

**Carina Lomborg**

Assistant Professor for Entrepreneurship
University of Bern (Switzerland)

Date: **18th April 2013**

Schedule: **15.00 to 16:30 h**

Place: ESADE Business School
Av. Torre Blanca,59
Room 011
08172 Sant Cugat



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Carina Lomborg is Assistant Professor for Entrepreneurship at the University of Bern, Switzerland. Her research focuses at the questions what motivates and enables, or hinders individuals to work entrepreneurially, whether in new or established firms. In particular, she looks at cognitive and emotional processes and mechanisms underlying human decision-making and consequent behavior that directly or indirectly influence the founding of a new venture or firm performance. The levels of analysis are individual (nascent) entrepreneurs, corporate entrepreneurs and entrepreneurial teams. Methodologically, she uses economic and behavioral experiments supplemented by qualitative (team) studies and/or large scale empirical studies based on surveys.

Address: University of Bern, Department of Management and Entrepreneurship, Engeldenstr, 4, 3012, Bern, Switzerland.

Email: carina.lomborg@imu.unibe.ch

[More information](#)

Coordinator: Jana Thiel

Abstract

The Ambivalent Role of Risk-Taking Orientation in Uncertain Environments

Internationalization represents a risky proposition for SMEs (e.g., George, Wiklund & Zahra, 2005). Lack of international experience and know-how when operating in foreign markets combined with limited financial endowments constrains their strategic options and make them vulnerable (Marino, Lohrke, Hill, Weaver, & Tambunan, 2008). Because of the inherent

risks associated with internationalization, SMEs that embrace entrepreneurial risk-taking are likely to exhibit better export performance than those who don't. However, such a view may be overly simplistic because (a) the payoffs to risk taking are dependent upon the uncertainty in which the organization operates and (b) risk-taking may also be associated with higher probability of failure (cf. Wiklund & Shepherd, 2011) because SMEs usually lack slack resources that might outbalance unexpected negative outcomes.

Because of this lack of clarity, we need to gain a better understanding of the effect that changing environmental conditions have on the risk-taking-export performance relationship. We therefore aim at further clarifying the role of internationally operating SMEs' risk taking orientation and resource availability for their export performance considering environmental uncertainties.

To address our focal research question and considering recent macro-environmental developments, we conduct a longitudinal design, e.g., we collect data during two rounds—before the economic crisis in 2007 and in 2012—by surveying a sample of internationally operating SMEs in Switzerland. We use export performance as our dependent variable. We further measure risk-taking orientation, resource availability, strategic posture, and environmental uncertainty and control for firms' age and size, type of industry, and international scope intensity.

To test our hypotheses we apply SEM and fsQCA. FsQCA is an analytical research approach grounded in set theory, that allows for a detailed analysis of how configurations of different causal conditions contribute to outcomes in question (Fiss, 2011). At the core of this approach is configurational thinking. Configurational thinking assumes that cases displaying a certain outcome are best understood as configurations of attributes. Hence, rather than analyzing the net effect of variables and understanding them as competing in explaining an outcome (see Fiss, 2007), fsQCA models the concept of conjunctural causation (e.g., the idea that there can be different causal paths leading to a same outcome) and equifinality (e.g., the idea that there can be different causal paths leading to a same outcome).

Preliminary results show to what extent high levels of environmental uncertainty, entrepreneurial risk-taking orientation, and resource availability result in higher performance and which configuration of resources and orientation might be most promising in dynamic and hostile environments.

References:

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