

Transnational migrant entrepreneur characteristics and the transnational business nexus

The Colombian case

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Abstract

Purpose – The purpose of this paper is to analyze the characteristics of Colombian migrants' transnational businesses (TBs) and their operations. To this end, the characteristics of the entrepreneurs, their businesses and the patterns of their international operations are discussed and compared.

Design/methodology/approach – The paper analyses 14 cases developed from data from in-depth interviews with the same number of Colombian entrepreneurs who migrated to the USA. Similarly, the analysis includes secondary data sources.

Findings – TBs created by Colombian transnational entrepreneurs (TEs) aim to be successful through the best use of the resources of each market, allowing them to produce with lower costs and better quality in their country of origin while selling in more developed countries, such as the USA (their country of destination). The operations of those businesses are limited by their financial resources, small and fragmented networks, and their organic growth. The personal characteristics of the TE and their business comprise a nexus that helps to overcome business shortcomings.

Originality/value – The paper contributes to entrepreneurship, migration and international business literature by illuminating the nexus between the personal characteristics of the TE and the unique characteristics of their business, including the analysis of their international operations. Likewise, considering the characteristics of the context under study, the paper presents findings that are interesting for countries with similar social and economic difficulties.

Keywords Entrepreneurs, Immigrants, International entrepreneurship, Internationalization

Paper type Research paper

1. Introduction

Migrant transnational entrepreneurship (MTE) has become a topic of increasing academic interest among scholars from diverse disciplines (Riddle and Brinkerhoff, 2011; Patterson, 2006; Vertovec, 2001; Song *et al.*, 2001) due to its potentially positive impact on both the country of origin (COO) and country of destination (COD). It is defined as the development of business connections within migrants' COO and COD through which they exploit business opportunities between both contexts (Drori *et al.*, 2009). These authors also describe MTE as a different kind of entrepreneurship, sometimes confused with Ethnic Entrepreneurship and International Entrepreneurship. Specifically, they argue that international entrepreneurship is the creation of new goods and services through the exploitation of opportunities across national borders. Ethnic entrepreneurship, meanwhile, is defined as the entrepreneurial activities held in the COD that are embedded in community networks within a characterized inter-community social and economic context. Though related, each of these terms defines diverse entrepreneurial activities with specific characteristics. Therefore, and thanks to the globalization process and its constituent development of technologies of transportation and



communication, those who migrate to other countries have the opportunity to keep connected to their COO through entrepreneurial transnational activities without the need of returning home (Drori *et al.*, 2006).

Evidence has shown that migrants engaging in this activity, known as transnational entrepreneurs (TEs), and their transnational businesses (TBs), can support local development at home due to the unique characteristics provided by the dual environment in which they coexist (Bailey, 2001). Such potential is also interesting and important in light of the fact that these migrants may come from developing countries, wherein such positive effects are particularly noteworthy. For instance, Saxenian (2005) describes how TEs have the potential to sustain local development through the sharing of their knowledge of global markets, advanced technologies, home and host markets, cultural landscape of both nations and language. All these factors in conjunction can in turn generate business ideas and new entrepreneurship.

Despite its increasing interest to scholars, the majority of studies published regarding MTE analyze the individuals themselves (entrepreneurs) and their characteristics, not their businesses. Most scholarship refers to TEs from Asia, especially China and India, due to their great impact in their COO (Saxenian, 2005; Lin *et al.*, 2008). Similarly, most studies on this issue highlight TEs' strong and connected social networks, their lower aversion to risk and their locus of control and self-efficacy (Global Entrepreneurship Monitor (GEM) 2013; Drori *et al.*, 2006; Riddle *et al.*, 2010). Notwithstanding the general lack of studies about TB, according to the Global Entrepreneurship Monitor (GEM) (2013), these businesses tend to have a more international direction due to the networks, the knowledge of two or more environments, and the language skills TEs possess. Moreover, Boly *et al.* (2014) showed that TBs tend to outperform domestic firms as exporters. Nonetheless, there is a scarcity of research describing the businesses characteristics as well as other analyses on these companies' operations. Similarly, there is a lack of analysis about how TEs make their business become really "transnational."

Considering the aforementioned potential impact of migrants and their businesses for both their COO and COD, this paper aims to answer the following question:

RQ1. What are the characteristics of TEs and their TBs, how do these relate, and how do they engage in international operations?

To this end, the study will focus on firms created by TEs from a Latin American developing country, Colombia, who migrated to the USA during a prolonged period of social unrest and economic difficulty in the former country.

Colombia is a net exporter of people, for whom the main destination is the USA (Hung, 2011; Medina and Posso, 2009). According to various authors (Diaz, 2006; Garay and Rodríguez, 2005; Guarnizo, 2005), large-scale Colombian emigration is a rather recent phenomenon, beginning in the 1960s and followed by subsequent waves in the 1970s, 1980s and around the year 2000. Most Colombian emigrants live in the USA (35 percent), Spain (23 percent) and Venezuela (20 percent) (Cardenas *et al.*, 2010). These migrants are a diverse group, both in terms of their regional and ethnic origins and their occupations and skillsets, including farmers, entrepreneurs, executives, investors and refugees (Garay and Rodríguez, 2005). Nevertheless, and although there is evidence about transnational relations among those Colombians abroad and those inside the national territory, there is a lack of strong and connected networks, limiting the formation of a transnational community (Guarnizo and Díaz, 1999). However, some of those migrants participate in MTE (Santamaria-Alvarez and Śliwa, 2016), creating strategic networks that allow them to overcome their challenging surroundings (Santamaria-Alvarez *et al.*, 2017).

Besides being a developing country, Colombia is engaging in a transformation process, thanks to the peace agreement signed with the biggest guerrilla group in the country, the "Fuerzas Armadas Revolucionarias de Colombia" (Bustamante-Reyes, 2017). Hence, this is a key moment to analyze if Colombian TEs can become important agents for the

socio-economic development of the country, considering that their transnational engagement could provide support for the reconfiguration of the country (Nielsen and Riddle, 2009). Although Portes *et al.* (1999) discussed the low level of engagement of Colombian migrants in MTE, there is, again, evidence that some do engage in this activity (Santamaria-Alvarez and Śliwa, 2016).

To carry out this research, the authors utilize cases studies built upon in-depth interviews held within a heterogeneous group of Colombian TEs located in several cities in the USA (New York, Los Angeles, Sacramento, San Francisco, Chicago, Miami and Boston, among others). These migrants have different age ranges, come from diverse cities of origin, work in various industries and own different types of TBs. The objective of this approach was to gather as much information as possible to facilitate comparison and the identification of unique and common characteristics.

This paper will accordingly enrich our knowledge about the potential impacts such firms can create in the development of a country such as Colombia. As such, this research contributes to the TE, International Business and International Entrepreneurship literature.

The paper is structured as follows: following this introduction, we review the relevant literature in question; thereafter, we explain our methodology, and present our findings and discussion. Finally, we offer our final conclusions and references.

2. Literature review

Globalization, defined as the “The close integration of countries and peoples of the world” (Peng, 2013), allows people and companies to explore business opportunities across borders and for the creation of international entrepreneurial ventures. Globalization has been particularly important for international entrepreneurship, supporting its development and boosting its growth. Following Venkataraman (1997), entrepreneurship is defined as the creation of a new business, which usually requires an individual to actively engage in developing and managing the business. Eckhardt and Shane (2003) view entrepreneurship as the interaction between individuals and opportunities in the marketplace.

The concept of MTE is rather new in the literature of international business studies, especially when referring to groups of migrants that come from a specific COO who live and work in a COD but that maintain strong ties with their homeland (Sheffer, 2006a, b).

MTE is a field of study initially discussed by anthropologists and sociologists (Portes *et al.*, 2002), and has become increasingly important in the field of international business. MTE is related with transnationalism, which is defined as the process by which migrants execute their daily activities between their COO and COD, linking their social, economic and political relations with that of their societies of origin by means of the creation of relations that go beyond borders (Basch *et al.*, 1994). In line with Gillespie *et al.* (1999), migrants have a higher level of altruism when investing in their CO as compared to other investors.

MTE is also defined as the creation and development of businesses by an ethnic minority group residing in a host country that link the host country and their COO by means of economic transactions (Portes *et al.*, 2002). In line with Ojo (2012), the process of MTE entails entrepreneurial activities that are conducted by individuals who are rooted in at least two different social and economic arenas. Furthermore, Lin *et al.* (2008) found that TEs conduct business beyond the boundaries of their ethnic environment and the COD.

Guarnizo (2003) also affirms that earlier migrants act as investors in current initiatives, who may be willing to establish a base for eventual resettlement in their COO and secure a steady income such as that from conventional investments. Such investors do not require higher education, and therefore, resort to COO opportunities due to a lack of upward mobility in their COD. Other reasons to engage in this kind of activity include: cultural and personal predispositions, a regulatory environment supportive of entrepreneurship, access to capital and a viable business idea (OECD, 2010).

Meanwhile, Light and Roach (1996) argue that a considerable share of TEs has created their own opportunities in the metropolitan market rather than crowding out the native population. In these so-called circuit firms, business resources such as capital, labor and inputs flow across borders and their maintenance depends on the linkages between the COO and the COD (Landolt *et al.*, 1999). In such cases, circuit businesses resemble TB. Similarly, these TEs support the local development of their COO, especially through knowledge transfer and innovation (Saxenian, 2005).

Initially, research on MTE stressed the obstacles that an entrepreneur faces in order to cross borders and overcome different institutional obstacles (Portes *et al.*, 2002). Nowadays, studies regarding TEs as individuals are more abundant. TEs are a particular kind of migrant who are considered social subjects who create networks, gather information and generate ideas. Thanks to this, they find business opportunities that enable them to maintain a dual business environment (Drori *et al.*, 2009), while having a strong dependence on ethnic networks (Zhou, 2004).

Current research in this area has also diversified to cover topics ranging from innovation capacity (Lin, 2010), social capital (Katila and Wahlbeck, 2011), performance (Brzozowski *et al.*, 2014), internationalization and entry mode strategies (Sui *et al.*, 2015) and the value chain of TB (Lan and Zhu, 2014).

Thanks to their position, TEs are more likely to benefit from their knowledge of the local political, economic and cultural environment, as well as from their personal connections and linguistic abilities, thus giving them a “first mover” advantage over others when starting or investing in businesses in their COO (Leblang, 2009). With regard to how determinant networks are for the success of transnational entrepreneurial initiatives, Drori *et al.* (2009) and Ambrosini (2012) stress that international networks could represent an important role in the TBs’ success, having the potential to become a competitive advantage for them.

Those benefits can be achieved as a result of cross-border networks’ capacities to access crucial resources such as information, local knowledge, capital, market and technology (Chen and Tan, 2009). In addition, the degree of network embeddedness in the COO might affect the likelihood of success of a TB (Sequeira *et al.*, 2009). Nonetheless, some immigrant groups seem to be more entrepreneurial than others: some cultures are more risk-taking than others, and some ethnic groups are more capable to effectively use the ethnic resources of their group (ethnic network and social capital) in the COD (Chand and Ghorbani, 2011; Koning and Verver, 2013). Likewise, individual characteristics can influence entrepreneurial objectives, behaviors and firms (Gruber and MacMillan, 2017).

Given the lack of theoretical development around TE studies (Glick and Levitt, 2006), Nkongolo-Bakenda and Chrysostome (2013) proposed a theoretical framework in which they point out the main determinants of MTE and the development potential of such activities for migrants’ countries of origin. According to the authors, the main factors that influence the creation and success of MTE are the institutional and socio-economic environment of the COO, which includes laws and regulations, economic conditions, specific policies of the national government toward its migrants, and entrepreneurial culture. A similar set of factors has been proposed by Newland and Tanaka (2010).

Chen and Tan (2009) propose a theoretical integrative approach to include networks in TE studies, using the concept of glocalized networks. These glocalized networks act as a link between the context (structure) and the individual characteristics affecting TE. According to the authors, these meso, macro and micro level components could better explain participation in TE. Similarly, Brzozowski *et al.* (2017), in describing a mixed embeddedness approach, highlight the important interaction played among those three components to promote TE activities. Due to their cultural background and links with their COO, the context in the COO and COD, and their networks, TEs are often more prepared to take risks or engage in high-risk business activities in emerging markets than non-transnational investors (Ramamurti, 2004).

On the other hand, the topic of TB in the existing literature has not been deeply explored. Most authors describe some characteristics of TEs, but not those of their firms, and the discussions are mainly centered on the importance of networks to the establishment of businesses (Basu and Virick, 2015; Mustafa and Chen, 2010). The advantages TEs receive from developing strong networks are the most mentioned topic for both ethnic and TEs. For instance, Basu and Virick (2015) emphasize the process of advice and the influence networks exercise over the entrepreneur, agreeing with Light *et al.* (1990).

Furthermore, Mustafa and Chen (2010) argue that market and country selection is influenced by the presence of family networks, which are essential to the facilitation of the internationalization process and the operation of the business. This is an important characteristic to consider when studying the international operations followed by TEs.

Similarly, financial capital could also be an important component in the study of TB. For instance, Morawska (2004) mentions the transference of financial capital from the COO to the COD in the case of Chinese TEs. According to the author, this transference, along with other characteristics of the TEs, could assure the success of the business in the COD even before the person has migrated. Moreover, some authors state that the capital for starting businesses comes mainly from informal sources such as personal savings, and funding from friends and family, as these entrepreneurs tend to avoid formal loans or borrowings (Sahin *et al.*, 2011). Additionally, Mustafa and Chen (2010) emphasize how essential transnational social ties with family members are in order to receive resources and start operating a company.

Besides the important role of TEs and their companies for emerging markets (Riddle *et al.*, 2010), it is also important to analyze how these businesses participate in the international market. TBs' performance could be impacted by their international operations, which at the same time, could be influenced by TEs' dual lives. For instance, it is not clear how their knowledge of two or more international environments could enhance or modify their internationalization processes as compared to those of other companies.

Although few studies analyze the internationalization path and performance of TEs' firms, Sequeira *et al.* (2009) develop an approach designed to predict the type of businesses migrants are most likely to develop. The authors explain that the entrepreneur's choice of transnational firm type is influenced by their attitudes and perceptions toward their COD. Additionally, they found that the embeddedness of TEs in the COO also plays an important role for determining both the type and the success of the firm. Moreover, Terjesen and Elam (2009) argue that international operations held by TEs' businesses result from both the entrepreneur's habitus and their use of capital in the different institutional environments in which they are involved. According to the authors, TEs use available resources to reach a competitive advantage in both arenas in which they develop their TB.

Nonetheless, even though Colombian migrants do not tend to have strong and connected networks (Guarnizo and Díaz, 1999), some still do engage in these kinds of activities (Santamaria-Alvarez *et al.*, 2017). To do so, Colombian TEs develop strategic networks that allow them to overcome obstacles while providing some of the resources required to develop their TB. With this in mind, the current study particularly aims to analyze TB created by Colombian migrant TEs located in the USA, this being the largest international Colombian migrant community abroad. It seeks to identify the types and characteristics of TB created by Colombian TEs, including their international operations.

Colombian migration is rather recent, having occurred prominently in several during the 1960s, 1970s, 1980s and around the turn of the twenty-first century (Díaz, 2008; Garay and Rodríguez, 2005). The first migration movement in the 1960s was mostly motivated by external factors like US immigration law (1965 US Immigration Laws; Díaz, 2006), and internal factors such as high levels of violence and instability inside the country. Most of these migrants were middle class professionals looking for improved economic social mobility (Garay and Rodríguez, 2005).

In the middle of the 1970s, a second wave took place. This time, most emigrants went to Venezuela, motivated by the boom in the oil industry (Diaz, 2006). Later, in the 1980s, high levels of violence and unemployment, the deterioration of per capita income and drug-related activities motivated the third wave. During this period, most migrants went to the USA, Canada and Europe (Diaz, 2008; Garay and Rodríguez, 2005).

The largest migration movement took place at the end of the 1990s, fueled by a deep economic crisis, unprecedented levels of unemployment (around 20 percent), and the deterioration of living standards (Garay and Rodríguez, 2005). At this time, most of migrants went to Europe (especially Spain and England), and the USA (Garay and Rodríguez, 2005).

Most literature regarding Colombian migrants has studied their profile (Gaviria, 2004; Cardona Sosa and Medina, 2006; Cardenas *et al.*, 2010), or remittances and their costs (Gaviria and Mejia, 2005; Cardona Sosa and Medina, 2006; Mejia Ochoa, 2006). A limited number of studies analyzed other transnational activities. Accordingly, current literature available about Colombian TEs is very scarce (Gaviria and Mejia, 2005; Cardenas and Mejia, 2006). Portes *et al.* (1999) argue that Colombians have a low level of participation in transnational entrepreneurship, and those who do so seem to be less connected and less established than other Colombian migrants, lending significant importance to the contextual conditions surrounding Colombian migrants and TEs, and contradicting previous assumptions. Nonetheless, as previously mentioned, some do engage in TB. Colombian TEs' environments, their identity and personal characteristics and their fragmented networks indeed make this a fascinating case of analysis. This case is also of interest for countries with similar socio-economic difficulties, affected by violence, guerrilla groups and/or illegal drug-related activities which drive people to migrate. Therefore, this paper analyses TB created by those entrepreneurs while paying close attention to the special features that surround them and their businesses.

Consequently, this paper aims to provide information and evidence of the types of businesses created by Colombian TEs in the USA in such way that contributes to migration, international entrepreneurship and international business literature while motivating further studies by governmental and other institutions. Likewise, this paper should serve as reference for the creation of official initiatives to promote, encourage and facilitate the activities performed by Colombian TEs and other migrants from developing countries and countries with similar contexts to that of Colombia.

3. Methodology

With the aim of obtaining a deep understanding of TEs, their companies and their internationalization operations, this research uses a qualitative approach, examining the cases of 14 Colombian TEs from various places in the USA (Birkinshaw *et al.*, 2011; Welch *et al.*, 2010; Yin, 1989). Considering that most Colombian TEs have weak networks, distinctive environmental surroundings, and specific individual characteristics and behaviors, multiple case studies are the best approach to obtain insightful information for research (Henry and Foss, 2015). The cases were selected following a purposeful snowball sampling technique to the saturation point, and with multiple points of origin to provide more diversity (Atkinson and Flint, 2001).

The use of multiple case studies allows the researcher to gain a deep understanding of this complex phenomenon, considering the unique characteristics within each case, and the activities that relate to them, while providing a multi-tiered platform for further theory building (Eisenhardt and Graebner, 2007). As such, the emphasis is on understanding the particular phenomena in question, rather than generalizing from the research findings (Ghauri, 2004). Similarly, using multiple case studies allows us to consider "why" and "how" questions, diverse disciplinary approaches, the unique conditions and contexts under study, multiple variables, non-typical cases (Yin, 2003), while also obtaining unperceptive and

fertile data that might not be obtained by other methods (Henry and Foss, 2015). Nonetheless, this method does not allow for generalizations, since the findings might be unique to the cases studied. Another limitation with this method is the amount of data collected, which might limit the analysis and the representation of the findings (Hodkinson and Hodkinson, 2001).

Using case studies, and thanks to the use of social media, migrants' associations, entrepreneurial organizations, personal and business contacts, 14 cases were built. To collect the data, the authors used in-depth interviews with open-ended questions, following Kallio *et al.* (2016). This reduces the risk of gathering only superficial data from TEs (Denzin and Lincoln, 2000). Likewise, using in-depth interviews is particularly suitable when seeking to more deeply understand specific behaviors and activities, as explained by Ghauri (2004). The 14 constituent interviews of this study lasted between 50 and 88 min, with an average length of 69 min. Each followed a protocol designed by the authors (see Appendix) and tested in a pilot interview (which was also included in the study). The interviews were divided in various sections, beginning with migration experience, entrepreneurial activity and future plans. The section concerning entrepreneurial activity was the longest, comprising the origin, development, operations, international activities and perceptions regarding the impact of the subjects' businesses. Several wrap-up questions concluded the interviews. Some control questions were also added.

Interviews such as these are especially important because they allow the researcher to identify TEs' backgrounds and the different characteristics of their businesses. The current authors were accordingly able to establish different profiles that enhance our understanding of Colombian TEs and the businesses they create (see Table I).

The data collected were transcribed verbatim. It was then organized and analyzed using coding and content analysis tools, allowing for the creation of categories of analysis to facilitate the exploration of the topics under study (Elo and Kyngäs, 2008; Gioia *et al.*, 2013). Excel files and ATLAS TI software supported data organization, analysis and the creation of categories of analysis and their links. Toward this end, a code book built with inductive and deductive procedures (from previous literature and from themes emerging from the interviews) was created and followed by the researchers. Each code was assigned a specific meaning, and every interviewer coded each interview individually. Thereafter, the researchers gathered in several rounds to compare the coding and made changes if necessary, according to the code book. Codes were re-read during the process of codification and analysis in order to assure consistency. All words or sentences identified with the same codes were deemed to have similar meaning. The coding process was complete, exhaustive, valid and mutually exclusive (Strauss and Corbin, 2004). Once the codes were built, the analysis began, with the purpose of establishing patterns, defining connections, relations and the relative importance of findings. For this, the relational content analysis was used, which enabled the identification of concepts and obtaining their meaning (Bourque, 2004). Also, this analysis permitted the identification of typical and deviant cases. This was an iterative process wherein analysis was required to re-code the data, leading to a new analysis stage.

In the analysis, first level categories were created, mostly with descriptive connotations. Using axial coding, categories were further analyzed and became more analytical, supporting the findings described in the paper. For this, the interactive model proposed by Chen and Tan (2009) was used, along with other deductive concepts raised from the data. Hence, TE participation in TB, and the TB were included in the analysis in order to provide answers to questions posed. Also, the analysis considered that individual characteristics of the TE affect the TB (Gruber and MacMillan, 2017), and vice versa, provided TB impacts some TE components of the study (such as institutional environment, entrepreneurial experience, travel frequency, among others).

Pseudonym	Pablo	Nicolas	Maria	Jose	Luis	Jorge	Ricardo
Gender	Male	Male	Female	Male	Male	Male	Male
Age	26–35	46–60	36–45	46–60	30–35	36–45	36–45
Civil Status	Single	Married	Married	Married	Single	Married	Married
Education	Undergraduate	Undergraduate	Undergraduate	High school degree	Undergraduate degree	Master degree	Master degree
Level	degree	degree		Miami			
City of Destination	New York	Los Angeles	Miami	Miami	Miami	New York	Los Angeles
Industry	Services	Manufacturing	Technology	Services	Technology	Technology	Technology
Spoken Languages	Spanish, English, French	Spanish, English	Spanish, English, French	Spanish, English	Spanish, English	Spanish, English	Spanish, English, Chinese
Years in business	25	3–4	14	10	8	3	5
Number of employees	40 (mostly Colombian)	0 ^a	60 (mostly Colombian)	2 (not Colombian)	25 (Only 2 Colombians)	25 (5 Colombians)	44 (19 Colombians)
Markets	USA/Colombia	USA	Global reach	USA/Colombia	Global reach	Global reach	USA/Colombia/ Qatar
Suppliers	USA	Colombian	Global reach	USA	Global reach	Global reach	Global reach
Pseudonym	Ana	Juan	Carlos	Pedro	Sara	Laura	Camilo
Gender	Female	Male	Male	Male	Female	Female	Male
Age	46–60	46–60	Over 60	26–35	46–60	26–35	26–35
Civil Status	Married	Married	Married	Married	Married	Single	Single
Education	Master degree	Undergraduate	Undergraduate	Undergraduate	Postgraduate	Undergraduate	High school degree
Level		degree		degree		degree	degree
City of Destination	Miami	Houston	New York	New York	Miami	Houston	New York
Industry	Services	Manufacturing	Manufacturing	Technology	Manufacturing	Manufacturing	Services
Spoken Languages	Spanish, English	Spanish, English	Spanish, English	Spanish, English	Spanish, English	Spanish, English	Spanish, English
Years in business	13	11	61	3	13	3	3
Number of employees	9 (all Colombian)	28 (all Colombian)	+ 20 (Several companies, with several nationalities)	5 (all Colombian)	0 (Outsourcing with Colombian companies)	20 (all Colombian)	N/A
Markets	USA/Colombia	USA/Colombia	USA/Colombia/ Venezuela	Global reach	USA/Colombia/Puerto Rico	USA/Colombia	USA/Colombia
Suppliers	USA	Colombian	Global reach	Global reach	Colombian	Colombian	Global reach

Note: ^aThe owner is the only employee
Source: The authors' original work

Table I.
Demographic and company profile

Besides coding, and throughout the case analysis process, the authors found common patterns and different trends that were used to identify the characteristics of the firms created by the Colombian TEs interviewed, along with international operations they perform in their businesses (see Figure 1). Through multiple analysis rounds, the authors discussed the codes, patterns and findings with the purpose of enhancing internal validity. As previously mentioned, inductive and deductive approaches were included, based on the Chen and Tan model and other codes found in the data, especially for the business analysis.

Additionally, we made use of information from secondary sources such as academic papers published in specialized journals. Secondary sources were also used to compare and triangulate data, improving our analysis, presentation and discussion of findings (Yin, 2003).

4. Findings and discussion

In this section, the authors present and discuss the main findings extracted from the case studies following Figure 1. This permits analysis of the tension between both sides: migrants' participation in TE and their TB. Accordingly, the section is divided among the following sub-sections:

(1) Participation in TE:

- micro level;
- meso level; and
- macro level.

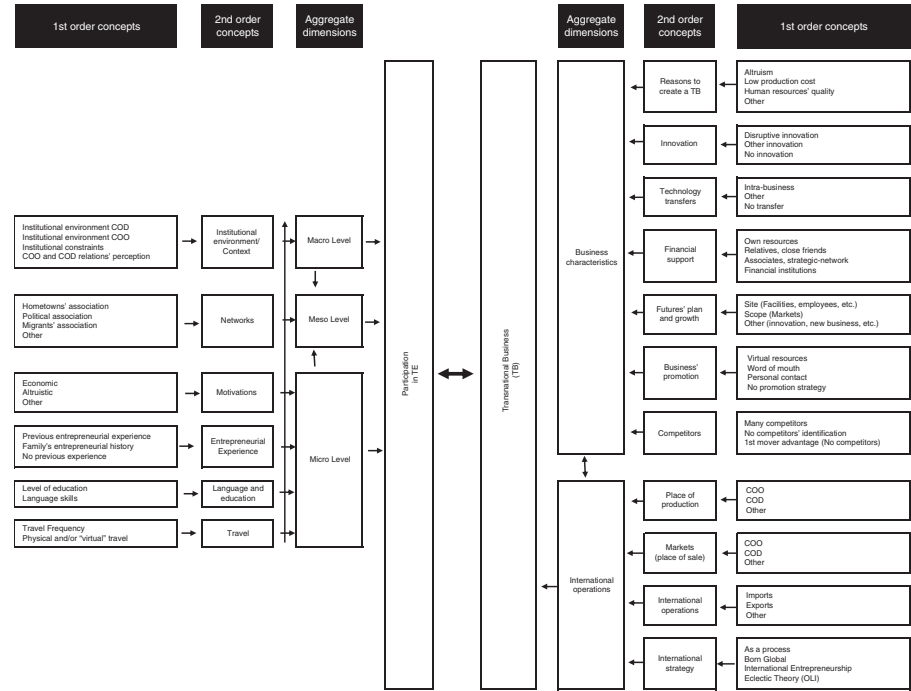


Figure 1.
Categories of analysis

Sources: Authors' original work based on Gioia *et al.* (2013), and Chen and Tan (2009)

-
- (2) Transnational business:
- business characteristics; and
 - international operations.

Using this novel approach enables us to analyze how the individual characteristics of the Colombian TEs studied help to overcome institutional and networking shortcomings. Therefore, the particular characteristics of the group studied and the features of their businesses are integrated in order to form a more holistic picture.

4.1 Participation in TE

Micro level: main characteristics of Colombian TEs that impact TB performance and operations. Reasons for creating their businesses. According to the cases studied, TEs seem to be driven by reasons beyond altruism to create their businesses, economic considerations being the most common motivation. Only two of the interviewed TEs professed to have created their businesses for altruistic reasons:

The idea of creating a social business was born from my upbringing. Consideration towards the least fortunate people has been very important my whole life [...] I feel very connected to my country of origin and that inspired me to do something for Colombia. (Ana)

The company was born from my passion for Colombia. Our Colombian employees are low income women. We want to help provide an opportunity for improvement. (Laura)

Ana's business is a philanthropic foundation, which is in line with its altruistic nature. Laura's business, however, despite belonging to the manufacturing industry, is the only other whose creation was expressly inspired by altruism. Although some authors have highlighted the altruistic motive behind the creation of TB (Gillespie *et al.*, 1999; Lin, 2010), this is not generally the case in our study. As only one company conforms with such findings, TB seems overwhelmingly motivated the desire for economic gain. In line with Gruber and MacMillan (2017), most of the TE appear to be "Darwinian founders" who follow a more individualistic and economic logic when pursuing entrepreneurship. This could be because of specific conditions which compelled TEs to leave the COO, which, along with their institutional environment (search for better income abroad, fleeing from violence and drug stigma, etc.), may engender the prioritization of personal gain and improvement. In other words, they seek to accomplish their migration objective of enhancing their economic status before moving onto more altruistic interests.

Nonetheless, all the interviewees are aware of the potential positive impact they are creating in their COO with their businesses, which compels them to correlate their self-interest with broader social contribution:

We [the company] already invested one million dollars in human capital in Colombia, 25 partners that are the next generation of Colombian building technology companies at a world level, a global level [...]. That way, our company is making a tremendous impact in Colombia. (Jorge)

Besides their economic motives, interviewed TEs' entrepreneurial initiatives seem to be based on their previous experiences creating businesses, which the great majority of the interviewees claimed to have. In addition, only four of the interviewees claimed that their relatives have also had previous entrepreneurial experience. The entrepreneurial spirit among the cases studied, therefore, seems to be related mainly with the experiences in

business development from the participants themselves, and, to a lesser degree, to their families' experiences:

When my brother and I were children we used to look after ourselves so we were very independent. When I was little I washed garages with a friend. After that, when I was school I prepared sandwiches to sell [...] after a while, I started to sell them in the school cafeteria. (Nicolas)

I opened my first business when I was nineteen. I started some coffee shops in a mall and then I expanded to some sales points in a supermarket (Camilo)

The lack of support from relatives or that of other entrepreneurial networks evidenced in our data reinforces the supposition of weak and fragmented networks (Guarnizo and Díaz, 1999). It is interesting that even though Guarnizo and Diaz's paper dates from 1999, such networks have not been strengthened over time. A possible argument for this is that the COO still has serious problems with drugs, violence and economic hardship among a substantial portion of its population.

Physical and virtual presence in the COO. Bearing in mind that TEs travel constantly to maintain their cross-national businesses (Drori *et al.*, 2009), interviewees were asked about their travel frequency. Among the cases studied here, frequency of physical travel between COO and COD is partly determined by the presence or absence of a trusting business partner. Two interviewees stated that they did not travel or traveled very infrequently between countries. Also, they explained that they had business partners who take care of the business in their absence. Other participants tend to travel more frequently in order to personally control and manage business performance:

I travel to each place every six weeks. That means I am travelling to two cities or at least one per week. (Luis)

I travel very infrequently because I have a business partner and he is the one who is taking care of things there. (Juan)

However, all the interviewees agree that new information and communication technologies allow them to travel "virtually" more often, which reduces their need to travel physically between both countries. Indeed, it does seem like the entrepreneurs in our cases do take advantage of new developments in technology and communication to support their business operations, irrespective of other factors such as industry or education level. Frequency of travel may also be related with the lack of strong and wide networks, forcing the migrant to have more direct control over each of the business operations. Similarly, this could potentially limit their business growth and expansion toward other markets.

Language proficiency and education. In general, TEs interviewed have a fair command of English and a good educational level, with most of them holding professional degrees (see Table I), in line with Light (2014) and Portes *et al.* (2002):

I am fully bilingual, a native Spanish-speaker, and I have been going back and forth between Colombia and the USA since I was a child, so I speak English fluently. I hold a degree in Management of Information Systems from the University of Houston. (Laura)

I speak English fluently, at an advanced level, and I am a native Spanish-speaker. I hold a degree in political science and also an MBA. (Jorge)

Those interviewees that do not hold a professional degree have a strong entrepreneurial spirit and the persistence to move their business ahead:

I was looking for ways to improve our income [...] I started selling folly things on eBay, and exploring things to sell there [...] that's how I started to realize I could create my own business. (Juan)

In the cases studied, education does not seem to be a differentiating variable in the type of business developed. This does not mean it is not important, however. The capacity to speak at least the COO and the COD language does seem to be very important, allowing the entrepreneur to better cope with business objectives, challenges and different environments.

Meso level: networks development. In light of the importance of networks with respect to MTE, interviewees were asked about their participation in hometowns and/or political associations and their networks in general. However, our findings were similar to those of other studies (Guarnizo and Diaz, 1999; Santamaria-Alvarez and Śliwa, 2016). Only two interviewees claim to have participated in at least one political association in the USA. Nonetheless, neither participate nor have participated in government initiatives, thus evincing no relation between participation in such associations and the participation in government initiatives. No interviewee participates or has participated in political associations from the COO:

I do not participate in any kind of political party or association. Not in the USA and certainly not in Colombia. (Juan)

I do not have faith in politics. I know that is not a good thing but I feel I won't change that, even in the case of the USA. (Pedro)

The seeming reluctance of TEs interviewed to involve themselves in political associations and governmental initiatives can be justified by the lack of trust in the institutional environment, especially in their COO (Santamaria-Alvarez and Śliwa, 2016). TEs seem to have little knowledge or understanding of the opportunities these associations offer, which appears to play an important role when deciding to develop or not these entrepreneurial initiatives. Likewise, they could be missing out on resources such networks can offer, such as financial resources, growth potential in other markets, etc. Therefore, although the perception of the local environment at home could affect their MTE initiatives, as explained by Nkongolo-Bakenda and Chrysostome (2013), the interviewees do seem to overcome this with other business strategies to succeed in their ventures. Even if Colombian TEs maintain fragmented networks, they manage to create and operate their TBs. To do so, they seem to create strategic networks (Santamaria-Alvarez *et al.*, 2017) to overcome obstacles and lack of resources. It does seem, however, that the Colombian domestic environment affects TE networks, and, as such, their businesses. It will be interesting to see if something similar occurs among TEs hailing from countries with similar socio-economic characteristics.

Macro level: institutional environment COO and COD. Given the importance that the COO's local environment has on TBs and their performance (Newland and Tanaka, 2010; Nkongolo-Bakenda and Chrysostome, 2013), interviewees were asked about the institutional environment in their COO. In the cases studied, TEs tend to describe this institutional environment in negative terms, while referring to the COD they describe in mostly positive terms:

Colombia is lacking clarity in the rules. They lack a lot of support in the efficiency of documents and support to investors. That makes it very difficult to conduct businesses in Colombia. (Camilo)

[...] there is a lot of potential here [in the USA]. My company in Colombia [...] it is like it does not exist [...] this market is a thousand times bigger than the Colombian one. (Juan)

Interviewees' situation allows them to compare their COO and their COD, experiencing the positive and negative aspects of both places, and to maintain their multiple-business environment, in line with Drori *et al.* (2009). As Colombia is an emergent market with social and economic difficulties, the negative aspects of the country are enlarged in comparison

with the USA, a developed country. Such comparisons could justify interviewees' decisions to migrate in the first place or their current decision to stay in the COD. Furthermore, six interviewees answered that some institutional aspects of their COO represent the biggest difficulties they had to overcome when building their business:

The main obstacle I faced in starting the business is that communication is different in Colombia. If I send a text to an employer in the US, they will answer me in 30 seconds. If I send a text here in Colombia it could be an hour or two hours. Banks have very slow processes too. Unpunctuality is another factor. (Pablo)

The main difficulty I had is to make Colombian people understand that what they do affects others, if they do not deliver stuff on time and with no quality they are affecting another company, another country and other economies. (Sara)

In contrast with the findings of Nkongolo-Bakenda and Chrysostome (2013) and Newland and Tanaka (2010), Colombian TEs interviewed have been able to develop flourishing TBs even though they have had to face the multiple shortcomings of their COO's institutional environment. Consequently, even if the institutional environment seems to be a key factor when creating and succeeding in TB, our participants have been able to overcome the perceived negative institutional environment in the COO to create and prosper with their TBs.

On the other hand, the position of the TEs with a foot in two countries enables them to take advantage of both, applying their knowledge in both contexts. Alternatively, when asked about the impact of the relations between Colombia and the USA on their businesses, TEs interviewed were uncertain about the relevance of it for their businesses. Some did not recognize the benefits of those relations for the TB:

I do not think the relations between Colombia and the USA have affected my business. (Jose)

Beyond the FTA, Colombian-USA relations have no effect on my business. (Nicolas)

One of the possible reasons for this lack of concern is that the participants may not approach the government for information about their foreign relations because they do not trust the government, as mentioned before. Also, the information they have about the FTA and its implications appears limited and ambiguous. Such unawareness could result in less competitiveness and lower business performance, especially if compared with other types of international businesses. In keeping with the literature, there is no evidence of COO and COD international relations impacting TB performance. Hence, more research should be developed regarding this topic to determine possible impacts.

In line with Chen and Tan (2009), it is interesting to see how even if in our cases the TEs participate in TB, they do so with limited networks and macro environment facilities. Hence, their individual and firm characteristics should overcome those shortcomings (micro level).

4.2 Transnational business (TB)

Business characteristics and environment. Benefits found in their operational locations. Among their mainly economic-oriented reasons for creating TB, participants in this study have argued low production costs in their COO influenced their becoming TEs. They are able to avail themselves of this benefit partly because of their knowledge of each country, which in turn allows them to glean the best from each:

I developed my business between two countries because in the USA the labour costs are very expensive [...] Very, very expensive. I am between two countries looking for cheaper labour costs. (Nicolas)

I had the company here when I decided to start the business. The payments ratio is like four to one. With one person in the USA I pay four people in Colombia. (Juan)

This finding reinforces the lack of altruism among TEs, and the predominantly economic drive our interviewees express behind becoming transnational, focused mostly on the saving of costs while operating in their COO. Similar effects have been also observed by authors studying TEs from other nationalities. For instance, Wang and Liu (2015) concluded that TB can achieve lower costs of operation and, therefore, higher revenues partly by virtue of low-cost performances in the COO. Nonetheless, in our study, low cost is a primary reason for establishing the business in Colombia, not an indirect benefit ensuing from the main desire to altruistically support the COO. In this sense, TEs can take the best of both countries to improve business outcomes. Besides, this cost reduction can give them competitive advantage, which can positively impact their business performance.

Since low-cost operation is an important portion of our participants' businesses, it is debatable whether this could be one of the features that help them to overcome disadvantages with respect to meso and macro level components when participating in TB (Chen and Tan, 2009). This should also be examined in TBs created in similar contexts.

Talented human resources. When recruiting, participants look for special characteristics in their potential employees in terms of abilities and personal attributes such as creativity, technical skills, bilingualism and interpersonal skills. The importance they place on certain characteristics among their employees also constitutes a reason for them to invest in Colombia. Interviewees mention how the good quality of the workforce in Colombia influenced their decision to invest in the country:

The benefits are the low cost and the fact that you have a great human capital obviously. We would not be in Colombia if there was not a great human capital. (Jorge)

There is a really good quality of engineers in Colombia. There is very high qualified talent there. (Pedro)

Among the aims of most participants is the provision of high quality, customized products or services in a timely manner, which shows a commitment to their clients. These aims are in line with the qualifications they look for and find in their COO-based employees. These goals, however, do not seem to be explored or described in previous studies of TB. These findings, along with those related to low labor cost, reinforce the notion of mainly economic considerations motivating TEs' investment in their COOs. It does seem like interviewees find that Colombian employees have the specific characteristics they are looking for, which may be attributable to the Colombian culture and identity. As in the previous example, this could be another quality that helps them to overcome other macro and meso level shortcomings.

Innovation and disruptive businesses. Regarding innovation in TB, five of the interviewees claim to have businesses that disrupt the industry in which they are presenting innovative products or services. These TBs are all in the technology sector:

We revolutionized this industry in the USA and maybe in the whole world, especially in those countries where this industry is not so developed. We practically invented the system, we currently have two patents. (Maria)

I think we are pioneers in what we are doing. Not only in Colombia but on a global level. What we do is very specific and has a very broad impact in a lot of industries. (Ricardo)

The nature of the technological industry, which is based on constant innovations and new developments, might influence the dynamics of these TEs interviewed compared with the ones in more traditional fields. Likewise, similar findings have been shown by other researchers such as Saxenian (2005) and Lin *et al.* (2008). In both cases, the authors mentioned the innovation made by Chinese TBs mainly in the technology industry. However, there is no strong evidence of innovations fostered by TEs in other sectors. Among our cases, not all innovators are located in Silicon Valley (as Saxenian's (2005) study

explores), leading us to think that these innovations might be more related with the sector *per se*, or that this is a common characteristic of TEs working in technological sectors. More research will be needed to further develop these concerns.

By contrast, seven of the participants who work in the manufacturing or service industry do not consider their businesses to provide big disruptions or innovations in their industry. To the best of the authors' knowledge, there is no strong evidence of innovations within other economic sectors by TEs. This disparity between TBs according to industry with respect to innovation evidences the direct relation between innovation and the industry in question. However, some of these companies seem to innovate by enhancing processes that increase productivity, providing distinctive designs and services to their customers:

We innovate by providing exclusive designs to our customers and we also help suppliers in the development of new raw materials for our products. (Nicolas)

This quote leads us to think that some of the participants do not have disruptive innovations in their businesses, and that they might need to have some training with respect to this topic. Additionally, this reinforces the previously mentioned importance placed by interviewees on customer service (see the previous section).

Transference of knowledge. In contrast with Saxenian (2005), the transference of knowledge made by participants in this study seems to be limited. Four of the interviewees said they transfer knowledge due to altruistic motivations, and to actors outside of the business. Two of them mentioned their interest in transferring their knowledge to other young entrepreneurs:

I am interested in helping young Colombian people to become entrepreneurs and establish their companies. More than half of these young people I am helping to open businesses. I know how to do that; I am an expert in doing it. (Carlos)

The transference of knowledge inside the business or toward employees is also limited in the cases, only three of the interviewees affirming they do this. On the other hand, one entrepreneur answered negatively about transferring knowledge:

It is very difficult to transfer knowledge. It is very sad because every two years I go to a Macro Business Conference to look for suppliers and Colombian people promise too much and when it is time to solidify the business they do not meet the agreement. (Sara)

The above answers may suggest that the fragmented networks of the TEs and their mainly economic motives to invest in the COO affect their willingness to transfer knowledge or technologies. Those more willing to do so seem to be in the technological sector, maybe as a consequence of the characteristics of this industry. Santamaria-Alvarez and Śliwa (2016) analyzed the fragmented networks of Colombian TEs. The authors found that the reluctance to be involved in activities involving their COO was related with the lack of trust they felt with their co-nationals. Accordingly, the interviewees might be avoiding transference of knowledge to their COO due to their mistrust. Hence, the participants themselves are limiting the development of their institutional environment (macro level component). Similar studies in comparable contexts could provide more insights into this topic.

Financial support. According to the participants, there is no evident relation between the financial support they receive and the industry to which they belong. Participants draw financial support for their businesses primarily from close "strategic networks" (Santamaria-Alvarez *et al.*, 2017) or from their own resources:

We have not received financial support. We started our business from scratch. (Maria)

I do not have investors at the moment. My dad sometimes makes private loans. (Laura)

The limited amount of investment available from this closed circle also limits the growth and expansion of the businesses, potentially impacting performance. Only three interviewees state they have received or currently receive investment from a third party such as an angel investor and/or the government. One of them runs a non-governmental organization (NGO) that by nature is close to governmental initiatives and support. Likewise, this financial limitation impacts businesses' size, revealed in the mostly small size of the TBs included in the cases, which have between 11 and 50 employees. More empirical research studies could be done comparing the financing situation of TBs, their size and their performance in order to determine possible patterns and commonalities among TEs' businesses from different COOs and/or CODs. In addition, participants do not rely on financial institutions for financing. In our cases, this seems to be related to the conditions of the environment at home and abroad (macro level factor).

Business vision. A great majority of the interviewees have some plans or vision about the future of their business. Eight of the interviewees have plans to continue growing their business, especially with respect to increasing the number of employees, production facilities, sales or productivity. Only three of the interviewees talked about growth in terms of new technologies and innovation inside the business. This indicates a preference among the participants for growing their business in economic terms (mainly through organic growth and their own financial resources) rather than for pursuing disruptive initiatives. Participants seemingly have big ambitions for their businesses, and plan to grow in the near future:

The idea is that in one or two years we have a product that you can get from our web page from anywhere and have a trial of one month. That is our dream and with globalization it is going to be easier. (Ricardo)

We were two and then three and after that we were seven. Today we are fifteen. There are a lot of opportunities, I was speaking with someone that has a similar business with more than thirty, forty people. (Pablo)

Despite their desire to continue with their TB, four of these TEs are considering the option of returning to their COO in a short or medium term. The decision to stay in or leave the current place of residence does not, however, seem to affect future business plans. As such, growth plans for the businesses in this study are not tied to a specific place or country, but are capable of floating globally. In this sense, TEs could make use of their transnational position to overcome challenges within the COO and COD (institutional environment). Consequently, they could leverage their lack of networks with their own will and technological advancements.

On the other hand, and compared to Guarnizo's (2003) findings, most of the TEs interviewed do not plan their investments with the objective of looking for resettlement in the COO. Instead, they keep in mind the notion of creating TB as a financial and economic transnational venture; this accords with their economic-driven motivation for creating their businesses.

There is not much literature regarding TB's vision or future plans. Therefore, more empirical research is needed in terms of future plans for TB among a range of TEs in order to find possible commonalities and differences, and to provide more nuanced discussions regarding this topic.

Business promotion. To promote their businesses, only five of the TEs interviewed use virtual resources for advertisement such as social media, Google AdWords, etc. The main methods of promotion used include word of mouth and establishing contacts. One of the cases studied is exceptional in this regard, insofar as the entrepreneur research works and contacts potential clients himself instead of using other

promotion strategies. He claims to use this approach because of the complexity and specificity of his product:

We are constantly seeing people who failed trying to do what our company does, and we offer them solutions [...] that way we are the ones who reach the clients. (Ricardo)

I promote my business idea with word of mouth mainly. Currently we have social media but we have not developed any specific strategy. (Camilo)

The implications of not using specific promotion strategies or using traditional ways of promotion may include a decrease in TB growth as a large part of the market may remain untapped. In other words, potential growth in terms of sales and market share might be lost, also affecting competitiveness within the market. Also, the small networks our interviewees possess limit their potential to reach other markets, meaning potential contacts in other places can be lost. Consequently, most of the growth of the business in our cases is organic, limited and dependent on the interviewees' will, abilities and resources. This can also constitute a partial explanation for the rather small size of the businesses under study.

Since this is a topic still underexplored in TEs and TB studies, the findings related here should serve as a starting point for determining how TEs promote their products and services, and how this can affect business performance in general.

Competition. When asked about their competitors, interviewees' responses were divided. Three participants claimed their TB did not have competition or direct competition, showing either a weak development of competition analysis or a first-mover advantage in the market. However, according to the business characteristics and the interview subjects, the former is the most typical explanation, as only two businesses seem to have a first mover advantage. Conversely, some interviewees stated they had numerous competitors, but did not have a clear understanding of the characteristics of these competitors nor a notion of how to take advantage of their weaknesses:

Honestly I do not know how many competitors I have. I have no idea what they are doing and I am not interested in finding out. (Camilo)

Our competition is huge! [...] I only look at them when I need to and I do not really deal with them. (Laura)

The identification of the actors in their industry that either compete or collaborate with them could boost the competitiveness of the TB, while creating the basis for being differentiated in the market. Along these lines, TEs interviewed apparently do not develop the ability to identify market players that could impact their businesses' performance, a deficit which could also limit their potential for expansion to other markets beyond their COO and COD.

This argument could be reinforced by the fact that eight of the TB cases studied here operate only in their COO and their COD. The remaining six operate in additional markets (and it is important to note that one of those six had previous experience and knowledge in the third market). The preference for limiting business operations to known markets shows a tendency toward conservative approaches among the TEs, as will be discussed in the next section.

Consistent with the literature review, there are no previous studies that have analyzed this phenomenon within TB. Hence, more research should explore this topic with the aim of further explicating the impact of these tendencies on performance.

International operations. Thanks to their position between two or more countries, all of the interviewees have operations in both the COO and the COD. Only six claim to operate in other markets beyond these two. Of these, only one interviewee claimed to have previous

knowledge of that market. All the others have entered these additional markets without recourse to former experience or close networks:

[...] I will say that [while] around 50% of our customers are in the USA, we have customers all over the world. (Maria)

The platform is global and we have users worldwide, but right now we have users mainly from the US. (Pedro)

In contrast to ethnic entrepreneurs, and in line with Drori *et al.* (2009), the businesses in the cases of this study are not limited to an ethnic enclave. Their main customers are not conationals, since they target markets in the COD or even third countries. Regarding the trading of products and services between countries, most participants export Colombian products or services to the USA, and, in some cases, to other foreign markets:

All my providers are in Colombia and all my clients are in the US. (Nicolas)

[...] we sell mostly to the US, to US costumers, with USA investors, but all the development and production team is located in Colombia. (Luis)

Therefore, participants' business activities do reinforce international trade between two or even more countries, bringing benefits for the COO, and depending on their supply chain, even to the COD or third countries. In this study, participation in third countries is mostly limited to other culturally similar markets to those interviewees know, such as Peru, Venezuela, Argentina, Mexico and Honduras, in contrast with the findings of Lin *et al.* (2008). These authors explain how the connection with third countries in their study was connected to TEs' network location, not to cultural distance. The different findings in our case may be attributable to the lack of trust and the fragmented and closed networks Colombian TEs maintain, according to Santamaria-Alvarez and Śliwa (2016). Even so, it is noteworthy that one of the TBs studied here has expanded to Qatar. This was achieved by via the relations the entrepreneur enjoys in this market, which have been developed through contacts and associates from that country:

[...] [Name of the Company] is established in the USA. We have a subsidiary in Colombia, and another one in Qatar, in the Middle East, and soon we will open a new one in Switzerland. (Ricardo)

As previously mentioned, interviewees' business planning encompasses expansion to other markets. In accordance with such plans, most of the TBs in this study have expanded or are looking to expand to other Latin American markets first. This behavior shows their preference for markets that are culturally and geographically (physical distance) close to them, as previously mentioned. These proclivities could reflect the relative ease with which they are able to establish contacts, create long-term business relationships and deal with problems that may arise during the course of business operations, especially when they cannot call upon robust networks. However, there is no evidence of directly investment in these markets, except for the participant who has operations in Qatar. In all the other cases studied, the TEs are predominantly engaged with exporting. None of the other internationalization methods such as franchising, licensing, joint ventures, among others, seem to be used by Colombian TEs. Similarly, there is no evidence of such entry modes being used by other TEs while internationalizing their operations. Further research on this topic is required to more conclusively delimit the horizons of internationalization strategies among TEs.

According to the findings of this research, and following Kotey (2005), it seems like the international orientation of these TBs is mainly based on their owners' ambitions, beliefs and knowledge. Moreover, it is important to bear in mind that their size and operations resemble those of a small- and medium-sized enterprises (SMEs), which differ greatly as compared to large multinational corporations (MNCs) in terms of ownership structure and managerial

approach (Pinho, 2007). Furthermore, most of the TBs in this study are single-owner managed or family-owned firms, and because of this, their entry mode might differ from those used by MNCs. Also, their limited resources might impact their choices when going abroad.

In terms of international operations of TBs created by TEs in the cases studied, more needs to be researched in order to understand not only how they develop their international strategies, but to shed light on international strategy theory and its relation with diverse types of entrepreneurship.

5. Conclusions and recommendations

The analysis of the TB created by Colombian TEs in this study allowed the authors to obtain a deeper understanding of those TEs, especially regarding their TBs' international operations and characteristics. Although most studies focus on MNCs, this study was able to provide first-hand data on the characteristics of TB set up by TEs from an emerging country (Colombia), and the international operations they engage in, highlighting very interesting patterns that agree or even contradict findings from previous studies. This study also produced findings in areas that have not been widely explored. In both of these regards, our findings contribute to the international entrepreneurship and the international business literature. Similarly, this paper provides guidelines for TEs from countries with similar socioeconomic characteristics to those of Colombia, including those wherein social unrest, guerrilla activity and/or drug-related violence have spurred migration.

Among the main personal characteristics exhibited by the TEs interviewed for this paper which impact business performance and operations, it is important to highlight their primary emphasis on economic gain. This incentivizes them to take advantage of the different COO and COD contexts, thanks to which they find the right conditions to produce with lower costs and sell to diverse markets. This is the case even despite the macro and meso features that surround them being limited and constrained (Chen and Tan, 2009). The TEs studied here exhibit low participation in Colombian or political associations in both their COO and COD, as well as little enthusiasm for participating in governmental initiatives, which reinforces the findings which indicate they operate in fragmented and closed networks. Also, they share a good command of at least two languages, and in general have relatively high levels of education. Most of them have previous entrepreneurial experience, and frequently travel either physically or "virtually" by means of telecommunication and technological tools to keep in contact with their employees and customers. These findings are in line with most of the literature on TEs from other countries. However, their lack of altruism when establishing their businesses is different from TEs from other countries. Likewise, their scant participation in associations is another point of difference with other groups (Saxenian, 2005; Lin *et al.*, 2008, among others). In addition, participants have been able to engage in TB even when the institutional environment at home and abroad and their small and fragmented networks present limits at the meso and macro level. Therefore, and probably because of their cosmopolitan identities, their knowledge of two or more markets, their will, and the use of technology, they are able to overcome those obstacles to develop their businesses.

On the other hand, interviewees mention how the high quality of the labor force they find in their COO, combined with relatively low costs and good service orientation, benefitted their TB, reinforcing their mostly economically driven motives for creating and operating their TB. In general terms, they also seem disinterested in transferring knowledge to their co-nationals or to their employees. This detachment could be explained by the lack of trust and fragmented networks Colombian TEs display. On the other hand, their knowledge of the local labor force in the COO could provide them with some competitive advantage that allows them to reduce the problems of lacking resources at the meso and macro level.

The findings regarding the micro perspective of TEs' participation in TB in the cases studied suggest guidelines for further research, especially regarding how to overcome meso and macro level shortcomings, and how micro level characteristics of the individual and the business can overcome shortcomings extant at the meso and macro level. Also, the findings outline how personal characteristics, identity and individual behavior impact TB and TE, and why some migrants engage in TB even if the environment at home and abroad is not favorable for the development and success of their businesses. It will be interesting to conduct similar research in analogous contexts in order to enhance our knowledge of the nexus between TEs' characteristics and their TBs.

Regarding business strategy, Colombian TEs interviewed do not seem to have a specific marketing or promotion strategy that could boost their business in terms of impact and market advantage. They also do not have much knowledge about international agreements between their COO and COD, and the possible benefits these could bring to their TB. This lack of knowledge could be based again on the lack of trust Colombian TEs feel toward both their co-nationals and their COO's government. In addition, all of the TEs in this study plan to grow their businesses, either in scope or in scale, although their limited funding impedes their expansion. Most of their funding comes from their own resources or those of their close networks, limiting their growth potential, which leads them to pursue limited organic growth for their TBs.

It is interesting to see how, even if participants have a negative perception of the institutional environment in their COO, they are still compelled to found and operate their business from there. This is especially striking in light of the fact that such perceptions seem to be an important factor for TEs from other countries (Newland and Tanaka, 2010; Nkongolo-Bakenda and Chrysostome, 2013). Nonetheless, these particular findings could be attributable to the specific context of the country, including pervasive violence, socioeconomic difficulties, guerrilla groups and drug-trafficking problems.

With respect to their international operations, the businesses studied here tend to internationalize by looking first at other LA markets, due to geographical distance and cultural similarities. Their operations are mainly focused on import-export activities, followed by some Foreign Direct Investment operations, restraining their internationalization potential. This may be down to their limited resources, and their lack of strong networks in other markets, leading them to expand to culturally similar markets.

It is important to note that there is not enough empirical evidence or research parallel to this one engaging with TB operations among other TE groups. Such additional work will clearly enrich the broader fields of international business, management and international entrepreneurship literature. Specifically, more research concerning TB promotion, competition, analysis, innovation, expansion, future plans, employee' characteristics, market expansion, international operations, financing, international strategies and entry modes is required.

Also, at the meso and macro levels, research is needed on how networks strengthen during time (or not), and how such network effects evolve, enhance or limit TB growth and performance.

In general terms, it would be interesting to see a study on the characteristics of TB from other TEs, especially those coming from similar environments, as well as comparisons between SMEs and TBs, and their internationalization strategies. Finally, further research on TB that falls with the category of SME would contribute greatly to the literature of transnational entrepreneurship and international business in general.

On the other hand, governments from developing countries, and those with similar social and economic characteristics, may also benefit from this and similar studies, which can provide guidance for policy-making and specific business development strategies. For example, governments need to provide the right environment to promote investment

knowledge transfer, to create financing strategies, and to develop business development centers, among other issues. Especially, governments need to enhance their relations with their potential TEs in order to reduce mistrust in formal institutions and government.

As the world becomes more globalized, the latest developments in IT and communications will make it easier for entrepreneurs to carry out their personal projects. Understanding how they develop and enter transnational markets is critically important not only for academics but also for governments which might utilize such understanding for socioeconomic development.

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INTERVIEW PROTOCOL

Before each interview, a formal letter will be sent to invite the Migrant entrepreneur to be part of the study and establish a date for the meeting to take place.

To start the interview, the researcher must explain to each interviewee the purposes, objectives, and uses of the actual research. Confidentiality and validation issues should also be discussed.

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The following questions are a guideline for the interviewer, not the interviewee.

During the interview, it would be necessary to identify the characteristics of the entrepreneur to be interviewed. For this purpose, some questions and direct observation will be used. Questions that will have to be addressed are:

- Name of person, age range (under 15, 16–20, 21–25, 26–35, 36–45, 46–60, more than 60), gender, education level (non-high school diploma, high school diploma, unfinished bachelor degree, bachelor degree, unfinished graduate studies, graduate degree).
- Where was the person born
- Family's composition (who are member of this family?)
- Marital status of the head of the family (single, married, divorced, widowed, other),
- Place of residence, and economic status (quintile)
- Language competences (Spanish-English, other?)

Those previous questions will provide data to classify the profile of the interviewed entrepreneur, and should be addressed at the end of the interview, with the purpose of avoiding misleading data. At the end of the conversation, the interviews will know the data they have provided us, and they can feel more comfortable answering those questions.

Questions to be addressed to the entrepreneur:

- a. To break the ice and allow the interviewees feel more comfortable, the first question will be conducted to ask the entrepreneur to tell us the migration experience. Variable to be studied: Migration.
 - Could you please tell describe me how was your migration experience?
 - o Sub questions:
 - Which family member(s) migrated (Father-head or not of the family-, mother-head or not of the family-, grandmother, grandfather, daughter, uncle, aunt, all, etc).
 - Which reasons motivated the person(s) to migrate? (The objective of this question is to determine the reasons that motivated him/her to migrate, and relate those reasons with the possible reasons to engage in transnational activities)
 - What was the migrant main activity before migration? (Student, employee, employer, self-employed, unemployed, worker with salary in a family owned business, other-which one?)
 - Could you please describe your work experience? (to understand competences and skills that could have been the base for creating the transnational venture)
 - Where did the person go and why? To determine if: the country of destination allowed the person to migrate freely or not, the main characteristics of the destination country versus the country of origin, the possibilities to motivate a future return and the possibilities to establish transnational connections.

- Could you please describe me how was your social, familiar, economic and cultural life before migration? During migration? After migration? (This question will allow us to study how migration has changed their lives, and if they consider their lives to be better or worst thanks to the migration experience. Also, this question can help us to determine if migration is a family pattern for them, or of it is circular , and the possible difficulties they had to face during the migration process)
- How was the reception process at the destination place? Did you feel comfortable, welcomed? Why?
- Where did you arrive? Did you live with family, friends or did you find a place by your own?
- Have you had the chance to reunite with your family in your place of residence (Abroad?)
- Which effects do you think migration has had in your life? (positives and/or negatives) Why? How? (To study potential transnational activities obtained through the migration experience)
- Have you studied abroad? If so, which type of course or qualification have you acquired? Where did you study?

b. Could you please explain me what is your entrepreneurial activity?

This question will allow studying the entrepreneurial business itself, along with the main motivations, type of business created and its main characteristics, and the positive/negative aspects associated with TE. This information will allow us to compare the interview results with actual theories, and previous empirical research done. Variable under study: TE

○ Sub questions:

- Could you please tell me the name of the entrepreneurial venture? When was it created? Where?
- How was the idea of the business originated?
- Why to work between two or more countries?
- How often do you travel between or among those places of operations? Why?
- Is it the result of previous experiences gained at home before migration?
- Is it the result of experiences learned after settlement in the new place of residence (after migration)?
- Have you used previous knowledge to create the venture? If so, how? Please describe
- Have you used migration experience to create the venture? If so, how? Please describe. Similar
- Which kind of activities does the company perform?
- Do you think your company provides innovations? Of which type? Why?
- Does the company use new technologies? How? Why?
- Where does it operate?
- How many employees does the company have? Where are they from? How have you selected them? How many of them are Colombians working overseas?
- Do you plan to increase the number of your employees in the next year? In five years? Why?
- Could you please describe the characteristics of the top management team? (Number, age, education, experience, ethnicity, functions, etc.)
- Do you import? Where from? What?
- Who and how have supported the venture? Where are they from?

- Do you receive financial support? Where from?
- Does the venture have international trade operations? If so, with which countries and how those where originated?
- Who are your main suppliers? Where are they from?
- Who are your main customers? Where are they from? Have always been those customers of the customer base has evolved? Why?
- How do you promote your business idea? Where? Why?
- How is your competition at home? Abroad?
- How has your company evolved since its creation? Which future perspective do you have for your business? (Growth, sales, etc.)
- Do you plan to increase the business capacity in the next year? In five years? Why? How?
- Have you participated in governmental initiatives to support/develop your venture? (At the national, international, regional and/or community level)
- How the relations between Colombia and US have impacted your business? Why? Or not and why? (Impact of relations of CO and CD (international agreements, too)
- Has the FTA between Colombia and the US has impacted or not your business, according to your perception?
- Which personal characteristics does he/she consider have helped you to create the venture and make the business successful?
- Have you had other ventures in the past? If so, which ones, where, type of business, does it work today (yes/no/why)
- What are the main obstacles you have had to face to create the business?
- What are the main obstacles you have had to face to make your business successful?
- What are the main benefits of the TE venture for you? For your family? For the involved countries?
- Does the interviewee think the business has changed his/her life or not and why? (To determine the perception the household have over the TE)
- Could you please provide some recommendations for future migrant entrepreneurs
- Is there something else, besides money, which the migrant(s) have gained and used for the business creation? (Control question)
- Do the entrepreneur participate in associations of Colombians or other type of associations? Why? (to determine if the migrant(s) used this form of national affiliation)
- Did the migrant(s) participated in political parties, reunions, or voting activities for Colombian government? Why? If so, which impact do you think it had in your business?
- Do you consider yourself to be settled in Colombia or do you consider yourself as a person who lives in two or more countries? If so, why? (To study potential transnational living strategies).

c. What are the future plans of the business?

This inquiry will evaluate the desire to return and to invest in other projects. Variable under study: Future investments and/or business plan

o Sub questions:

- Have you invested in other assets the country? Which reasons have motivated you to invest? If so, in which type of investments? (This enquiry lets us determine if and how migrants are investing in Colombia, what they consider an investment, and the reasons to do so. The possible answers can also help us to delineate policies to motivate further investment from migrants).

- Has the migration experience affected your decision to invest in Colombia? If so, how? (To determine potential transnational activities)
- Would you recommend other migrants to invest in Colombia? If so, why? (Control question)
- Have you ever planned on returning? Why?

d. Role of Networks

Position generator

Now we would like to learn more about your social relations. Entrepreneurs often have to deal with people in different occupations. Here you have a list of occupations:

A. **Do you personally know someone who does any of the following jobs in your country of origin?**B. **Do you personally know someone who does any of the following jobs in the host country?**

Personally know: More than just casual acquaintances

If you know someone on the following occupations in the host country, what ethnicity is this person? (white or Caucasian, Asian or other than Chinese), Black or African, Hispanic or Latin, native, other)

	In your country of origin		In the Host country		
	Yes	No	Yes	No	Ethnicity
Government official					
Community association leader/activists					
Academic/professor					
Venture capitalist					
Bank loan officer					
Lawyer					
Accountant					
IT engineer/computer programmer					
Journalist/editor in media					
Sales or marketing manager					
Human resources manager					
Entrepreneur/Small business owner					
School teacher					
Physician or other health worker					
Truck driver					
Electrician					
Waiter/waitress					
Policeman or policewoman					

The Name generator:

Please tell me the names of three of your team members. If you have more than three team members, think of the three most important team members. Please give me only their First names, so that we can talk about them without revealing their industry.

Team Member	Name	Function at the time of funding
1		
2		
3		

Entrepreneurs often need a little help from family members, friend, coworkers, neighbors, acquaintances, or even strangers. Now, think about people (not including yourself) who helped you to establish your current business. Please give me only their first names, so that we can talk about them without revealing their identity

Note. If the same name is mentioned twice or more times, ask if the respondent is referring to the same person or not. If different, add a number to the first name, such as Jim 1, Jim 2, etc.

If the participant comes up with a name in Scenario A, then go to the next questions. If not, ask scenario B

SCENARIO A: Please think of one person who has provided...

SCENARIO B: If you did not receive such help yet, when you need this help, who do you think will be the person that is most likely to provide...

		NAME	
		SCENARIO A	SCENARIO B
H1	Introductions to people who are useful for your business		
H2	Business related information or advice		
H3	Training in business related tasks or skills		
H4	Financial assistance (like investment, equity, loan, loan guarantee, etc.)		
H5	Physical resources, use of land, space, buildings or equipment		
H6	Business services (legal, accounting, or clerical assistance)		
H7	Personals services (such as household help or childcare)		
H8	Anyone you haven't mentioned but who is particularly helpful to your business. Please explain what service or assistance this person provides to your business ____ helping to get ideas _____		

- e. Is there anything else the interviewees would like to add?

To include any personal perception or additional data the household wants to add to the study.

- f. Wrap up question: who should I turn to in order to understand better your case or similar cases in Colombia?

Once the pilot interview is conducted, these questions must be revised, adapted, changed, or eliminated or other questions must be addressed in order to comply with this multiple case study question.

Although this interview protocol has made explicit only the questions to be asked to Colombian migrant entrepreneurs, these questions would be adapted for other kind of interviewees, like experts, institutional representatives, and other researchers. In this case, other questions to be addressed might include (depending on the participant):

- What are the main findings of the previous research performed related with Colombian migrant entrepreneurship?
- Which specific programmes are you or your institution developing to support TE?
- What do you think can be the main benefits pf TE for counties like Colombian? How can this be motivated to occur?

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