HUMAN RESOURCE CHARACTERISTICS OF INTERNATIONAL NEW VENTURES: THE ROLE OF IMMIGRANT ENTREPRENEURS (INTERACTIVE PAPER)

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Principal Topic

Immigrant entrepreneurs (IE) are often characterized as experiencing barrier-based (push) self-employment. From an opportunity-based view immigrant entrepreneurs could have considerable human resources relevant to the development of international new ventures (INV). Momentum is growing to study how INV develop. International experience is one of the human resource characteristics linked to international sales in INV. In this new perspective immigrant entrepreneurs 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 study we question the role of immigrant entrepreneurs in starting INV.

Method

To investigate the role of immigrant entrepreneurs in INV, we use data from CAUSEE, to study 561 young firms in Australia, a country where 25% of its population are first generation immigrants.

Results and Implications

Our results indicate that a significantly higher percentage of immigrant entrepreneurs start INVs than would be expected by their numbers in the population. IE are also over-represented in possession of characteristics associated with INV, including having a university education, depth of international experience, more face-to-face international connections and greater technical capability. Other INV characteristics that were marginally significant include starting with a greater number of founders, entrepreneurial experience, and industry experience. This research makes a contribution to the theory of immigrant entrepreneurship by identifying the significant role of immigrant entrepreneurs in INV and the suitability of the immigrant entrepreneurs for the development INV. Our study has large implications for immigration policy and economic policy and the efficient use of a nation’s human capital. 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 challenges a necessity-based stereotype of immigrant entrepreneurs by identifying areas in which immigrant entrepreneurs have natural competitive advantages over native entrepreneurs. We examine how countries might optimally use their immigrant human capital. More research is needed to replicate this study in other high immigration countries, such as the USA and Canada.

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