SEE PARIS AND FOUND?- THE EFFECT OF INTERCULTURAL EXPERIENCE ON ENTREPRENEURIAL OPPORTUNITY RECOGNITION (INTERACTIVE PAPER)

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Principal Topic
Migrant and ethnic entrepreneurship are increasingly seen as driving forces of regional economic growth in the US and Europe. Immigrants are overrepresented among company founders in technology parks (Saxenian, 1999, 2008) and more often self-employed than similarly skilled native-born workers (Borjas, 1986, Fairli & Meyer, 1996). Several explanations have been suggested, focusing on personal resources of migrants (e.g. demographic traits) or structural factors (e.g. ethnic opportunities). The goal of our study is to look at a new way to explain this phenomenon: improved opportunity recognition as consequence of the exposure to a foreign culture.

We hypothesize that the exposure to a culturally different context creates a learning environment for opportunity recognition. This learning process is realized on two levels: (1) intercultural experience allows the sojourner to build a more diverse knowledge pool. By interacting with a new business environment she can acquire knowledge about new markets, customer problems and ways to solve problems, allowing the brokering of knowledge about attractive opportunities. (2) Sojourners can also experience an increase in cognitive flexibility (Scott, 1962). A cognitive flexible problem solver is associated with considering several alternative interpretations to a given task, thus developing more and more creative solutions (Krems, 1995).

Method
The above stated propositions are being tested in an experimental setting among over 800 business students who have voluntarily applied for a study term abroad. Interpreting the term as treatment allows the comparison of students before and after an intensive intercultural experience within the logic of a natural experiment (Meyer, 1995). For the measurement of opportunity recognition capability, an understanding of opportunity recognition as a creative process is employed. Participants are asked to detect opportunities in given scenarios in a two stage process: 1) active search for opportunities, 2) evaluation and refinement of the most promising opportunity identifies in step 1. Opportunities are then evaluated by expert raters.

Results and Implications
As the study is currently being carried out, results will be available at the conference. First results indicate that students who have completed a term abroad are indeed able to identify more novel opportunities than comparable students before their stay abroad.

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