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# The role of inter-organisational macroculture in international entrepreneurship – comparative study in Brazil, Finland and South Korea

This study deals with the role of external conditions, namely industry culture, in international entrepreneurship. It is an explorative study that relates to a larger research of adaptive capabilities in industrial renewal. We approach international entrepreneurship from the motivation and attitude perspective which in the literature is labelled as entrepreneurial cognition (Mitchell et al. 2002; Zahra et al. 2005; Grégoire et al. 2011). Although cultural values and beliefs are acknowledged to be influential in shaping entrepreneurial cognition (Mitchell et al. 2002; Hayton & Cacciotti 2013), the role of external conditions, such as innovation system, have not been widely addressed in the entrepreneurial decision-making (Zahra et al. 2005). We follow the conceptual work by Fayolle et al. (2010) who propose three levels of culture, namely national, industry and corporate, to influence entrepreneurial orientation. Our vantage point is to investigate the industry culture, which is less explored perspective in international entrepreneurial motivation studies (e.g. Covin & Miller 2014), and propose to use an industry level concept of '*inter-organisational macroculture'* (Abrahamson & Fombrun 1994; Hodgkinson & Healey 2011), which captures the fact that managers across organizations within a broader field, such as an industry or sector, share relatively similar industry related beliefs, perceptions and practices. We argue that these industry promoted beliefs, perceptions and practices influence companies' ability to recognise and exploit international opportunities and affect to the motivation and attitudes to internationalise. Therefore, this study inquires how macroculture shapes international entrepreneurial cognition? The context is a game industry which is a vivid and fast developing industry, and we have collected data from Brazil, Finland and Korea.

The inter-organizational macroculture postulates that strategic decisions are not made inside a vacuum within the organization but shared beliefs and perceptions are both generated by and mirror the value-added networks that configure companies into such collective networks. This process gradually leads to strategic similarity, and technological traditionalism, and creates typical behaviour patterns among inter-related companies (Jones et al, 1997). According to Abrahamson and Fombrun (1994), the tendency of macrocultures to become more the same (homogenize) over time accounts for the frequent failure of entire industries to adapt to radically new competitors and technological innovations, clinging instead to outmoded practices and competitive positioning strategies. Increased inertia and mental models and schemas might, in turn, affect exploitation of international opportunities in companies (Zahra et al 2005).

Entrepreneurial cognition in turn helps to understand entrepreneurial motivation and their actions and brings better understanding of entrepreneurial mental models. Entrepreneurial cognition is defined as "*the knowledge structures that people use to make assessments, judgments, or decisions*

*involving opportunity evaluation, venture creation, and growth"* (Mitchell et al. 2002, p. 97). In this study we are interested in the link of industrial macroculture to entrepreneurial mental models in internationalisation. In the literature the entrepreneurial cognition is often approached through the construct of entrepreneurial orientation (EO) that highlights internal conditions to motivation at the firm level (Covin & Lumpkin 2011). Our novel approach is to link external conditions shaped by industrial macroculture to the internal conditions generated by EO.

Methods and data

We have two sets of data to approach our research question. First, we have survey data, which is collected combining structured phone interviews and on-line survey to the main decision-makers of game companies in Brazil, Finland and South Korea. Survey includes questions of firm competencies and capabilities, perceived dynamism and institutionalism of the operational environment, strategic management and entrepreneurial orientation. Data collection will be completed in early May 2015, and we target some 100 survey respondents in each country. In addition to survey, we have semi-structured interview material from face-to-face interviews with innovation system level (incl. policy, education, associations), intermediaries (incl. incubators, accelerators), and private companies' respondents to offer insights to the formation of macroculture. From private sector we have alone 43 interviews from Brazilian game companies, and have some additional 40 interviews from the three countries in investigation.

Since the concept of macroculture is difficult to grasp and very little empirical evidence exists (see O'Neill et al., 2004 as exception), the first step is to explore the macroculture in the three countries by comparing similarities and differences in order to understand dimensions and boundaries of macroculture. This pre-understanding was performed with the help of interview data. The second step is to explore the survey data to examine the link between macroculture and entrepreneurial cognition.

Expected results

We expect to find differences in national macrocultures, as the different dimensions that cerate macrocultue, e.g. stance to competition, varies because of differences in the development phases of national games industries. Yet, it is interesting to see that which of the dimensions rise as the most prominent and how these link to the internal entrepreneurial attitudes of companies. We could also postulate that how international entrepreneurial orientation shapes macroculture as so far the research on macroculture has not addressed the international dimension, i.e. how global are industrial macrocultures, and whether there is one shared macroculture in global game industry. We are also interested to explore whether entrepreneurial macroculture within the industry context exists as the concept is created for industry level construct. These questions are to be addressed as this study matures.