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# ***A THEORETICAL FRAMEWORK FOR MANAGERIAL STUDIES OF DIASPORA ENTREPRENEURIAL ORIENTATION***

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**Track 6: Project Management: Practices and Performance**

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## *Abstract:*

Our research proposes a conceptual framework for understanding diaspora entrepreneurship and outlines a future research agenda to advance the field. The diaspora entrepreneurship is a unique phenomenon that involves the creation and development of new ventures by members of a diaspora community, who draw on their cultural, social, and economic ties to their homelands to create economic opportunities in their host countries, or vice versa (Moskalu, 2018).

We propose a conceptual framework that includes three dimensions of the diaspora entrepreneurial orientation: diaspora networks, diaspora mindset and more specifically its psychological ownership and institutional context (rules, regulations, policies, cultural factors), to bridge the gap between theory, practice, and policy (Elo & al., 2022) by using an international business and entrepreneurship lens to analyze the diaspora entrepreneurship phenomena.

The two main scientific contributions of our research are 1) we have proposed a research design on diaspora entrepreneurship for the creation of public value, with an unprecedented intersection articulating different dimensions of the phenomenon of entrepreneurship; and 2) we have designed the future research agenda on diaspora entrepreneurship.

*Key words: diaspora entrepreneurship, entrepreneurial situation, entrepreneurial orientation, trust, entrepreneurial support, social capital.*

## **A THEORETICAL FRAMEWORK FOR MANAGERIAL STUDIES OF DIASPORA ENTREPRENEURIAL ORIENTATION**

The concept of diaspora has been a topic of increasing interest in recent years, as the number of people living outside their home countries continues to rise. This phenomenon has been linked to a variety of outcomes, including economic development and the emergence of new business opportunities.

### **THE RESEARCH CONTEXT**

"Diaspora" is a term used to describe a dispersion or scattering of people from their original homeland or geographic region to other parts of the world. The term comes from the Greek word "*diaspeirein*," which means "*to scatter*" or "*to disperse*". The concept of diaspora has been used to describe a wide range of historical and contemporary movements of people, including forced migration, voluntary migration, and economic migration.

Stoyanov & al. (2018) defines "diasporians" as "*immigrants and emigrants, including their descendants, who feel attracted by the country of their origin and maintain strong emotional relationships with it*". Diaspora communities can be spread across the world and often maintain transnational connections and networks, including economic, political, and cultural ties with their homelands. These connections are facilitated by modern communication technologies and transportation systems (Moskalu, 2018).

In other words, diaspora is a "*transnational community whose members (or their ancestors) emigrated or were dispersed from their original homeland but remain oriented to it and preserve a group identity*" (Grossman, 2019). In addition, it should also be understood that the host country of the diaspora, and in our case, diaspora entrepreneurs is the country to which they migrated to; and the home country is the country from which they migrated (Krasniqi, Williams, 2019).

Questions that have emerged over the past few decades address the differences, the "otherness" of migrants and diasporans as international entrepreneurs and approach internationalization from a variety of angles, bringing new empirical insights into the research on entrepreneurship. The complexity of their contextual setting, which extends beyond the area of their primary activity, needs to be highlighted, particularly in research on immigrants, migrants, and diasporans and their entrepreneurship (Moskalu, 2018).

### **THE PROBLEM AND THE THEORETICAL AND METHODOLOGICAL POSITIONING**

Our research problem focuses on the link between the entrepreneurial spirit of the diaspora and the creation of public or social value, the main question being the outline of the design of research on entrepreneurship in the diaspora.

As for the methodological positioning, this contribution is the result of action research (fifteen years of work and observation "in immersion"), with a deliberate action to transform reality. This research was carried out with a double objective: to transform reality and to produce knowledge concerning these transformations.

Roy & Prevost (2013) consider that action research is a "*research approach attached to the paradigm of pragmatism which starts from the principle that it is through action that we can generate scientific knowledge useful for understanding and changing the social reality of individuals and social systems*". In other words, action research finds its roots in action, in the need to act to change things.

While the traditional research process follows a linear path, action research adopts a more cyclical approach, the researcher must give himself the means to take a reflective look at the action as it unfolds.

We have therefore completed the theoretical framework of research on diaspora entrepreneurship with the contributions of Moskalu (2012) who demonstrated the key role of trust and social capital for the creation of intellectual capital, and ultimately for the value creation. This research demonstrates theoretically and empirically that intellectual capital is made up of human capital (knowledge and skills that belong to everyone) and social capital (based on trust that allows people to cooperate).

A strong social capital allows the actors involved to share their ideas and their knowledge more easily and thus creates the conditions necessary for the development of collective intelligence. This theoretical paradigm allows us to rethink the success factors of the collective intelligence of the diaspora entrepreneurship, in full expansion of the new sharing economy paradigm which requires strong investments in human capital, and where cooperation and trust are the major components for the value creation.

This in-depth analysis of the issue of trust as the strong element of social capital (at the heart of value creation) highlights its determining factors (which "create" trust) by highlighting the essential qualities that the Diaspora entrepreneur must develop to generate trust (competence, transparency, integrity and benevolent support) within the network.

## **THE CONCEPTUAL FRAMEWORK**

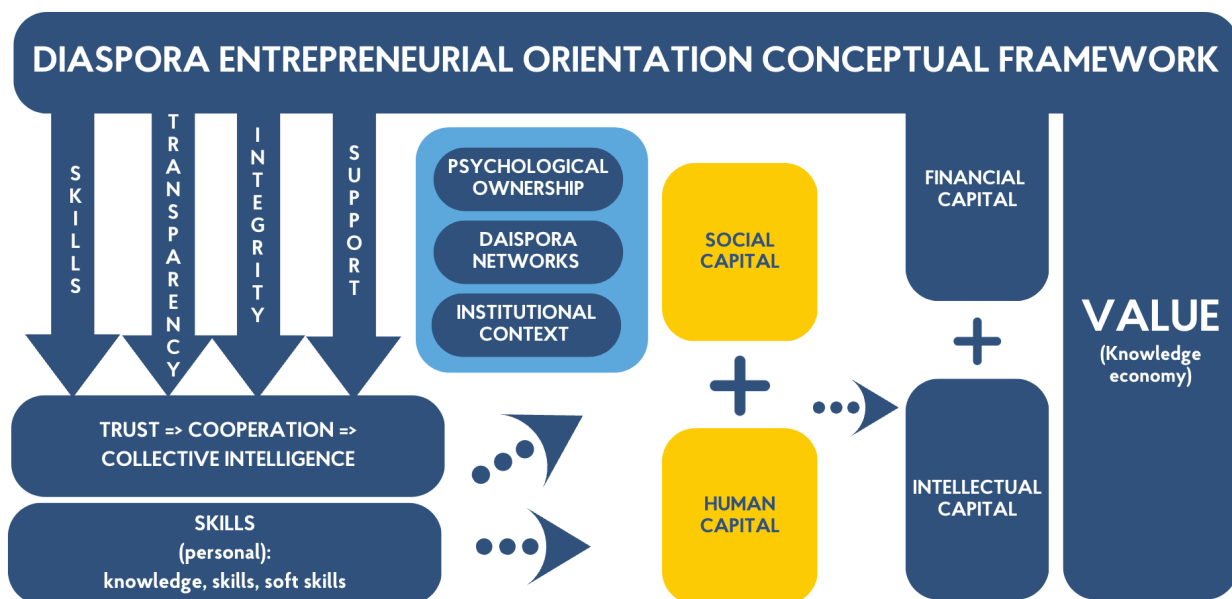
Diaspora entrepreneurs are the people, migrants themselves or their direct descendants, who set up new ventures and provide entrepreneurship activities that cross national borders of both host country and country of origin and ties them by adding value to both markets. Diaspora entrepreneurial orientation refers to the set of attitudes, values, and behaviors that characterize the mindset of diaspora entrepreneurs (Moskalu, 2016). It encompasses their willingness to take risks, their commitment to innovation and opportunity recognition, and their ability to adapt to changing circumstances in order to achieve their goals. Diaspora entrepreneurial orientation is influenced by a range of factors, including the cultural, social, and economic context in which diaspora entrepreneurs operate, as well as their personal characteristics, experiences, and motivations.

Our research proposes a conceptual framework for understanding diaspora entrepreneurship and outlines a future research agenda to advance the field. Based on the value creation theoretical model mixing the intellectual and financial capital (Moskalu, 2012) that underlines the key role the human and social capital play for organizational performance, we propose to explore the diaspora entrepreneurship characteristics such as their risk-taking capacity, innovativeness, autonomy, proactiveness through the prism of their innovation strategies and the factors that contribute to their success, including the benefits and challenges of using diaspora networks for international business.

The entrepreneurial mindset of diaspora, expatriates and migrants provides interesting resources for entrepreneurial activities both in their country of residence and in their country of origins, their knowledge, skills and their network they develop in both countries can strengthen the intellectual capital they use in their managerial activities.

The diaspora entrepreneurship is a unique phenomenon that involves the creation and development of new ventures by members of a diaspora community, who draw on their cultural, social, and economic ties to their homelands to create economic opportunities in their host countries, or vice versa (Moskalu, 2018).

We propose a conceptual framework that includes three dimensions of the diaspora entrepreneurial orientation: diaspora networks, diaspora mindset and psychological ownership and institutional context (rules, regulations, policies, cultural factors), to bridge the gap between theory, practice, and policy (Elo, Täube, Servais 2022) by using an international business and entrepreneurship lens to analyze the diaspora entrepreneurship phenomena.



© inspired by Moskalu, V. (2012), A socio-cognitive analysis of the employee ownership impact on value creation of French Public Companies, PhD in Management Sciences, University of Lorraine, Metz-Nancy, France.

Krasniqi and Williams (2019) point out that the “*diaspora entrepreneurship can benefit from sharing of capital, technical knowledge, expectations of how business should be conducted, direct investment and the harnessing of further entrepreneurial activity*”. In addition, they highlight the importance of networks in diaspora entrepreneurship - they utilize mainly two ways: “*first, to access resources that are unavailable or more expensive to acquire from other sources; and second, to provide access to markets for goods and services*”.

The diaspora networks can bridge the divide between the home and host countries by combining knowledge from both. This knowledge system equips members with the necessary skills and expertise to adjust to a new environment, as well as giving them access to the most up-to-date information in their field. (Stoyanov & al., 2018).

Riddle & al. (2010) highlighted the relationship between diaspora networks and international trade. They state that diasporas have been credited with facilitating international commerce, and a World Bank study of USA foreign direct investment (FDI) abroad found evidence to support the idea that diaspora's ethnic networks can affect FDI by providing information flows across borders and acting as contract-enforcement mechanisms.

It should also be noted that entrepreneurs from diasporas who bring their ideas, resources, and employment opportunities can have a major influence on the economic and social growth of their native countries. (Riddle & al., 2010).

Nevertheless, diaspora entrepreneurs possess a wealth of knowledge and experience from their home markets, as well as potentially other markets, which makes them more suited to international business operations. This highlights the importance of international experience for entrepreneurs, founders, and top management teams. Diaspora entrepreneurs are particularly well-equipped to succeed in international business due to their greater international experience than local managers. (Etemad, 2018).

The post-conflict economies can benefit from engaging their diaspora in investment for reconstruction (Krasniqi & Williams, 2019), diaspora entrepreneurs also appear to be particularly beneficial for countries that may not be as attractive to non-diaspora investors due to small domestic markets, inadequate infrastructure or less favorable structural characteristics (Riddle & al., 2010).

## THE CONTRIBUTIONS OF RESEARCH

The two main scientific contributions of our research are 1) we have proposed a research design on diaspora entrepreneurship for the creation of public value, with an unprecedented intersection articulating different dimensions of the phenomenon of entrepreneurship; and 2) we have designed the future research agenda on diaspora entrepreneurship.

The design of research on diaspora entrepreneurship proposed in the article is built on a triple conceptual articulation around the notions of the entrepreneurial situation (Schmitt & al., 2015), entrepreneurial orientation (Miller, 1983, 2011) and the key role of trust and social capital in value creation modelization (Moskalu, 2012).

This research has highlighted the potential for diasporas to foster entrepreneurship and economic growth through their networks and resources. International business researchers can explore deeper the relationship between diaspora and entrepreneurship, with a focus on how diasporic networks can facilitate entrepreneurial activities implications for policy makers seeking to promote entrepreneurship among diasporic populations.

Diaspora entrepreneurs are particularly well-equipped to succeed in international business due to their greater international experience than local managers, as well as the social networks that provide them with resources such as capital and information.

The future research agenda includes 1) *the need for more empirical studies that examine the experiences of diaspora entrepreneurs, the role of diaspora networks in promoting entrepreneurship, and the factors that shape entrepreneurial behavior and outcomes in different institutional contexts;* 2) *the need for more comparative studies that examine the similarities and differences across different diaspora communities and host countries;* 3) *the need to explore the role of technology in diaspora entrepreneurship, including how digital platforms and communication technologies enable and support diaspora entrepreneurs;* 4) *the need for more research that addresses the practical implications of diaspora entrepreneurship, including how policymakers, business leaders, and diaspora communities can support and promote entrepreneurship, as well as* 5) *the potential impact of diaspora entrepreneurship on economic development and social inclusion.*

A comprehensive overview of the key dimensions of diaspora entrepreneurship is needed to advance our understanding of this important and growing phenomenon. The proposed conceptual framework and research agenda provide a valuable roadmap for future research in this field, to examine the impact of diaspora networks on knowledge flows and entrepreneurship in developing countries, highlighting the potential for diaspora networks to promote economic development.

As for managerial contributions, we have demonstrated that the ability of the entrepreneur-facilitator of the diaspora network to build meaning and a forward-looking vision of the situation must go hand in hand with his ability to generate trust and practice inclusive management to create value.

Like any research, our contribution obviously has several limitations while offering many perspectives. As for the validity of our conclusions, we must specify that our objective is not the generalization of results, but to propose new avenues of research regarding the diaspora entrepreneurship in international business research field.

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