Competence Based Approach to Teaching International Opportunity Identification: Cross-cultural Aspects

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ABSTRACT
This paper investigates the role of cross-cultural training in teaching international opportunity identification.

The ability to recognise business opportunities distinguishes entrepreneurs from non-entrepreneurs and is, therefore, the focus of entrepreneurship as a discipline. The interest of policy makers is to establish the ways to increase entrepreneurial activity in the society and maximise wealth creation through supporting those who contribute significantly to national economy. Empirical evidence suggests that ventures with an international scope of operations perform better than those that concentrate on serving domestic markets only (Austrade, 2002). Further, the ventures that internationalise early, appear to have high growth aspirations and are likely to exhibit overall faster growth (Autio et al, 2000; Oviatt and McDougall, 1995).

The question arises how can entrepreneurship education contribute to facilitating international entrepreneurship?

Recently, some new studies (Leonidou, 2004; Shaw and Darroch, 2004; Julien and Ramangalahy, 2003) have been conducted to explore the major barriers to internationalisation of small and medium sized ventures. These studies confirmed identifying foreign business opportunities to be among the most significant obstacles as perceived by entrepreneurs.

To date there are very few attempts (Corbett, 2005; de Tienne and Chandler, 2004; Saks and Gaglio, 2002) to conceptualise how and what aspects of opportunity identification should be taught. Meanwhile, international opportunity identification research is only starting to emerge (Zahra et al, 2005) with very little literature available on the topic, let alone approaches to teaching it.

This paper advocates competence-based approach to teaching international opportunity identification. While teaching opportunity identification, entrepreneurship education should target developing not only the actual task competence but the perceived task competence (self-efficacy) of the entrepreneur as well. This is because a strong link between opportunity identification and self-efficacy has been discovered in the course of socio-cognitive studies in entrepreneurship (Ardichvili et al, 2003; Krueger and Dikson, 1994; Krueger, 2000). Further, on the premises that competence and self-efficacy are developed and applied in context (Man, 2005) we argue that culture is a significant contextual variable. We then explore possible moderating influence of cross-cultural training on entrepreneurial competence and self-efficacy in international opportunity identification. The strategies to increase entrepreneurial self-efficacy in international opportunity identification through cross-cultural training are recommended. Directions for further research are outlined.
INTRODUCTION

The interest of policy makers is to establish the ways to increase entrepreneurial activity in the society and maximise wealth creation through supporting those who contribute significantly to national economy. Empirical evidence suggests that ventures with an international scope of operations perform better than those that concentrate on serving domestic markets only (Austrade, 2002). Further, the ventures that internationalise early, appear to have high growth aspirations and are likely to exhibit overall faster growth (Autio et al, 2000; Oviatt and McDougall, 1995). Therefore, it merits encouraging those entrepreneurs who seize cross-border opportunities. Indeed, governments do provide various forms of assistance (market research grants, networking grants, matchmaking with potential business partners from abroad etc) to entrepreneurial ventures that seek expanding internationally. However entrepreneurship education and training is another important avenue to stimulate international entrepreneurship. The question arises how can entrepreneurship education contribute to facilitating international entrepreneurship?

What distinguishes entrepreneurs from non-entrepreneurs is the entrepreneurs’ ability to identify business opportunities. Meanwhile, some new studies (Leonidou, 2004; Shaw and Darroch, 2004; Julien and Ramangalahy, 2003) confirm identifying foreign business opportunities to be among the most significant obstacles to internationalisation of small and medium sized ventures as perceived by entrepreneurs. One of the ways for the entrepreneurship education and training to facilitate international entrepreneurship is through teaching international opportunity identification.

Both empirical and conceptual studies (e.g.; Baron, 2004; de Koning, 2003; Hills and Shrader, 1998; Lindsay and Craig, 2002; Lumpkin et al, 2001; Zahra et al, 2005) provide entrepreneurship educators with a valuable knowledge about the process and the content of opportunity identification by entrepreneurs. At the same time, the attempts to conceptualise how and what aspects of opportunity identification should be taught are few (Corbett, 2005; de Tienne and Chandler, 2004; Saks and Gaglio, 2002). Meanwhile, international opportunity identification research is only starting to emerge (Zahra et al, 2005) with very little literature available on the topic, let alone approaches to teaching it.

This paper advocates competence-based approach to teaching international opportunity identification. We argue while teaching opportunity identification, entrepreneurship education should target developing not only the actual task competence but the perceived task competence (self-efficacy) of the entrepreneur as well (Eriksen, 2002, Mueller and Thomas, 2000). This is because a strong link between opportunity identification and self-efficacy has been discovered in the course of socio-cognitive studies in entrepreneurship (Ardichvili et al, 2003; Krueger and Dikson, 1994; Krueger, 2000). Further, on the premises that competence and self-efficacy are developed and applied in context (Man, 2005) we contend that culture is a significant contextual variable. We then explore possible moderating influence of cross-cultural training on entrepreneurial competence and self-efficacy in international opportunity identification. The strategies to increase entrepreneurial self-efficacy in international opportunity identification through cross-cultural training are recommended. Directions for further research are outlined.

THEORETICAL PERSPECTIVES ON OPPORTUNITY IDENTIFICATION

The definition of opportunity identification adopted in this paper is based on Christensen et al (1989). Opportunity identification is defined as perceiving a
prospect for new profit potential through either the start up of new venture or the considerable improvement of an existing venture.

“Why, when and how do some people and not others discover and exploit... opportunities?” (Shane and Venkataraman, 2000, p. 218) is one of the three major questions for the entrepreneurship research to address. A number of studies attempt to do this exploring the process of opportunity identifications well as factors that play significant role in this process.

**The “How?” of Opportunity Identification**

The process theorists answer the “How?” part of the question by clarifying what tasks and in what sequence the individual entrepreneur undertakes prior to enacting the identified opportunity. Lindsay and Craig (2002), for example, suggest a three-stage model of opportunity identification. The first stage as outlined by these authors is opportunity search/development when initial opportunity idea is advanced toward a business concept. The second stage is opportunity recognition: an insight into the commercial value of an idea or turning an idea into a business concept (Hills and Shrader, 1998; Bhave, 1994). This includes a normative phase concerned with answering the question “Is this an opportunity?” and an individualized fit phase during which the individual entrepreneur decides if this opportunity is for him/her (Lindsay and Craig, 2002). Finally, the third stage is opportunity evaluation: verification of previously collected information in relation to a given opportunity and making a final commitment based on the assessment of risk and the congruence between risk level and expected returns (Lindsay and Craig, 2002). From the interventionist’s perspective, process view on opportunity identification is valuable as it does provide a platform for identifying a number of broad entrepreneurial tasks concomitant with different stages of the process. However, a wider understanding of the entrepreneurial activities and behaviours that pertain to these tasks as well as factors that influence the entrepreneur’s task efficacy is beyond the scope of this approach.

**The “Why?” of Opportunity Identification**


**Prior knowledge and experience** play significant role in opportunity identification. They present raw material from which creative ideas emerge (Ward, 2004) because prior knowledge creates a “knowledge corridor” and allows for specific ways of comprehending, interpreting and applying new information (Roberts, 1991). Shane (2000) has identified three dimensions of prior knowledge instrumental to the process of opportunity identification. These are prior knowledge of markets, prior knowledge of the ways to serve markets, and prior knowledge of customer problems. Sigrist (1999, cited in Ardichvili et al, 2003) believes that discovering new opportunity is often the result of integrating knowledge from two different domains, namely knowledge in the area of special personal interest of entrepreneur. The literature on knowledge and its role in opportunity identification (Shepherd and DeTienne, 2005; Shane, 2000; Ucbasaran et al, 2003) contains robust empirical evidence of knowledge asymmetries between individuals being an important determinant of who identifies opportunities and what these opportunities are.

Knowledge as such does not result in automatic opportunity identification (Corbett, 2005). No opportunity can be identified unless, for example, individuals possess prior knowledge and **cognitive properties** that enable to value and utilise such knowledge (Shane and Venkataraman, 2000). Mitchell et al (2000, 2002, 2004)
clarify the cognitive process of new venture decision-making, including opportunity recognition, from the angle of Information Processing Theory. This theory looks at the processes of acquisition, storage, retrieval, and use of information by individuals (Neisser, 1967). According to this theory experts’ knowledge is arranged into particular structures, or scripts, that are acquired through cognitions that emerge from real-life experience (Glaser, 1984); and it is the use of such structured knowledge that explains the performance of experts including entrepreneurs (Mitchell et al, 2000). The evidence from the literature suggests the existence of three types of cognitive scripts that are enacted by entrepreneurs that are special interest within the focus of this paper as closely associated with venture creation decision, and hence, opportunity identification (Mitchell et al, 2000). These are arrangement scripts that denote the access to networks, assets and other resources necessary to form anew venture; willingness scripts that denote commitment and persistence in seeking new possibilities, and, finally, ability scripts that denote the knowledge about capabilities, competencies, norms and attitudes pertaining to venture creation. The latter group of scripts consist of (1) venture diagnostic scripts (ability to assess venture condition and potential and ability to understand the system of elements surrounding the process of venture creation); (2) situational knowledge scripts (ability to learn from variety of ventures and apply this learning to a specific situation); (3) ability-opportunity fit scripts (ability to see opportunity in new ways of value creation through new combinational of people, materials, or products and match this opportunity to capability).

Knowledge provides a path to opportunity identification if used creatively (Ward, 2004). 90% of entrepreneurs surveyed by Hills et al (1997) confirmed creativity to play a significant role in opportunity identification. On the premises that opportunity identification is primarily a creative activity, Lumpkin et al (2001) have borrowed a creativity model framework from the psychology literature and extrapolated this framework into the domain of entrepreneurship through synthesizing available opportunity identification research. Their comprehensive creativity based model of opportunity identification consists of five elements, namely preparation (developing conscious interest in a particular field and sensitivity to the issues and problems within it), incubation (subconscious, intuitive consideration of options); insight (conscious awareness of the new concept), evaluation (analysing viability of insights and their value for launching a venture) and elaboration (actualising the creative insight) (Lumpkin et al. 2001).

Another distinctive feature of entrepreneur’s’ cognitive process is the over-reliance on biases and heuristics. Heuristics are informal, intuitive cognitive frameworks that facilitate finding quick solutions to the problems (Nisbett and Ross, 1980) and biases are predisposed judgments that stem from specific heuristics (Bazerman, 1990). Natural human characteristics such as limited information processing capacity, the quest to minimize cognitive effort and the inclination to use cognitive “short-cuts” (Baron, 1998, 2004; Stephan and Stephan, 1996) are often the variables in entrepreneurial decision-making and risk-evaluation... The reason why entrepreneurs are particularly susceptible to the use of cognitive “short-cuts” is because they often act under conditions of information overload, novelty and uncertainty, and are subject to intense emotions (Baron, 1998). Therefore, risk evaluation and decision-making occurs not through rational analysis but through reliance on heuristics and biases (Aldrich and Martinez, 2001; Busenitz and Barney, 1997). Two cognitive biases, namely illusion of control and belief in the law of small numbers are strongly related to risk evaluation, and to be successful entrepreneurs ought to overcome these biases by extra effort put into systematic research and due diligence (Keh et al, 2002).
Another essential factor of opportunity identification is the scope and the quality of entrepreneur's social networks (Dimitratos and Jones, 2005). Those who are located at advantageous positions within the networks have much better chance to discover opportunities (Aldrich and Zimmer, 1986). Individual's network is seen as an important potential source of new ideas and can affect the number of perceived opportunities (Singh et al, 1999; Arenius and de Clercq, 2005). This is because cognitive mechanisms, firstly, have limited capacity in terms of both perceiving and interpreting information and secondly, analytical processes are subjective in nature (Vandekerckhove and Dentschev, 2005). A Socio–cognitive Framework of Opportunity Development (de Koning, 2003) suggests that in the process of opportunity development four types of cognitive activity are undertaken in different segments of entrepreneurs’ social context and are reliant on various networks. Information scanning (first activity) occurs through the network of weak ties, information seeking (second activity) takes place through the network of entrepreneurs and experts (a subset of the network of weak ties), thinking-through-talking (third activity) is done within the inner circle network (people close to the entrepreneur personally), and assessing resources (fourth activity) happens within the entrepreneur’s action set (the network of strong ties, or the team behind the business concept, built by entrepreneurs to pursue the opportunity) (de Koning, 2003).

The final factor of opportunity identification that we discuss in this section is entrepreneurial self-efficacy. Self-efficacy as a theoretical construct is grounded in Social Cognitive Theory (Bandura, 1986) that emphasizes reciprocal causation between behaviour, cognition and other personal factors, and the environment. Entrepreneurial self-efficacy (further ESE) is one of the most important theoretical constructs to emerge recently (Forbes, 2005) and is defined as “the strength of a person’s belief that he or she is capable of successfully performing the various roles and tasks of entrepreneurship” (Chen et al, 1998, p. 295). In relation to the tasks about which the belief is held self-efficacy was shown to be a predictor of performance, persistence and low likelihood of being deterred by complexity and difficulty of the task/problem/situation (Bandura, 1997; Gist and Mitchell, 1992). Self-efficacy is, therefore, a task specific construct that moderates the relationship between actual ability and task performance through choice of goals, affective reactions, exerted effort, and persistence and commitment levels (Hostager et al, 1998; Gist and Mitchell, 1992). The significance of self-efficacy construct within the theme of this paper is purported by a strong link between self-efficacy and opportunity identification (Ardichvili et al, 2003; Krueger and Dikson, 1994; Krueger, 2000). The study by Krueger and Dikson (1994), for example, revealed the direct correlation between an increase in self-efficacy and an increase in perceptions of opportunity.

To conclude this section, opportunity identification is a result of cognitive activities undertaken within various social networks. The success in opportunity identification depends also on knowledge and experience as process inputs and level of ESE as process motivational determinant.

OPPORTUNITY IDENTIFICATION IN ENTREPRENEURSHIP EDUCATION

Developing Opportunity Identification Competence

Entrepreneurship education literature puts forward the point that opportunity identification could and should be taught (Saks and Gaglio, 2002). Approach to teaching opportunity identification is firmly grounded in teaching various task related competencies. Assisting entrepreneurs in developing competence is justifiably seen by some authors as an effective long-term strategy to stimulate entrepreneurial activity (Man et al, 2002).
Entrepreneurial competence is defined as the set of knowledge, skills and abilities that enable an entrepreneur to successfully perform the job role (Baum et al, 2001; Chandler and Hanks, 1994; Man and Lau, 2000; Man et al, 2002). It is a dynamic phenomenon and consists of inputs (antecedents), process (behaviours) and outcomes (performing task to the accepted standard) (Man et al, 2002, Mole et al, 1993).

Research on entrepreneurial competence provides some insight into what competencies entrepreneurs should possess to identify opportunities. However, on the premises that competence is demonstrated through behaviour and actions (Man et al, 2002), most studies are skewed towards investigating the actual behaviours. Man and Lau (2000) believe, for example, that opportunity competencies are seeking, assessing and identifying opportunities. Having clarified that, the authors provide the following examples of component competent behaviours (p.243): “collect information about potential customers and market situation”; “identify business opportunities from previous business experience, in an unfilled market gap, through business relationships, through involvement in related business operations, in changes of environment, or through new distribution channels”; “actively seek business opportunities through promotion and marketing efforts”; “assess unfilled market gaps, changes in market situation, competition and business trends”; “assess opportunities with thorough consideration before actually taking action”.

How do entrepreneurship educators approach teaching opportunity identification? Most concentrate on building future entrepreneurs' opportunity identification skills by teaching to use frameworks that apply marketing, finance, strategy and other business discipline concepts to assess the likelihood of success of the previously generated business concept (Hills and Lumpkin, 1997). (Saks and Gaglio, 2002). Some also teach opportunity search/development skills using the idea generation and creativity development exercises and training such as for example SEEC (securing, expanding, exposing, and challenging) (de Tienne and Chandler, 2004).

We argue that networking and social skills development should be the part of opportunity identification training. Social skills most crucial for entrepreneurs are social perception (accurate assessment of intentions and motives of others); impression management (ability to induce positive reactions from others); expressiveness (ability to express one’s affective state clearly and generate enthusiasm in others); persuasiveness (the ability to change others’ behaviors or views); and social adaptability (ability to feel comfortable in a wide range of social situations) (Baron and Markman, 2000; Brush et al, 2001).

Further, we support the view of Keh et al (2002) that entrepreneurs should be educated about the role of cognitive shortcuts in risk evaluation and the techniques to mitigate possible detrimental effects of reliance on biases and heuristics.

Finally, attention should be paid to discussion of antecedents of opportunity identification cognitive processes, namely types of knowledge and the ways to acquire it. Teaching future entrepreneurs what and how to learn can assist, firstly, in transformation of experience into knowledge and, secondly, with shaping business concepts into viable opportunities accepted by market (Corbett, 2005).

In the next section we discuss how entrepreneurship education could enhance opportunity identification through raising ESE related to this task.

**Developing Opportunity Identification ESE**

To elaborate on the ways to build ESE in opportunity identification in the course of entrepreneurship education programs, we first ought to understand how self-efficacy judgment is formed. Bandura, who developed the concept of self-efficacy, argues that it is determined by four types of experiences namely (a) the individual’s
experience of performing the task which provided feedback in relation to the degree
of mastery of the task the individual possesses; (b) vicarious experience or modeling
when interaction with and observation of others prompts re-assessment of the
individual’s own efficacy perception; (c) symbolic persuasion, e.g. direct support and
encouragement from others; and (d) physiological and affective states that can
increase or decrease the individual’s perception of self-efficacy (Bandura, 1997).
Four experiences identified above do not have the same degree of affect on self-
efficacy levels with personal experiences in relation to task exerting the strongest
influence and physiological arousal exerting the weakest influence (Bandura, 1982).
Experiences are transformed into ultimate perception of self-efficacy once they are
integrated and cognitively processed (Gist and Mitchell, 1992). Cognitive assessment
processes employed by individuals to make a final judgment in relation to their self-
efficacy in novel task situations are (a) an analysis of task requirements and (b) an
assessment of personal (skill level, anxiety, desire, available effort) and situational
resources and constraints (competing demands, distractions etc.) (Gist and Mitchell,
Gist and Mitchell (1992, p. 203) suggest three strategies for changing self-efficacy:
1. Through using mainly mastery and modeling experiences provide information for
   thorough understanding of the task attributes, complexity and task environment and
   the way to control these factors;
2. Through using mainly mastery, modeling and persuasion experiences provide
   training that directly improves individual’s abilities in performing task and
   understanding of how to use these abilities successfully;
3. Through using mainly modeling, feedback and persuasion provide information that
   improves the individual’s understanding of behavioral, analytical, or psychological
   performance strategies.
Opportunity identification as a task is insensitive to external resources. So the level of
performance is a function of an individual’s ability, effort and persistence. Ability,
effort and persistence are to a varied degree controlled by individuals. Enhancing the
necessary opportunity identification abilities and changing perceptions, information
and knowledge in the course of education can increase ESE and, subsequently, task
performance. To utilize these strategies knowledge, abilities and skills required to
perform the task should be clearly identified. Although there currently exists a
reasonable understanding of opportunity identification competencies, more research
is needed in order to clearly identify more competencies (De Tienne and Chandler,
2004).
Further, It appears that current methods used in opportunity identification education
can increase ESE based on the Gist and Mitchell’s (1992) first and the second
strategies and partly on the third strategy with the reference to analytical
performance. However, behavioral and psychological performances are left out.
Based on the previous discussion, we propose teaching behaviors such as
networking and risk-taking and psychological coping strategies such as managing
uncertainty and anxiety and believe this can enhance opportunity identification ESE.

DEVELOPING INTERNATIONAL OPPORTUNITY IDENTIFICATION
COMPETENCE AND ESE
The main theme of this paper is teaching international business opportunity
identification. The research on international opportunity identification to date is scarce
with very few studies attempting to provide an initial conceptualisation of this
phenomenon (e.g. Zahra et al, 2005). The important question about the difference
between identifying opportunities in the home country and across the national
borders is so far unanswered.
Hills and Lumpkin (1997) looked at the industry and business specific contexts of opportunity identification. They concluded based on the empirical evidence that the process of opportunity identification from the angle of stages/activities involved is not grounded either in specific industry context or in specific business context. Insight from international management discipline on the process-content-context interface is that most management processes/activities needed to be undertaken to perform a certain task are unaffected by differences in national environment. At the same time, the content of these processes/activities, i.e. behaviours to perform these tasks, is national context dependent (Adler, 1997). Based on this we propose that international opportunity identification will involve the same activities/stages as opportunity identification but the content of the activities pertaining to these tasks may have some context related specifics. Another point in support of this argument is that competence and self-efficacy are developed and applied in context (Man, 2005). National culture, defined here as the collective programming of the mind (Hofstede, 1991), is deemed to be one of the significant contextual variables in understanding international entrepreneurial activity (George and Zahra, 2002; Stewart et al, 2003). In this paper we look at national culture as a context in which (1) opportunity identification competence is shaped and (2) opportunity identification task is performed.

International Opportunity Identification Competence and ESE and Cultural Values

The sociological perspective on entrepreneurship postulates that entrepreneurs are embedded in a particular social context (Zahra et al, 2005) and the entrepreneur’s cognitive processes and behaviours are shaped by the interaction between the entrepreneur and his/her environment (Zahra et al, 2005). The literature provides evidence in relation to the impact of national cultural values on the characteristics and the behaviour of individual entrepreneurs (Mueller and Thomas, 2000; Thomas and Mueller, 2000; Mitchell et al, 2000, Mitchell et al, 2002; McGrath and MacMillan, 1992; McGrath et al, 1992; Tan, 2002; Stewart et al, 2003; Drakopoulou-Dodd and Patra, 2002; Steensma et al, 2000; Marino et al, 2002; Basu and Altinay, 2002). Although McGrath et al (1992) confirmed empirically the existence of a shared set of cultural values among entrepreneurs, regardless of their national origin or cultural background, it appears that whilst some core values are shared across countries and cultures, other values are more culture specific. This means that some behaviours of individual entrepreneurs do reflect the value system of their national culture (Thomas and Mueller, 2000). For example, there is the evidence of the correlation between cultural values and entrepreneurial behaviours that form important part in opportunity identification such as networking (Drakopoulou-Dodd and Patra, 2002), forming strategic alliances (Steensma et al, 2002), and financing venture start-up (Tan, 2002). Similarly, although cognitive research empirical data confirmed that entrepreneurs share analogous patterns of cognitive structures regardless of cultural values and these patterns differ them from non-entrepreneurs, cultural values still matter when it comes to the content of entrepreneurial cognitive scripts (Mitchell et al, 2000, 2002). Cultural influences are manifested in (1) variations in prevailing entrepreneurial cognitive archetypes among countries; and (2) differences across seven out of ten venture creation scripts as far as the nature and relative importance of these scripts is concerned (Mitchell et al, 2002). This is in line with the view that opportunity recognition is grounded in entrepreneurs’ perception and interpretation of the environment (Bird, 1992; Baron, 2004) with the entrepreneur integrated within his/her operating environment at the individual level (Bouchikhi, 1993).

Further, we know that risk evaluation is based on the cognitive map defined by biases and heuristics (Mitchell et al, 2004), however biases and heuristics are grounded in entrepreneur’s cultural values (Busenitz and Lau, 1997). Therefore, this cognitive map may not be valid for the cultural environment where it has been
created. Meanwhile, risk evaluation is of particular importance as a part of the process of international business opportunity identification due to enormous environmental complexity surrounding any cross-border activity.

All the above provides robust empirical evidence that some opportunity identification competence inputs (antecedents) and process (behaviour) are affected by cultural values. Cultural values delineate to some extent what are task related appropriate and effective behaviours and what is the content of entrepreneur’s cognitive scripts, heuristics and biases related to opportunity identification.

We elaborate on how to mitigate cultural effects and develop competence in international business opportunity identification in the Table 1 below.

**Table 1: Examples of Mitigating the Influence of Cultural Values and Developing Competence in International Business Opportunity Identification**

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<th>Competence component</th>
<th>Cultural effects mitigation strategies</th>
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| Ability to assess venture condition and potential and ability to understand the system of elements surrounding the process of venture creation (Mitchell et al, 2000): | Understanding culture components and cultural dimensions (e.g. Hofstede’s 5 cultural dimensions) and its affect on system of elements surrounding the process of venture creation such as, for example:  
  - forming strategic alliance (Steensma et al, 2002),  
  - investor expectations and sources of finance (Tan, 2002; Oviatt and McDougall, 1995, GEM Australia 2001);  
  - role of networks (Drakopoulos-Dodd and Patra, 2002);  
  - moral legitimacy (conformity of the new venture with cultural norms and values of the society) (Aldrich and Martinez, 2001). |
| Ability to learn from variety of ventures and apply this learning to a specific situation (Mitchell et al, 2000): | Avoiding reliance on previous international business experience and the tendency to look for “tried and true” solutions (George et al, 2004).  
  The experimentation and learning approaches technique suggested by Hills and Lumpkin (1997) can be used for this purpose to learn general concepts with the sensitivity to differences in cultural contexts. |
| Ability to see opportunity in new ways of value creation through new combinational of people, materials, or products and match this opportunity to capability (Mitchell et al, 2000): | Learn to exert global vision by detaching oneself from a business thinking delineated by a single country or culture (Oviatt and McDougall, 1995; Johnson, 2004);  
  Learning to discover cross-border entrepreneurial opportunities by embracing local cultural and market structures and seeing new combinations as a result (Geursen and Dana, 2001).  
  Generating innovative ideas through combining opposing concepts (Ward et al, 1995) utilizing “dilemma theory” and techniques by Trompenaars and Hampden-Turner (2000). This technique is geared toward developing ability to create wealth through reconciliation of conflicting cultural values. |
| Social skills to build. | Learning cross-cultural communication skills for social |
We now analyse the effect of cultural environment on ESE. The existing body of cross-cultural research suggests that task related self-efficacy might be negatively affected when the task is to be performed in the alien cultural environment (e.g. Gudykunst, 1991, 1993; Dodd, 1998). This is because unfamiliar cultural territory affects negatively an individual’s affective and sense-making/cognitive mechanisms as well as the appropriateness and effectiveness of one’s behavioral responses due to one’s inability to accurately perceive and interpret the alien cultural environment and explain and predict the behavior of people of different cultural background(s) (Kim, 1988, 1991, 1995, Gudykunst, 1991, 1993; Ruben, 1976; Ruben and Kealy, 1979; Saee, 1999, 2004) and lead to the experience of culture shock (Oberg, 1960) - stress, anxiety and uncertainty as a result of exposure to the intercultural encounter (Saee, 1999). “Culture shock” related physiological and affective decrease the individual’s perception of self-efficacy in a given cultural environment. Individual needs to develop cross-cultural adaptability to be able to cope psychologically in order to manage stress and reduce anxiety and uncertainty. Adaptability to foreign cultural environment depends on

- flexibility, maturity, knowledge of host culture, language skills, nonjudgmental attitude, patience, respect for culture, and appropriate social behavior (Walters et al, 1995);
- being able to be mindful, to tolerate ambiguity and to calm ourselves (Berger, 1979; Gudykunst and Kim, 1997);
- being able to explain and make accurate predictions of strangers’ behavior (Gudykunst, 1991).

Proving prospective international entrepreneurs with training to improve psychological performance strategies will result in positive change of ESE related to international opportunity identification.

We further suggest, based on strategies for changing self-efficacy as suggested by Gist and Mitchell (1992), that to increase ESE in international opportunity identification, entrepreneurship education should include elaboration on culture related complexity of the task and understanding of cultural environment and how to control its effect on the task performance along with developing relevant skills and abilities.

CONCLUSION

This paper supports the view that assisting entrepreneurs in developing competence may be a more effective long-term strategy to stimulate entrepreneurial activity and to improve new ventures’ performance than other direct support measures (Man et
Entrepreneurial competence consists of knowledge, skills and abilities that enable an entrepreneur to successfully perform the job role. Perceived level of actual competence, or self-efficacy, is an important predictor of task performance. Both competence and ESE are not static constructs (Gist and Mitchell, 1992) and, therefore, both competence and ESE development should be an integral part of entrepreneurship education and training (Erikson, 2002, Mueller and Thomas, 2000).

Because of the proven significant correlation between ESE and opportunity identification and the lack of entrepreneurial self-efficacy being the reason to avoid certain types of entrepreneurial activities by individual entrepreneurs (Chen et al, 1998) such as, for example, international entrepreneurship, we contend that opportunity identification is function of actual and perceived competence. Opportunity identification competence is a result of cognitive activities undertaken within various social networks. The success in opportunity identification depends on knowledge and experience as process inputs and level of ESE as process motivational determinant.

The phenomenon of international opportunity identification is at present in the initial stage of conceptualisation, some empirical evidence is available that sheds light on the role of culture as contextual variable. It is argued in this paper that there may be no difference between opportunity identification and international opportunity identification as far as the types of activities the entrepreneur has to undertake to complete these tasks are concerned. However, the content of these activities will be different due to the contextual influence of culture.

To prepare prospective international entrepreneurs to cope successfully with this contextual influence entrepreneurship education and training programs should be geared toward development of relevant competencies and ESE. The elaboration on cross-cultural aspects of international opportunity identification competence and ESE and entrepreneurship education and training strategies are put forward in this paper. This is based on understanding of opportunity identification competencies as provided by current research in this field and is far from exhaustive.

References


