Characteristics of Immigrant Entrepreneurs and Their Involvement in International New Ventures

WHAT IS THIS RESEARCH ABOUT?

Immigrant entrepreneurs are often characterised as experiencing a push towards self-employment. Barriers that immigrant entrepreneurs may face are embedded in government policy and in the labour market, including discrimination. Common success measures of barrier-based immigrant entrepreneurs focus on survival rather than growth and capitalization.

However, from an opportunity-based view, immigrant entrepreneurs could have considerable human resources relevant to the development of international new ventures. This may include international knowledge, experiences, and contacts, which would promote stronger success measures related to growth and revenues. Therefore, immigrant entrepreneurs may operate on an international business playing field, employing their international human resources, such as education, connections, and experience, to identify and exploit new international business opportunities.

In this research, the role of immigrant entrepreneurs is questioned. It asks, what is the significant role of immigrant entrepreneurs in international new ventures? What is the suitability of immigrant entrepreneurs for the development of international new ventures?

WHAT DID THE RESEARCHERS DO?

Francine Schlosser and Roxanne Zolin from the Odette School of Business at the University of Windsor looked at 561 young firms in Australia to understand the involvement of immigrant entrepreneurs in international new ventures.

The researchers used data from the Comprehensive Australian Study of Entrepreneurial Emergence. This is a study of nascent, young, and high profile firms in Australia, a country where 25 percent of its population are first-generation immigrants. The researchers drew data on 561 young firms from the study project database. Importantly for the study, this methodology allowed for the random capture of active nascent and young ventures, thus gaining a more representative sample than most other survey methods.

The researchers in this study looked at immigrant entrepreneurs in international new ventures. Their data analysis focused on studying immigrant entrepreneurs’ team, university education, depth of international experience, entrepreneurial experience, international connections face to face, international connections mediated by technology, and technical capability.

WHAT DID THE RESEARCHERS FIND?

The researchers found that immigrant entrepreneurs are overrepresented in international new ventures and have many characteristics known to facilitate success, including more founders,
university degrees, international connections, and technical capability. They also found the following:

- Immigrant entrepreneurs operating international new ventures developed even more international connections than native entrepreneurs operating international new ventures.
- A significantly higher percentage of immigrant entrepreneurs in the sample leveraged their international human resources to develop international new ventures than would be expected by their numbers in the population.
- Immigrant entrepreneurs were over-represented in the possession of some of the characteristics associated with international new ventures including having a university education, depth of international experience, developing face-to-face international connections, and greater technical capability.
- INV characteristics that were not significant were developing technology-mediated international connections and number of businesses currently owned, which reflected entrepreneurial experience.

In summary, these results flagged a clear pattern supporting the role of immigrant entrepreneurs in international new ventures.

**HOW CAN YOU USE THIS RESEARCH?**

This research can be used governments as it has implications for immigration policy, economic policy and the efficient use of a nation’s human capital. This research challenges a necessity-based stereotype of immigrant entrepreneurs by identifying areas in which immigrant entrepreneurs have natural competitive advantages over native entrepreneurs. Ultimately, this suggests how countries might optimally use their immigrant human capital.

Managers can also use this research. A common issue is the underutilization of immigrants, who immigrate only to find that their skills and experience may not be transferable to the domestic market of their adopted country. This research identified areas in which immigrant entrepreneurs have natural competitive advantages over native entrepreneurs.

**CITATION**


**KEYWORDS**

Immigrant Entrepreneurs, International New Ventures, Australia, Competitive Advantage

**WHAT YOU NEED TO KNOW**

From an opportunity-based view, immigrant entrepreneurs could have considerable human resources relevant to the development of international new ventures, such as international knowledge, experiences, and contacts, which would promote stronger success measures related to growth and revenues.