



*Institute for Small Business Economics  
at Goettingen University*

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# Entrepreneurial Behaviour

Explaining differences in (1) internationalisation, (2) venture growth

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# Agenda

1. The two potential paths
2. Theoretical framework
3. Methodological considerations
4. Discussion

# 1. The two potential paths

*Background considerations: internationalisation*

- According to chamber officials: internationalisation potential unexploited
- Government funded projects target these potentials
- Relevant für policy: determinants of non-engagement in international activity

# 1. The two potential paths

*Background considerations: venture growth*

- German unemployment remains high
- Solution: business creation
- Objection: there is more to entrepreneurship than the founding of a business
- Relevant for policy: determinants of venture growth

# 1. Two potential paths

- Internationalisation

⇒ *Why do some SMEs, which possess the necessary attributes to successfully engage in international trade, refrain from doing so?*

⇒ *Thus, is the conviction of German chamber officials justified?*

- Venture growth

⇒ *Why does the majority of SMEs not grow?*

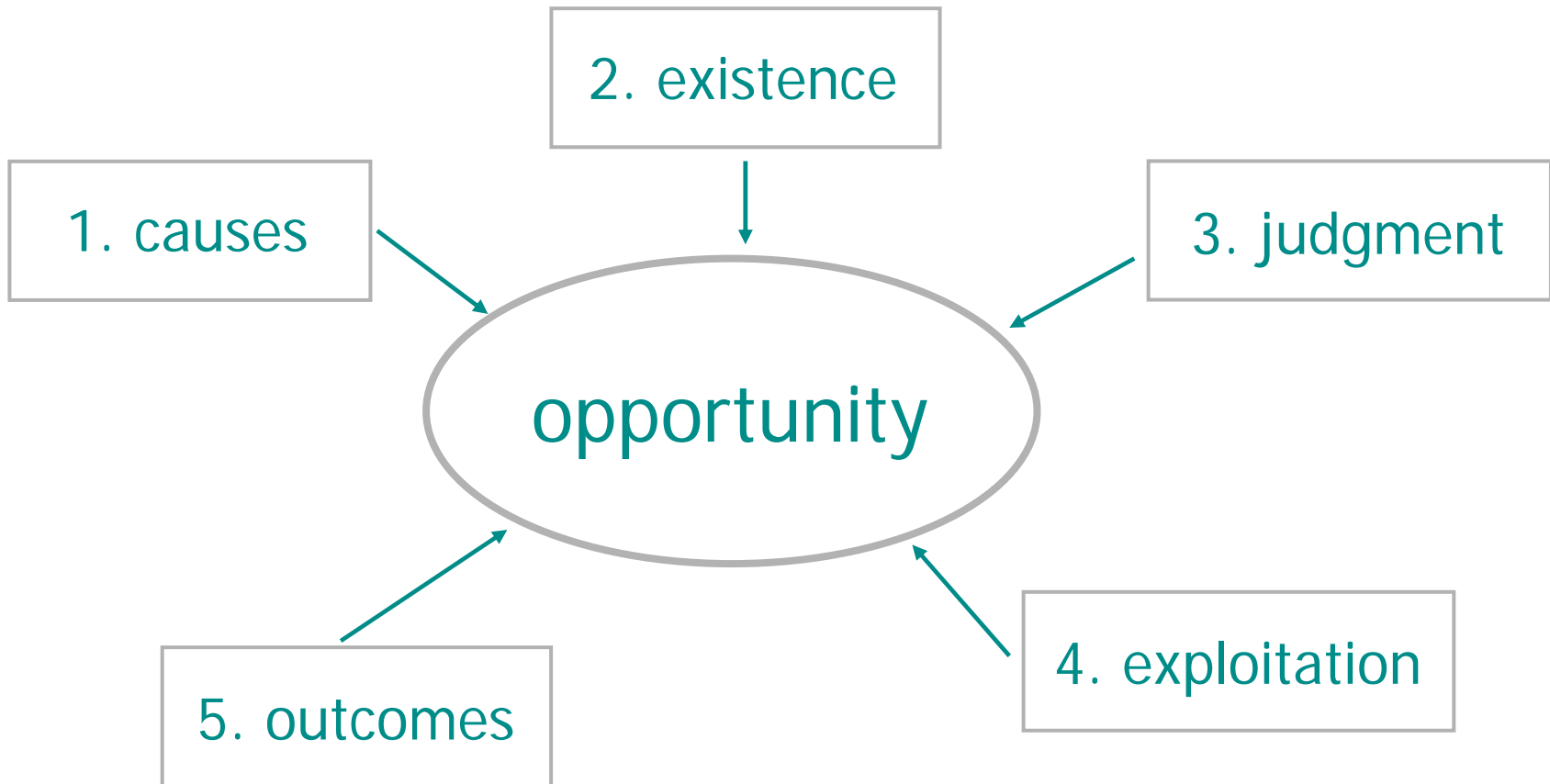
## 2. Theoretical framework

*Criteria to be met*

1. Explain diverging patterns of (decision-making) behaviour of economic agents
  - ⇒ Make predictions about human behaviour
2. Assumption: two identical businesses may develop very differently
  - ⇒ Incorporate subjective perception of individuals

## 2. Theoretical framework

### *Entrepreneurship theory*



## 2. Theoretical framework

### *Entrepreneurship theory*





## 2. Theoretical framework

### *Other approaches*

- Behavioural Economics
- Cognitive Psychology

# 3. Methodological considerations

## *General considerations*

- Empirical contribution
- Hypotheses to be tested must have theoretical foundations, thus must be derived from theory
- Problem: data on human behaviour or decision-making
- Questionnaire
- Experiment

## 3. Methodological considerations

### *Internationalisation*

- Objective, subjective value of an opportunity
- Strong deviation because of individual perception and low subjective value
- AIM: identify those businesses, which could internationalise, but have not yet done so, because of misperceptions
- HOW?

## 4. Discussion

- Current preference: INTERNATIONALISATION
- If writing about entrepreneurial behaviour, how can I best make sure that it remains an economics-oriented thesis?
- Should I also evaluate promotional policy programmes?