

BUSINESS OPPORTUNITIES AVAILABLE TO TRANSNATIONAL ENTREPRENEURS

P.S.KRISHNA RAJAN

E-mail: krishnarajan34@yahoo.com

Abstract— Transnational entrepreneurship is a phenomenon that has become possible in recent years due to revolutionary fast communication and transportation systems that allow for affordable frequent travel across countries and continents. Much like multinational corporations, entrepreneurs started exploiting opportunities between multiple countries, often expanding their business to a new market or creating a venture in another country based upon their existing networks and resources available to them from home.

Transnational entrepreneurs are migrant business owners, traveling abroad for business purposes and engaged in business activities, based on ties to a foreign country. Operating in two countries exposes the entrepreneur to more sources of information and can increase the ability of the entrepreneur to make connections and discover opportunities.

Studying the creation of new businesses by transnational entrepreneurs requires an understanding of the dynamic relationships that span a cross-cultural actor's multiple fields of activity. We can introduce a conceptual framework based on Bourdieu's theory of practice, which conceives of entrepreneurial action as guided by both structure and agency. The dialectical relations within the configuration of habitus, field and capital, are crucial for the understanding the creation of TE practices and their complex and sometimes contradictory values and outcomes.

The concept of habitus, an analytic construct explains the link between individual practices and the rules, structures and social categories which generate certain action, particularly helpful in understanding TE. We contribute to the notion of habitus in examine the spatial dimensions of habitus by studying situations whereby individuals possess two or more geographical contexts from which habitus is derived and put to use.

Aim of this study:

How transnational entrepreneurs use their dual background to recognize business opportunities. Finding a response to this research question would not only contribute to the literature by providing empirical data, but also allow us to judge, whether the transnational entrepreneur's background in fact adds value to ones opportunity recognition skill. This research adopts a case study approach to understand and analyze how the transnational entrepreneurs use their dual-background to evaluate and discover opportunities.

Methodology:

The methodology is to study the approach followed up by a pilot case study, sample selection, data collection and method of analysis.

Conclusion :

Based on the analytical approach, we can conclude that TE as a complex of cross-national fields with the social actor's habitus consisting of dual cultural, institutional and structural features, schemas and resources, through which entrepreneurs can formulate their strategies of action. The position of transnational entrepreneurs in their respective fields provides them opportunities and resources, from which they construct their cultural and social "tool-kit-of-a-kind." Thus the economic, social and cultural capital and the available resources at their disposal, make them strive to exert power over the organizational field at particular points in time to achieve individual and societal objectives

Keywords— Cultural Assimilation , Dynamic Relationships, Entrepreneur Gain, Habitus, Migrant business owners.

I. INTRODUCTION

Entrepreneurship is considered to be an emergent trend in the Global Scenario. Knowledge ,skill ,talent, potential hardworking nature and innovative ideas of an individual makes him to succeed in his life. As we know after education, individual either go for a job or start a small business. There may be a suppression of Individual potential capabilities while he is working in an Organization. The reasons may be Managers ego and Organization pressure ,colleagues and peers competitive nature and sometimes policies and procedures of an Organization.

At this juncture ,the scope of entrepreneurship plays a vital role in an individual prospects at Global scenario. As we can see in the recent past ,there is a Global economic and social crisis .Addressing this concern may be of prime importance. For this on one hand there is a need for the development of

Competitiveness among individuals based on individual potential characteristics(Knowledge ,skill, talent, and ability to think) and on the other hand it is necessary to gather all the resources in order to meet today's challenges in the world.

Some of the different kind of resources include:

- Human-Education, Knowledge and skill.
- Financial Prospects-Savings ,Investments, Foreign Direct Investment.
- Networking: Relationship(Friends, relatives, institutions and Goodwill) play an very important role for an Organization Endeavour.

All the mentioned resources provide a competitive advantage in developing entrepreneurship among the migrants. The main concept of transnational entrepreneurship is that by going abroad, migrants

acquire new knowledge, skills ,talent and of course contacts. With this they become familiar with global trends in their area of expertise and helps them to think better on research and innovation.

II. OBJECTIVES OF THE STUDY

The Objective of the study is to know the Scope, Opportunities, limitations and how transnational entrepreneurs use their dual back ground to recognize themselves in Global Scenario.

This paper addresses why, how and when individuals pursue new ventures ,relying on abilities and Opportunities from the exploitation of resources ,both social and economic ,in more than one Country. Also we would understand the comparison of Transnational entrepreneur with Ethnic Entrepreneur, International and Returnee Entrepreneur.

DIASPORA NETWORKS IN INTERNATIONAL BUSINESS AND TRANSNATIONAL ENTREPRENEURSHIP:

A Diaspora is a large group of people with a similar heritage or homeland who have since moved out to places all over the world. The term Diaspora comes from an ancient Greek word meaning "to scatter about."

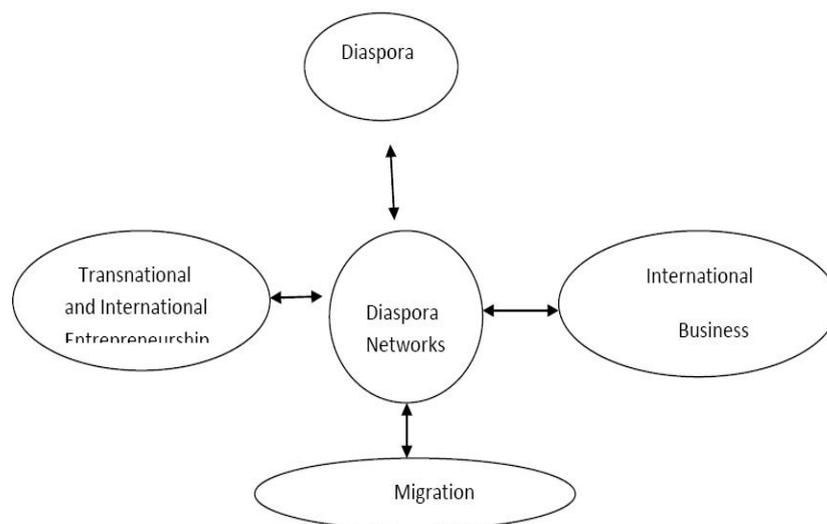
Diasporans are migrants who move on from one place to other place, regroup and settle down in different places. They are in a continuous state of formation and reformation (Cohen 2008: 142).

Networks are social formations of actors (nodes) that are interlinked by some ties (bonds, links) (e.g. Wellman & Berkowitz 1988). A network is a set of nodes and the relationships that connect these nodes (Håkansson & Ford 2002).

Diaspora networks are a tool that plays an important role in reducing the costs of brain drain by fostering cooperation and conveying knowledge and skills as well as collective and business investment (Dayton-Johnson et al. 2009).

It may be necessary to know the underlying developments of globalization. Diaspora networks represents an invisible actor in international business (IB), and paves a channel for transnational entrepreneurship (TE). Thus, understanding diaspora networks and exploring their business potential is important. These networks has an impact on economic activity, such as, entrepreneurship, innovation, investment, expansion, diversification and creation of international businesses.

The theoretical framework and "location" of diaspora networks



III. LITERATURE REVIEW AND THEORITICAL FRAMEWORK

1. Defining the Transnational Entrprenuer:

Transnational entrepreneurs are defined as migrants who are involved in border-crossing business practices that span their home and host country (Lin, 2012). They leverage their networks and resources from the country of origin, establish business links with the country of destination and as a result - exploit opportunities that might not be recognized otherwise (Drori et al., 2009).

Transnational entrepreneurs are "social actors who enact networks, ideas, information, and practices for

the purpose of seeking business opportunities or maintaining businesses within dual social fields, which in turn force them to engage in varied strategies of action to promote multiple social fields, which in turn force them to employ a variety of strategies to promote entrepreneurial activities and the social changes" (Drori et al 2010:4).

Going deeper into the subject, Drori et al. (2009) formulate a theoretical framework towards TE.

There are five factors that influence transnational entrepreneur's individual capabilities and the resources:

1. Agency :

Agency approach highlights transnational entrepreneurs' embeddedness in both contexts of home and host country.

2. Cultural Perspective :

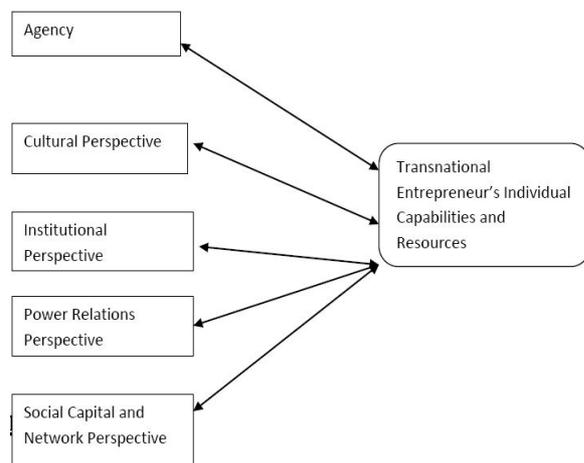
Cultural perspective views the cultural repertoires transnational entrepreneurs use for their entrepreneurial actions. Through the multi-culture acquired by the entrepreneurs, they are able to elaborate, adapt, or modify the rules to novel circumstances.

3. Institutional Perspective:

In general, institutional are categorized based on different market economies (viz: developed and emerging Countries). Since each type of market economy requires different strategies to operate, understanding Transnational entrepreneurship from an institutional perspective will help the migrants the underlying logic ,actions, practices, and rules that govern and coordinate organizational and human activities .

4. Social Capital and Network Perspective:

Transnational Entrepreneur includes three domains Network of origin, destination, industry (Drori et al., 2009). For transnational entrepreneurs, acquiring new network in their adopted country (along with their home country's network) will increase their capabilities to exploit various opportunities.

FACTORS INFLUENCING TE AND THEIR OUTCOMES: (Source: Drori et al., 2009)**METHOD****Methodology:**

The methodology is to study the approach followed up by a pilot case study, sample selection, data collection and method of analysis.

APPROACH:

The purpose of this research is to establish the relationship between the transnational entrepreneurs' dual background and their opportunity recognition

skills. In order to do that, core consistencies, themes and patterns in the entrepreneurs' background and behavior are identified by exploration . Obtaining such a rich, detailed and personal information requires the use of a qualitative approach and Face-to-face interviews to collect information as they are considered the „golden standard“ for qualitative research .

LIMITATIONS:

1. 1.They may be influenced by retrospective bias. In retrospect, the world around us is always meaningful to us and the meanings we give to things influence our perceptions and actions.
2. 2.The results of this study may be influenced by personal perceptions and analysis of the information provided during interviews.

PILOT CASE STUDY:

Pilot studies or feasibility studies in social science research are used to 'try out' particular research instruments .

DATA COLLECTION :

Interviews may conducted in person or over Skype, using a general interview guide prepared beforehand. In order to enhance the creative potential of the study and to add our individual perceptions and viewpoints on the findings and results, the data may be analyzed and coded independently and the findings - discussed to reach conclusions. In order to assure consistency in the coding of the data, a constant comparative method may be implemented (Zhang, 2009).

The information that can be filtered :

- 1) The background of the entrepreneur:
 - a) Family
 - b) Country
 - c) Education
 - d) Professional experience
 - e) International experience.
- 2) The opportunity recognition process
 - a) The source of the business idea - when and how it appeared
 - b) Feasibility analysis - factors influencing his/her decision to start the business and register a company.
- 3) The transnational startup process
 - a) Their competitive advantage
 - b) Leveraging personal networks
 - c) Using their international background.

FINDINGS:

Based on the above description the following findings may be discussed:

The main rationale behind any Company starting their business Overseas is to establish and expand its business and serve the society in the future Endeavour.. For a migrant to start a business various activities include trading (exporting and importing its goods and services); manufacturing and marketing as well as outsourcing for production and marketing. The main reason for making such overseas investments is to explore business opportunities abroad and take advantage of such opportunities. Foreign markets in both developed and developing countries provide enormous growth opportunities. For example, a number of Indian pharmaceuticals firms have achieved a much faster growth of their overseas business.

The various other reasons for investing abroad are:-

1.Competition 2.Government policies and regulations:3.Domestic demand constraints :

It helps the company to improve its domestic business, increase its market share and help establish the image of the company.

Further, the strategy relating to overseas business growth and development differs from that of domestic due to the differences in environmental factors..i.e. Political environment, Economic environment, Cultural differences and the legal system.

However, a firm which plans to invest abroad has to make a series of strategic decisions:-

1. The first decision is to identify the correct product and services suitable to the market conditions in the host country. That is whether there is a demand for that product or service in the long term. Data collection on potential customers plays an important role for an entrepreneur.

This helps the entrepreneur to understand customer's profile(family back ground, his job, financial position and his friends and relatives).Also by this data collection the entrepreneur can understand the purchasing power of an customer.

2 .The next decision of a migrant is to establish the company in the host country and whether to expand its business in abroad or not. This decision is based on consideration of number of important factors like:-

- a) Present market Opportunities and future prospects.
- b) Can the migrant withstand with the Market trends in the host country.
- c) Efficient and effective resources(Labor, machine, materials ,financial) available to the company which is constant for any Organization Endeavour.
- d) Establishment of effective customer relationship and servicing them should be an constant effort for an Entrepreneur.

- e) The migrant should not be only profit oriented .He should also think towards development of society along with his Organization.

3. Based on the confirmation on above decisions ,the entrepreneur should focus on legal aspects in establishing a Company. This include Licensing, exim policies, MOU ,Area to establish a company with all legal aspects.(terms and Conditions),finally approval from the government of that country to run the business.

CONCLUSIONS AND RECCOMENDATIONS

1. Transnational entrepreneurs are a heterogeneous group that may contribute to the development of various economic sectors. Their importance is reflected in the knowledge of global trends in their area of work, social networks that connect transnational environment, job creation, successful placement of products and services in the international market, often innovative approach to business, as well as business culture, which includes the value of legalism and meritocracy. It is therefore important to support transnational entrepreneurs through migration and development strategies, but also to engage them in the development and implementation of development goals.
2. Transnational entrepreneur are supposed to be unanimous in stressing the need to develop a stable social environment and strengthen institutions, improving the business climate and culture of entrepreneurship, as well as an enabling environment for entrepreneurship. Barriers to entrepreneurship that are most often mentioned may be: Unpredictability of the business and often changes of regulations without the involvement of businesspeople, excessive administration, high taxes, lack of affordable loans and financial support for the implementation of quality standards, unfair competition of those who work in grey economy, lack of information especially on the legal and economic issues, inability to charge services and lack of accountability of debtors, party connections and corruption, negative attitude towards entrepreneurs
3. Transnational entrepreneurs have pointed to the need for stronger incentives for small and medium enterprises that make up 99.8% of the enterprises (of which 95.6% are micro enterprises) and 65.5% of employees, including transnational companies..
4. Transnational entrepreneurs should be more active, form associations and/or engage in the existing ones and participate in the dialogue

with decision-makers in improving the business environment.

REFERENCES

- [1] Aldrich, H.E., Waldinger, R. (1990). Ethnicity and Entrepreneurship. Retrieved from Ethnicity and Entrepreneurship, Annual Review of Sociology ,Vol. 16: 111-135 (Volume publication date August 1990),DOI: 10.1146/annurev.so.16.080190.000551.
- [2] Drori, I., Honig, B., Ginsberg, A. (2010). Research Transnational Entrepreneurship: Retrieved from <https://scholar.google.co.in/citations> Volume 2006 (Volume Publication Date August 2006). Citing from an Online Journal.
- [3] Portes, A., Guarnizo, L. E., Haller W. (2002). Transnational Entrepreneurs: An Alternative Form of Immigrant Economic Adaptation. American Sociological Review, 67(2): 278–298.

★★★