. However, general and specific human capital can be distinguished in many ways (Dimov and Shepherd, 2005). For example, Rauch and Rijsdijk (2011) equate general human capital with general education and specific human capital with industry experience. In contrary, Pennings et al. (1998) defines general human capital as industry experience and specific human capital as firm specific experience.

In our study considering the international context, we define general human capital as general entrepreneurial experience which is obtained from domestic market through prior entrepreneurial experience, managerial experience, industry experience, or through expertise in a technical or functional area. We posit specific human capital as international entrepreneurial experience accumulated through international work experience, network experience, or business experience. Specific human capital is limited in scope of applicability (Robson et al., 2012) as it is related to specific context (Rauch and Rijsdijk, 2011). It cannot be applied easily to another domain (Shepherd and Wiklund, 2006).

2.3 General Entrepreneurial Experience and IEO

Though a significant relationship between GEE and domestic entrepreneurial orientation has been found in extant literature (Miralles et al., 2016), we predict that GEE can inhibit the development of IEO. GEE can thwart the development of IEO due to its incompatible use in international environment, and the rigidity arisen from inertia to change.

First, we argue that the application of lessons learned from domestic entrepreneurial experience in international environment is not straightforward (Toft-Kehler et al., 2014) due to contextual

dissimilarity: domestic vs. international. IEO is related to the firm's propensity for risk taking, innovativeness, and proactiveness in international business milieu, which is different from domestic business environment due to higher level of uncertainty, intense competition, multiplicity of tasks, and rapidly changing environment. On the other hand, GEE involves the entrepreneurial experience gained in domestic market. Entrepreneur can be benefitted from experience when the situations are same (Toft-Kehler et al., 2014). However, according to learning theory, if current context is dissimilar to previous context, then applying learning from experience can lead to negative outcomes (Mazur, 1994, Toft-Kehler et al., 2014). There is also evidence that learning may not provide expected return "for similar components with different system configuration and/or requirements" (Krawiec et al., 1980). Such unfavorable outcomes can be attributed to superstitious learning (Levitt and March, 1988), a theoretical concept of false sense of understanding from previous experiences (Toft-Kehler et al., 2014). This false sense of understanding is stemmed from the tendency to generalize from previous experience without fully addressing/acknowledging/ understanding the wide range of challenges associated with the situations (Simon, 1978, cited in Toft-Kehler et al., 2014). Therefore, application of such generalize prior knowledge in new situation without understanding the underlying context can yield negative outcomes (Dencker et al., 2009). Moreover, prior experience can be counterproductive when the situations share apparent similarities (entrepreneurial activities) but have inherent structural dissimilarities (domestic vs. international) (Dokko et al., 2009; Novick, 1988; Woltz et al., 2000).

Second, prior experience can develop habits, norms, routines, schemas, and scripts that lead to rigidities in cognitions and behaviors (Dokko et al., 2009). Such rigidities in behavior could have a negative effect on performance when prior experience is utilized in an unlike situation (Dokko et al., 2009). The rigidity to stick with existing wisdom emanated from prior experience ingrains an inertia to change among entrepreneurs. Inertia and resistance can impede the adaptation to change (Vial, 2019). Such inertia can induce entrepreneurs to make a biased decision relying on heuristic, since actions are based on the interpretations of prior experience rather than the interpretations of future (Dencker et al., 2009). People tend to look for evidence that support their perspective, ending up with biased decision. Entrepreneurs are more prone to use biases and heuristics in their decision-making (Busenitz and Barney, 1997) as they developed a

predilection for their own experiential learning and attempt to apply this in a situation which they believe to be similar but in fact different (Toft-Kehler et al., 2014). Moreover, firm's future action is determined by what it knows from the past (George P., 1991). However, though heuristic saves effort, such decisions comes with a greater error (Gigerenzer and Gaissmaier, 2011). Therefore, decisions taken to increase proactivity, resource commitment, and innovativeness in international market based on the prior experience in domestic market can lead to unintended result.

Overall, to germinate proactivity tendency among entrepreneurs to anticipate future market opportunity, dedicate more resource, and offer innovative product and service in international market to gain competitive advantages, the application of GEE is counterproductive. Thu, we propose:

Hypothesis 1: *International entrepreneurial orientation is negatively influenced by general entrepreneurial experience*

2.4 Moderating effect of International Entrepreneurial Experience (IEE)

IEE is a specific human capital accrued from working internationally, developing international network, or doing business internationally. This experience is specific to international entrepreneurship venture. We posit that applying GEE through IEE mitigates the negative relationship between GEE and IEO. To argue in favor of our hypothesis we will first focus on the pitfalls that are arisen due to lack of IEE and then we will emphasize the benefits of IEE that IEE can offer in mitigating the harmful effects of GEE on IEO. We posit that the lack of IEE increases the perceived cost about foreign market, thus demotivates the entrepreneur to become more proactive, innovative and risk oriented. We also view that the presence of IEE makes entrepreneur aware of international market environment. Such awareness renders a positive feeling about international ventures, thus fostering the intention of proactiveness, innovativeness and risk taking in international market. Therefore, we propose that IEE can moderate the negative relationship between GEE and IEO by two ways: reducing the perceived cost and increasing the perceived similarity.

International business environment is characterized by uncertainty, which refers to “the difference between the amount of information required to perform a task and the amount of information already possessed by the organization” (Galbraith, 1973). When firm faces uncertainty due to lack of information in unfamiliar markets (Baum et al., 2000; Karami and Tang, 2019), firm feels high level construal distance (Trope and Liberman, 2010) between domestic market and international market. According to construal level theory, when individuals feels high level construal distance, they think abstractly rather than concretely. We posit that such abstract thinking causes increased perceived costs, which can be defined as the “the negative aspects of engaging in the task, such as fear of failure (or success) and the opportunities lost by focusing on this action rather than another” (Parker et al., 2010). Perceived cost could be a determinant of effective internationalization decision (Reed, 1999). Perceived cost of behavior is related to firm’s can-do attitude (Eccles and Wigfield, 2002). A firm will not behave proactively if it perceives higher costs “in terms of time, money, energy, and other resources relative to the gain they may provide” (Aspinwall, 2005). Such perceived costs influence the firm’s internal driving forces negatively, stifling the development of IEO. Griffin et al. (2007) suggested that in high level construal distance where the means for achieving the goals are uncertain, firms need strong internal force to drive the potentially risky behavior of proactivity. We argue that IEE can be this internal force as international experience significantly influences the perceived costs (Eriksson et al., 1997). The more a firm possesses international experience, the less it perceives the cost in going abroad, thus mobilizing the intention of internationalization (Suh et al., 2008). Therefore, we contend that IEE can wash away this deleterious impact of GEE by reducing the perceived costs, thereby motivating the firms to act more proactively and innovatively and become risk oriented (Howell and Boies, 2004).

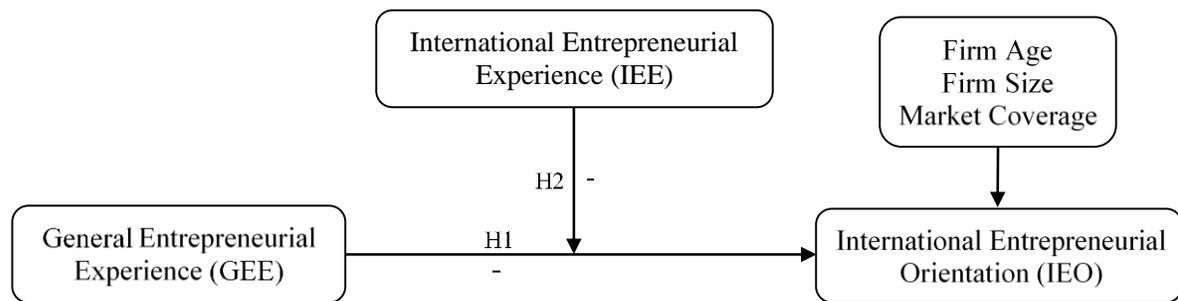
Second, deficient of international market knowledge is often regarded as one of the key obstacles to international performance (Love et al., 2016) as such international orientation. While GEE provides knowledge and skill about domestic market, IEE provides knowledge and skill about international business and market. Therefore, entrepreneurs who worked in international market, possessed international network, or did international business become more knowledgeable about international market demand, local suppliers, regulations, and the socio-economic trend

(Toft-Kehler et al., 2014). This knowledge is more important in predicting international market demand more accurately, engaging more resource there, and serving customers with innovative product or service. Familiarity with international market helps entrepreneur to perceive similarity between home market and international market, which in turn encourage them to feel less psychic distance. According to Uppsala model (Johanson and Vahlne, 1977), a well-established model in international business, firms feel more confident and become more motivated to enter in a market when there is a less psychic distance. Firms are more likely to enter familiar market (Edwards and Buckley, 1998). Edwards and Buckley (1998) argued that perceived similarity helps firms to determine the demand factor in foreign market and make resource commitment there. Dokko et al., (2009) posit that the transfer of existing knowledge such as GEE is more likely to be applicable when the subject perceives similarity of contexts. From experience curve literature, we also know that perceived similarity between contexts directly affect the outcomes when previous experience is transferred across contexts (Argote and Miron-Spektor, 2011; Toft-Kehler et al., 2014). Toft et al., (2014) outlined two advantages of similarity for entrepreneurs: (a) it reduces the drawbacks stemmed from the superstitious learning, and (b) it reduces the respond time to current situation since they do not need to learn new thing about the current situation. Such similarities benefit entrepreneur in identifying more entrepreneurial opportunity, and forecasting performance more accurately, thus mitigating the negative effect of GEE (Toft, 2014). Again, according to the similarity–attracting paradigm (Byrne, 1971), increased similarity leads to “increased affinity and positive evaluation” (Lin and Malhotra, 2012). Likewise, as IEE helps entrepreneur to become familiar with international context and to perceive similarity, IEE can shape entrepreneur’s tendency to evaluate foreign market more favorably, thus attenuating the negative effect of GEE on IEO.

Based on the above discussion, since prior experience (in our case GEE) may increase performance “only indirectly via related knowledge and skill” (in our case IEE) (Borman et al., 1993; Dokko et al., 2009), we posit that IEE is crucial to operationalize GEE in development of IEO. Therefore, we hypothesize:

Hypothesis 2: *International entrepreneurial experience mitigates the negative relationship between general entrepreneurial experience and IEO such that general entrepreneurial experience is positively related to IEO when general entrepreneurial experience is interacted with international entrepreneurial experience.*

Fig. 1 Theoretical framework



3. RESEARCH DESIGN AND METHODS

This Methodology chapter begins with an introduction of the philosophical views that will guide our research. Then will continue highlighting the approach of the research, research design, research strategy, time horizon, research method, and literature and data sources. At the end of the chapter, validity and reliability of the study will be presented.

3.1 Research Philosophy

The two most important philosophical issues of research are ontology and epistemology. Ontology is the theory of what exists, and epistemology is the theory of knowledge (Ladyman, 2007). Ontology follows the question what exists, whereas epistemology follows the question how do we know what we know? Ontology has also two broad and contrasting positions: objectivism and constructionism (Tuli, 2011). Objectivism assumes that the reality is independent, while constructionism holds that reality is the product of social process (Neuman, 2003). Objectivist

researcher discovers the reality using scientific methods. They believe that the reality exists and is discoverable using quantitative methods (Cohen et al., 2000). On the other hand, constructionists view that reality does not exist without people. They use qualitative research methods to investigate the social reality (Cohen et al., 2000). Similarly, there are two broad epistemological positions: positivism and interpretivism (Tuli, 2011). Positivist sees all knowledge is scientific knowledge derived from deductive logic with precise empirical evidence. Since positivist researchers work with empirical data, positivism is called empiricism. Observations are used to test a set of probabilistic causal relationships (Neuman, 2003). On the other hand, interpretivist sees the world as “constructed, interpreted, and experienced with each other” as like constructionist sees (Tuli, 2011).

The data applied in this research to test theoretical framework are independent of experience. Nevertheless, though human being generates these data, their perception and experience are not guided by natural laws. This might sound hard to adopt objectivist approach completely, since the human involvement cannot be disregarded. However, these data have collected and cleansed following a rigorous process. This process cannot be altered to make a particular type of data more attractive. Meaning that the rules and procedures are fundamentally same to all individual observation. Therefore, the pertinent ontological approach is objectivism.

In this study the relationship between entrepreneur’s experience and IEO is examined is solely from outside perspective. It is not the aim of this study to understand the actors within the firms responsible for IEO, leaving little room for subjectivity. The purpose of this study is not to develop a theory, rather to form hypothesis based on the theory to test the relationship empirically. Thus, the epistemological philosophy of this study is positivism.

3.2 Research Approach

Research approach determines the link between theory and research. It tells us whether theory should have a central focus within the study. There are two types of research approach: deduction and induction. In deduction, conclusion is derived from already known theories and facts. On

the other hand, in induction, conclusion is made from the observed phenomena. The most important thing regarding research approach is that researcher can use both deductive and inductive approach in the same study. In this study both deductive and inductive research approach will be utilized. Deductive method will be undertaken to develop hypothesis based on existing theories and conventional wisdom. Inductive approach will be applied to understand the patterns of our empirical observation to test our hypothesis.

3.3 Research Design

Research design guides the direction of the study. Therefore, researchers need to choose the design more carefully considering the research question and the usefulness of the design to do the research efficiently. In business research there are generally three types of research design: exploratory, descriptive, and explanatory. Exploratory research is discovery oriented. This research is applicable when researchers have little or no information. This research is not intended to test any hypothesis. The descriptive research describes the characteristic of the variable of interest of the study. It is a basic research method. Finally, explanatory research design helps in examining the causality between variables (Saunders et al., 2009). It is important to note that explanatory research can be combined with descriptive research. Such studies is known as descripto-explanatory (Saunders et al., 2009) research design.

Since, the purpose of this study is to establish a causal relationship between prior experience (cause) and IEO (effect), an explanatory research design will be utilized here. Furthermore, descriptive statistics will be used to describe the relationship of the causality. This leads us to adopt a descripto-explanatory (Saunders et al., 2009) research design.

3.4 Research Strategy

Saunders et al., (2009) described eight types of research strategies: archival research, case study, survey, experiment, ethnography, action research, grounded theory, and narrative inquiry. Researcher choose strategy based on nature of their study. No strategy is superior to others.

Archival research involves the study of past documents such as historical documents or documents created in distant past. However, some researchers do archival research on recent electronic documents. Nevertheless, before doing archival research, researchers must be ensured that the data for the study is available. Case study research refers to the study which involves investigating a single case using multiple sources of evidence. It is an analysis of a contemporary phenomenon within its context. Both qualitative and quantitative research method can be used to do this research. The survey study method is used to collect primary data. Data is generally collected using questionnaire. This strategy is used in exploratory and/or descriptive research design. Experiment research strategy is mostly used in natural science laboratory-based surroundings. It is not used commonly in business research. This research is used when the purpose of the study is to see whether a variation in a variable affects the others and to see the likelihood of relationship between them. Ethnographic research is used in explaining social behavior through real life experience. It is very time consuming. Qualitative research is applied in this research strategy. Action research is done to solve an immediate problem through a combination of theory and practice. In business research, this strategy is used to dissect a particular problem of an organization and devise a solution for this problem. This research is very practical and often conducted on organization. Qualitative research is applied for this strategy. Grounded theory research is a strategy to develop a theory based on the findings of the study. This is a good example of inductive research approach. This strategy is widely used in business research. Narrative research strategy focuses on live experience of the subject to get insight of a particular phenomenon. It is based on the stories of individuals and helps us to understand a phenomenon. This is very time consuming. Qualitative research is suitable for this research.

This research is based on the survey data which were collected primarily through a questionnaire. Hence, survey research design is suitable for this study. Moreover, this strategy is helpful in that it can be used together with our chosen research design, descripto-explanatory.

3.5 Time Horizon

Time horizon defines the timeframe of data used for the study. There are two types of time horizon: cross-sectional and longitudinal. When the researcher is interested in data of a given point of time, cross-sectional approach is applied. In contrast, if researcher is interested in data of a given period, then the preferred research choice is longitudinal approach. In cross-sectional studies, data is being collected at a specific point of time. Collected data then summarized and analyzed using statistical tools to investigate the correlational effect between independent and dependent variable. Therefore, cross-sectional research is also called as correlational research. Moreover, this research often considers the potential effect of other variables, commonly known as control variable, such as firm age, size, and industry. Both qualitative and quantitative research can be conducted using cross-sectional data. Contrary to cross-sectional data, longitudinal data deals with events over time. Data is collected in two different points in time. Thus, this is suitable when the interest is to see the variations over time in variables in hand.

The purpose of this study is to examine if entrepreneur's prior experience affect the development of IEO. This study also controls some other variables to see their effects on this relationship. Therefore, data of a particular point of time is used to be able to see whether entrepreneur's prior experience influence the development of IEO. Thus, a cross-sectional data is deployed for this research purpose.

3.6 Research Method

There are three research methods: qualitative, quantitative, and mixed method. The striking difference between quantitative and qualitative research is that quantitative research uses measurement, but qualitative research does not. Mixed method is a product of both qualitative and quantitative. Quantitative research involves in quantification of data. This method works on statistical data, uses hypothesis built on theories, tests hypothesis, and investigates causal relationship between the variables. Quantitative research is deductive in nature, objective in ontology, and positivistic in epistemology philosophy. In contrast, qualitative research draws data from context. Conclusion is drawn using inductive approach. The purpose of this method is to gain a deeper insight about a particular phenomenon using a relatively smaller sample. The philosophical orientation of this method is constructivist in terms of ontology and interpretivist in terms of epistemology.

This thesis will conduct a study to see whether entrepreneur's prior experience affects IEO development. To understand this, primary data has been collected through survey. This data will be used for statistical interpretation and to test the hypothesis to examine the possible relationship between entrepreneur's prior experience and IEO. However, descriptive text will be used to explain the model and findings of the study so that reader can understand easily. But this is not the primary intention of this study. In addition, deductive and explanatory nature of this study warrant for a quantitative research. Therefore, quantitative method is the most suitable method for this study.

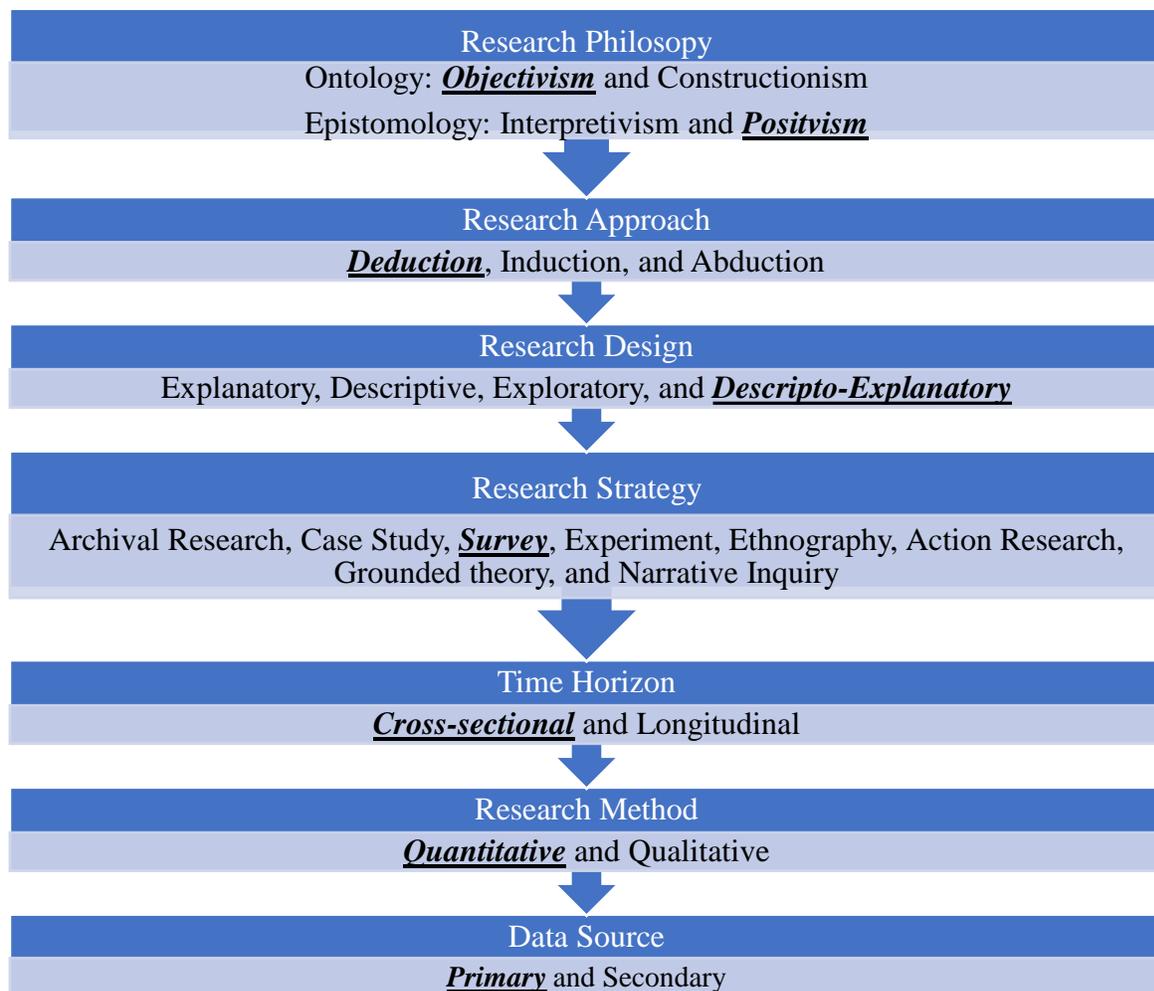
3.7 Data sources

Data is essential to conduct study. There are two types of source of data: primary and secondary. Primary data are those that are original and collected by the researcher to study the phenomenon at hand. Secondary data are those data collected by others to study the phenomenon that may differ from the phenomenon of the study at hand. Secondary data includes publicly available data in form of reports, database, and archives etc. This is comparatively less expensive and easy

to obtain. In this thesis, a mixed method combining both primary and secondary data has been used to collect data. Primary data have been used to test our hypothesis and describe the relationship between variables. Secondary data, mostly as existing literature, have been used to formulate hypothesis, explain the relationships between variables and justify the study findings. From multiple ways of collecting primary data, survey design has been selected due to its effectiveness to investigate the causal effect. Survey allows to gather a bulk amount of data within a short period of time.

3.8 Summary of Methodology

Figure 4: Summary of Research Methodology



3.9 Data Collection

The purpose of the survey questionnaire is to capture the holistic view of entrepreneur's prior experience and the IEO of their firms. Therefore, a survey was conducted among the firms located and registered in Bangladesh but operated internationally. The questionnaire was prepared in English and used in same language as the respondents were well-conversant with English. Before collecting data, the questionnaire was pretested with 15 different owner-managers. The pretest was successful and there was no misunderstanding of questions. The final questionnaire includes an introduction with asking consent for taking part in the survey. The questionnaire consists of 18 questions divided into four parts. First part contained eleven questions regarding the general information of the firm. Some of this general information will be used as control variables in subsequent study. Second part was dedicated to obtaining data about entrepreneur's experience in both domestic market and international market. This part consist of 2 questions: one about general entrepreneurial experience and another one about international entrepreneurial experience. Third part compounded of five questions consisting of 12 items related to international entrepreneurial orientation. Finally, the last part was used to obtain data regarding respondents profile and his/her competencies. The questionnaire was designed with 7 level Likert scale. Likert scale is widely used in entrepreneurship research and it is very effective way to get reflection about respondent's perception (Saunders et al., 2016). Table 4. Summarized the structure of the survey with information about the number of questions and the source of the items or questions from where they were adapted.

Table 4: Survey Structure

Subject	Description	Source	Scale
Introduction	Introduction and consent		
Firm's Information	Q 1-11 (age, ownership, industry, employee, sales etc.)	Author	Open ended and Multiple choice
Entrepreneurial Experience	Q. 12 (GEE), 4 Items	Faroque et al., 2020; Lee and Tsang, 2001; Penrose, 1959; Chandler and Jansen, 1992; Ucbasaran, Westhead, and Wright, 2003	Likert scale 7 (strongly disagree - strongly agree)
	Q. 13 (IEE), 3 Items	Faroque et al., 2020; Madsen and Servais, 1997; McDougal et al, 2003; Ahmed & Brennan, 2019	
International Entrepreneurial Orientation	Q. 14 (Proactiveness), 3 Items	Kuivalainen et al., 2007; Wang, 2008	
	Q. 15 (Risk Taking), 4 Items	Jambulingam et al., 2005; Wang, 2008	
	Q. 16 (Innovativeness), 5 Items	Jambulingam et al., 2005	
Respondent Information and Competency	Q. 17: Respondent Information, 3 sub questions	Author	Multiple choice
	Q. 18: Informant Competency (4 Items)	Morgan et al., 2009; Hultman et al., 2009	Likert scale 7 (strongly disagree - strongly agree)

Source: Author

The sample of the was selected randomly from the directory of trade body such as Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Bangladesh Association of Pharmaceutical Industries (BAPI), and Bangladesh Association of Software and Information Services (BASIS). This allows us to minimize the possible bias response. Data were collected in 2019 from a sample of 500 internationally operating firms in multiple industries of Bangladesh. To collect data a team of 15 university students, who were studying in business school, was recruited through departmental vacancy announcement. After recruitment, they were given a 3-hour long training. From 500 randomly selected companies, they were able to reach 273 companies. Finally, we received 254 completed questionnaires and after going through missing values and normality test, we are left with 248 cases (response rate about 50%). The sample consists of both small and medium sized enterprises (SMEs) and large firms.

3.10 Data analysis methods

In this thesis, SPSS software is used to analyze conducted survey data. Firstly, descriptive statistics is analyzed to gain insight on firms and respondents. Frequency distribution, central tendency, and dispersion statistics are used in this section. Among them, mean is considered most suitable to explain the central tendency of the data. To see the relevancy of the of the descriptive statistics, measures of dispersion are employed. Specifically, standard deviation highlighting the closeness of data to the mean. Descriptive analysis is followed by explanatory analysis to have a deeper insight about the relationships among the variables studied here. Correlation analysis is done to ensure that the items used for studies are representatives and can be conducted factor analysis. Linear correlation has been chosen here and Pearson correlation coefficient is used. The standard value of correlation ranges from -1 to 1; where negative value represent negative relationship, positive value represents positive relationship, and 0 represents no relationship. Correlation matrix is also used after the factors are determined as a preprocess of regression analysis.

To reduce the dimension factor analysis has been done. Factor analysis is a tool that is used to see whether items represent the construct clearly (Hair, 2014). We used varimax rotation method, which is very common in business research. It makes the factor matrix simple (Ghauri and Grønhaug, 2010). Factor loading value which is greater than 0.6 is considered acceptable for the sample size (Hair, 2014).

Kaiser-Mayer_Olkin (KMO) test is performed to determine the adequacy of the factors. The recommended threshold value of KMO test is at least 0.5, where the value ranges from 0 to 1 (Kaiser, 1974). A reliability test is also performed to see the reliability of the factors for further analysis. Reliability is determined by Cronbach's alpha, describing the internal consistency of the factors. The range of alpha value is 0 to 1, where higher value indicates greater reliability and lower value implies lower acceptability. The minimum acceptable limit is 0.7 for the study (Hair, 2014).

In final step in our data analysis, regression analysis is done to examine the relationship between predictor and dependent variable. We choose simple linear regression as it is commonly used for hypothesis testing. We analyzed coefficient, unstandardized and standardized coefficient, p-value, t-value, R value, R squared value, and F-value. The validity and significance of relationship are studied. Unstandardized beta value represents the variation in dependent variable for every unit changed in the explanatory variable. Value of R mirror the simple correlation between the predicted variable and dependent variables. R squared tells the level of variance of independent variable explaining the predictor. P-value is used see the significance of the analysis, where $p < 0,05$ indicates significant results. t-value defines the confidentiality that the coefficient is not equal to zero with given level of error (Hair, 2014). F-value indicates the overall significance of the model.

Additionally, a post hoc analysis is done to see the effects of one model using multiple regression. Multicollinearity analysis is undertaken on the reduced variables before multiple regression analysis is conducted. This allows us to evaluate whether the results are reliable. Multicollinearity explains the extent to which one variable can be described by another one. It can be determined by observing the high correlations, low tolerance values or high Variance inflation factor (VIF) (Appendix 2). The minimum tolerance value is 0.10 and maximum VIF value is 10 (Hair, 2014). However, these values are adjustable considering the sample size to avoid multicollinearity (Hair, 2014). In this thesis, the benchmark tolerance limit is 0.2 and the maximum VIF is 5 prescribed by multiple authors (Akinwande et al., 2015; Kline, 1998).

3.11 Variables and measures

General Entrepreneurial Experience (GEE). GEE is measured by established scales in entrepreneurship literature (Chandler and Jansen, 1992; Faroque et al., 2020c; Lee and Tsang, 2001; Ucbasaran et al., 2003). Four types of experience: entrepreneurial, managerial, industrial, and functional or technical man have been used to measure this construct. Respondents were asked to represent their firm's position with respect to the statements on a seven-point scale (1=strongly disagree to 7=strongly agree).

International Entrepreneurial Experience (IEE). IEE is measured by three types of experience: international work experience, international industry network, and international business experience. First two items are developed by the author taking idea from Ahmed & Brennan (2019). Last item is taken from (Ahmed and Brennan, 2019; Faroque et al., 2020b; Madsen et al., n.d.; Oviatt and McDougall, 2005).

International Entrepreneurial Orientation: IEO is measured by well-established three dimensions: proactiveness, risk-taking, and innovativeness (Knight and Cavusgil, 2004; Kuivalainen et al., 2007; Lumpkin and Dess, 2001; Smith and Jambulingam, 2018; Wang, 2008).

Control variables. In this thesis, we also considered several variables control variables for their potential influence on IEO. Extant literature suggest that firm age, firm size, and firm's international market coverage may have influencing power (Zhou et al., 2010). Mirroring their arguments and findings, we also posit that these variables may have similar impact on firm's IEO development. Firm size was operationalized as the number of employees and was log transformed. Firm age was operationalized as the number of years the firm had been in the business. Market coverage was operationalized by the number of overseas markets firms had been doing business. Appendix 3 displays the details of the measures used in this study.

3.12 Reliability and validity

Reliability and validity test are conducted to evaluate the quality of the research. Reliability test is used to see the consistency of the research. Reliability test can be done by three approaches: re-test, internal consistency, and alternative form (Saunders et al., 2016). Re-test refers analyzing the correlations of the data in hand with the data from the same identical questionnaire surveyed among the same respondents but in different time. This test is quite complex as the respondents are reluctant to take the same survey twice. Internal consistency is tested by Cronbach's alpha, which tests the correlations among the questions or it's sub-groups. This test is done by running Cronbach's alpha test for variables in explanatory research. Alpha's value higher than 0.7 is

considered reliable. Detailed results of factor analysis of this thesis can be found in chapter 4.2.1 Factor analysis. Lastly, under alternative form same question is asked to the respondents using same questionnaire in different way and compare their results. This is also difficult to obtain as it is not always feasible to convey the same meaning using different wordings. Moreover, respondents may deny responding if they can spot the similarity.

Validity of a research can be checked by three ways also: content, criterion-related, and construct validity (Saunders et al., 2016). Content validity measures the appropriateness of the questions and their occurrence in the questionnaire regarding the measured variables. Criterion-related validity evaluates the prediction capability of the model. In this thesis the criteria were set in form of two hypothesis developed through an extensive literature review and validated by regression analysis. Construct validity tells us whether the questions are pertinent to measure the construct. In this thesis, the questions were carefully selected based on literature review and few of them are adapted from previous studies.

4. FINDINGS

This chapter presents the findings of statistical analysis of the surveyed data. First, descriptive analysis is presented to have a better insight on the background of the firms and the respondents. Frequency distribution table, central tendency and various visualization are used in this part. Then explanatory analysis part studies the relationships among the variables and hypothesis. This part is written in the order they were conducted. Method used in this part are factor analysis, correlation, simple linear regression, and multicollinearity test.

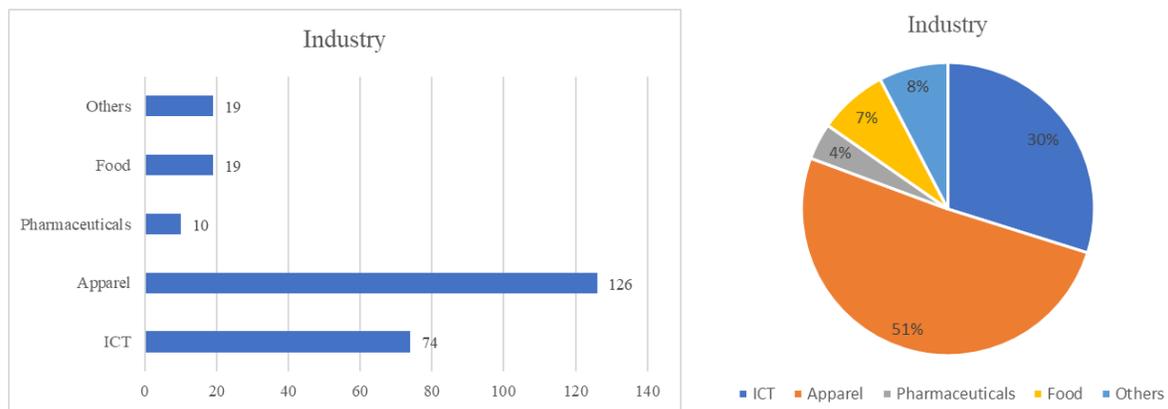
4.1 Descriptive analysis

This section describes the background of the respondents and the firms as well. Then, the descriptive statistics of the variable and outliers (if any) are described.

Background

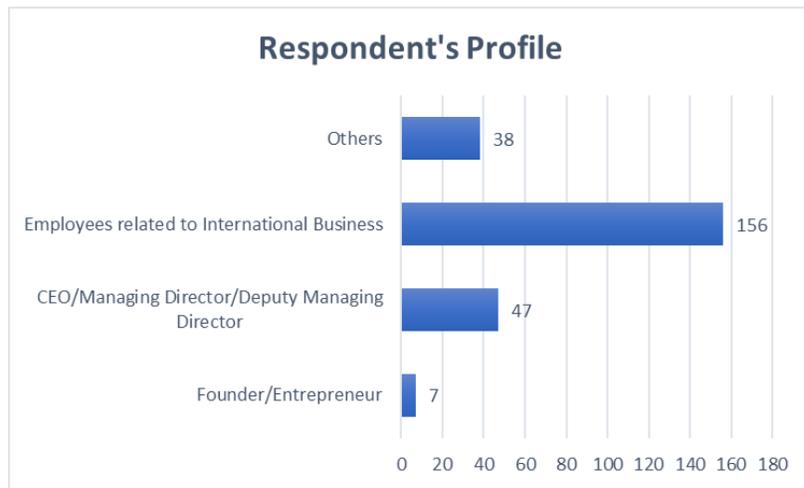
The survey covers a wide range of firms such as ICT, apparel, pharmaceuticals, food, electronic, and cement. Most of the firms, about 51%, are from apparel industry of Bangladesh. This is acceptable since the main export of Bangladesh is garments products. Out of total 248 surveyed firms, about 126 firms are from apparel industry and 74 firms from ICT, 10 from pharmaceuticals, and 19 from food industries. Other firms are form diverse industries such as jute, steel, cement, chemical, energy, plastic, and ceramic.

Figure 5: Industry Profile



The respondents who filled out the survey questionnaire are mostly employees who are working in internal business domain. About 156 (248) respondents in export related department of their respective firms. Among 248 respondents, 7 are founder/entrepreneurs of the firm. 47 respondents work in top management position such as CEO/Managing Director, and Deputy Managing Director.

Figure 6: Respondent's Profile



Outliers

To check the outliers of surveyed data box plot are created using SPSS. The boxplot chart is in appendix 4. From the boxplot it is clear that GEE and IEE have no outliers. Though there is one outlier observation in IEO, this is not significant. Nevertheless, though there are some outliers in age, size and market coverage, those are not our concern of interest in this study.

Descriptive Statistics of Variables

In following Table 5, the number of observations, mean, standard deviation, and minimum and maximum value of variables are presented.

Table 5: Descriptive Statistics

		Mean	SD	Min.	Max.
1	General Entrepreneurial Experience	5.008	1.5355	1.0	7.00
2	International Entrepreneurial Experience	4.984	1.601	1.00	7.00
3	International Entrepreneurial Orientation	5.333	.984	2.33	7.00
4	Firm age	25.133	20.613	2.00	185.00
5	Firm size	2845.05	4427.922	6	32000
6	Market coverage	12.08	17.906	0	200

4.2 Explanatory Analysis

This explanatory analysis section describes the findings of survey data in a more detailed way using different statistical tools mentioned in chapter 3 Methodology. This analysis part reveals the acceptability of hypothesis formulated earlier based on literature review. Here we will see whether GEE influences the IEO and what direction, and whether IEE moderates the relationship between GEE and IEO. In this section, first factor analysis will be discussed, then correlation analysis and regression analysis will be presented. All the statistical analysis of this section have been done using statistical software SPSS.

4.2.1 Factor analysis

To examine whether there are any poorly performing items, we performed exploratory factor analysis and reliability analysis. Factor analysis was performed to reduce the number of items (19) of this study into 5 variables, namely GEE, IEE, proactiveness, risk taking and innovativeness. The summary of factor analysis is given in Table 6. The minimum acceptable value for factor loading is 0.6 for a sample size of 85 (Hair, 2014). In this study, since the sample size is 248, item, which factor loading is above 0.6 is taken into consideration. Based on this rule, as we see in the following table, all items are loaded in their respective component. There is no item to discard from the analysis. The original table of factor analysis is given in appendix 3. The factor loading differs in Cronbach's Alpha value ranging from 0.720 to 0.849. The extracted eigen value was at least 1 and the extracted variance ranged from 57.208 to 76.749, suggesting a strong total representation of the factors.

To test the sample adequacy of items and the model adequacy, a Kaiser_Meyer_Olkin (KMO) has been conducted. The minimum value of KMO which is acceptable is 0.5 (Kaiser, 1974). In this study, all of the tests performed well in terms of KMO indicator. The range of KMO value is 0.657 to 0.835. Innovativeness obtained highest KMO value, indicating a good construct. The lowest KMO value is obtained by proactiveness, which also indicates a good construct.

Table 6: Descriptive statistics, details of measures, standardized factor loadings and reliability tests

Construct	Item	Factor Loading	Variance extracted (%)	KMO	Cronbach's Alpha	Mean/SD
General Entrepreneurial Experience (GEE)	GEE1	0.856	69.067	0.785	0.849	5.008/1.5355
	GEE2	0.887				
	GEE3	0.824				
	GEE4	0.752				
International Entrepreneurial Experience (IEE)	IEE1	0.899	76.749	0.715	0.848	4.984/1.601
	IEE2	0.840				
	IEE3	0.888				
Proactiveness	Pro1	0.849	64.223	0.657	0.720	5.326/1.3043
	Pro2	0.787				
	Pro3	0.767				
Risk Taking	RT1	0.785	60.687	0.735	0.783	4.923/1.2525
	RT2	0.821				
	RT3	0.802				
	RT4	0.704				
Innovativeness	Inno1	0.721	57.208	0.835	0.813	5.576/1.0486
	Inno2	0.802				
	Inno3	0.758				
	Inno4	0.761				
	Inno5	0.737				

All standardized coefficient loadings are significant at $p < 0.01$

Construct reliability was estimated by Cronbach's alpha. As we report in Table 6 alpha values of all constructs exceed the recommended threshold of .70 which suggests a high internal reliability in the constructs (Fornell & Larcker, 1981). Cronbach's alpha score of GEE is the highest while the Cronbach's alpha score of Proactiveness is the lowest. However, all scores are in acceptable range.

In fine, factor analysis suggests all factors are reliable and valid for model.

4.2.2 Correlation Analysis

Correlation matrix was used to evaluate the relationships between the variables. Before deriving correlation matrix, variable proactiveness, risk taking, and innovativeness have been transformed into a single variable IEO, which is a common practice in international entrepreneurship research (Faroque, 2015). This is done for the sake of convenience of analysis.

Based on the coefficient correlation, it is revealed that GEE is significantly (1%) related to IEE (0.461), IEO (0.255), and firm size (0.181), but not significantly related to market coverage and firm age. It is also clear that IEE is highly related to IEO (0.279), and firm size. Finally, IEO is positively related with control variable firm size. Firm age and market coverage do not have much influence on IEO. Concluding, IEO is significantly and positively related to both GEE and IEE. The correlation matrix is annexed in appendix 5.

4.2.3 Regression

The regression analysis is done to test the hypothesis presented in chapter 2 theory and hypothesis. Single linear regression modelling was used to validate the hypothesis. To reduce potential multicollinearity, the variables GEE, IEE, and IEO are mean-centred as these variable are used in multiplicative interactions (Aiken et al., 1991). A variance inflation factor (VIF) analysis is also done to check whether there is any multicollinearity issue. According to Hair (2014), the ideal range of VIF is 0.10 to 10, though this limit is adjustable considering the sample size. In this study, the range of VIF is 1.103-2.653, which suggests no serious multicollinearity issue (Neter, Wasserman, & Kutner, 1985). Regression results are reported in Table 7.

Table 7: Regression analysis

	Model 1	Model 2	Model 3	Model 4
Controls				
Firm age	.183**	.125**	.118**	.112**
Firm size (Log)	.269***	.220**	.218**	.228**
Export market coverage	.130	.101	.102	.084
Predictors				
GEE		-.167*	-.047	-.188
IEE			-.146	-.122
GEE X IEE				.267***
R-square	.106	.119	.126	.182
Change in R-square	-	0.013	.007	.056
F-value	7.347***	5.822***	4.914***	6.262***

* $p < .05$

** $p < .01$

*** $p < .001$

Model 1 is the foundation model, which includes only control variables. In model 2, one independent variable, GEE, has been included. This produced a significant F value and increased R-square value from Model 1 (.106) to Model 2 (.119), which is good enough to demonstrate a significant main effect. This second model supports H1 that GEE is adversely related to IEO ($\beta = -.167, p < .05$). This finding is certainly a new insight for entrepreneurship literature as well as IE research, since this is novel finding.

Moderating effects were examined by Models 3 and 4. The R-square value increases from Model 2 (.119) to Model 3 (.126) and then to Model 4 (.182), indicating a significant moderating effect. The coefficient of GEE x IEE is positive and significant ($\beta = .267, p < .001$) which supports H2 that IEE moderates the negative relationship between GEE and IEO.

5. DISCUSSION AND CONCLUSION

In this final chapter of the thesis, the results and findings of the previous chapters are presented. This chapter addresses the key research questions and contributions to existing body of knowledge, and managerial implications. Furthermore, the limitation of the study and suggestions for future research have also been presented.

5.1 Summary

This section summarized the key findings in connection to our research questions formulated in the start of the study. The main research was ‘*What is the impact of entrepreneur’s prior experience on international entrepreneurial orientation development?*’

This main question can be answered by answering the following sub questions:

- 1) What is the relationship between entrepreneur’s prior experience and international entrepreneurial orientation?***

The answer to this question is backed by the literature review that has done already. Entrepreneur's prior experience is composed of his or her prior experience in entrepreneurship, managing firm, working in same industry, or having experience in any related technical or functional area. Prior experience is divided into two categories: General entrepreneurial experience (GEE) and international entrepreneurial experience (IEE). General entrepreneurial experience entails those experience that are related to domestic environment. In contrast, international entrepreneurial experience refers to those experience that are related to international market.

According to microfoundation perspective, individual, especially entrepreneur, is matter in the organization. Individuals bring their experience and wisdom to the organization, which shapes the overall firm behavior. Therefore, individual's prior experience is crucial for the survival and growth of a firm. Prior literature have identified that prior experience has much influence on development of domestic entrepreneurial orientation. But it has not investigated yet whether such experience leads to the development of IEO, which is a proclivity to take risk, innovate new product or service, and act proactively in international operation of a firm. This study has found that prior experience can also be an important in developing IEO, by providing a solid base of knowledge about international market. It is found that lack of knowledge about international market deters the firm to act proactively, resulting in less resource commitment and fewer innovation. Prior experience reduce this knowledge gap and facilitates the development of IEO.

2) What is the relationship between general entrepreneurial experience and IEO?

Another aim of this research was to examine the differential impacts of different types of experience in IEO development. Based on human capital theory and review of extant literature entrepreneurs prior experience has been divided into two categories to see their differential impacts on IEO. Human capital assumes that specific capital, skill, knowledge is required to success in specific task. While general capital can serve as basic skills, specific human capital serves as facilitator to perform any specific task.

In this study, it is assumed that GEE cannot help in development of IEO, rather relying on GEE for IEO development is counterproductive. The basic rationality of this argument was rooted in the notion of human capital theory. This study posits that GEE is general human capital and IEE is specific human capital. Furthermore, IEO is different from EO. IEO involves in international environment, whereas EO involves in domestic environment. Since, according to human capital theory, specific human capital (IEE) is required to perform specific task (IEO), relying on GEE for IEO development would be counterproductive. This connotation is also supported by Toft (2014) that if current context is not similar to previous context, then applying learning from experience can lead to negative outcomes. Moreover, depending on general human capital to perform specific task can lead to biased decision due to the rigidity formed from previous experience. Such biased is costly for an organization. Echoing the above argument, this study supports that GEE is negatively related to IEO development.

3) *What role does international entrepreneurial experience play in the relationship between general entrepreneurial experience and IEO?*

The second hypothesis of this study was that IEE mitigates the negative relationship between GEE and IEO such that the negative effect is likely to decrease as the stock of GEE with IEE accumulates. The basis of this hypothesis was that IEE plays a substantial role in reducing the perceived cost and increasing the foreign market knowledge. International market is highly characterized by uncertainty. According to construal level theory (Trope and Liberman, 2010), when individuals feel high level construal distance due to uncertainty, the perceived cost becomes higher. In this situation, firm does not behave proactively and become demoralized to make resource commitment. Such demotivated behavior also badly impacts on firm's innovative capacity. Cumulatively, this high perceived cost reduces the IEO of the firm.

Firms with high IEE have much more information about foreign market. Such knowledge helps them to break the barrier of uncertainty, thereby reducing the perceived cost. This is also supported by well-known Uppsala model (Johanson and Vahlne, 1977). This model suggests that firm enters into a market first, which known to them. The results of this study also supports the argument that IEE helps in development of IEO. Therefore, when GEE is combined with

IEE, then this combined effect significantly influences the IEO, thereby mitigates the negative relationship between GEE and IEO such that general entrepreneurial experience is positively related to IEO when international entrepreneurial experience is high.

Overall, our empirical results yielded the following findings. General experience is negatively associated with IEO, and international experience moderates the relationship between general experience and IEO.

5.2 Theoretical contribution

This research contributes to entrepreneurship and IE literature in several ways that could benefit researchers. First, it will contribute to IE literature in six ways. (i) This thesis takes an important initial step towards filling the gap by providing a new understanding of the concept of entrepreneur's prior experience and IEO. Hitherto, there is no scholarship which links between prior experience and IEO, though there is a multitude implication of prior experience on IEO. (ii) This study is first of its kind which categories entrepreneur's prior experience into general entrepreneurial experience and international entrepreneurial experience. All experience of entrepreneur is not same and thereby does not have same bearing on outcome. So, it is needed to classify this experience. This classification will help the researcher to investigate more thoroughly differential impacts of different type of entrepreneurial experience in international operation. (iii) This thesis not only classifies entrepreneur's experience, but also reflects on what are their differential impacts on IEO. This study empirically proved that GEE is negatively related to IEO, and IEE moderates this relationship. (iv) This thesis has proven that GEE deteriorates IEO, at the same time it guides us how this adverse impact can be overcome. This thesis contribute to IE literature by reflecting that negative effects of general entrepreneurial experience on IEO can be mitigated through. (v) The study of negative effect of an antecedent on outcome variable is itself a contribution to entrepreneurship literature. Mostly, researchers are interested in working with positive relationship, with few exceptions. But, in fact, there could be many instances where seemingly positive relationship may not be proven as it was assumed like the instance of this thesis. At the start of the thesis, apparent it seems to us that GEE is

positively related to IEO. But upon literature review and empirical study, it has been proven opposite. (vi) This study is also first in that it has discovered an antecedent of IEO. Though numerous antecedents prevail for EO in entrepreneurship literature, there is no single study which identifies any antecedent of IEO. This study shows prior experience is an important antecedent of IEO.

Second, this study contributes to the microfoundation perspective (Becker, 1964) of IEO in international business, etching how firm level IEO could be developed and strengthened using individual level entrepreneurial experience. Though microfoundation perspective is utilized in entrepreneurship literature in many instances to explain different outcomes, it is unique in that it has used microfoundation perspective to explain IEO of a firm. This opens a new door to understand IEO of the firm.

Third, this study will contribute to human capital theory (Becker, 1964) by demonstrating its novel application in conceptualization of entrepreneur's prior experience. Though in many other studies human capital theory was used to understand entrepreneur's prior experience, no study has taken any attempt to divide entrepreneur's prior experience into general experience and international experience. In this sense, it is novel and contributes to both human capital theory and entrepreneurship literature.

Fourth, our study extends the applied knowledge of experience curve theory, learning curve theory, and construal level theory (Trope and Liberman, 2010) by demonstrating the novel application of these theories in conceptualization of entrepreneur's prior experience and IEO development. So far we know, this is the first step, which utilizes construal level theory in entrepreneurship literature.

5.3 Practical Implication

In addition to theoretical contribution, this research also is also been credited with some practical implications. First, this study shows the negative impact of relying only on domestic experience to develop IEO. Therefore, managers who want to develop IEO of their firms should not depend only on GEE. Second, this thesis delineates how to mitigate the negative effect of GEE. IEE can be used to offset the deleterious effect of GEE on IEO. Managers of a firm may hire employee who has more IEE or can take initiative to increase IEE among the existing employees. Third, this study serves as a guideline for managers. For example, a firm considering international expansion will be able to determine what type of entrepreneurial experience would be required to drive the proactiveness, innovativeness and risk-taking propensity in internationalization.

5.4 Limitation and future research

The study faced several limitations during its process. The first limitation is its size of sample. The sample is not large enough to generalize the findings in all industries irrespective of geographical location. The sample size was only 248, which could be increased by giving more efforts and follow up. Future research can be undertaken to incorporate a large number of samples. Moreover, a large number of respondents of the questionnaire were not from founders or CEO. It would be more representative if the respondents were from this group. Furthermore, the respondents are based on a specific country, Bangladesh, the economic, cultural, and other macroeconomic variables are quite different from those of many countries. Therefore, to generalize the findings another context should be considered carefully. Second, another limitation is the number of dimensions of IEO. Some literature uses five dimensions to measure IEO including competitive aggressiveness and autonomy, while this study has used only three dimensions: proactiveness, risk taking, and innovativeness. Third, the study is based on cross-sectional data, which limits its ability to predict causal relationships. Future research can use longitudinal data and provide some further insights into the predicted relationships. Fourth, the study deals with only entrepreneur's prior experience as antecedent of IEO. Future research can be undertaken to find out other antecedent of IEO. Finally, in this study linear relationship has

been examined. Future research may examine whether there are any non-linear relationships between the variables in this study which may provide further insights to the relationships under investigation.

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APPENDICES

Appendix 1. Survey Questionnaire

Survey on entrepreneur’s prior experience and firm’s international entrepreneurial orientation

You are invited to participate in our survey on entrepreneur’s prior experience and firm’s international entrepreneurial orientation. In this survey, we want to know your response to particular aspects with regard to your experience and your firm’s international entrepreneurial orientation.

It will take approximately 10 minutes to complete the survey. The questionnaire is anonymous and serves for a better understanding of firm’s international entrepreneurial orientation as well as a dataset for master’s thesis written by Hasan Mahmud, who is studying international entrepreneurial orientation of the firms.

It is very important for us to learn your opinions. Thank you very much for your time and support.

I agree with taking part in this survey

Part 1: Firm’s information

1. Year of Establishment	
2. Year of internationalization (the year when you first exported)	
3. Number of employees	i. Full time:
	ii. Part time:
4. Ownership	i. Sole proprietorship
	ii. Partnership
	iii. Private Ltd
	iv. Public Ltd
	v. International joint venture
	vi. Others:
5. The industry you are operating in	i. ICT
	ii. Apparel
	iii. Pharmaceuticals
	iv. Others
6. The first country market you exported to	
7. Total number of exporting countries in last three years	

8. Total number of overseas customers you served in last three years	
9. Which region are you exporting to	i. Asia
	ii. Africa and Middle East
	iii. Russia and Baltic countries
	iv. Eastern Europe
	v. Western Europe (including Scandinavia)
	vi. North America
	vii. South/Central America
10. Percentage of sales from exporting	
11. Yearly average turnover (approx.) in USD	

Part 2: Entrepreneurial Experience

Q. 12: General Entrepreneurial Experience	Strongly disagree...Strongly agree						
GEE1: The founder(s) this firm has prior entrepreneurial experience (prior own business) before starting this business	1	2	3	4	5	6	7
GEE2: The founder(s) of this firm has prior managerial experience before starting this business	1	2	3	4	5	6	7
GEE3: The founder(s) of this firm has previous industry experience before starting the business	1	2	3	4	5	6	7
GEE4: The founder(s) has prior expertise in a technical or functional area before starting this business	1	2	3	4	5	6	7
Q. 13: International Entrepreneurial Experience	Strongly disagree...Strongly agree						
IEE1: The founder(s) of this firm has prior international work experience.	1	2	3	4	5	6	7
IEE2: The founder(s) of this firm has prior international industry networks before starting this business.	1	2	3	4	5	6	7
IEE3: The founder(s) of this firm has prior international business experience before starting this business (Madsen and Servais, 1997; McDougal et al, 2003)	1	2	3	4	5	6	7

Part 3: International Entrepreneurial Orientation

International Entrepreneurial Orientation	Strongly disagree...Strongly agree						
Q.14: Proactiveness	Strongly disagree...Strongly agree						
Pro1: We seek to exploit anticipated changes in our export market ahead of our rivals.	1	2	3	4	5	6	7
Pro2: We act opportunistically to shape the export environment in which we operate.	1	2	3	4	5	6	7
Pro3: We consistently try to position ourselves to meet emerging export market demands.	1	2	3	4	5	6	7
Q. 15: Risk Taking	Strongly disagree...Strongly agree						
RT1: Top export managers of our company, in general, tend to invest in high-risk export projects.	1	2	3	4	5	6	7
RT2: This company shows a great deal of tolerance for high risk export projects.	1	2	3	4	5	6	7

RT3: Our export strategy is characterized by a strong tendency to take risks.	1	2	3	4	5	6	7
RT4: Taking chances is part of our export business strategy.	1	2	3	4	5	6	7
Q. 16: Innovativeness							
Inno1: Our company is known as an innovator among businesses in our industry.	1	2	3	4	5	6	7
Inno2: We promote new, innovative product/services in our company.	1	2	3	4	5	6	7
Inno3: Our company provides leadership in developing new products/services.	1	2	3	4	5	6	7
Inno4: Our company is constantly experimenting with new products/services.	1	2	3	4	5	6	7
Inno5: We have built a reputation for being the best in our industry to develop new methods and technologies.	1	2	3	4	5	6	7

Part 4: Respondent Information and Competency

Q. 17: Respondent Information	
RI1: Please indicate your designation in the organization (you can choose more than one if applies)	i. Founder/ entrepreneur
	ii. CEO
	iii. Managing director
	iv. General manager
	v. Export/ marketing manager
	vi. Export/marketing executive
	vii. Commercial officer/merchandiser
	viii. Other (please specify):
RI2: Please indicate the highest level of formal education you have	i. Below high school
	ii. High school
	iii. Diploma/trade certificate
	iv. University degree
	v. Other _____
RI3: How many years of experience do you have	i. in an internationally operating firm _____ year(s)
	ii. in this industry _____ year(s)
	iii. in this firm _____ year(s)

Q. 18: Informant Competency	Strongly disagree...Strongly agree						
IC1: Questionnaire deals with issues I am very knowledgeable about.	1	2	3	4	5	6	7
IC2: My answers to the questions in the questionnaire are very accurate.	1	2	3	4	5	6	7
IC3: I am completely confident about my answers to the questions.	1	2	3	4	5	6	7
IC4: I am highly capable of proving information on the top manager.	1	2	3	4	5	6	7

Appendix 2. Multicollinearity

Coefficient

Model	Collinearity Statistics	
	Tolerance	VIF
Firm age	.973	1.028
Firm size (Log)	.907	1.103
Export market coverage	.948	1.055
GEE	.377	2.653
IEE	.439	2.279
GEE X IEE	.780	1.282

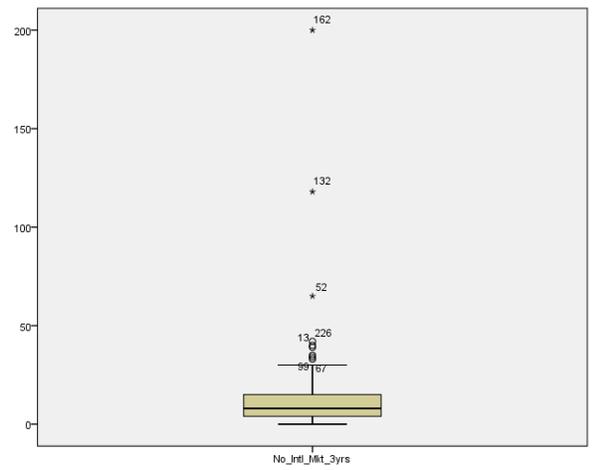
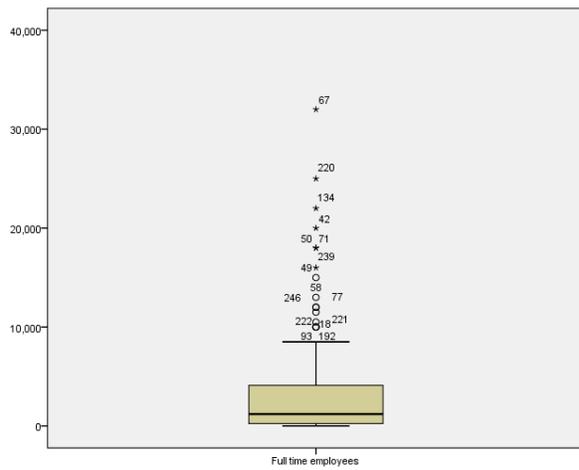
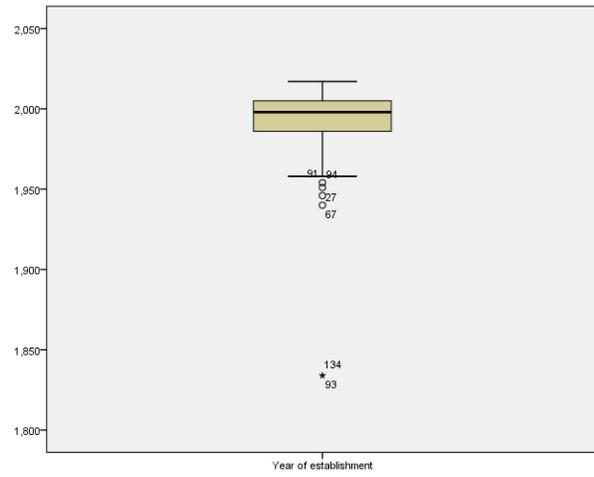
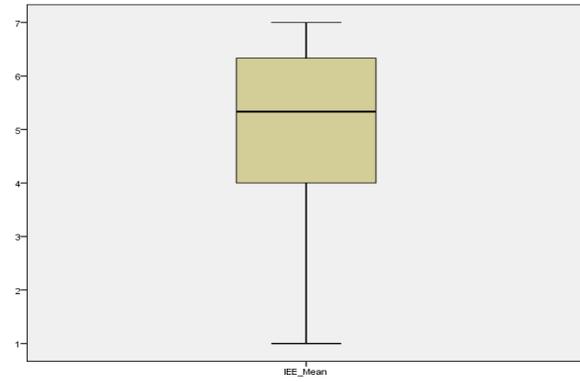
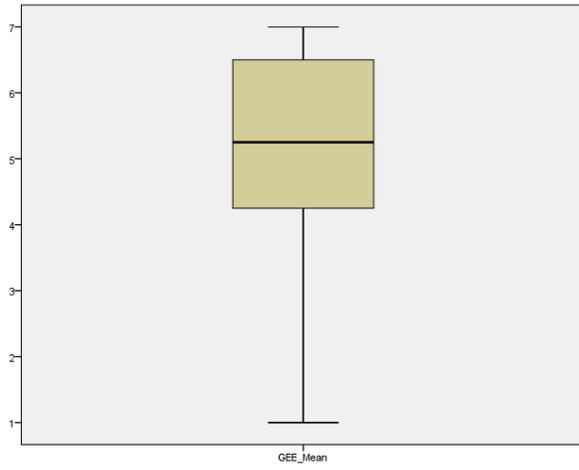
Appendix 3. Factor Analysis

Descriptive statistics, details of measures, standardized factor loadings and reliability tests

Constructs/items	Standardized factor loadings	Mean/SD
General Entrepreneurial Experience (Alpha=.849)		5.008/1.5355
GEE1: The founder(s) this firm has prior entrepreneurial experience (prior own business) before starting this business	.856	
GEE2: The founder(s) of this firm has prior managerial experience before starting this business	.887	
GEE3: The founder(s) of this firm has previous industry experience before starting the business	.824	
GEE3: The founder(s) has prior expertise in a technical or functional area before starting this business	.752	
International Entrepreneurial Experience (Alpha=.848)		4.984/1.601
IEE1: The founder(s) of this firm has prior international work experience.	.899	
IEE2: The founder(s) of this firm has prior international industry networks before starting this business.	.840	
IEE3: The founder(s) of this firm has prior international business experience before starting this business	.888	
Proactiveness (Alpha =.720)		5.326/1.3043
Pro1: We seek to exploit anticipated changes in our export market ahead of our rivals.	.849	
Pro2: We act opportunistically to shape the export environment in which we operate.	.787	
Pro3: We consistently try to position ourselves to meet emerging export market demands.	.767	
Risk Taking (Alpha =.783)		4.923/1.2525
RT1: Top export managers of our company, in general, tend to invest in high-risk export projects.	.785	
RT2: This company shows a great deal of tolerance for high risk export projects.	.821	
RT3: Our export strategy is characterized by a strong tendency to take risks.	.802	
RT4: Taking chances is part of our export business strategy.	.704	
Innovativeness (Alpha =.813)		5.576/1.0486
Inno1: Our company is known as an innovator among businesses in our industry.	.721	
Inno2: We promote new, innovative product/services in our company.	.802	
Inno3: Our company provides leadership in developing new products/services.	.758	
Inno4: Our company is constantly experimenting with new products/services.	.761	
Inno5: We have built a reputation for being the best in our industry to develop new methods and technologies.	.737	

All standardized coefficient loadings are significant at $p < 0.01$

Appendix 4. Boxplot



Appendix 5. Correlation matrix

		Mean	SD	1	2	3	4	5	6
1	General Entrepreneurial Experience	5.008	1.5355	-					
2	International Entrepreneurial Experience	4.984	1.601	.461**	-				
3	International Entrepreneurial Orientation	5.333	.984	.255**	.279**	-			
4	Firm age	25.133	20.613	.036	.099	-.109	-		
5	Firm size (log)	2845.05***	4427.922***	.181**	.192**	.242**	-.392**	-	
6	Market coverage	12.08	17.906	.139	.121	.181*	-.065	.208**	-

*Correlation is significant at the .05 level (two-tailed)

** Correlation is significant at the .01 level (two-tailed)

*** Mean is calculated using original value, not log value.