Exploring Motivation to Become an Entrepreneur in Emerging Countries: Multiple Case Studies with Japanese Diaspora Entrepreneurs

Keywords:
Diaspora Entrepreneurship; Entrepreneurial Motivation; Grounded Theory; Emerging Countries

Abstract

This paper explores entrepreneurial motivation of Japanese Diaspora entrepreneurs conducting their business in emerging countries. While Diaspora entrepreneurs play an increasingly significant role in the modern transnationalyzing economy (Newland & Tanaka, 2010), previous scholars have predominantly focused on those who originate from developing countries and migrating to more developed ones. There are, however, also the entrepreneurs who originate from developed countries and establish their business in emerging countries. These people are almost invisible in the previous research even though their entrepreneurial activities are assumed to have positive impacts on the local economy. They transfer knowledge, resources and information from developed countries to emerging countries (Harima, 2014). In a first place, it sounds rather counter-intuitive that they move from richer and more secure contexts to apparently less attractive conditions. We know still very little about their entrepreneurial motivations. This paper takes a first step to investigate their highly complex motivations by conducting multiple case studies with Japanese entrepreneurs in several emerging countries. The central research question to be answered is: what drive Japanese Diasporas to become entrepreneurs in emerging countries? A grounded theory (Charmaz, 2014) approach will be chosen and the empirical data will be analyzed by coding with MAXQDA.

Diaspora Entrepreneurship

The Diaspora refers to the migrants and their descendants who maintain a strong relationship to their country of origin (Safran, 1991). In the previous decades, entrepreneurial activities of the

Diaspora have attracted interest from different academicians, practitioners and policy makers, as the phenomenon of migration is rapidly growing (Vemuri, 2014; Nkongolo-Bakenda & Chrysostome, 2013; Newland & Tanaka, 2010). According to the International Migration Outlook from OECD (2013), which represents 3.2% of the world's population. When migration continues to grow at the same pace as over the past twenty years, it is assumed to be 405 million migrants by 2050 in the world (International Organization for Migration, 2014). Needless to say, their economic impacts have gained the significance accordingly. Besides, diaspora entrepreneurship is different from other types of entrepreneurship in nature from the resource perspective. The Diaspora population is characterized by their mixed embeddedness (Kloosterman et al., 1999) which refers to their special constellation being embedded, both socially and culturally in their country of origin and country of residence. The mixed embeddedness allows the Diaspora to have cognitive diversity, various networks and further resources, which can be beneficial for their entrepreneurial activities.

Previous research, however, has not fully investigated the heterogeneity of the Diaspora phenomenon and predominantly focused on the Diaspora who migrates from developing or emerging countries to developed countries ('Ascending Diaspora Entrepreneurs'). Entrepreneurial activities conducted by this type of diasporans are often driven by income improvement or other types of necessities. Those who originate from developed countries are almost invisible in the previous research, even though they are empirically observable (cf. Elo, 2013; Horiuchi, 2010). Harima (2014) coined the term "Descending Diaspora Entrepreneurs" referring to such entrepreneurs by emphasizing on their positive potential economic and social impacts on the modern society such as transferring technology, knowledge as well as institutions from developed countries to less developed countries.

This type of entrepreneurs is assumed to have complex motivation. While Ascending Diaspora Entrepreneurs are often driven by the lack of attractive alternatives in their country of origin, Descending Diaspora Entrepreneurs make a decision to leave their country of origin, which apparently has many attractive vocational alternatives based on its strong economy and well-developed institutions. What make them decide to leave this save and attractive environment and to take a risk of becoming entrepreneur in developing/emerging countries? One possible explanation is exploitation of economic gaps between developed countries and emerging/developing countries. While the market of developed countries is stagnated and concentrated with a number of competitors, the emerging/developing countries still leave rooms to be developed and, therefore offer entrepreneurial chances. Furthermore, the people from developed countries are assumed to have higher relative income outside of their home country, as the average income lower in such markets. However, we still know very little about their motivation to become diaspora entrepreneurs and there seem to be a number of factors which explain their courageous decision. This study will explore what drive descending diaspora entrepreneurs to leave their country to become entrepreneurs in less developed countries. In order to gain more insight, the previous literature on entrepreneurial motivation is reviewed in the next section.

Entrepreneurial Motivation

Historically, primary motivations for starting a firm have been considered to be economic (Shumpeter, 1934). Thanks to the recent research attempts, however, we know that entrepreneurial motivation is more complex than simple economic reasons. Entrepreneurial motivations which previous scholars have discussed are classified mainly into two groups: (i)

intrinsic motivation, and (ii) extrinsic motivation. Entrepreneurs can have either intrinsic of extrinsic motivations, or both.

Intrinsic motivation refers to a personal interest in the entrepreneurial task (Carsrud & Brännback, 2011). The following elements of intrinsic motivation have been identified in the past (Birley & Westhead, 1994; Carter et al., 2003; Cassar, 2007; Shane et al., 1991): economic gain, desire for achievement, personal development, improved social status, opportunity to innovate and create new products, emulation of role model, and contribution to community welfare (Jayawarna et al., 2011).

Extrinsic motivations refers to an external reward that follows certain behavior. Reynolds et al. (2002) introduced the concept of necessity and opportunity entrepreneurship, which replaced their antecedents “push” and “pull” factors. Opportunistic entrepreneur is driven by the achievement of success through exploiting an opportunity for some form of gain, often believed to be economic e.g. expectations of market gain (Segal et al., 2005), while necessity entrepreneur are driven by survival oriented motivations e.g. a lack of employment opportunity (MacDonald, 1996). Opportunity-driven entrepreneurship has positive effects on business growth and business growth expectation than necessity-driven one (Zali et al., 2013).

Previous scholars tend to assume that Diaspora entrepreneurs are driven by necessities, by describing them as victims of social unfairness, unemployment or discrimination (Kloosterman et al., 1998; Enno et al., 2001; Deakins, 1999). Such arguments are, however, not applicable to Descending Diaspora entrepreneurs, as they voluntary migrate to less economically developed contexts.

Methodology

In order to explore entrepreneurial motivation of Descending Diaspora entrepreneurs, a multiple case study method is conducted in line with the principles by Eisenhardt (1989). A grounded theory (Charmaz, 2014) is thereby applied, as there is little evidence on descending diaspora entrepreneurs and their motivation dynamics are highly complex. 8 cases are conducted (6 are conducted and 2will be conducted in the next months) with Japanese diaspora entrepreneurs. Research objectives are carefully selected. Only Japanese diaspora entrepreneurs who left Japan in order to become entrepreneurs in emerging countries were chosen as samples in order to ignore the variations from country of origin and motivation for migration. Japan has one of the strongest economic power as indicated by its third highest GDP worldwide (IMF, 2014).

As for the data collection, different types of data including in-depth interviews with founders (and occasionally other related people like co-founders, employees and friends) and company documents as well as websites and on-site observations (in Chile, Argentina, Philippines) are used for the sake of data triangulation (Denzin, 1970). All the interviews are conducted either in Japanese or in English and transcribed. Transcribed data in Japanese is then translated into English.

The data is first analyzed narratively and then coded to identify rational patterns for theory buildings with the help of MAXQDA. Coding provides a means of purposefully managing, locating, identifying, sifting, sorting, and querying data (Bazeley, 2013). Since coding is entirely depend on close reading, codes should involve interpreting data within their context so that they can give meaning to data (Bazeley, 2013).

Conclusion

While the data collection/analysis is still in process, primary findings show that the Japanese entrepreneurs have highly complex motivation to become entrepreneurs in emerging countries. Some of them clearly see market opportunities, while others feel so ‘uncomfortable’ to live in their home country due to its economic and social situations that they left Japan. They are driven by substantial dissatisfaction as well as frustrations with the living conditions and environments in their country of origin. Some of the entrepreneurs who participated the case study also indicated the existence of so-called ‘middle-class dilemma’ (Horiuchi, 2010). This concept describes the people’s frustration that they never get out of the middle class regardless their educational backgrounds and vocational efforts. Some cases show that Japanese entrepreneurs were driven by social entrepreneurial motivation. In order to sort out their complex motivation, the data analysis will be conducted in a systematic way.

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