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LINKAGES BETWEEN RISK PERCEPTIONS AND OPPORTUNITY AMONG HIGH-GROWTH INDIAN AMERICAN IMMIGRANT ENTREPRENEURS (SUMMARY)

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Principal Topic

Several recent studies have evidenced that Indian American immigrant entrepreneurs have been playing an increasingly important role in the economic growth in the United States. Despite the extraordinary success achieved by Indian American immigrant entrepreneurs of Indian origin in the high-tech industries (Hart et al., 2009; Saxenian, 1999, 2006), the key cognitive and behavioral drivers of their success remain largely unexplored. The purpose of this qualitative study was to explore the linkages between the perceptions of risk and opportunity among Indian American immigrant entrepreneurs.

Method

The current study involved an in-depth qualitative exploration of entrepreneurial cognitions, behaviors, and cultural factors involved with perceptions of risk among high-growth Indian American immigrant entrepreneurs. With the use of a multiple-case study research design our study took into account the call by experts that the domain of entrepreneurship must focus on high-growth entrepreneurs by the use of in-depth, descriptive, and theory-building approaches (Davidsson, 2008; Bygrave, 2007). Our study involved 5 cases of high-growth firms that were ranked in the 2009 Inc 500 list that had an Indian American founder, was in the high-tech industries, had been in business between 5 and 10 years, and was located in the East Coast of the United States. Data were collected from multiple sources using a triangulation strategy, including interviews with the entrepreneurs and key informants, public sources, and company records.

Results and Implications

We found that the primary sources of opportunity for Indian American immigrant entrepreneurs was prior work experience in the U.S. and ethnic social and professional networks. Secondary sources included co-workers in the U.S. In all the 5 cases entrepreneurs focused their attention on a single unique opportunity that they had deep knowledge about through prior work experience in the United States, which they perceived to be most feasible and desirable. Indian American immigrant entrepreneur routinely undertook financial risks, however in their mind the separation of traditional (financial, market, opportunity cost etc.) from nontraditional risks (reputation of self and family, relationship with key employees, etc.). In all 5 cases entrepreneurs as well as key employees attributed greater importance to nontraditional risks. The separation of traditional risks from nontraditional risks seem to be an interesting extension of the literature that is worthy of closer examination by use of quantative methods.

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