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Corporate entrepreneurship through joint venture

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Abstract One of the characteristics of the entrepreneurial firm is the active search for opportunities without taking into account the resources available to the firm at a given moment. In such cases, certain types of operation, such as a joint venture, may provide a quick solution to the resource needs of the entrepreneurial firm. Moreover, this form of cooperation offers a suitable context for partners to be able to learn specific knowledge pertaining, for example, to the country of origin of the market they are aiming to enter, or to learning particular activities etc. Bearing these two dimensions in mind, the objective of this paper is to analyze the role of the joint venture as a tool for undertaking different activities associated with Corporate Entrepreneurship, that is to say, strategic renewal, Corporate Venturing and innovation. An empirical study using a sample of 74 joint ventures suggests that this particular mode of cooperation is employed by the entrepreneurial firm to carry out some, though not all, of the activities associated with Corporate Entrepreneurship.

Keywords Corporate entrepreneurship · Joint venture · Innovation · Corporate venturing · Strategic renewal

Introduction

The body of literature that covers the topic of entrepreneurship and that which deals with strategic management have grown side by side over time (Hitt and Ireland 2000), although Venkataraman and Sarasvathy (2001) clearly state the differences in analysis objectives. While entrepreneurship literature focuses on identifying and exploiting new business opportunities, strategic management aims to analyze

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decisions designed to generate and maintain competitive advantage, as well as achieving substantially improved performance (Hitt et al. 2001), where the creation of wealth forms the nexus between the two bodies of literature (Ireland et al. 2003).

Some researchers have attempted to integrate the literature on these two areas (for example, Kuratko and Morris 2002; Teng 2007; Schindehutte and Morris 2009; Kuratko and Audretsch 2009). Within the framework of the Resource Based View (RBV), Teng (2007) analyzes the conditions under which the activities associated with Corporate Entrepreneurship (CE) could be carried out via some of the modes of growth and strategic options examined in the literature on strategic management; and in particular, the use of strategic alliances or cooperation agreements.

One of the characteristics of the entrepreneurial firm is the permanent search for opportunities and a general tendency for the firm to be innovative, proactive and risk-taking (Covin and Slevin 1991), without taking into account the availability of resources (Stevenson and Jarillo 1990; Lin et al. 2010; Arendt and Brettel 2010). Consequently, the entrepreneurial firm can, at times, lack the necessary resources to tackle any of the activities of CE, in other words, strategic renewal, corporate venturing and innovation. In this case, a strategic alliance might be a suitable option for quickly acquiring the resources demanded for any of these activities (Teng 2007). A variety of types of alliance or cooperation agreements exist, such as a consortium, a joint production agreement, a franchise, an R+D agreement, outsourcing, a joint venture (JV), etc.

An alliance can enable not only access to the resources of the other participating firms (Harrigan 1988), but can also offer a suitable context for interorganizational learning (Hamel et al. 1989; Hamel 1991). Partners can thus quickly have at their disposal and/or develop new resources and capabilities that will allow them to take advantage of and exploit new opportunities, whilst maintaining the necessary flexibility demanded by the current competitive environment characterized by market globalization (Gulati et al. 2000).

The kind of organizational complexity associated with alliances is determined by the nature of the activities involved, the frequency of interaction between partners, the number of partners and the role each of them is to undertake. The structure of the cooperation in hand must fit with the needs of the partners in such a way that it enables their development and the attainment of shared objectives, as well as the particular objectives of each partner (Mowery et al. 1996; Simonin 1997). Although an adequate structure does not guarantee the success of the alliance, it boosts its chances of success enormously (Yoshino and Rangan 1995).

From amongst the different modes of alliance, JV has been emphasized in the literature as being an option that, apart from merely allowing access to and exploitation of a set of resources contributed by the partners in the agreement, it is recommended as a particularly useful vehicle for interorganizational learning (Hennart 1988; Kogut 1988). A JV is an association between two or more independent organizations that decide to create a new enterprise with its own legally recognized identity, and whose control, decision-making, profits and risks are all shared in proportion to the contribution of each of the parties involved (Harrigan 1986).

Via a JV, an entrepreneurial firm can quickly call on the resources it needs to undertake any of the activities associated with CE through the joint exploitation of the resources contributed by each of the partners signing the agreement, without there being any express intention to learn on the part of the entrepreneurial firm; and/or through learning the necessary knowledge in order to, for example, enter into a new international market, compete in a new sector or put innovation into practice.

This paper attempts to contribute to the effort to bring together the literature on entrepreneurship and strategic management, highlighting the role of cooperation, and particularly that of JV, as an enabling strategic option of CE activities.

With this objective in mind, we have structured the paper into various sections. The first section analyzes the activities that go to make up CE. In section two, we analyze the role of JV as an enabler of the activities that are characteristic of CE. The third section, after explaining the method used, presents and analyzes the results of a study on a sample of 74 JVs. The study ends with the conclusions of the research and some thoughts on its limitations, as well as suggestions for future lines of research.

Activities that constitute corporate entrepreneurship

The concept of *entrepreneurship* has meant a variety of things to different authors (Gartner 1990; McMullan and Long 1990), and three different groupings of studies have grown up around the topic. Firstly, there are those that focus on the characteristics of entrepreneurship, that is to say, innovation, growth and flexibility. Secondly, there are those that focus on outcomes such as wealth creation (Gartner 1990; Stevenson and Jarillo 1990) and, lastly, those that study how things are done by analyzing, for example, entrepreneurial behaviour amongst managers (Stevenson and Jarillo 1990; Pardo-del-Val 2010; Smallbone et al. 2010; Wagener et al. 2010). All these questions can be examined both in newly created independent firms and within the framework of an existing organization (Covin and Slevin 1991). In recent years, entrepreneurial capabilities have been used to describe any individual or group that creates new combinations, either individually or in association with existing organizations (Sharma and Chrisman 1999). Therefore, entrepreneurial activities also occur at the core of an existing organization, and this study focuses its attention on this aspect in particular.

In the terms used by Sharma and Chrisman (1999), CE can be defined as the process via which an individual or group of individuals, within the framework of an existing organization, stimulates: a) strategic renewal, b) Corporate Venturing (CV), and/or c) innovation (Collins and Moore 1970; Zahra 1995, 1996; Sharma and Chrisman 1999).

Strategic renewal involves undertaking significant changes in strategy and/or in the structure of the organization, at both a business and corporate level (Sharma and Chrisman 1999). It implies transforming the firm by revitalizing its operations and reordering its core capabilities (Ruiz-Navarro 1998). Sustained renewal allows the organization to provoke cultural change and the development of new processes and structures aimed at exploiting market opportunities that have been overlooked by competitors, by continually introducing its products into new markets or by introducing new products into markets where it is currently active (Covin and Miles 1999).

Corporate Venturing involves the development of a new corporate activity that may or may not include the creation of organizational bodies that differ from existing ones. It may be internal, i.e. when it remains within the existing organizational framework via integration into a given unit, or can be developed via the creation of a subsidiary organization. It can also be external when developed through autonomous or semi-autonomous bodies located outside the organization's existing framework, for example, via a JV. The degree of innovation or originality of a new activity can vary between an imitative entry from pioneering competitors to totally innovative entries (Sharma and Chrisman 1999).

The main difference between Corporate Venturing and Strategic Renewal lies in the fact that the former involves the creation of new business, whilst the latter implies the reconfiguration of existing businesses within a corporate framework (Sharma and Chrisman 1999).

Finally, *innovation* refers to "creating and introducing new products, production processes, and organizational systems" (Zahra 1996: 1715). In the framework of CE, the presence of innovation is considered to be a sufficient condition for entrepreneurship to exist, though not a necessary one, as the other two activities that constitute entrepreneurship Corporate Venturing and Strategic Renewal, can exist without innovation (Sharma and Chrisman 1999). Innovation is understood in Schumpeterian terms, i.e. it should involve the introduction of an invention or original idea that can be commercially exploited, which is new to the market and has the potential to generate a new competitive environment (Stopford and Baden-Fuller 1994; Sundbo 2009; Toivonen and Tuominen 2009; Romero-Martínez et al. 2010; Huang et al. 2010; Zhang and Duan 2010).

The JV as an enabler of CE activities

As we mentioned earlier, a characteristic trait of the entrepreneurial firm is an orientation towards growth (Carland et al. 1984; Stevenson and Jarillo 1990) through the active search for (Stevenson and Jarillo 1990; Brown et al. 2001) and subsequent exploitation of an opportunity (Shane and Venkataraman 2000), without taking into account the resources controlled by the firm at a given moment (Stevenson and Jarillo 1990). As a result, it is possible that the entrepreneurial firm, in comparison to other types of firm, that undertakes any CE-related activities might have a greater need to access resources owned by other firms (Dougherty 1995; Eisenhardt and Schoonhoven 1996; Teng 2007). If developing such resources internally is too costly or slow, the entrepreneurial firm can access them more quickly and easily via an alliance, and more specifically, via a JV with the firm that possesses the resources. Moreover, a JV, and alliances in general, also allow firms to share the cost of the investment needed to carry out certain activities, thereby sharing the risk involved with the other partners (Contractor and Lorange 1988). On occasions, an alliance can even be the only option in cases where no market exists for these resources, and they are also hard or impossible to imitate, substitute and/or take over, as in the case of certain types of knowledge (Hamel et al. 1989; Prahalad and Hamel 1990; Hamel 1991; Inkpen and Crossan 1995). Thus, the JV is an instrument that allows firms to obtain resources rapidly, a fact that enables the possibility of carrying out these three types of entrepreneurial activity (Fig. 1).

With regard to learning, JV has been cited in the literature as a valid option for transferring tacit knowledge between partners (Hennart 1988; Kogut 1988). This

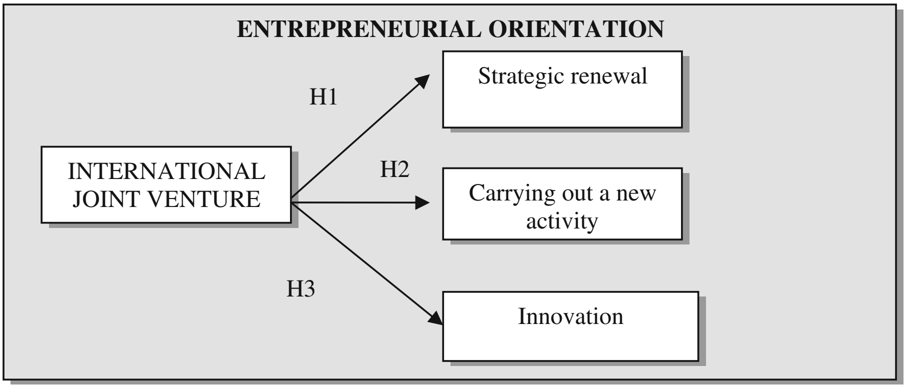

Fig. 1 Corporate entrepreneurship. Source: Adapted from Sharma and Chrisman (1999) and Teng (2007)

type of knowledge is difficult or impossible to put down on paper and includes, amongst other things, a firm's experience in manufacturing, its technological capabilities, knowledge in terms of controlling the commercialization of a product in a particular country, the functioning of a certain type of business etc. (Hennart 1988). Moreover, this type of knowledge is characterized by being embedded in the personnel of the firm that possesses it (Teece 1981) and it is difficult to communicate or share with other individuals because it is upheld by a broad set of contextual factors such as organizational structure, culture and the values shared by members of the organization (Nonaka 1994; Nonaka and Takeuchi 1995; Nonaka and Konno 1998; Amagoh 2009; Alpkan et al. 2010). Consequently, the more tacit the nature of the knowledge involved, the more difficult it will be to transfer between organizations (Kogut and Zander 1992; Hedlund 1994; Simonin 2004; Anh et al. 2006) and the greater the need for the personnel of the acquiring firm and that of the firm that possesses the knowledge to work together within the same organization (Hennart 1988), for example, in a JV.

In short, via a JV, the entrepreneurial firm is able to increase its resources and capabilities without the need to develop them internally or to acquire them, thus gaining time, saving money and sharing risks.

The role of the joint venture in strategic renewal

The search for opportunities can come about in response to a change in the competitive strategy of the entrepreneurial firm (Sharma and Chrisman 1999), but it can also be a response to the opportunity of introducing the products of the entrepreneurial firm into new geographical markets, or the introduction of new products into its current markets (Dess et al. 2003).

When the entrepreneurial firm wishes to strengthen its competitive position in a sector via a low cost strategy, a JV may constitute an option for achieving the advantages .of greater size, thereby attaining economies of scale and of experience by jointly exploiting the resources contributed by the different partners, for example via the joint production of certain components (Contractor and Lorange 1988; Kogut 1988).

JV has also been cited in the literature as a suitable instrument for the firm's internationalization, as it allows for the reduction of costs and the time needed for new market entry (Makino and Delios 1996; Edwards and Buckley 1998; Luo and Peng 1998; Isobe et al. 2000; Tsang 2002; Elango and Pattnaik 2007). This is possible due to the contribution of a particular type of knowledge known as "country knowledge" on the part of a local partner. This knowledge includes that of business uses and customs; local consumer tastes; control over the commercialization of a product in the new market; managing local manpower; locating local supply sources; and how to interact with local bodies and government agencies of the country where the investment is taking place. The success of the JV often depends, to a large extent, on this last issue (Dussauge and Garrette 1999; Steensma and Lyles 2000; Luo et al. 2001; Gámez-González et al. 2010).

The motivation for the entrepreneurial firm's internationalization may lie in the fact that the resources it needs are not readily available in its country of origin, or in taking advantage of the lower costs associated with certain factors in other countries and, therefore, in the search for greater efficiency; but it can also be a response to the opportunity of introducing its products into a country where the firm is still unknown (Robertson and Chetty 2000; Meliá et al. 2010). With regard to this last motivation, greater speed in development aimed at the new market, enabled by the JV as a form of entry, can help the firm to establish itself as the first mover (Luo and Peng 1998), providing a competitive position that rivals, who have not exploited the opportunity of the new market in which the product was unknown, find difficult to undermine.

H1: In the framework of Corporate Entrepreneurship (CE), participation in a JV has a direct and positive effect in undertaking strategic renewal.

The role of the joint venture in corporate venturing

The degree of the relation of the new activity with respect to the lines of business that constitute the scope of the entrepreneurial firm can either be high, or, at the other extreme, may have no relation at all (Sorrentino and Williams 1995). In the former case, the literature recommends that the activity be developed internally (Roberts and Berry 1985; Simmonds 1990; Kochhar and Hitt 1998), as this relation might allow the entrepreneurial firm to exploit its resources and capabilities in the new activity, whilst conferring the possibility of achieving an initial competitive advantage in this new activity (Sánchez and Menguzzato 2006).

However, the lower the degree of relation of the new activity with the current portfolio of the entrepreneurial firm, the greater the need will be of externalizing the resources and capabilities that are necessary for developing and successfully competing in the new activity (Teng 2007). In this case, the firm comes up against the challenge of undertaking the necessary learning that entering this new market involves (Block and MacMillan 1993; Sorrentino and Williams 1995; Lindblom and Tikkanen 2010). As previously mentioned, this learning can occur via the formalization of a JV with the organization that possesses the necessary knowledge and competences for attaining success in the new activity (Teng 2007).

In addition, a JV will allow the firm to mitigate the costs and problems associated with the "adverse selection" that originates in the information asymmetries that the entrepreneurial firm must confront if it turns to other options such as an acquisition or a merger (Balakrishnan and Koza 1993).

H2: In the framework of Corporate Entrepreneurship (CE), participation in a JV has a direct and positive effect on new market entry.

The role of joint venture in innovation

The third aspect we wish to examine is that of innovation, that is to say, creating and introducing new products, production processes, and organizational systems through a JV. Innovation is characterized by an orientation towards knowledge, as it involves the development of knowledge in order to do things differently (Teng 2007; Baregheh et al. 2009; Wu et al. 2009; Abreu et al. 2010; Rubalcaba et al. 2010; Mas-Verdu et al. 2010).

New knowledge can be generated at an intraorganizational level when the entrepreneurial firm invests in R+D activities, but also when it draws on its ability to identify and assimilate knowledge possessed by other firms (Cohen and Levinthal 1989). In this case, strategic alliances, which include the JV, can turn out to be a valid option for accessing and/or assimilating the knowledge possessed by a partner firm (Hennart 1988; Kogut 1988; Prahalad and Hamel 1990; Hamel 1991), thereby increasing the stock of knowledge the firm needs for innovation. Moreover, given the extensive failure rate of R+D projects (Teece 1992), another advantage of the JV is that it allows partners to share the high costs and risks associated with innovation.

It should also be stressed that alliances entail certain disadvantages, such as the unforeseen loss of valuable knowledge to the partner firm (Hamel et al. 1989), a disadvantage that is minimalized via a JV. Indeed, cooperation has been considered as "a window to the capabilities of the partner" This high risk of opportunism that affects agreements whose objectives revolve around innovation, such as an R+D agreement, can be lessened when the alliance is structured in the form of a JV. Under this form of cooperation, partners contribute to the agreement with specific assets; a situation that entails a high cost if the agreement breaks down and involves a mechanism of higher echelon supervision and incentive alignment, which reduce the probability of opportunistic behaviour, as the alliance structure acts as a mutual "hostage-taking" position (Kogut 1988). For Vonortas (1999), the JV oriented towards research and development allows the strengths of different businesses to become combined and reduces costs. In technology-intensive sectors, the JV can be an efficient means of innovating.

H3: In the framework of Corporate Entrepreneurship (CE), participation in a JV has a direct and positive effect on innovation.

Evidence of the practices of partners in a joint venture

In order to carry out our research, it was necessary to select a sample of firms that had carried out at least one JV. We found a database that suited our needs; the ZEPHYR database compiled by the Bureau van Dijk, where we found a population of 1.837 firms that had carried out a JV. This database was filtered using other databases such as Amadeus and Thomson One Banker.

The instrument used for information gathering was the structured questionnaire sent by postal mail,[1] principally due to the large number of firms contained in the sample and, particularly, in our case, their wide geographical dispersion, as the sample included firms in a broad variety of countries. The questionnaire was created in three different languages: Spanish, English and French, and was sent by electronic and/or postal mail. Along with the questionnaire, we included a definition of the JV, which restricted the sample, but we felt this was a necessary addition to ensure the rigour of the study.

From the total number of firms, we were unable to contact 231, either because the firms were inactive or because the information contained in the database was incorrect. A total of 396 firms, despite forming a part of the database consulted, declared that they did not fit the profile of a JV as defined in the questionnaire. Therefore, the total number of firms we contacted was 1,210. Finally, the sample obtained consists of 74[2] firms (51 Spanish and 23 from the rest of the world). Table 1 shows the technical datasheet for the sample.

Previous analysis of the information

Once the pertinent information had been gathered and the corresponding database created, we continued with the data analysis. With a view to achieving the main objective of the study; i.e. to gauge the effect of the JV on the entrepreneurial activity of an organization, we analyze whether the reasons for the creation of a JV correspond to the three modes of CE studied in the theoretical framework.

If we analyze the age of the firms that make up the sample, we can see that 74.32% are firms that have existed for more than 20 years. Mature firms are under an obligation to search for and develop a greater capacity for response (international expansion, growth in terms of size, development of new products, etc.…), and to obtain new sources of competitive advantage. In this study, we argue that cooperation is an alternative for firms that are looking to quickly develop new competitive advantages. In particular, a JV allows its partners to increase and develop their capabilities and competences without the need to internally develop new resources, thereby gaining time and preserving the flexibility of the firm, which is so necessary in a turbulent environment (Menguzzato 1992). From a review of the literature on this topic, we have drawn up a series of items which reflect the reasons why firms participate in a JV, related to each of the three factors of CE, as shown in Table 2.

As we can see from Table 2, growth in size, entry into new international markets and learning new knowledge are the most frequent reasons given for carrying out a JV on the part of the entrepreneurial firm. However, in order to better analyze these reasons, we classified them into groups by applying data reduction techniques, applying a factor analysis, preceded by a KMO test. The KMO has a value of less than 0.5 for all the 9 items, and we therefore analyzed the matrix of correlations,

[1] Luque (1999) classifies the postal questionnaire within the group of self-addressed surveys, in which he also includes the survey via electronic mail or fax.

[2] We have found empirical studies on cooperation and learning where the sample size is similar to this one, such as that published in the *Strategic Management Journal* by Kale et al. (2002) with 78 firms; Colombo (2003) with 67; Lane et al. (2001) with 78 JVs; and Lane and Lubatkin (1998) with 69.

Table 1 Technical datasheet of the empirical research

Population and scope of the research	1,210 firms
Sample size	74
Confidence level	90% p=q=0.5
Sample error	± 9%
Sampling procedure	Convenience sampling
Geographical scope	International
Sample unit	Firms that have carried out a *JV*
Type of interview	Structured questionnaire in web format and/or in Word format, at the choice of the interviewee
Person interviewed	Manager of the firm involved in the *JV*

In this case, the sample is made up of sample units that are assessable or favourable (Miquel et al. 1997: 146)

with the result that two items had to be removed: item 2 (in factor 1) and item 4 (in factor 2). Once these had been eliminated, we applied the factor analysis once more and verified that now the KMO reached a value of 0.568 (and is therefore higher than the 0.5 threshold). In addition, the p value is less than 0.01 (p=0.005) (see Table 3).

We applied an exploratory factor analysis as no previous empirical data exist on the activities carried out in the framework of CE where these variables are measured. Therefore, there are no validated measurement scales for the variables analyzed herein, as this stream of research is still in its infancy. The objective of the study is to contribute to the first step of passing from a purely descriptive stage to a more exploratory one. In this study, we have proposed certain hypotheses for contrast, obtaining a number of results, which we will go on to discuss.

Once we had opted for this type of analysis, we decided to establish the number of factors at three, in order to verify whether they corresponded to the three types of activities described for CE, as we proposed in the theoretical framework, to see if we could identify them empirically.

Table 2 Frequency of the reasons for carrying out a JV in the sample studied

Factors	Main reasons for establishing a JV	Percent (%)
F1	1. To grow in size in part of their activity (production, purchases, distribution, commercial activity,…)	61.2
F1	2. Reduction in costs and improved efficiency	32.8
F1	3. New market entry at an international level	49.3
F2	4. New market entry at a national level	31.3
F2	5. Entry into new lines of business and sectors	37.3
F2	6. To learn new knowledge and/or behavior	40.3
F3	7. To develop product or process innovation	31.3
F3	8. Technology transfer	25.4
F3	9. To improve flexibility (outsourcing of functional activities or part of them)	23.9

Table 3 KMO and Bartlett tests

Kaiser-Meyer-Olkin sample suitability test		0.568
Bartlett sphericity test	Approximate chi-squared	41.398
	gl	21
	Sig.	0.005

With a view to ensuring the significance of the results of the factor analysis, we can see that more than 60% of the variance is explained by using three factors (see Table 4), and thus the solution of using three factors appears to be adequate.

Those values whose factors were greater than 0.60 were retained from the matrix of rotated components (Table 5).

The classification in each of the three groups has been done bearing in mind the highest factor value reached by each of the items in comparison to each of the factors that resulted from the analysis. We go on to discuss these three factors:

Factor 1: Strategic renewal represented by item 1 (growth in part of the activity, 61.2%) and item 3 (entry into new international markets, 49.3%) are two of the items that carry greater weight from among the various reasons for participating in a JV. The first of these (item 1), implies the possibility of obtaining large savings in terms of costs due to economies of scale and economies of experience, as well as developing greater negotiation power and searching for new ways of increasing turnover. The second (item 3) reflects the motive of internationalization and, in particular, reflects the search for new markets for existing products by exploiting gaps and opportunities in new geographical markets. Bearing in mind that 82.4% of the firms in the sample are internationalized, both reasons are oriented towards the continuous search for strategic renewal.

Factor 2: The creation of a new organization for new activities is represented by item 5 (entry into new lines of business and sectors 37.3%) and item 6 (learning new knowledge and/or behaviour 40.3%). In some cases, a firm needs to learn certain knowledge and/or behaviour and can only do so from another firm that already possesses this knowledge, and thus a JV is one way of acquiring it or learning it. The creation of a JV with a partner for developing a new activity, be it related or not to any of the firm's current activities, entails the necessary learning to be able to successfully compete in that activity and, therefore, also involves acquiring new knowledge that must be inserted into the organizational routines of the entrepreneurial, possibly in a relatively short period of time in the interests of reducing risks.

Factor 3: Innovation is represented by the items that carry the least weight of all those analyzed in this study: item 7 (development of product or process innovation, 31.3%), item 8 (technology transfer, 25.4%) and item 9 (improvement in flexibility through the outsourcing of certain functional activities or part of them, 23.9%).

A first analysis indicates that the JV is not a common option for the "improvement of flexibility", and the same is true for "technology transfer", as we can see in

Table 4 Total explained variance method: principal component analysis

Component	Initial values			Sum of the squared saturations of the extract			Sum of the squared saturations of the rotation		
	Total	% of the variance	Accumulated %	Total	% of the variance	Accumulated %	Total	% of the variance	Accumulated %
1	1.877	26.819	26.819	1.877	26.819	26.819	1.513	21.608	21.608
2	1.228	17.547	44.365	1.228	17.547	44.365	1.386	19.806	41.414
3	1.118	15.966	60.332	1.118	15.966	60.332	1.324	18.918	60.332
4	.892	12.741	73.072						
5	.729	10.411	83.483						
6	.643	9.181	92.664						
7	.514	7.336	100.000						

Table 5 Matrix of rotated components

Variable	Factor 1	Factor 2	Factor 3	Comunalidades
1. Growth in size in some part of the activity (item 1)	0.812	0.130	−0.043	0.679
2. Entry into new international markets (item 3)	0.683	−0.132	0.268	0.655
3. Entry into new lines of business and sectors (item 5)	−0.270	0.753	0.067	0.644
4. Learning new knowledge and/or behaviour (item 6)	0.393	0.735	0.013	0.696
5. Developing process or product innovation (item 7)	0.153	−0.038	0.650	0.601
6. Technology transfer (item 8)	−0.32	0.030	0.814	0.665
7. Improvement in flexibility (outsourcing of an activity) (item 9)	0.091	0.424	0.590	0.637

Table 2. An explanation for this fact may be that not all forms of cooperation are appropriate for fostering innovation; in terms of cooperation, there are other forms that are more frequently used for innovating.

Contrast of hypotheses and analysis of results

In order to contrast the hypotheses put forward in this study, we applied the ANOVA technique using the SPSS 17.0 program. Prior to the ANOVA analysis, we verified the conditions of applicability via the Levene test and checked that the significance value was above 0.01, and therefore the homoscedasticity hypothesis was confirmed, ensuring that the ANOVA results are consistent. Table 6 summarizes the results of the regression analysis.

The first hypothesis (H1) is confirmed, and thus there is a direct and positive relation between strategic renewal and participation in a JV. According to the results, this factor carries the greatest weighting form among the different activities that characterize CE. We can say that growth in size in part of the activity and entry into new international markets are important reasons for undertaking strategic renewal through participation in a JV.

The second hypothesis is also confirmed (H2), and therefore we can state that carrying out a new activity (Corporate Venturing) is directly and positively related to participation in a JV. This form of cooperation allows for a reduction in the time needed and the risk involved in a new line of business or entrepreneurial activity, as the risk of the investment is shared with the partner whilst the firm can learn and exploit new, specialized knowledge obtained from the partners in the new activity.

Table 6 Regression analysis

Independent variables	Typified beta coefficients	t	Sig.
Factor 1	0.959***	45.816	0.000
Factor 2	0.200***	9.539	0.001
Factor 3	0.095	1.648	0.138
	Adjusted R^2=0.968		
	F=736.841; p=0.000		

*p<0.05; **p<0.01; ***p<0.001

However, our third hypothesis (H3) is rejected. The JV does not appear to be an acceptable cooperation option for entrepreneurial firms when it comes to developing innovation. Other cooperation agreements, such as spin-offs (Wallin and Asa 2006; Ferrary 2008), or outsourcing (Kooli et al. 2010; Kumar and Subrahmanya 2010) are more widely used for this type of activity. In this sense, Martínez-Noya and García-Canal (2010) state that there is a tendency amongst firms, even hi-tech ones, to outsource services belonging to the R+D process, particularly in the more critical, costly stages. The explanation lies in the idea that other modes of cooperation are preferred to JV by firms who wish to innovate when their resources are complementary to those of the intended cooperation partner (Harrison et al. 2001; Chen and Chen 2003; Mayrhofer 2004), in addition to the fact that other modes can imply less commitment of resources (Benavides 2007). The option of forming a JV is determined by the capacity of the entrepreneurial firm to process the technological knowledge to be acquired and by the degree of complementarity between the resources and knowledge contributed by the partners (Garette and Dussauge 2000; Comino et al. 2007). The existence of previous, similar knowledge is a necessary condition for new knowledge to be assimilated via a JV (Lane et al. 2001).

It should be underlined that factor 1 is closely linked to factor 2 since, in the case of entry into new markets at an international level, it is also considered, in a broad sense, as knowledge learning, involving the acquirement of knowledge on the functioning of new markets, getting to know customers, suppliers, manpower, relations with institutions etc. Many JVs are created to enable entry into foreign markets. The creation of a JV with a local partner makes up for a lack of knowledge of the new market, and is thus a quick form of development. The lack of experience and knowledge of the host country is one of the principal motives for the creation of international JVs.

Conclusions

Part of the literature on entrepreneurship has focused on knowing the reasons that motivate an individual or an organization to undertake entrepreneurial activity or, in other words, what spurs entrepreneurs to act. This study has attempted to contribute to existing knowledge as to the motives for entrepreneurship through cooperation, and more precisely, to understand the reasons why entrepreneurial firms take on different activities that are characteristic of Corporate Entrepreneurship, i.e. strategic renewal, Corporate Venturing and innovation through a JV.

Using a study of 74 JVs, our results indicate that the JV is used by the entrepreneurial firm to implement strategic renewal and Corporate Venturing; but that, contrary to what a review of the literature had led us to expect, the JV is not an option used by the entrepreneurial firm to undertake innovation, as other forms of cooperation appear to be preferable to achieve this goal.

The JV can allow the entrepreneurial firm to quickly obtain the resources and capabilities necessary for new business creation and, in particular, to embark on strategic renewal, as well as develop a new activity. With regard to strategic renewal via a JV, the entrepreneurial firm attempts to grow in size in part of its activities, for example, in order to strengthen its position in comparison to competitors, suppliers and customers; or alternatively, it is used as a means of accessing new international markets. In the second case (developing a new activity), the JV is employed by the entrepreneurial firm to make available the necessary resources and capabilities for successfully entering a new sector.

Additionally, our results indicate that the JV is not used as an option for undertaking innovation. In this sense, research suggests that there is a greater tendency to use other forms of cooperation in cases where there is a high level of complementarity between the resources contributed by the partners.

Via this study, we have related the use of a particular mode of cooperation, JV, with the reasons for embarking upon activities that are characteristic of Corporate Entrepreneurship. Our study is thus in accordance with that of other researchers, such as Teng (2007), in finding and relating connections between two fields, namely Entrepreneurship and Strategic Management, which have evolved along parallel lines.

We would also like to highlight the limitations of the study. The small size of the sample, despite being sufficient for the tools of analysis used, obliges us to be cautious in interpreting the results.

Finally, this research focuses on a particular mode of cooperation. Subsequent investigation should broaden the study to other modes of cooperation, which would allow for an analysis of the different forms of alliances and each of the activities associated with CE.

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