

THE INTERNATIONALISATION OF IMMIGRANT ETHNIC ENTREPRENEURS

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the degree of

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by

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DEDICATION

This thesis is dedicated to Djordje “Potato George” Vukicevic.

A much loved and greatly missed immigrant ethnic entrepreneur who passed away at 54 years of age.

Inspired by his paternal grandfather’s experience of immigrating to the USA for a short period of time, he always dreamt of living overseas. This desire coupled with his opposition to the prevailing Communist ideology and practices in Serbia drove Djordje to search for a new life. With his best friend Milan by his side, he immigrated to Australia in September 1988 as a qualified mechanical engineer with extensive experience as the Chief Maintenance Officer for the Belgrade tram system. No employment opportunities in his field saw Djordje find employment with an Italian importer of luxury goods and linen. He then sold continental smallgoods, books, insurance, delivered breads and cakes and even worked as a taxi driver. Four years after arriving in Australia, he found success in selling baked potatoes at markets and events. This enabled him to live a humble life with Ljiljana and support his mother and son in Serbia.

For 20 years “Potato George” brought much joy, laughter and friendship to my family and the Fisherman’s Wharf Market at Port Adelaide, South Australia.

DECLARATION

This work contains no material which has been accepted for the award of any other degree or diploma in any university or other tertiary institution to Melanie Smans and, to the best of my knowledge and belief, contains no material previously published or written by another person, except where due reference has been made in the text.

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ABSTRACT

This study focuses on immigrant ethnic entrepreneurs and their involvement in international business (IB) activities. This is a growing area of research in the IB field which has commonly focused on the internationalisation process with little attention being given to how immigrant ethnic entrepreneurs may implement such a process. Thus the broad research problem of this study is ‘how do immigrant ethnic entrepreneurs internationalise?’

An extensive and critical literature review revealed that, relying heavily on the network perspective (Blankenburg 1995) and social network theory (Burt 1992; Granovetter 1985), the existing immigrant ethnic entrepreneur research has examined their membership of the ethnic labour pool (Chrysostome 2010) and the prevalence of their self-employment in the ethnic market (Piperopoulos 2010) and non-ethnic market of the country of residence (Ilhan-Nas, Sahin & Cilingir 2011). Limited research explores immigrant ethnic entrepreneurs’ involvement in IB activities; that which does focuses on their use of ethnic and kinship ties and their link to the country of origin to explain their internationalisation (Jean, Tan & Sinkovics 2011).

Relying primarily on the network perspective (Blankenburg 1995), upper echelons theory (Hambrick & Mason 1984) and institutional theory (North 1990; Scott 2008), research has emphasised how various factors drive an entrepreneur to internationalise (Abebe & Angariawan 2011) and the process by which firms become more involved in IB activities (Johanson & Vahlne 2009). Two aspects of the process have received particular attention – the identification of international market opportunities (Kontinen & Ojala 2011) and the international market selection (Nasra & Dacin 2010). As yet little research has included consideration of immigrant ethnic entrepreneurs’ approaches to these aspects of the processes. Consequently, with a focus on the influence of networks, manager characteristics and institutions, this study explores the immigrant ethnic entrepreneur internationalisation process by addressing three questions. First, factors that drive the immigrant ethnic entrepreneur internationalisation process (How do managerial, firm and institutional level factors drive the process?) Second, how do immigrant ethnic entrepreneurs identify international market opportunities? Finally, how do immigrant ethnic entrepreneurs select international markets?

Australia was chosen as the context because it has a rich history of immigration, yet the economic contribution of immigrants in Australia has received little attention (Collins & Low 2010). Italian immigrant ethnic entrepreneurs were selected as the focus of the study as the Italian community in Australia is large, well-established and has had a positive economic impact (Cresciani 2003). While research has focused on examining Italians in Australia as a labour source and self-employers (Collins, Gibson, Alcorso, Castles & Tait 1995; Lampugnani & Holton 1989), their involvement in IB is yet to receive the same attention (Baldassar & Pesman 2005).

The qualitative analysis indicates that a combination of networks (the network perspective), manager characteristics (upper echelons theory) and institutional factors (institutional theory) drive the immigrant to consider internationalisation and influences the identification of international market opportunities and international market selection. This study shows that an integrated multi-theoretical explanation can result in a rich understanding of the internationalisation process. Based on these findings a conceptual framework is presented and contributes to the IB field as, to date, no such framework has been developed.