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# VALUE CHAIN RELOCATIONS AS A SOURCE OF COMPETITIVE ADVANTAGES AMONG MIGRANT-OWNED FIRMS

A study of migrant ventures in  
Pakistan's IT industry

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Muhammad Sufyan





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## ABSTRACT

The principal aim of the present dissertation is to examine the value chain relocations of migrant-owned firms as a source of competitive advantages. The dissertation is founded on two fundamental assumptions. First, that migrant-owned firms create valuable products or services in cooperation with multiple internal and external value chain stakeholders. Second, that individual determinants, including the social, cognitive and human capital of migrant entrepreneurs, should be re-examined in the context of value chains. Given these two assumptions, the dissertation is intended to achieve three key objectives, which are addressed in three separate essays. Essay I builds on the concept of a value chain analysis to develop a comprehensive typology of migrant-owned firms. In so doing, the essay considers the degree of value chain ethnicity, the degree of market ethnicity and the degree of internationalisation as the three dimensions underlying the typology. As a result, migrant-owned firms are classified into eight ideal types, namely ethnic ventures, ethnic break-outs, ethnic break-ins, break-outs, ethnic internationals, ethnic international break-outs, ethnic international break-ins and international break-outs. Essay I further discusses how the different types of migrant-owned firms reflect the varied nature of ethnic, non-ethnic and hybrid competitive advantages within domestic and international markets. Additionally, in the essay, the eight ideal types are empirically illustrated using different migrant-owned firms for each category.

From the eight ideal types, ethnic international break-out ventures (which are referred to as migrant international ventures in essays II and III) have been selected for additional empirical investigation. Essay II uses the fine slicing of the value chain to theoretically underpin the empirical examination of the disintegration, dispersion and reintegration of value chains among migrant international ventures. The data are collected through semi-structured interviews conducted with the migrant founders of migrant international ventures within Pakistan's information technology (IT) industry. The migrant founders are currently based in six countries, namely Finland, Sweden, Norway, New Zealand, Australia and the United States. The findings reveal how the unique approach to value chain relocations among migrant international ventures enables them to achieve competitive advantages within the international markets. In particular, the relocated value chains comprise four types of activities: non-core activities, country of origin-based support activities, country of residence-based support activities and core activities.

Finally, essay III extends the insights derived in essay II in order to introduce an alternative typology concerning the sensing, seizing and transforming capabilities of international value chain relocations. In addition, the prior experiences and individual capabilities of the migrant entrepreneurs are examined as the micro foundations of firm-level capabilities. The findings highlight how the unique acculturation, enculturation and prior professional experience of the founders of migrant international ventures enable them to develop idiosyncratic sensing, seizing and transforming capabilities. These entrepreneurial capabilities serve as the antecedents of the firm-level capabilities of international value chain relocations and, consequently, facilitate the attainment of competitive advantages.

Overall, the present dissertation provides an entirely new lens through which to examine value creation among migrant-owned firms. Toward the end of the dissertation, the theoretical and policy implications of an enhanced understanding of the dynamics of value chain relocations, entrepreneurial antecedents and competitive advantages are also discussed.

**KEYWORDS:** Migrant entrepreneurship, international entrepreneurship, offshoring, value chain fine slicing, competitive advantages, dynamic capabilities, dynamic managerial capabilities, international new ventures.

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## TIIVISTELMÄ

Tämän väitöskirjan tarkoitus on tarkastella arvoketjujen muutoksia kilpailukyvyyn lisäämisen muotona maahanmuuttajien omistamissa yrityksissä. Tutkimus pohjaa kahteen taustaoletukseen. Ensimmäiseksi, että maahanmuuttajien omistamat yritykset luovat arvokkaita tuotteita tai palveluita useiden sisäisten ja ulkoisten arvoketjuun kytkeytyneiden sidosryhmien näkökulmat huomioon ottaen. Toiseksi, että yksittäiset tekijät, kuten maahanmuuttajayrittäjän sosiaaliset, kognitiiviset ja henkilökohtaiset resurssit, vaativat tarkempaa tutkimusta arvoketjun kontekstissa. Näiden taustaoletusten pohjalta tämän tutkimuksen tarkoitus on jaettu kolmeen osatekijään, joista kutakin tarkastellaan yhdessä esseessä. Ensimmäinen essee rakentaa typologian maahanmuuttajien omistamista yrityksistä arvoketjuanalyysiin perustuen. Esseen rakentaman typologian kulmakivinä ovat arvoketjun etnisuus, markkinoiden etnisuus ja yrityksen arvoketjun kansainvälistymisen aste. Typologian pohjalta kaikki maahanmuuttajien omistamat yritykset voidaan jakaa kahdeksaan perustyyppiin. Essee keskustelee myös siitä, miten eri tyyppiset maahanmuuttajien omistamat yritykset heijastavat erilaisia etnisiä, etnisyyteen perustumattomia tai näitä ääripäitä sekoittavia kilpailuedun muotoja kotimaisilla ja kansainvälisillä markkinoilla. Kahdeksaa typologian perustyyppiä kuvataan empiirisesti esittämällä jokaisesta esimerkki maahanmuuttajan omistamasta yrityksestä.

Näistä kahdeksasta perustyyppistä esseiden kaksi ja kolme empiirisen tarkastelun keskiöön valikoituivat etniset kansainväliset yritykset, joita jatkoessa kutsutaan maahanmuuttajien omistamiksi kansainvälisiksi yrityksiksi. Toinen essee tarkastelee maahanmuuttajien omistamien kansainvälisten yritysten arvoketjujen jakautumista, hajaantumista ja uudelleen yhdistymistä pohjaten arvoketjujen siivuttamisen teoriaan. Aineisto on kerätty puolistrukturoiduin haastatteluin Pakistanista kotoisin olevilta informaatioteknologian alalla toimivien maahanmuuttajien omistamien yritysten perustajilta. Perustajat asuvat nykyään Suomessa, Ruotsissa, Norjassa, Uudessa-Seelannissa, Australiassa ja USA:ssa. Löydökset osoittavat, että arvoketjujen siirtäminen uuteen sijaintiin auttaa maahanmuuttajien omistamia yrityksiä kehittämään kilpailuetuaan kansainvälisillä markkinoilla. Uudelleen-sijoitetun arvoketjun toiminta pohjaa toissijaisiin toimintoihin, alkuperämaan tukitoimintoihin, sijaintimaan tukitoimintoihin ja yrityksen keskeisiin toimintoihin. Kolmas essee laajentaa näitä löydöksiä ja esittelee vaihtoheitoisen typologian kansainvälisten arvoketjujen siirtämisen kyvykkyudestä perustuen tunnistamiseen,

tarttumiseen ja muuntamiseen. Yritysten kyvykkyyksien pohjalla tarkastellaan myös maahanmuuttajayrittäjien aiempia kokemuksia ja henkilökohtaisia kyvykkyyksiä. Löydökset korostavat, että maahanmuuttajien omistamien kansainvälisten yritysten perustajien yksilölliset kulttuuriin sopeutumisen ja kulttuurin omaksumisen kokemukset sekä aiempi ammatillinen kokemus auttavat yrityksiä muovaamaan niille ominaiset tunnistamisen, tarttumisen ja muuntamisen kyvykkyudet. Nämä yrittäjyyteen liittyvät kyvykkyudet ennakoivat yritystason kansainvälisten arvoketjujen siirtoon liittyvien kyvykkyyksien kehittymistä ja siten palvelevat kilpailuedun kehittymistä. Kaiken kaikkiaan tämä tutkimus tarjoaa uuden linssin arvionluonnin tarkasteluun maahanmuuttajien omistamissa yrityksissä. Väitöskirjan lopuksi pohditaan, millaisia teoreettisia, strategisia ja poliittisia seurauksia löydökset arvoketjujen siirron dynaamisuudesta, yrittäjyyteen liittyvistä taustatekijöistä sekä kilpailuedusta aiheuttavat.

**AVAINSANAT:** Maahanmuuttajayrittäjä, kansainvälinen yrittäjä, offshoring, kilpailuetu, dynaamiset kyvykkyudet, dynaamiset johtamiskyvyt, etnisuus, kansainväliset uudet yritykset



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*Muhammad Sufyan*

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PART 1  
INTRODUCTORY ESSAY





# 1 Introduction

## 1.1 Competitive advantages among migrant-owned firms

According to the latest figures released by the United Nations (UN; 2019), the number of international migrants has reached a staggering 272 million, which amounts to roughly 3.8 percent of the global population. Among these international migrants, 67 percent currently reside in just 20 countries, with the United States of America (USA) and the European Union (EU) collectively accommodating 141 million migrants. Interestingly, 89.4 percent of migrants worldwide are classed as opportunity-seeking migrants (i.e. individuals who have chosen to permanently leave their home country in order to achieve a better economic status), while only 10.6 percent have migrated to other countries as refugees (UN, 2019). As a subcategory of migrants, migrant entrepreneurs (i.e. individuals who establish new ventures) have been widely recognised with regard to their contributions to the generation of new employment opportunities, wealth and economic development in both their country of origin (COO) and their country of residence (COR; Etemad, 2018; Sui et al., 2015). Recent statistics have stressed the vital entrepreneurial role played by migrants through revealing, for example, that 44 percent of new startups in Germany in 2015 were founded by migrants, which increased the overall proportion of migrant-owned firms to 20 percent of the national total (Economist, 2017). Similarly, 25 percent of startups in the USA are migrant-founded firms, and they employ approximately 14 percent of the country's private workforce (Stillman, 2016). This trend of migrants exhibiting entrepreneurial tendencies can also be seen in the United Kingdom, where migrants have a five percent higher likelihood of becoming an entrepreneur (Gemconsortium, 2019); Australia, where migrants are responsible for 33 percent of new startups; and Canada, where 10.8 percent of immigrants have opted for self-employment (Statistics Canada, 2018).

From the academic perspective, the earliest research efforts concerning migrant-owned firms can be traced back to the 1960s. Prior to that, migrant entrepreneurs were viewed as petty traders, merchants or shopkeepers, who were thought to primarily operate in lower-end product markets such as restaurants, sweetshops, laundries, greengrocers, liquor stores, nail salons as well as wholesale and retail

businesses (Zhou, 2004). However, over the last 50 years, it has been recognised that migrant-owned firms exist in a wide range of industries in both the domestic and international arenas (Aldrich & Waldinger, 1990; Saxenian, 2005). Hence, migrant entrepreneurs should not be viewed as disadvantaged minorities who sell solely ethnic products or services to co-ethnics based in an ethnic enclave within their COR (Light & Gold, 2000). Instead, due to advances in communication and transportation technologies, in addition to the migration of highly skilled individuals, migrant-owned firms have increasingly become international contributors through making use of their unique combination of back and forth linkages with the ethnic and co-ethnic network structures spanning multiple countries (Drori et al., 2009; Portes et al., 2002; Riddle et al., 2010).

Nevertheless, despite this acknowledgment of the increasing diversity and important contributions of migrant-owned firms, there remains a paucity of research concerning how these migrant ventures effectively compete against other firms. In other words, *how do different migrant-owned firms secure competitive advantages?*

In the context of the present dissertation, a migrant venture is considered to have sustained competitive advantages if its current and potential competitors are unable to duplicate the strategy currently being implemented by the migrant venture (Barney, 1991). Moreover, according to the resource-based view, the possession and deployment of the valuable, rare, inimitable and non-substitutable resources and capabilities of firms enable them to achieve higher performance and increased competitive advantages (Barney, 1991). However, Barney's (1991) conception of competitive advantages is more relevant to multinationals than to resource-constrained migrant-owned firms, as the latter differ in terms of their sources of competitive advantages due to their smaller size, constrained resources and lack of institutional legitimacy. For instance, migrant-owned firms are more agile and capable of leveraging complementary network resources to gain and sustain competitive advantages rather than having to rely on the development of in-house resources, capabilities or routines (Musteen & Ahsan, 2013; Musteen et al., 2017). Furthermore, migrant-owned firms are more dependent on the prior experience, knowledge and capabilities of their migrant founders when it comes to gaining access to valuable information and resources from value-creating ethnic and non-ethnic networks (Ndofor & Prium, 2011). In short, migrant-owned firms gain competitive advantages by relocating their value chains and leveraging their founders' idiosyncratic personal characteristics.

In relation to the relocation of value chains, it is important to recognise that there are several subtypes of migrant-owned firms that are markedly different to each other. For instance, at one end of the spectrum of migrant-owned firms, there are ethnic ventures that serve only co-ethnic customers in the COR by entirely relying on ethnic capital endowments, while at the other end of the spectrum, there are

migrant-owned multinationals that serve broad non-ethnic market segments in multiple countries by making use of non-ethnic resources (Chaganti et al., 2008; Ndofo & Prium, 2011). Elsewhere along the spectrum, there are several ventures that possess different combinations of ethnic, non-ethnic and geographic resources and market segments. Irrespective of the industry, ethnicity, size and geographic spread, all migrant ventures create customer value as part of their value chains because they cannot complete all the necessary processes in-house (Kano, 2018; McWilliam et al., 2019; Mudambi & Puck, 2016). However, the focus of the prior migrant entrepreneurship literature has largely been on individuals and opportunity structures (e.g. Aliaga-Isla & Rialp, 2013; Bolzani & Boari, 2018; Falavigna et al., 2019), neglecting the fact that firms build value chains with other stakeholders in order to create value and establish competitiveness (e.g. Aliaga-Isla & Rialp, 2013; Bolzani & Boari, 2018; Falavigna et al., 2019). The existing literature has, therefore, neglected the fact that value creation cannot be fully explained by the interactions of individuals and opportunity structures, since the processes and mechanisms by which a firm organises its value creation activities inside and outside its boundaries are also important. In fact, the social networks, experiences and capabilities of the migrant founders are essential, and they should be re-studied within the context of the value chain networks through which the ultimate value is created.

In light of this, it is necessary to develop a typology of migrant-owned firms based on a value chain analysis (Oviatt & McDougall, 1994; Porter, 1985) so that their competitive dynamics can be appropriately understood and explained. As there exist several types of migrant ventures, the value chain relocations of relevance may take place domestically within the boundaries of the COR or be relocated internationally across multiple countries, including the COO. Nonetheless, for all international migrant ventures, the COO has a special status because the founders of such ventures have lived there for a significant part of their lives. In this regard, owing to their dual embeddedness, migrant international entrepreneurs are in a unique position to serve as a bridge to connect the COO and the COR (Drori et al., 2009; Portes et al., 2002; Saxenian, 2002). As a result, such ventures exhibit a higher propensity to relocate their value chains in their present and former homelands, which differs from the reasons for international value chain relocation expressed by other firms. In particular, Zaheer et al. (2009) highlighted the relevance of the ethnic network ties (i.e. ethnic belongingness, region of birth, national origin and mother tongue) of founding entrepreneurs as important predictors of location-related decisions. In a similar vein, Musteen (2016) stressed the influence of the founders' prior experiences, cognitive limitations and level of concern for the wellbeing of their COO in relation to all aspects of offshoring decisions.

The international relocation of value chain activities has been examined under different titles in the prior literature, including offshoring, location choice,

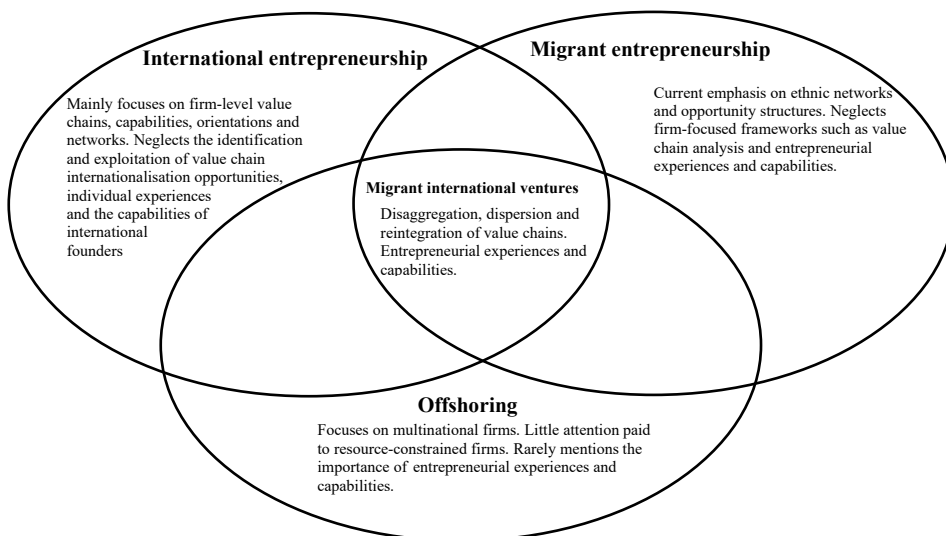
international/global sourcing, inward/backward internationalisation and business process offshoring (Kotabe & Murray, 2004; Lewin et al., 2009). However, in essence, value chain relocations require firms to make decisions related to four aspects, namely disintegration, dispersion, reintegration and resource transformation (Mudambi & Venzin, 2010; Pisani & Ricart, 2016; Schmeisser, 2013). In other words, firms are required to select which business activities will be relocated (activity choice), where those activities will be based (location choice) and how those activities will be coordinated (governance mode choice) to ensure customer value and gain sustainable competitive advantages (Contractor et al., 2010; Mudambi & Venzin, 2010). Moreover, firms are required to consistently evaluate and adapt their resource bases in order to compete in ever-changing and ultra-competitive business environments (Mudambi & Venzin, 2010).

Nonetheless, despite largely accepting that firms of all sizes, natures and shapes are increasingly entering international markets through internationalising their value chains (Elia et al., 2019; Mihalache & Mihalache, 2020; Mukherjee et al., 2017), the prior research has predominantly centred on multinationals (Musteen, 2016; Oshri et al., 2019). Consequently, conventional multinational economic theories, such as transaction cost economics, internalisation theory, the OLI (ownership, location, internalisation) paradigm and the resource-based view (Barney, 1991; Buckley & Casson, 1976; Dunning, 2009; Williamson, 1975), have underpinned the majority of studies on international value chain relocations (e.g. Bunyaratavej et al., 2008; Mudambi & Tallman, 2010; Narula & Verbeke, 2015). In addition, a few researchers contend that offshoring is an inherently complex phenomenon that requires multidirectional interactions among several individual, organisational and institutional actors from multiple countries. That is, it highlights how insights derived from various theories should be combined to advance a co-evolutionary framework because no single theory can provide a comprehensive explanation of offshoring decisions (Lewin & Volberda, 2011; Thakur-Wernz & Bruyaka, 2017). However, most theoretical perspectives fall short in terms of explaining the offshoring of inexperienced migrant-owned ventures (Musteen & Ahsan, 2013).

Against this background, the present dissertation aims to examine value chain relocations as well as entrepreneurial experiences and capabilities as sources of competitive advantages among migrant-owned firms. This aim is accomplished by first developing a comprehensive typology of migrant ventures and then empirically investigating the decisions and individual characteristics of migrant founders regarding international value chain relocations among migrant-owned international ventures, a subcategory of migrant ventures. The principal reason for selecting such ventures is the fact that the customer bases of these firms are spread across multiple countries, although they are created and managed by migrant entrepreneurs.

## 1.2 Positioning of the study

In this section, I will further elaborate on the positioning of the present dissertation at the interface of the migrant entrepreneurship, international entrepreneurship and offshoring streams of literature. The discussion in subsection 1.2.1 briefly sets out the background to the prior migrant entrepreneurship research as well as how the application of a value chain framework can serve to link it to broader research in the business domain. Subsection 1.2.2 then introduces three related concepts from the realm of international entrepreneurship, namely the emergence of the international opportunity paradigm, the neglect of backward internationalisation and the relevance of entrepreneurial experiences and capabilities to internationalisation decisions. Next, subsection 1.2.3 investigates the current debates within the offshoring literature and explores how the role of entrepreneurial experiences and capabilities among resource-constrained firms, particularly migrant ventures, is neglected in this literature stream. These discussions will continue in the subsequent section, as I will outline the research objectives and discuss how the three included essays contribute to the above-mentioned streams of literature (see Figure 1). In addition, the terminological underpinnings of these concepts are presented in Appendix 2.



**Figure 1** Research gaps in three domains

### 1.2.1 Migrant entrepreneurship

Traditionally, the debate within the migrant entrepreneurship literature has been primarily divided into the structuralist and culturalist camps (Dabić et al., 2020; Kushnirovich et al., 2018). According to explanations offered by the structuralist school, migrant entrepreneurs identify and exploit ethnic opportunities due to their disadvantaged position, which stems from the host community's hostility, racial discrimination and limited opportunities for upward mobility in the COR (Aldrich & Waldinger, 1990; Chrysostome, 2010). Such challenges are exacerbated by the fact that newly migrated individuals do not have access to formal financing channels and, further, possess inadequate knowledge about the business culture, market dynamics, language and institutional environment. Moreover, previous research has shown that the location of migrant entrepreneurs within ethnically concentrated geographic areas, which tend to be associated with low demand, inadequate infrastructure and above-average crime rates (Barrett et al., 2001), also increases the gravity of these challenges and so pushes migrants toward ethnicity-based opportunities.

However, the culturalist school argues that migrant entrepreneurs choose to pursue ethnic opportunities because they possess culturally determined features, which are critical to both their economic success and their entrepreneurial attitudes. These features include membership of social networks, compliance with social value patterns, dedication to work, ethnic solidarity, group loyalty and an orientation toward entrepreneurship. Additionally, ethnic clustering serves as an important source of human, social and financial resources (Chreim et al., 2018; Wilson & Portes, 1980), and it mitigates the negative impacts of language and cultural barriers in the host society by promoting the hiring of co-ethnics and offering privileged market access (Zhou, 2004). Neighbourhoods that feature a high concentration of ethnic minorities represent valuable territories for ethnic enterprising that caters to ethnic tastes (Arrighetti et al., 2014). When immigrant entrepreneurs serve or source from ethnic communities located in spatially concentrated ethnic enclaves, their ventures gain access to strategic advantages that are unavailable to many potential competitors (Portes & Shafer, 2007). Thus, there exist strategic advantages that are inaccessible to non-ethnic competitors, which migrant entrepreneurs are exposed to by virtue of their entry into ethnic value chains in the form of ethnic product offerings to co-ethnic clientele or the sourcing of upstream supply chain activities for fellow ethnic community members (Light, 1984).

Yet, both approaches explain only part of the story. Thus, the debate continued until the early 1990s, when Waldinger et al. (1990) highlighted the possibility of synthesising the culturalist and structuralist approaches alongside the incorporation of human agency assumptions within a comprehensive framework known as interactionist theory. The central argument of this interactionist theory is that the identification and exploitation of ethnic opportunities can best be explained by

complementing ethnic resources with both structural and individual factors (Masurel et al., 2004). Hence, it places a greater emphasis on the interactions that occur between the opportunity structure within the COR and the ethnic resources of a given migrant group (Waldinger et al., 1990).

The interactionist theory has been criticised for being too narrowly focused on social structures, thereby neglecting the importance of other types of external environments, including the political, economic and institutional environments, which are also crucial for immigrant venture creation (Kloosterman et al., 1999). As an extension of the interactionist theory, its critics offered the mixed embeddedness theory, which is based on the assumption that economic activities are embedded within the broader social, economic and institutional contexts. This mixed embeddedness theory considers the significance of regulation, market conditions as well as social and cultural structures as determinants of ethnic opportunity development (Chreim et al., 2018; Edwards et al., 2016; Kloosterman & Rath, 2001).

Although the culturalist, structuralist, interactionist and mixed embeddedness theories have all played a vital role in advancing the research on migrant entrepreneurship, they are mainly concerned with explaining the identification and exploitation of ethnic business opportunities. However, in real life, several high-profile and skilled migrant entrepreneurs are making significant contributions to non-ethnic market segments by employing non-ethnic employees and coordinating with non-ethnic suppliers (Chaganti et al., 2008; Saxenian, 2002). These entrepreneurs consider that exclusive reliance on ethnic market segments represents a severe constraint on the growth of migrant ventures and, further, that real growth can only be achieved if enterprises are able to ‘break out’ into mainstream markets and so access broader non-ethnic opportunity structures (Bates, 2001; Drori & Lerner, 2002; Light & Gold, 2000). It is worth mentioning here that both the ethnicity-focussed and break-out-related research initially only discussed business opportunities in the context of the COR, meaning that little attention was paid to the international role of migrant entrepreneurs, particularly in the context of value chain relocations.

However, researchers started investigating this international aspect toward the end of the twentieth century, thereby giving rise to a new research stream, which is known as transnational entrepreneurship (Crick et al., 2001; Portes et al., 2002). This change in emphasis shifted the research focus from the examination of domestic opportunities to the investigation of international opportunities (Crick & Chaudhry, 2010, 2014). Drori et al. (2009, p. 1001) deviated from their sociological research roots by defining transnational entrepreneurship from a more entrepreneurial perspective and explaining it as ‘entrepreneurial activities that are carried out in a cross-national context, and initiated by actors who are embedded in at least two different social and economic areas.’ In principle, this widely adopted definition of

transnational entrepreneurship highlights how transnational migrant entrepreneurs can conduct business activities in any international country. However, the term is quite often used to refer to the embeddedness of migrant entrepreneurs within their COO and COR, since both these countries play an exceptional role in the life of migrants when compared with other countries (Chung & Tung, 2013; Saxenian, 2002).

In sum, the migrant entrepreneurship literature has mainly focused on individuals and opportunity structures (e.g. Aliaga-Isla & Rialp, 2013; Bolzani & Boari, 2018; Falavigna et al., 2019), thereby neglecting the fact that firms build value chains with other stakeholders in order to create value and establish competitiveness. All migrant ventures create customer value as part of their value chains. In my view, the single most crucial factor to have resulted in the marginalisation of migrant entrepreneurship research when compared with mainstream business research is related to the fact that the former does not explicitly consider the theory of the firm and, consequently, tries to identify explanations solely from among individual and external environmental factors. For instance, over the last two decades, most researchers in the field of entrepreneurship have relied on the mixed embeddedness theory, which represents a further extension of the social embeddedness theory. There is no denying that opportunity structures and human agency – two fundamental pillars of the mixed embeddedness theory – are vital contributors to decision making, although there still exists a need to build on the organisation theory-centred research in order to underscore the links between the two divergent streams of literature.

In this regard, a value chain analysis represents an appropriate framework for examining the whole range of value creation activities performed by multiple stakeholders from the conception of ideas through to sales and post-sales support services (Vadana et al., 2019). In its current form, the migrant entrepreneurship research offers a good understanding of ethnic network resources at the individual level, the special status of founders' COO and COR, opportunity structures and the formation of ethnic ventures. However, it provides an insufficient explanation of the use of firm-focused frameworks (essay I), migrant entrepreneurs' decisions to relocate and design offshoring business models to move some parts of the value chains to the COO while keeping the others in the COR (essay II) and the relevance of entrepreneurs' international experiences as well as their capabilities to manage relocations (essay III).

### 1.2.2 International entrepreneurship

This subsection discusses the gaps in the second relevant stream of literature (i.e. the international entrepreneurship literature), to which the present dissertation is



intended to make some valuable contributions. In particular, I will briefly demonstrate how the research in this stream has paid little attention to the international relocation of value chains, the role of migrant founders in such relocations and the cross-border expansion of migrant-owned enterprises.

First, in the context of international entrepreneurship, the opportunity paradigm has traditionally been neglected (Keupp & Gassmann, 2009; Terjesen et al., 2013), even though it has dominated research in the entrepreneurship domain over the last two decades (Shane & Venkataraman, 2000). In this regard, based on their comprehensive domain ontology, Jones et al. (2011, pp. 642–643) rightly pointed out that ‘the concept of opportunity recognition is quite new to IE [international entrepreneurship]...IE research focused on opportunity has rich potential’. Nevertheless, increasing awareness of the opportunity aspect has stimulated further research into why some international entrepreneurs recognise and exploit new international market opportunities (Chandra et al., 2012; Johanson & Vahlne, 2009), thereby overcoming both the liability of outsidership and the liability of foreignness inherent within foreign market entries. Notably, some scholars have suggested that internationalisation involves ‘the recognition and exploitation of entrepreneurial opportunity that leads to new international market entry’ (Chandra et al., 2009, p. 31).

However, it must be acknowledged that the concept of international opportunity includes both the sales side and the production side of the cross-border expansion of firms’ activities. I admire prior attempts to conceptually and empirically investigate the sales side of market internationalisation as the recognition and exploitation of international opportunities, which has provided strong foundations for connecting the IE and entrepreneurship research. However, to date, the majority of studies have mostly neglected backward/inward internationalisation (Fernhaber et al., 2009) which is otherwise known as international value chain relocations. Similar to outward internationalisation, the entrepreneur first connects the informational cues offered by multiple markets in order to recognise the underlying opportunity patterns and then later exploits them through practical actions.

It is worth mentioning here that the concept of a value chain analysis, while less commonly researched, is not unknown to the international entrepreneurship stream of literature. It was the core framework applied by Oviatt and McDougall (1994) in their groundbreaking typology of international new ventures, which led to significant research in subsequent years. Oviatt and McDougall (1994) explicitly built on the work of Porter (1985) to classify international new ventures into four categories based on the number and international geographic spread of their value chain activities. Value chains are considered necessary even in relation to rapidly changing digital technologies, which are transforming the geographic, functional and human capital requirements for firms to gain and sustain competitive advantages (Coviello

et al., 2017; Monaghan et al., 2020). For this reason, Vadana et al. (2019) built on the value chain framework to develop a typology of born-digital firms. In short, although the internationalisation of value chains has been acknowledged as an important phenomenon in the field of international entrepreneurship since its inception, there is currently little information available regarding how international new ventures disaggregate, spread and reunite their value chains across multiple countries. More succinctly, most prior research has focused on the sales side of internationalisation (Oviatt & McDougall, 1994), international opportunity development (Cavusgil & Knight, 2015; Chandra et al., 2009), dynamic capabilities (Knight & Cavusgil, 2004; Weerawardena et al., 2007) and networks (Coviello, 2006; Coviello & Munro, 1997; Ellis, 2011) at the firm level.

Second, scholars have drawn attention to individual entrepreneurs in relation to internationalisation since the earliest studies started to appear (Jones & Casulli, 2014; Oviatt & McDougall, 1994). It has been acknowledged that entrepreneurs greatly rely on their prior experiential knowledge when it comes to interpreting new information (Grégoire et al., 2010) and making sense of novel, uncertain and complex situations (Jones & Casulli, 2014). In such situations, the experience, knowledge, networks and competencies of entrepreneurs shape their vision of firms, as they represent the most powerful influencers of decision making (Hambrick & Mason, 1984). The literature further indicates that prior educational and work-related experiences in foreign markets shape the minds of immigrant founders so that they perceive the markets to be less uncertain (Alvarez & Barney, 2005). Moreover, different kinds of experiences facilitate the development of the entrepreneurial capabilities necessary to organise the resources required from multiple countries (McDougall et al., 1994) and, thus, to eliminate the liability of foreignness and smallness (Mudambi & Zahra, 2007). Notably, internationally experienced entrepreneurs draw on their experiential knowledge to more frequently recognise (Fernhaber & Li, 2013) and exploit international opportunities. Nonetheless, despite the above-mentioned attempts to focus on the individual level of analysis, there have been repeated calls for more attention to be focussed on understanding and comprehending the role of entrepreneurs (Autio, 2005; Cavusgil & Knight, 2015; Coviello, 2015) in relation to international opportunity recognition and exploitation. Research at the individual level of analysis is not entirely lacking, as there is already some knowledge and evidence available regarding the foreign knowledge transfer of returnee entrepreneurs (Filatotchev et al., 2009), social capital and network ties (Prashantham & Dhanaraj, 2010; Yli-Renko et al., 2002) as well as international and technical knowledge (Nordman & Melén, 2008).

Third, Jones et al. (2011) excluded studies concerning migrant entrepreneurship from their comprehensive domain ontology on the grounds that both their approach and their research domain significantly differed from the mainstream international

entrepreneurship research. Yet, in recent years, other researchers have expedited efforts to position transnational entrepreneurship, a subcategory of migrant entrepreneurship, as a separate subfield within the broader domain of international entrepreneurship (e.g. Crick & Chaudhry, 2014; Czinkota et al., 2020). Transnational entrepreneurship differs from international entrepreneurship due to migrants' unique access to knowledge (Hernandez, 2014), resources (Chung & Tung, 2013) and ethnic network connections (Coviello & Martin, 1999) in their COO. As a result, the internationalisation pathways followed by indigenous entrepreneurs and transnational entrepreneurs are likely to be different (Light & Dana, 2013). It has been widely acknowledged that migrant entrepreneurs may simultaneously cultivate and maintain ties across multiple countries based upon their interactions with new cultures, institutions, people and habits (Rath et al., 2020). In particular, the cross-border networks of migrant entrepreneurs in both their COO and their COR allows them access to valuable resources and information, which enables them to identify and exploit international opportunities (Crick & Chaudhry, 2013; Stoyanov et al., 2018). Moreover, the prior education and experiences of migrant entrepreneurs have also been found to be important determinants of transnational entrepreneurship (Saxenian, 2002). Transnational entrepreneurs further differ from international entrepreneurs in terms of their entrepreneurial motivations, risk taking and firm performance (Dimitratos et al., 2016; Wang & Liu, 2015).

Until recently, only minimal efforts have been made to probe the international value chain relocations of migrant-owned international ventures, even though the importance of migrants' ties has been noted several prior studies (Ellis, 2011; Prashantham & Dhanaraj, 2010). The fundamental reason behind this lack of research into the role played by international migrant founders in internationalisation is the fact that the international entrepreneurship literature primarily builds on the value chain framework and investigates the firm-level unit of analysis. In contrast, migrant entrepreneurship is primarily concerned with individual entrepreneurs. Yet, the migrant aspect of internationalisation is interesting, as there are several firms owned by migrants that have been conducting international business since their inception with an entirely global orientation (Sui et al., 2015). Consistent with the work of Shane and Venkataraman (2000), the key question concerns the reasons why migrant international entrepreneurs identify and pursue opportunities to relocate their value chains internationally. Hence, the present dissertation aims to respond to calls for additional research to link the international and migrant entrepreneurship strands of literature by investigating backward internationalisation (essay II) and highlighting the relevance of the personal experiences and capabilities of founding entrepreneurs to internationalisation decisions concerning firms' value chains by applying the opportunity paradigm (essay III).

### 1.2.3 Offshoring

As shown in Figure 1, the third stream of literature to which this dissertation contributes concerns offshoring. Consistent with the aim of the dissertation being to explore value chain internationalisation among migrant international ventures, reviewing the offshoring literature was a natural choice because it mainly deals with questions related to the disintegration, dispersion and reintegration of value chain activities across multiple countries.

In recent years, firms have increasingly been fragmenting and disintegrating their value chain activities across borders due to the dramatic decline in transaction and communication costs and in order to gain access to location benefits such as new knowledge, qualified personnel and new technologies (Gooris & Peeters, 2016; McWilliam et al., 2019; Mudambi & Puck, 2016; Steinberg et al., 2017; Rosen-Busch et al., 2019). Interestingly, a given firm's repertoire of internationally located value chain activities has also increased beyond manufacturing value chains to encompass routine as well as intellectually demanding innovative activities within the service industries (Baier et al., 2015; Noya & Canal, 2014). This new trend of relocating service value chains has significantly challenged the assumption that service's activities are unsuitable for international relocation because they are intangible, perishable, heterogeneous with regard to outputs and impossible to separate in terms of their production and consumption (Di Gregorio et al., 2009; Erramilli & Rao, 1990). In addition, the relocation of service value chains has also attracted the attention of international business scholars, policymakers, the popular business press and practitioners (Doh et al., 2009; Dossani & Kenney, 2007). Firms now view such relocations as a strategic choice and assign greater importance to the core knowledge and capabilities of value chain partners (Mukherjee et al., 2019) by relocating even their core activities to multiple countries, which can directly help in gaining competitive advantages (Noya & Canal, 2014).

To date, most researchers have applied firm-level approaches to examine the international value chain relocations of Western multinational companies to developing countries. As a result, the evidence suggests that researchers have relied on multiple and multilevel theoretical underpinnings to investigate different aspects (Pisani & Ricart, 2016). Nevertheless, transaction cost economics (Williamson, 1975) and the resource-based view (Barney, 1991) are the two theories that have been most widely used to address the phenomenon of value chain relocations.

Transaction cost economics posits that the characteristics of a given transaction determine whether it should be organised internally or outsourced (Williamson, 1975). This approach views the markets and firms as alternative governance mechanisms for coordinating transactions. More specifically, firms coordinate through authority relations, while markets organise through price mechanisms (Madhok, 1997). The critical assumption here is that relocation decisions are

fundamentally governed by the principle of cost minimisation, whereas the costs include all the possible amounts needed to search for the required information, bargain and finalise the contract, and ensure that the terms of the agreement are fully adhered to (Williamson, 1975). Hence, firms prefer to internalise all those transactions for which the markets prove inefficient, while the requirements for negotiating and monitoring contracts are high due to the underlying issues of asset specificity, bounded rationality, uncertainty, information asymmetries, communication and measurement issues.

Although those theories that rely on transaction cost logic have made some important contributions to our understanding, they only offer a partial explanation and provide just a weak link to the core issue of business strategy, namely competitive advantages (Madhok, 1997). More recently, a number of studies have assumed that firms are learning institutions rather than merely efficient governance mechanisms (Madhok, 1997) and, resultantly, have adopted the resource-based view as the theoretical basis for identifying the resources and capabilities relevant to managing the implementation of complex offshoring challenges (e.g. Meyer et al., 2009; Mudambi & Tallman, 2010). According to the resource-based view, the possession and deployment of the valuable, rare, inimitable and non-substitutable resources and capabilities of firms enable them to achieve higher performance and competitive advantages (Barney, 1991). Extending this argument, firms relocate their value chains across borders not only to gain cost advantages but also, due to versatile interactions with international value chain participants, to develop complementary resources and capabilities (Hätönen & Eriksson, 2009). Thus, only certain firms can exploit locational benefits and overcome the daunting challenges posed by offshoring, which is associated with well-developed governance mechanisms intended to effectively and efficiently coordinate internationally scattered value chain activities (Kano, 2018). With regard to the choice of governance mode, the resource-based view posits that firms choose captive offshoring as an entry mode if they want to retain tight control over strategic and operational matters or if they want to ensure better internal knowledge transfer in order to leverage existing capabilities (Brouthers et al., 2008).

Nevertheless, some scholars argue that value chain relocation is an inherently multilevel and metatheoretical phenomenon, meaning that no single theory can provide an explanation sufficient to facilitate a comprehensive understanding of the cost, knowledge and innovation drivers (Lewin & Volberda, 2011). More specifically, attempts have been made to integrate insights derived from both the above-mentioned theories so as to develop a co-evolutionary perspective that combines the external and internal explanations (Lewin & Volberda, 2011). It is now well accepted that a co-evolutionary framework should include global, national (institutional), meso-level (industrial) and micro-level (firms and individual) factors (Kenney et al., 2009).

Prior research efforts have paid inadequate attention to the value chain relocations of knowledge-intensive small- and medium-sized enterprises. Consequently, the role of entrepreneurs has been ignored, although all decisions are partly dependent on the perceptions, focus and interpretations of individual managers. Therefore, the traditional multinational firm-centric theories offer an inadequate explanation of the processes of value chain disintegration, dispersion and reintegration among resource-constrained firms such as migrant international ventures. The investigation of such firms requires different theoretical lenses, as they are distinctive in terms of their motivations, challenges and coping strategies due to both resource scarcity and a lack of institutional legitimacy (Musteen & Ahsan, 2013; Musteen et al., 2017). In particular, the selection of migrant international ventures for further research is exciting, as evidence has emerged over the last few years that the offshoring decision patterns of those firms started and managed by international migrant entrepreneurs differ from those of other types of firms (Zaheer et al., 2009). For example, they are valued as bridge builders capable of connecting the resources embedded within the value chain network structures of the COO and the COR (Saxenian, 2002).

However, our understanding of the disintegration, dispersion and reintegration aspects of the offshoring decisions made by migrant-owned ventures, including migrant international ventures, is still in its infancy (essay II). Moreover, we are also very limited in terms of our knowledge regarding the experiences of migrant entrepreneurs, the transformation of those experiences into distinctive entrepreneurial capabilities and the relevance of those capabilities to firm-level offshoring outcomes (essay III).

In sum, the international entrepreneurship literature has paid little attention to backward internationalisation, particularly among migrant-owned international ventures, and the role of individual factors in internationalisation decisions. The migrant entrepreneurship literature acknowledges the special status of the home countries of migrant founders as well as the importance of entrepreneurs' personal characteristics in relation to their decisions, although it ignores the value chain perspective and generally tries to derive all explanations from the ethnic network theory. It also falls short in terms of explaining the experiences and capabilities of international migrant entrepreneurs as the determinants of international value chain relocations. Lastly, in recent years, the offshoring literature has repeatedly called for more studies on value chain internationalisation among resource-constrained firms, including migrant international ventures. Thus, the three streams of literature have reached a consensus that value chain internationalisation and individual entrepreneurial resources are essential research topics, although they have collectively fallen short when it comes to offering adequate explanations.

### 1.3 Purpose of the study

In the above section, I explained the relevance of a value chain analysis as a new framework for reviewing the existing migrant entrepreneurship literature and also clarified how the present dissertation aims to push the current boundaries of the three streams of literature. Overall, the main objective of this dissertation can be operationalised into the following research question: *How do migrant-owned firms attain competitive advantages?* This main question can be further divided into three sub-questions (see Table 1 below).

**Table 1** Research purpose, research questions and their relationship in the dissertation

Main Research Question	Sub-questions	Essay No.	Objectives	Literature Contribution Domains
How do migrant-owned firms attain competitive advantages?	How does a value chain analysis apply to the existing migrant entrepreneurship literature?	Essay I	<b>1a.</b> To develop the ideal types of migrant enterprises by applying a value chain analysis. <b>1b.</b> To conceptualise and illustrate the difference in competitive advantages among the ideal types.	International entrepreneurship Migrant entrepreneurship
	How do migrant international ventures disintegrate, disperse and reintegrate value chain activities?	Essay II	<b>2a.</b> To investigate the examination, disintegration, dispersion and reintegration of value chains from the migrant founders' COO and COR <b>2b.</b> To investigate international value chain relocations as a source of competitive advantages.	International entrepreneurship Offshoring
	How do the prior experiences and capabilities of migrant founders underpin the offshoring capabilities of migrant international ventures?	Essay III	<b>3a.</b> To introduce a novel sensing, seizing and transforming typology of offshoring. <b>3b.</b> To explore the importance of the individual experiences and capabilities of international migrant founders as the underpinnings of firm-level offshoring capabilities.	Migrant entrepreneurship Offshoring

To address the first sub-question, based on the organisational taxonomy literature, I outlined a four-step process that guided all the stages of development of the typology of migrant-owned firms. For analytical purposes, I applied the value chain analysis framework to review the existing literature concerning migrant entrepreneurship and

then classify the different kinds of migrant ventures into different ideal types based upon three dimensions: the degree of value chain ethnicity, the degree of market ethnicity and the degree of internationalisation. As the differing composition of migrant ventures with regard to these three dimensions results into a distinctive flow of resources and information, all the ideal types of migrant ventures exhibit variations in the nature of their competitive advantages. Lastly, it was not sufficient to simply conceptualise the ideal types, since it was also essential to determine whether such migrant ventures exist in reality. As such, I searched the web and used my personal connections to reach out to firms owned by migrants in order to illustrate all the ideal types. With essay I, the principal aim is to contribute to the literature on international entrepreneurship and migrant entrepreneurship.

The successful application of the value chain analysis process to examine, classify and illustrate the migrant entrepreneurship literature provides a strong foundation for the remaining two essays, which conduct an in-depth qualitative investigation into one of the identified ideal types, namely migrant international ventures. As mentioned above, they are a special type of firm with a global orientation that has sold products or services in the international market since their inception. However, they are started, owned and managed by founders from migrant backgrounds and have value chain activities based in both the COO and the COR of the founders. It is important to note that, consistent with the aim of the dissertation, I have focussed solely on the dimension of value chain internationalisation as a source of international competitive advantages. In this regard, the second sub-question is related to the empirical understanding of how the founders of migrant international ventures conduct the entire process of dissecting their value chains into smaller pieces, relocating them to the COO and COR, and then combining them to generate competitive advantages. Furthermore, the aim here is to explore the relevance of characteristics as well as the strategic importance of tasks in relation to offshoring decisions. As a result, I found value chain fine slicing to be the most appropriate framework for explaining all the steps of value chain disintegration, dispersion and reintegration. I address this sub-question in essay II, which is intended to contribute to the international entrepreneurship, migrant entrepreneurship and offshoring literature.

The third essay aims to go beyond the task characteristics and explore the role played by the prior experiences and capabilities of migrant founders in international value chain relocation decisions, as highlighted in essay II. In essay III, as a first step, I deductively introduce a new typology of offshoring decisions – sensing, seizing and transforming – based on the dynamic capabilities theory in order to outline the relevance of the opportunity paradigm to relocation decisions (Tece, 2007). Next, the individual-level experiences and capabilities of migrant international founders are inductively theorised based on semi-structured interviews

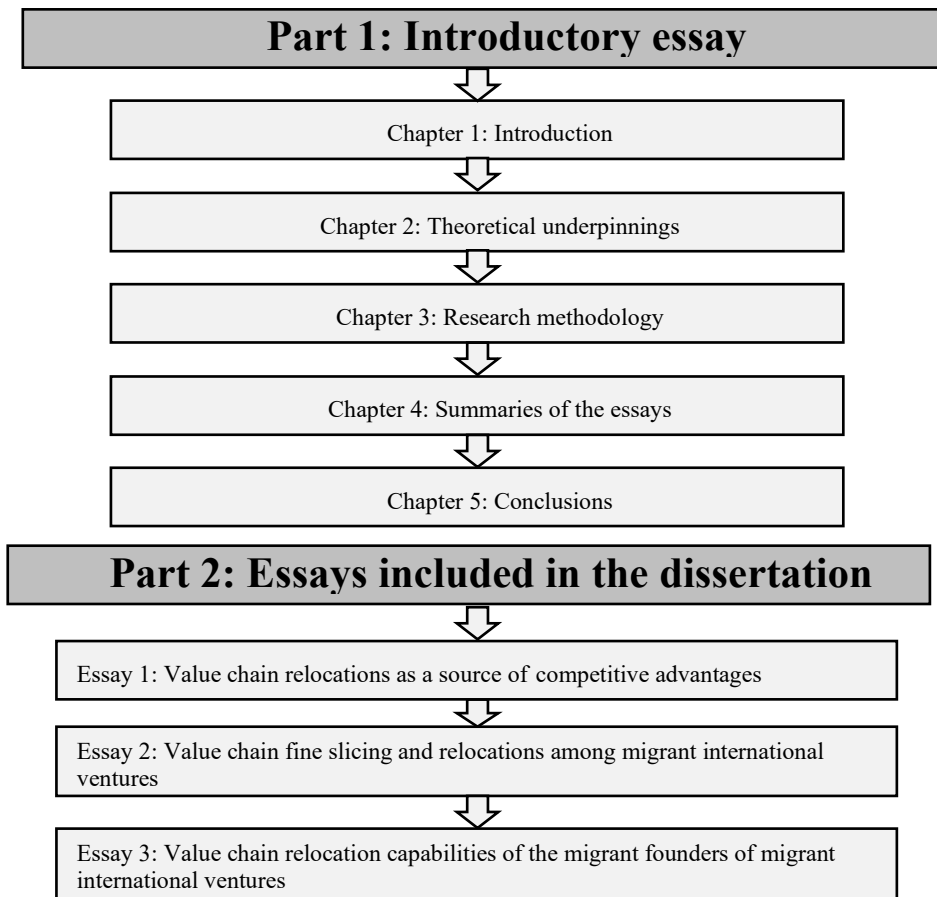


conducted with representatives from ten case firms. From the theoretical vantage point, the dynamic managerial capabilities found within the strategic management literature underpin the findings. As a result, the framework is extended to the domain of offshoring and entrepreneurial offshoring capabilities are highlighted.

In line with the three sub-questions, in the following section, I present a blueprint for the remainder of the dissertation.

## 1.4 Structure of the dissertation

The present dissertation is divided into two parts. The first part comprises the introductory essay, while the second part contains the three original essays. The first part is further divided into five chapters, while the second part is divided into three chapters. Figure 2 offers a diagrammatic representation of the overall dissertation.



**Figure 2** Structure of the dissertation

**Part one** of the dissertation comprises an introductory essay that synthesises the different research elements as well as the findings of the three essays in order to foster a coherent understanding of the overall research study. It is further divided into five chapters.

The first chapter presents the background, importance and main objectives of the phenomenon under investigation, namely competitiveness among migrant-owned firms. In doing so, the dissertation is positioned at the interface of the migrant entrepreneurship, international entrepreneurship and offshoring streams of literature. Toward the end of the first chapter, I have operationalised the main research question into three sub-questions, which will be answered with the help of three separate, albeit interrelated, essays.

The second chapter provides an overview of the underlying assumptions, background research, explanatory focus and synthesis potential of the four theoretical frameworks applied in the dissertation. By integrating insights derived from multiple theories, chapter two concludes by presenting a preliminary theoretical framework for the dissertation, which is based on the prior literature.

Consistent with both the objectives of the dissertation and the theoretical underpinnings, the third chapter explains the methodological choices made during the research study as well as their justifications. More specifically, it contains information about the philosophical orientations, chosen research approaches, data collection processes and analysis methods in the three essays. The chapter further clarifies the four-step typology development method used in essay I as well as the use of a qualitative approach for the empirical examinations in essays II and III.

Next, chapter four presents summaries of the three essays and discusses how they are related to the key objectives of the dissertation. In particular, the summaries contain brief information about the objectives, background literature, underlying theories, adopted methodologies and findings of the essays. These details are reported in line with the theoretical framework outlined in chapter two in order to show how the essays contribute to the overall aim of the dissertation.

Chapter five extends the discussion in chapter four to highlight the contributions made by the three essays in terms of pushing the boundaries of the theoretical understandings found within the migrant entrepreneurship, international entrepreneurship and offshoring literature streams. Moreover, chapter five also outlines the policy implications stemming from the novel findings of the dissertation, highlights the limitations of the study and recommends areas for future research.

**Part 2** of the dissertation consists of three separate, albeit interrelated, essays for the further reference of readers. The essays are organised sequentially on the basis of the three sub-questions. The first essay concerns the development of a typology for classifying all migrant-owned firms. The second essay is related to the empirical evaluation of the disintegration, dispersion and reintegration of international value

chains among migrant international ventures. The third essay reports the outcomes of the application of an opportunity-based framework for international value chain relocation decisions and also underscores the relevance of the experiences and capabilities of migrant founders.

## 2 Theoretical underpinnings

To extend the overview of the research gaps in the migrant entrepreneurship, international entrepreneurship and offshoring literature presented in chapter one, this chapter discusses the relevant theoretical underpinnings, which should help in terms of addressing the three sub-questions set out above. Overall, the present dissertation relies on the mixed embeddedness, value chain analysis, dynamic capabilities and dynamic managerial capabilities theories (see Table 2 below). The first subsection introduces the mixed embeddedness theory as the overarching theoretical framework for the study and then outlines its background, underlying assumptions, explanatory focus and relevance to the dissertation. The second and third subsections discuss the value chain analysis, dynamic capabilities and dynamic managerial capabilities theories as frameworks that complement the mixed embeddedness theory. The chapter ends with the introduction of a preliminary, comprehensive theoretical framework for the dissertation that combines the complementary insights derived from the underlying theories.

### 2.1 Mixed embeddedness theory

The mixed embeddedness theory (Kloosterman et al., 1999) represents an extension of the social embeddedness theory proposed by Granovetter (1985) and the interactionist theory of migrant entrepreneurship suggested by Aldrich and Waldinger (1990). The concept of *embeddedness* was first introduced by Polanyi (1944) in an effort to oppose the explanations offered by the neoclassical economists regarding the nature of economic activities. Polanyi's (1944) pioneering concept argued that the economic activities in pre-capitalist societies were based on the principles of redistribution and reciprocity in relation the social and personal relationships in communal settings. However, the rapid process of industrialisation resulted in greater power being assigned to formal institutions concerning the creation of self-regulating competitive markets as well as changed human tendencies regarding free trade, as based on the principles of rational decision making. Yet, despite highlighting how capitalism fundamentally changed the nature of economic relations between humans, Polanyi (1944) maintained that economies remain deeply embedded in both society and institutions. The ideas proposed by Polanyi (1944)

have been widely discussed in the domain of economic sociology as part of the debate between the formalist and substantivist schools.

The next major work on the concept of embeddedness, which was conducted within the realm of entrepreneurship, was undertaken by Granovetter (1985), who contended that the formalist and substantivist perspectives represent ‘under-socialised’ and ‘over-socialised’ views, respectively. On the one hand, he criticised the formalists for reducing entrepreneurs to an atomised entity, while on the other hand, he opposed the sociological perspective for assigning an exaggerated role to human agency and social relationships. Instead, Granovetter (1985) proposed that the two perspectives are not mutually exclusive and, further, that they can be integrated to advance a balanced approach. The fundamental assumption is that the economic activities of firms are embedded in concrete social structures (Tolciu, 2011). The distinctive embeddedness of entrepreneurs within social structures allows them access to information, contacts and resources (Jack & Anderson, 2002), which assists their firms in gaining competitive advantages through identifying and exploiting opportunities.

Notably, in the context of migrant entrepreneurship, Kloosterman et al. (1999) criticised the social embeddedness theory for myopically focusing on social structures and neglecting the importance of the politico-institutional environments in which entrepreneurs operate. They proposed a comprehensive theory of mixed embeddedness that knitted together those factors that shape the opportunity structures at the national, regional and neighbourhood levels. Moreover, they asserted that markets as well as social and institutional structures interact in a very sophisticated manner to collectively create opportunities that migrant entrepreneurs can sense and seize due to their social, human and cultural capital (Chreim et al., 2018; Edwards et al., 2016; Kloosterman & Rath, 2001). Hence, the agency of migrant entrepreneurs, the socio-economic context and state regulations constitute the three integral pillars of opportunity development, and they collectively encompass both supply-side and demand-side factors relevant to opportunities (Kloosterman & Rath, 2001). Neither entrepreneurial agency nor the broader structures can sufficiently explain the processes associated with opportunity identification and exploitation among firms owned by migrant entrepreneurs (Kloosterman, 2010; Ram et al., 2017). One critical difference between the mixed embeddedness theory and the previously proposed frameworks for migrant entrepreneurship is that the former explicitly stresses the idea that, although ethnic environments do impact the decision making and business processes of migrant-owned firms, migrant founders, similar to all other entrepreneurs, are primarily motivated by economic interests and concerns regarding market-related strategies (Tolciu, 2011).

In essence, the mixed embeddedness theory aims to elucidate the pursuit of opportunities by taking into account the concrete embeddedness within social networks as well as the more abstract embeddedness within the politico-institutional and socio-economic environments of the COR (Jones et al., 2014; Kloosterman et al., 1999). The extent of the economic, social and political embeddedness of entrepreneurs enables them to understand and comprehend appropriate opportunities and challenges stemming from the external environment (Rath & Swagerman, 2016). Thus, the different types of ventures formed by migrant founders represent the outcomes of their embeddedness within their broader structures. For example, an ethnic venture is created because the founder is embedded within the ethnic opportunity structures that characterise ethnic enclaves and has access to information and resources related to ethnicity from ethnic networks (Portes & Shafer, 2007; Wilson & Portes, 1980; Zhou, 2004). The spatial concentration of migrant entrepreneurs in ethnic neighbourhoods generally provides lower-end retailing and wholesaling opportunities, such as the opening of restaurants, catering businesses, grocery stores and barbershops (Rath, 2002). These kinds of ethnic opportunities are heavily dependent on the resources that flow from ethnic networks and generally require only a low level of education and financial resources (Rath & Swagerman, 2016). The higher degree of embeddedness of migrant entrepreneurs within ethnic opportunity structures renders them more likely to identify and exploit ethnic opportunities. However, numerous post-industrial migrant entrepreneurs exhibit a higher level of human and social capital, which consists of both ethnic and non-ethnic network connections. These entrepreneurs are economic migrants who have been pulled by market opportunities rather than pushed by discrimination and disadvantageous positioning in the COR. Their business activities are not restricted to ethnic neighbourhoods, and they play a crucial entrepreneurial role in a large variety of knowledge-based industries in both the national and international spheres (Saxenian, 2002; Wang & Warn, 2019).

Yet, as highlighted above, opportunities may be constrained or facilitated by the enactment of laws and regulations by incumbent governments. For example, the commencement of new businesses can be hindered by the introduction of new taxes on certain industries, by the banning of sales of specific products or services, or by a reduction in the infrastructural investment that is necessary for such businesses to grow. On the contrary, governments may orchestrate and channelise national resources to support the commencement of new businesses in specific sectors, which will result in better opportunities for businesses associated with the value chains of those sectors, albeit at the cost of low opportunities for other industries. The politico-institutional environment of any country plays a vital role in developing an entrepreneurial ecosystem that is capable of providing the financial, human, social and infrastructural resources required by new businesses.

Nevertheless, the mixed embeddedness theory of migrant entrepreneurship has traditionally been applied to investigate opportunities in the context of the COR (Aliaga-Isla & Rialp, 2013), thereby implicitly assuming that the venturing activities of migrant entrepreneurs are restricted to a single country. Quite recently, however, the mixed embeddedness theory has been extended to include the international realm through the concept of ‘transnational mixed embeddedness’, which underscores the relevance of the macro-, meso- and individual-level determinants of opportunities based in multiple countries (Bagwell, 2018). In principle, migrant ventures may expand their business activities across various countries. Yet, in reality, the two countries that hold a special status in relation to migrant entrepreneurship are the COO and the COR of migrant founders (Drori et al., 2009). This transnational embeddedness stems from the fact that first-generation migrants have typically spent a significant part of their life participating in enculturation activities – education, social interactions, professional and institutional interactions – in their COO. Moreover, they now permanently live elsewhere and routinely interact with the social, political, professional and institutional actors in their COR. Due to their dual embeddedness in the COO and COR, as based on their enculturation and acculturation experiences, migrants may have a well-developed network of social relationships that gives them a unique chance to access and combine resources from both countries to pursue opportunities (Riddle & Brinkerhoff, 2011).

The present dissertation agrees with the broader arguments of the mixed embeddedness theory that the embeddedness of migrant entrepreneurs within the wider socio-economic and politico-institutional environments provides them with access to critical information and resources and so helps to create a higher level of trust. It also agrees with assertions that multiple factors stemming from at least three different levels have an impact on the creation of appropriate opportunity structures. Additionally, if business processes are scattered across various countries, three levels of opportunity structures from all the countries become pertinent. Lastly, the assumption regarding the human agency of migrant entrepreneurs is also central to my research, which is consistent with broader research in the field of migrant entrepreneurship. However, in the interest of performing a more focussed and in-depth analysis of the characteristics of business value chains and the role played by the individual experiences and capabilities of migrant founders in those chains, the present dissertation does not discuss the national, regional and local opportunity structures.

Moreover, I also deviate from the prior research by explicitly differentiating business-related networks, which are comprised of internal and external connections, from social networks. I have dubbed firm-focussed business ties as ‘value chain networks’ because they mainly contribute to specific parts of the value chains. Here, I argue that the information and resources that originate from the value chain

networks of suppliers, distributors and other partners are more relevant to the identification and exploitation of opportunities.

Another critical assumption made in the present dissertation is that migrant enterprises are firms (i.e. like all other business organisations) that organise and, at least partly, control business activities. They are integrated into the domestic and, sometimes, international value creation networks. No prior studies have used the theory of the firm to examine the different types of migrant enterprises. Finally, while the migrant founder is the most critical and influential decision maker who impacts the development and implementation of all plans, there are also certain other actors within firms who bring meaningful network connections and resources. Therefore, it is important to develop a better understanding of the value chains of migrant enterprises (essays I and II) as well as the significance of migrant entrepreneurs' prior experiences and capabilities in the context of value chains (essay III).

## 2.2 Value chain analysis

The concept of a value chain analysis was initially proposed by Porter (1985) to stress the fact that the competitive advantages of firms result from the configuration and coordination of various value-creating activities (Porter & Kramer, 2011). In the initial framework, Porter (1985) emphasised how the optimal performance of firms across all primary and support activities brings about the highest inflow of financial resources from customers. Since then, the value chain analysis process has been deemed an appropriate analytical framework for systematically analysing all value creation activities, ranging from idea conception to sales and post-sales support services (Vadana et al., 2019). It is a vital tool that enables the dissection and division of business processes and the associated tasks into dozens or even hundreds of sub-tasks (Contractor et al., 2010) in order to increase the overall understanding of business processes and so allow resources to be allocated wisely.

The concept of the value chain is founded on the systems view of the organisation, which posits that all activities require certain inputs and transformation processes to produce specific outputs. Those outputs subsequently serve as the inputs for other processes that ultimately generate a valuable product or service. Although Porter's (1985) original emphasis was on value creation within the boundaries of firms, it has been acknowledged that value creation partners might be based outside firms in domestic and international markets. The fundamental assumption here is that no single individual or firm independently completes all the value generation activities. Instead, business processes are systematically and routinely coordinated across several internal and external stakeholders in order to share valuable



information and complementary resources (Buckley & Ghauri, 2004; Gereffi & Korzeniewicz, 1994; Porter & Miller, 1985).

Within the broader domain of value chains, value chain fine slicing represents another concept that is used in the literature to highlight the importance of decomposing and combining tasks, activities or business processes at both the functional and sub-functional levels (Gooris & Peeters, 2016). The central assumption of value chain fine slicing, which is consistent with the complexity and modularity theories (Aron & Singh, 2005; Elia et al., 2019; Stacey, 2007), is that firms are inherently complex systems that should be divided into concrete and separate yet interdependent modules (Campagnolo & Camuffo, 2010). Through fine slicing business processes into micro-modules, firms gain clearer, simplified and comprehensive knowledge of the firm structures, processes and distinctions between core and non-core resources, which prepares them to form mutually beneficial collaborations (Gilley & Rasheed, 2000; Mukherjee et al., 2013). These micro-modules, which are otherwise known as components, are fitted together in such a way that the performance of one module is dependent on the functioning of other modules within the overall system. Hence, firms are required to develop mechanisms for improving the independent productivity of their components as well as the collective capabilities necessary to synergistically collaborate across various micro-modules. Moreover, firms further transform the micro-modules and render them more standardised, which facilitates automated coordination and knowledge exchange among the different components of a given system and reduces the need for the tacit mechanisms of knowledge transfer (Srikanth & Puranam, 2014). Consequently, firms attain a higher level of operational and strategic agility, which allows them to abruptly transform their base of resources and capabilities in response to disruptive environmental uncertainties (Baier et al., 2015; Kedia & Mukherjee, 2009).

Once firms have enriched their knowledge regarding the differences between core and non-core processes, resources and capabilities, they can develop better and more-integrated plans concerning each aspect of the organisation. For instance, firms may examine, disintegrate, relocate and reunite business activities from multiple international locations that offer significant locational advantages (Mukherjee et al., 2019). In doing so, firms employ their resources in such a way as to remain focussed on internally completing the core business processes and assigning the less critical tasks to other value chain participants with complementary resources (Kedia & Lahiri, 2007). Nevertheless, it is not essential that business activities be relocated internationally, and firms may decide to keep them internal or domestic, depending on the local environment, internal resource base and judgment of the leading decision makers. Irrespective of the nature of the relocation, the principal aim of value chain fine slicing is to develop the ability of firms to understand and optimise those value

creation activities that offer the highest value in the most cost-efficient manner. Firms examine their value chains so that they can be differentiated from the value chains of competitors, which allows competitive advantages to be gained and sustained.

In the context of international entrepreneurship, the fundamental premises of value chain analysis (Porter, 1985) provided the foundations for developing the widely cited framework describing international new ventures (Oviatt & McDougall, 1994). Based on both the extent (number of activities) and the breadth (number of countries with value chain activities) of the value chains, Oviatt and McDougall (1994) classified rapidly internationalising firms into four categories: import/export ventures, multinational traders, geographically focused startups and global startups. Since then, most studies concerning rapidly internationalising smaller firms have referred to or built on this seminal framework. However, the majority of subsequent research has continued to concentrate on investigating the sales side of internationalisation (Knight & Cavusgil, 2004; Kuivalainen et al., 2007), thereby ignoring international market entries through the cross-border expansion of value chains (Fernhaber et al., 2009). Yet, the relevance of value chains as a foundational framework has not entirely vanished. For example, Vadana et al. (2019) highlighted the significance of the value chain framework in relation to the examination of rapidly internationalising digital firms by building a typology of ‘born digitals’, which is based on the geographic spread and degree of digitalisation of the value chain activities. As a result, they divided born-digital firms into four categories: high digital, young low digital, mature high digital and mature low digital (Vadana et al., 2019).

Small and resource-constrained firms do not possess the necessary human, financial, technological, structural and organisational capital (Zander et al., 2015) to internalise a higher proportion of their value chain activities (Buckley & Casson, 1976). Instead, such firms focus more on external value networks and alternative governance mechanisms (Gereffi et al., 2005; Oviatt & McDougall, 1994) to complement the internal and external arrangement of resources (Di Gregorio et al., 2009; Fernhaber et al., 2009). Additionally, rapidly internationalising firms, due to their less-developed routines, are more dependent on the prior knowledge, experience, network and cognition of the founding entrepreneurs. Hence, the nature (ethnic vs. non-ethnic) and extent of the embeddedness of entrepreneurs or firms provide them with access to a particular type of information and resources that gives rise to specific competitive advantages.

For instance, if firms are more connected to value chain participants from similar ethnic backgrounds, they are more likely to have distinctive access to ethnic information and resources, which will result in ethnic competitive advantages (Aldrich & Waldinger, 1990; Ndofor & Prium, 2011). Similarly, a higher degree of

embeddedness within non-ethnic value chains will enable access to the resources of non-ethnic value chain contributors, while mixed embeddedness within ethnic and non-ethnic value networks will provide a diverse set of information and resources. In addition, if entrepreneurs are connected to value chain participants from multiple countries, the diversity of the socio-cultural, spatial and institutional contexts will result in different opportunities than those available to enterprises in monocultural environments (Riddle et al., 2010). In sum, the embeddedness of firms or entrepreneurs within value chain networks allows for access to a specific type of information and resources that produces unique competitive advantages.

Therefore, in relation to value chain analysis, the present dissertation explicitly relies on several key assumptions. First, migrant ventures, similar to all other firms, disintegrate their business processes into numerous concrete and interdependent smaller tasks, which may be relocated across both ethnic/non-ethnic value networks and multiple countries. Second, the final value proposition for customers is the outcome of several iterative activities performed by a number of ethnic and/or non-ethnic stakeholders over different stages of the product/service value chains. Although the migrant founder is the most influential individual in the context of migrant enterprises, s/he does not single-handedly create the total customer value, and the way firms organise their activities partly influences the value creation. In other words, the theory of the firm is as relevant to migrant enterprises as it is to other small and medium organisations. Third, the information and resources that flow from value chain business networks represent the real sources of competitive advantages. Finally, the strategic importance of business processes as well as the individual knowledge, experiences and networks of migrant founders partly influence value chain decisions.

## 2.3 Dynamic capabilities

After clarifying the relevance of the value chain analysis approach as the theoretical underpinning for essays I and II, this subsection details of the theories of dynamic capabilities and dynamic managerial capabilities, which are applied in essay III of the dissertation.

The dynamic capabilities theory, which is an extension of the resource-based view of the firm, asserts that the development and utilisation of critical capabilities enables firms to gain and sustain competitive advantages in highly turbulent environments (Teece et al., 1997). The first formal definition of dynamic capabilities was suggested by Teece et al. (1997), who defined such capabilities as ‘the firm’s ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments’ (p. 516). Since the publication of this seminal article, several other definitions have been offered, all with different foci.

For example, dynamic capabilities have been defined as a capacity (Helfat et al., 2007; Helfat & Winter, 2011), an attitude (Augier & Teece, 2009; Teece et al., 1997; Zahra et al., 2006), a routine (Eisenhardt & Martin, 2000; Zollo & Winter, 2002) and a competence (Danneels, 2008). Yet, despite this definitional fragmentation, the common factor in all the major definitions is that dynamic capabilities represent the abilities of firms to purposefully adapt their resource base to identify a need or opportunity for change, to formulate a response and to implement it (Eriksson et al., 2014). Consistent with this fundamental assertion, the capabilities of firms can be further categorised into operational capabilities and dynamic capabilities. Operational capabilities aim to continue the utilisation of the prevailing tools, techniques and governance mechanisms in order to sustain the completion of existing firm activities or business processes. Dynamic capabilities, however, bring about a fundamental change in terms of the ways current business processes are completed by changing the existing resource base, operational capabilities and external environments (Helfat et al., 2007; Teece, 2007). Teece (2007) further extended the concept of dynamic capabilities by introducing the sensing, seizing and transforming dimensions. Since then, this three-dimensional typology has become the framework most widely used by scholars researching dynamic capabilities (Schilke et al., 2018).

First, the sensing dimension relates to the scanning, searching, exploring and interpreting of information about emerging opportunities and threats (Teece, 2007). As a result of having strong sensing capabilities, firms can accurately and in a timely manner detect information cues about changing customer preferences, technologies and market dynamics, which can help with formulating and implementing effective responses (Helfat & Raubitschek, 2018). Moreover, it should be noted that scanning activities are inherently entrepreneurial and, further, that this stage is finished when entrepreneurs are convinced that some opportunity or threat exists that requires a response (Teece, 2016). Second, seizing capabilities are the abilities of firms or entrepreneurs to design appropriate business models and organise the resources necessary to exploit the sensed opportunities (Teece, 2007). Hence, this dimension mainly concerns decisions related to the finalisation of the organisational architecture required to facilitate the exchange and coordination of knowledge and resources across multiple value chain contributors so that higher customer value can be generated (Teece, 2010, 2018). Third, the transformation dimension concerns the modification of existing structures, processes, resources and capabilities in light of new pressures in rapidly changing environments (Schilke et al., 2018). Firms can only gain and sustain competitive advantages if they are able to continuously reconfigure their business model and resource base to prepare themselves to offer adequate responses in uncertain and complex environments (Sirmon & Hitt, 2009).

Within the purview of the present dissertation, the primary assumption is that the firm-level sensing, seizing and transforming dimensions of the dynamic capabilities

framework are also relevant to decisions related to the evaluation, disintegration, dispersion and reintegration of value chain activities. Thus, the underlying assumptions of the dissertation are compatible with the argument that a firm's distinctive development of its sensing, seizing and transforming capabilities leads to superior performance and the attainment of competitive advantages.

However, the prior research has primarily considered the routines and organisational cultures of firms to be the most important sources of dynamic capabilities, thereby ignoring the managerial or entrepreneurial underpinnings of firm-level capabilities (Felin et al., 2012). Yet, in recent years, several researchers have successfully highlighted the importance of managerial resources as the underpinnings of firm-level dynamic capabilities (Helfat & Martin, 2015; Helfat & Peteraf, 2015; Kor & Mesko, 2013). These individualist-focused researchers do not deny the significance of the predominant routines and cultures. Instead, they build on the assumption that both human agency and perspectives on organisational routines are complementary. Routines provide the building blocks for capabilities, while entrepreneurs lead the development of capabilities (Teece, 2007). Therefore, both entrepreneurial resources and routines are critical factors that underpin enterprise-level dynamic capabilities (Peteraf et al., 2013). More specifically, within the context of entrepreneurship, Weerawardena et al. (2007) noted that the international experiences, global mindset and learning orientation of the founders of international new ventures facilitate the nurturing, reconfiguration and reconstitution of dynamic capabilities. Similarly, Zahra et al. (2006) explained how the set of competencies and skills of founders influence the survival and adaptation of firms in changing environments. Therefore, the foremost responsibility for organising the resources required to sense and seize promising opportunities rests with the founders of firms (Huy & Zott, 2019; Teece, 2012).

Adner and Helfat (2003) introduced the concept of 'dynamic managerial capabilities' to highlight the pertinence of entrepreneurial agency in relation to strategic change initiatives such as searching, selecting, deploying and reconfiguring resources and capabilities in changing environments (Helfat & Martin, 2015). In a similar vein, other researchers underscored the criticality of firm leaders in terms of creating, extending and modifying firm resources (Helfat et al., 2007), ensuring organisational learning (O'Reilly & Tushman, 2008) and facilitating the development of sensing, seizing and transforming capabilities (Teece, 2007). Nevertheless, most research on dynamic managerial capabilities has referred back to the three dimensions highlighted by Adner and Helfat (2003), namely managerial cognition, managerial social capital and managerial human capital. In other words, the enhanced development of entrepreneurs' cognitive, social and human aspects is likely to assist their firms in gaining and sustaining competitive advantages (Helfat & Martin, 2015).

Managerial cognition refers to the mental processes, belief systems, mental models and interpretive frames used by entrepreneurs to collect and comprehend information about opportunities and threats (Adner & Helfat, 2003; Kor & Mesko, 2013). In addition, the affective or emotional states of entrepreneurs when it comes to regulating their own and others' emotions are also included within the broader concept of managerial cognition (Hodgkinson & Healey, 2011; Huy & Zott, 2019). Therefore, entrepreneurs rely on both emotional and mental processing to make decisions, including decisions concerning value chain fine slicing and relocation. For instance, based on existing knowledge structures, entrepreneurs acquire new information about opportunities and then selectively attend to the parts that are most important in relation to making sense of the underlying opportunities. Furthermore, they often rely on intuition-based decision making due to information overload, environmental uncertainty and inherently bounded rationality (Helfat & Peteraf, 2015; Helfat & Raubitschek, 2018; Hodgkinson & Healey, 2011). Similarly, the social capital of leading entrepreneurs provides them with access to critical information and resources and also grants them a certain degree of power and control over value chains (Kor & Mesko, 2013). The third antecedent of dynamic managerial capabilities is the human capital of entrepreneurs. In other words, the education, training and prior experiences of entrepreneurs serve to develop their skills and knowledge, which then helps in acquiring new information, understanding the underlying patterns and committing the resources required to sense and seize opportunities and transform the resource base to reflect changing environments (Helfat & Martin, 2015; Kor & Mesko, 2013).

In short, the present dissertation relies on a complementary approach whereby the individual-level experiences and capabilities of entrepreneurs represent critical antecedents of the development of the firm-level dynamic capabilities of firms. In this regard, essay III integrates the dynamic capabilities theory with the dynamic managerial capabilities theory in order to highlight the entrepreneurial microfoundations of offshore sensing, seizing and transforming capabilities.

## 2.4 Preliminary theoretical framework

Based on the above-mentioned complementarity of the assumptions concerning the mixed embeddedness, value chain analysis, dynamic capabilities and dynamic managerial capabilities theories, I constructed an integrated theoretical framework for this dissertation (see Table 2 below).

The principal aim of the study is to investigate the competitive advantages enjoyed by migrant-owned firms. As such, the mixed embeddedness theory (Kloosterman et al., 1999) serves as the overarching framework for the study. Based on the discussion in section 2.1.1, Figure 3 demonstrates how the opportunity

structures in the COR are embedded within the formal and informal institutional environments at the national, regional and local levels. Furthermore, the value creation activities of migrant enterprises are deeply embedded within the opportunity structures, and they can be completed by participants from either ethnic or non-ethnic backgrounds. Migrant-owned firms' embeddedness within the value creation networks provides them with idiosyncratic access to ethnic/non-ethnic resources, information and trust, which facilitates the process of opportunity identification and exploitation. If the extent of firms' embeddedness is higher within ethnic network structures, they are more likely to benefit from the ethnicity-oriented flow of information and resources.

On the contrary, higher connectivity with non-ethnic value chain structures will attract resources from broader non-ethnic structures. Similarly, migrant ventures may feature value creation contributors from both ethnic and non-ethnic backgrounds, which will generate a mixed base of resources from both structures. It should be noted here that the environmental factors, opportunity structures and value chain networks shown in Figure 3 only apply to the COR of the founders of migrant ventures. Yet, if the value chains are based in more than one country, the relevant factors from national, regional, local and firm value chain levels will also become relevant to gaining a comprehensive explanation. For example, the disintegration, dispersion and reintegration of value chains across the COR and the COO implies that multilevel factors in both countries are significant in terms of explaining the attainment of competitive advantages.

Even though all four levels are portrayed in the figure, the present study has primarily probed firm-level value chain networks, thereby neglecting the national, regional and local levels, as they have previously attracted more attention on the part of migrant entrepreneurship scholars. At the level of value chains, essay I applied a value chain analysis as an analytical tool for developing a novel typology of single country and international migrant-owned firms.

**Table 2** Summary of underlying assumptions and explanatory focus of underpinning theoretical lens

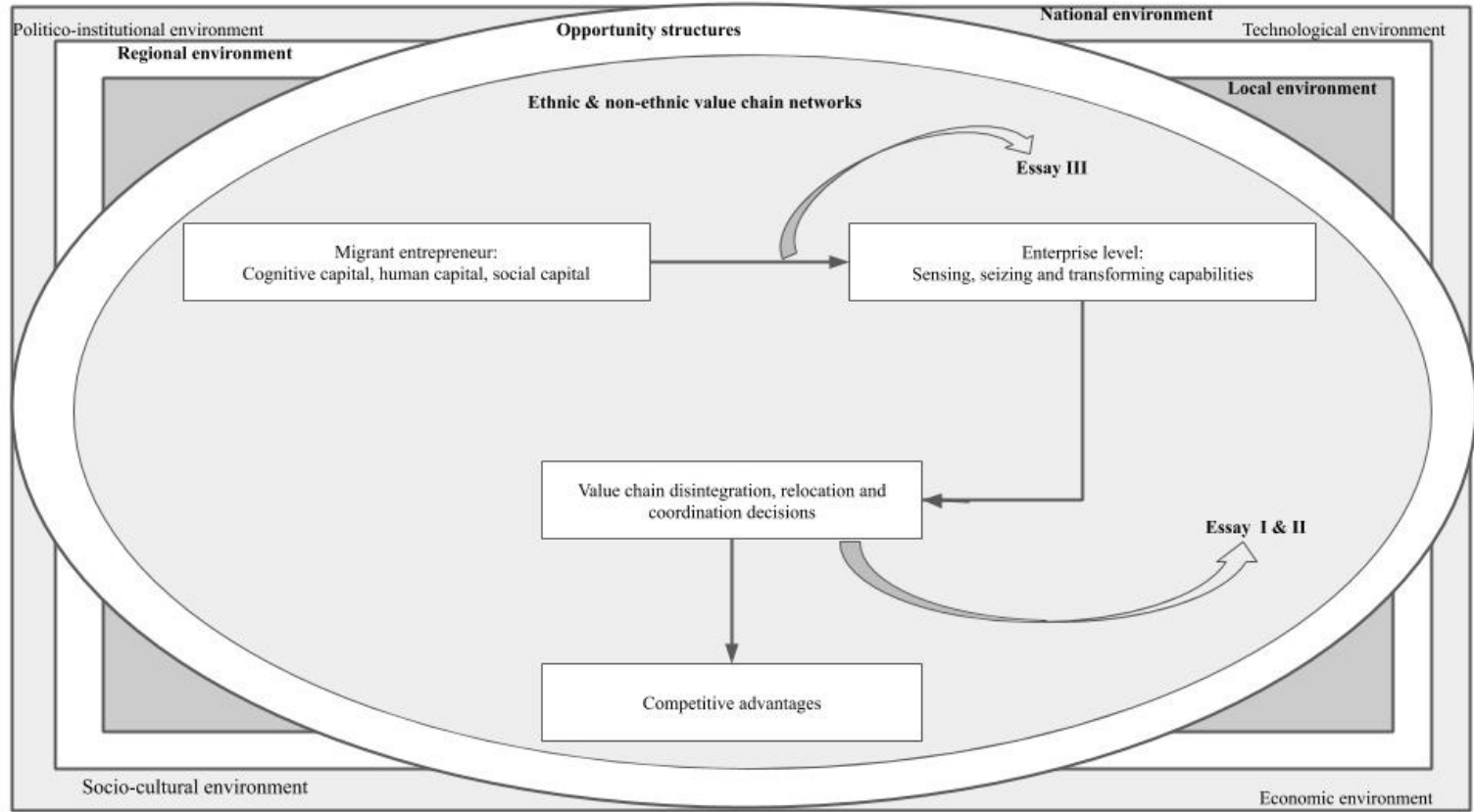
<b>Underlying framework</b>	<b>Key assumptions</b>	<b>Explanatory focus</b>	<b>Key articles</b>	<b>Relevance to the dissertation</b>
Mixed embeddedness theory	<ul style="list-style-type: none"> <li>• There must not be excessive entry barriers or government regulations that restrict opportunities.</li> <li>• Opportunity structures comprise social, political and institutional structures across multiple levels.</li> <li>• Entrepreneurial agency is central to sensing and seizing opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>• Interactions between human factors and opportunity structures.</li> <li>• Entrepreneurs' embeddedness within distinctive opportunity structures provides access to unique information and resources.</li> <li>• Idiosyncratic access to resources explains the identification and exploitation of opportunities.</li> </ul>	(Aldrich & Waldinger, 1990; Granovetter, 1985; Kloosterman, 2010; Kloosterman & Rath, 2001; Kloosterman et al., 1999)	<ul style="list-style-type: none"> <li>• The dissertation acknowledges the importance of opportunity structures –both socio-economic and politico-institutional – although they are not the focus of the present research.</li> <li>• Instead, the dissertation explicitly focuses on value chain networks.</li> <li>• The human agency of leading migrant entrepreneurs is central and explicitly emphasised in essay III.</li> </ul>
Value chain analysis	<ul style="list-style-type: none"> <li>• Firms are inherently complex systems that are divided into concrete and interdependent modules.</li> <li>• Ultimate customer value is produced by a complex chain of connections.</li> <li>• Value creating activities are systematically and routinely coordinated.</li> <li>• Entrepreneurs do not single-handedly generate all customer value.</li> </ul>	<ul style="list-style-type: none"> <li>• Configuration and coordination of value creation activities as a source of competitive advantages.</li> <li>• It provides an analytical lens for examining the whole range of business activities or processes.</li> <li>• Appropriate organisation (business model design) and optimal performance across all value creation activities generate competitive advantages.</li> </ul>	(Aron & Singh, 2005; Elia et al., 2019; Gooris & Peeters, 2016; Oviatt & McDougall, 1994; Porter, 1985; Stacey, 2007)	<ul style="list-style-type: none"> <li>• The dissertation acknowledges that task characteristics and their organisational arrangements (business models) partly determine the attainment of competitive advantages (essay I).</li> <li>• Essay II examines the evaluation, disintegration, relocation and recombination of international value creation activities.</li> </ul>



<p>Dynamic capabilities &amp; Dynamic managerial capabilities</p>	<ul style="list-style-type: none"> <li>• The environments are constantly changing and applying pressure to develop and update firm capabilities.</li> <li>• Achievement of sustainable competitive advantages depends on sensing, seizing and transforming capabilities.</li> <li>• The agency of migrant entrepreneurs underpins the development of dynamic capabilities.</li> </ul>	<ul style="list-style-type: none"> <li>• The cognitive, social and human capital of entrepreneurs enable the development of dynamic capabilities.</li> <li>• Development of internal and external firm capabilities leads to the achievement of superior performance and competitive advantages.</li> <li>• Hence, the main emphasis is on explaining firms' superior performance and attainment of sustainable competitive advantages.</li> </ul>	<p>(Adner &amp; Helfat, 2003; Helfat &amp; Martin, 2015; Schilke et al., 2018; Teece, 2007; Teece et al., 1997)</p>	<ul style="list-style-type: none"> <li>• The dissertation agrees that sensing, seizing and transforming capabilities are developed at the firm level (essay III).</li> <li>• Entrepreneurial agency is explicitly emphasised in essay III in order to outline the relevant experiences and capabilities of migrant founders.</li> </ul>
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After establishing in essay I that the competitive advantages of migrant ventures partly depend on the way that value creation networks are organised both inside and outside of firms, the study shifted its focus to the analysis of the tasks or business processes within the chains. This new emphasis on the relevance of task-level analysis inspired the study to use insights derived from the value chain fine slicing perspective to perform an in-depth analysis of value creation activities. The value chain fine slicing perspective posits that business activities are systematically connected so that they can routinely interact in order to exchange complementary information and resources across multiple value creation levels. It serves as an important analytical tool for examining how different business processes and their relative strategic importance impact firms' decisions to disintegrate, disperse and reintegrate their value creation activities. In principle, the fine slicing perspective can be useful in relation to both domestic and international firms. However, the empirical context of the present study only relates to the one subtype of ideal migrant venture outlined in essay I that relocates and recombines value creation activities from the COR and COO of the migrant founders. The study postulates that the way migrant ventures relocate their value chain activities partly influences firms' attainment of competitive advantages. This issue is the focus of essay II.

The second critical dimension of the overarching mixed embeddedness theoretical framework relates to the individual characteristics of migrant entrepreneurs. The framework shown in Figure 3 acknowledges that the cognitive, social and human capital of migrant founders play a crucial role in all types of decision making. Nevertheless, the dissertation broadens the narrow view of migrant entrepreneurs commonly associated with the mixed embeddedness theory and highlights how the individual experiences and capabilities of entrepreneurs underpin the development of firm-level sensing, seizing and transforming capabilities. Firm-level offshoring capabilities enable firms to acquire, analyse and utilise the information required to make appropriate disintegration, international dispersion and reintegration decisions. As an outcome of well-judged decisions, migrant ventures improve their competitive positions. Consistent with these postulations, essay III built on the integration of the dynamic capabilities and dynamic managerial capabilities theories found in the strategic management literature. The dynamic capabilities theory deals with the development of firm-level capabilities, while the dynamic managerial capabilities theory is concerned with the individual microfoundations of capabilities. However, within the purview of the present dissertation, the manifestation of the cognitive, social and human capital dimensions will be examined in relation to offshoring decisions.



**Figure 3** The integrated theoretical framework for the study

In sum, the theoretical framework is consistent with the key objectives of the present dissertation and the three sub-questions that it seeks to answer: 1) applying a value chain analysis to review the migrant entrepreneurship literature and identify the different ideal types of migrant ventures; 2) examining how migrant international ventures disintegrate, spread and reintegrate their value chains; and 3) probing firm-level offshoring dynamic capabilities and outlining the entrepreneurial micro foundations for making appropriate offshoring decisions.

# 3 Research methodology

This chapter details and justifies the philosophical and methodological choices made in relation to the three research essays included in this dissertation. The discussion is organised into three subsections. The first subsection justifies the choice of critical realism as a philosophical stance, while the second subsection explains the methodology of essay I. The third subsection explicates the methodologies applied in essay II and essay III.

## 3.1 Philosophical underpinnings

The philosophical assumptions of the researcher influence all aspects of the research process, ranging from the framing of the research question(s) to the selection of methods for collecting and analysing the data and presenting the findings (Creswell, 2013). Therefore, the underlying ontological and epistemological assumptions – the two key aspects of philosophy – should be explicitly described to assist readers in understanding and evaluating how the different choices made throughout the research process are justified. At the broadest level, the research paradigms (i.e. a set of commonly held assumptions and beliefs among researchers concerning the available ontological, epistemological and methodological stances) are conventionally classified into the positivist and interpretivist approaches (Guba, 1990). The positivists are primarily concerned with the formulation of universal and abstract laws intended to explain the causation, explanation and prediction of a given phenomenon. Social realities are viewed as being ‘out there’ and waiting to be discovered by researchers in an objective manner without any human biases. The interpretivists, however, believe that the scientific method of the natural sciences does not apply to the investigation of social realities due to the perceptions, values and immersions of researchers in the social world during human interactions. Hence, the aim here is to understand the meanings and patterns of the subjective experiences of those individuals participating in social interactions (Charmaz, 2006). Yet, both paradigms are viewed as problematic and considered to explain only part of the story.

Against this backdrop, another philosophical paradigm, namely critical realism, has gained prominence, particularly in relation to social sciences research, due to integrating the assumptions of positivism and interpretivism (Bhaskar, 1975, 2008).

Bhaskar (2008) acknowledged both the objective and subjective aspects of knowledge. Ontologically speaking, critical realism proposes a stratified view of reality in order to differentiate it at the real, actual and empirical levels (Bhaskar, 2008). The real world is comprised of the concrete and real structures that exist independently of human observation, perceptions and constructions (Kwan & Tsang, 2001). It provides the underlying laws or causal mechanisms required to bring about a change in the actual world. At the second level, the actual world is related to the events or outcomes that occur when the causal mechanisms of the real world are activated. Lastly, the empirical world is comprised of the events that are observable through human experiences and perceptions. Researchers' understanding of the structures and outcomes found at the real and actual levels is based on their human experiences and observations. Thus, those theories that adhere to the philosophy of critical realism detail the means and processes by which structures and contextual conditions produce varied outcomes (Wynn & Williams, 2012).

Second, according to the epistemological perspective, critical realism posits that it is possible to study unobservable phenomena through idiosyncratic human perspectives and experiences. Hence, critical realism seeks to explain those mechanisms that cause change through the lens of human observation and experiences. This epistemological perspective is consistent with interpretivist insights concerning the importance of human agency when studying phenomena in natural settings and when there exists the possibility of multiple causalities or outcomes.

In the present dissertation, I adhere to the ontological and epistemological perspectives on critical realism. The overarching framework for the study – mixed embeddedness theory – recognises the objective existence of opportunity structures independently of the knowledge and agency of migrant entrepreneurs. At the ontological level, this position is similar to the opportunity discovery paradigm found within the entrepreneurship research, which assumes that the existence of opportunities does not depend on entrepreneurs (Shane, 2003). Changes in consumer preferences, technology and other aspects of the context shape the opportunities that are available to be identified and exploited by entrepreneurs (Kirzner, 1973). However, the available opportunities can only be identified and exploited by entrepreneurs who are alert as well as both cognitively and emotionally prepared. Entrepreneurs search and collect the required information or knowledge regarding the opportunities, which is then interpreted in order to connect the dots and identify the underlying patterns of a given opportunity. The same process was explained by Teece (2007) as the sensing, seizing and transforming dimensions of dynamic capabilities, whereby entrepreneurs or firms collect information to sense that an opportunity exists, organise the resources and business models necessary to seize or exploit that opportunity, and then change the resource base or business models in

light of the new changes. In short, the existence of opportunity structures and the importance of human agency are both central to the explanation of the opportunity development processes of any firm. For instance, the present dissertation views domestic and international value chain networks as opportunity structures that represent an important source of new opportunities, which, if sensed and seized correctly by migrant entrepreneurs, result in the attainment of competitive advantages.

Third, in terms of the methodology, critical realism accommodates a wide range of methodological approaches to ensure that all the choices are cohesive, supportive and mutually compatible. On the basis of the research question of relevance, the dissertation has used different research approaches and methods in the three essays. In the following sections, I will explain the methodological choices relevant to the respective essays. For essay I, consistent with the aim of critically reviewing the existing migrant entrepreneurship literature and introducing a firm-focused typology of migrant ventures, typology development guidelines were adopted from the taxonomic science literature. However, case firms were also selected to illustrate the fact that all the ideal types exist. Essays II and III aimed to: 1) empirically examine value chain fine slicing and decisions related to disintegrating, spreading and reintegrating value chain activities across the COO and COR of migrant founders; and 2) introduce an opportunity-based – sensing, seizing and transforming – typology of offshoring and highlight the role of the experiences and capabilities of migrant entrepreneurs. As prior research on both issues is scarce, a qualitative case study approach was applied to inductively build theories around sub-questions two and three.

### 3.2 Rationale behind the typology development in essay I

The natural starting point for the dissertation was the development of an in-depth understanding of the existing literature on migrant entrepreneurship. Although systematic literature reviews are argued to provide the most reliable overview of the current body knowledge concerning a given topic or domain, such an approach was not followed in this study because a comprehensive systematic review of 514 articles was recently performed by Dabić et al. (2020). Instead, essay I responds to calls to build on theories from other disciplines – particularly the business and management field – (Aliaga-Isla & Rialp, 2013; Dabić et al., 2020) by applying the value chain analysis framework (Oviatt & McDougall, 1994; Porter, 1985) to construct a typology of migrant enterprises. This development of a firm-focused typology was a necessary first step prior to conducting an empirical analysis of migrant international ventures (i.e. one ideal type) because the existing migrant

entrepreneurship literature primarily concentrates on opportunity structures and migrant entrepreneurs. As a result, it does not appropriately recognise that the ultimate value generation for customers is the outcome of well-coordinated efforts by several value chain participants. Therefore, essay I offers a foundational framework that provides a new lens for understanding how different migrant enterprises gain competitive advantages by differently relocating their value chain activities.

In this regard, the typology development guidelines derived from the literature on organisational taxonomy were condensed into four steps, which were followed throughout the process of developing middle-range theories. In doing so, I reviewed and synthesised the fragmented, scattered and incomprehensive typology development guidelines (Doty & Glick, 1994; Rich, 1992; Sanchez, 1993) in order to develop a unified model that may provide a useful starting point for building typologies in the future. However, it must be recognised from the outset that this four-step approach is only related to typologies and, therefore, differs from the development of taxonomies, which are built on the basis of empirical data rather than being driven by theory.

More specifically, in relation to the typology development model, the first important step concerns the selection of an object of classification, which in the present study is migrant ventures. In other words, all types of domestic and international ventures that are started and managed by founders from a migrant background represent the principal object of classification. In the second step, three literature-based dimensions were chosen based on the integration of the mixed embeddedness theory and value chain analysis. The three dimensions are the degree of market ethnicity (proportion of ethnic customers), the degree of value chain ethnicity (proportion of activities completed by value chain participants from an ethnic background) and the geographic spread of the value chain activities (COR, COO and third countries).

The third step in the typology development process involved comparing, contrasting and classifying the migrant enterprises into different categories on the basis of their characteristics and in light of the dimensions mentioned above. Consequently, based on their conceptual similarities, the migrant ventures were exhaustively classified into eight ideal types in such a way that each type was distinctive but independently exhibited a similar composition of features. Furthermore, step three also included the additional step of identifying case firms from real life to illustrate the eight ideal types. In this regard, a combination of professional connections and web searching was used to identify eight firms started by migrants in different countries. As the purpose was to show that such firms exist, information was only obtained regarding the three relevant dimensions, which means that a comprehensive and systematic data collection and analysis process was not



performed according to established guidelines. Lastly, in the fourth and final step, the ideal types were developed and exemplified. This stage explained how the different ideal types differ in terms of the attainment of sustainable competitive advantages. This variation in competitive advantages was explained theoretically.

As it was not possible to examine all eight types of migrant ventures in sufficient detail within the scope of a single dissertation, I selected one ideal type, namely 'ethnic international break-outs', for empirical investigation in essays II and III. However, I used the title 'migrant international ventures' to maintain consistency with the concept of international new ventures found within the international entrepreneurship literature. In the following section, I will clarify the methodological choices made with regard to the selection of study context, industry, data collection method and data analysis process for essay II and essay III.

### 3.3 Rationale behind the research designs of the empirical essays

#### 3.3.1 Qualitative case study approach

For essays II and III, I adopted a qualitative research approach due to the scarcity of prior knowledge regarding the processes of value chain fine slicing, their international relocations and the role played by the prior experiences and capabilities of migrant founders in related decisions. The paucity of literature in this field meant that it was not possible to apply the deductive approach of developing hypotheses and then testing them through large-scale data collection and statistical analysis. Instead, the present study explores the views and experiences of the informants in an open and flexible manner, with the findings emerging dynamically throughout the research process.

Flick (2018) stated that increasing diversification and rapid changes have lessened the use of positivistic theory testing approaches. Instead, the popularity of inductive theory building approaches (i.e. developing propositions based on the empirical data to identify contextualised explanations) has increased. Therefore, scholars suggest the application of methodological pluralism to develop comprehensive explanatory models that offer more contextualised interpretations (Coviello & Jones, 2004; Welch et al., 2011). In this regard, the qualitative approach is sufficiently flexible to accommodate multiple philosophical and methodological orientations. For instance, in deviating from the traditional demarcation between the predominant positivist and interpretivist paradigms, critical realism has emerged as an alternative for conducting qualitative research on a social phenomenon (Wynn & Williams, 2012), thereby increasing its ontological and epistemological repertoire. This diversity is necessary to move the science forward in an era of heterogeneous

lifestyles, environments, cultures and patterns of living that have rendered social realities more pluralistic, meaning that they require more localised and contextualised explanations rather than being explained by big narratives and theories (Flick, 2018).

In particular, the case study approach (Eisenhardt, 1989; Stake, 1995; Yin, 2015) is widely used to generate ground-breaking theoretical insights in the domain of international business (Piekkari et al., 2009). It is considered to be the most appropriate approach for investigating highly complex issues within their natural contextual settings (Yin, 2015) when existing theories do not offer an adequate explanation of the phenomena of interest (Eisenhardt, 1989). Furthermore, the case study approach is particularly suitable if a study aims to perform an in-depth investigation of human experiences and perceptions in order to answer 'why' and 'how' questions rather than 'what', 'where', 'when' and 'who' questions (Ghauri, 2004; Yin, 2015). The case study approach has undergone remarkable developments over the last four decades due to the application of a wide range of study designs across several disciplines and, consequently, now accommodates a diversity of quantitative as well as qualitative methods of data collection and analysis (Ghauri, 2004). For example, the case study approach can be used in all types of exploratory, descriptive and explanatory studies to explore new phenomena, describe the relationships between multiple phenomena and explain such relationships at the theoretical level (Bonoma, 1985; Ghauri, 2004; Yin, 2015). In other words, the approach supports both inductive and abductive theory building (Dubois & Gadde, 2002; Eisenhardt, 1989) as well as deductive theory testing (Yin, 2015).

However, prior case study research in the international business field has been clearly dominated by positivistic orientations and interview-based exploratory studies, meaning that it has paid little attention to contextualised explanations with interpretive and critical realist philosophical orientations. This trend toward philosophical and methodological narrowness stands in stark contrast to the application of pluralistic ontological, epistemological and methodological alternatives within the broader methodological literature (Welch et al., 2011).

In the present dissertation, the contextualised case study approach is used in combination with the critical realist perspective (Welch et al., 2011) to inductively develop models of international value chain relocations. The theory development process was motivated by several factors. First, the existing literature in the international business, international entrepreneurship and migrant entrepreneurship fields offers an insufficient explanation of the international relocation of value chains among migrant international new ventures. The literature also falls short in terms of explaining how smaller, younger and resource-constrained migrant international ventures sense and seize international opportunities by utilising the prior experiences and capabilities of their migrant founders. Second, the phenomenon of international

value chain relocation is highly complex, while the value chain participants operate in at least two very different environments in the COO and COR to generate the ultimate customer value. Third, identifying the causal relationships between objects in a particular socio-spatial, institutional and temporal context is compatible with the philosophical stance of critical realism. Fourth, the aims of sub-questions two and three relate to the detailed, comprehensive and in-depth examination of novel models of sensing and seizing value chain relocation opportunities in natural settings.

### 3.3.2 Selection of case firms

Rather than selecting firms and interviewees through the use of probability sampling techniques in large survey-based investigations, case study research aims to carefully select a few cases that have the potential to provide rich information for a detailed and in-depth analysis (Eisenhardt, 1989; Yin, 2015). The aim of selecting cases here is not to increase the generalisability of the findings across multiple contexts; rather, the case selection is based on purposive sampling on the basis of specific criteria. Hence, it is critically important for any research study of this nature to outline the criteria for case selection at the outset before moving on and executing empirical data collection plans. This type of sampling is also known as judgmental sampling or theoretical sampling because it depends on the best judgment of the researcher in terms of including or excluding any case after considering its potential to support the theory building (Eisenhardt, 1989; Ghauri, 2004).

In the present dissertation, I specifically selected firms from Pakistan's information technology (IT) industry that meet four criteria: 1) they were founded by a Pakistani migrant living outside Pakistan; 2) their value chain activities have been relocated in Pakistan and the COR of the migrant founder; 3) they have an international sales presence other than in Pakistan and the COR; and 4) the migrant founder has actively participated in decision making, particularly concerning offshoring, since the outset. I combined the theoretical and snowball sampling techniques to identify, shortlist and include those case firms that met the four criteria (e.g. Corley & Gioia, 2004; Eisenhardt & Graebner, 2007; Glaser & Strauss, 1967; Strauss & Corbin, 1990). Aside from the clear delineation of the selection criteria, the contacts developed during the initial stages of the study proved very helpful in terms of snowballing to newer migrant international ventures from multiple countries. Within the sampling procedures, I ensured the maximum sample variance related to each venture's age, the spread of its value chain activities, its geographical base and the COR of its founder. As a result, international firms owned by Pakistani migrant entrepreneurs in the USA, Australia, New Zealand, Norway, Finland and Sweden were selected. These firms all had back-end operations in three cities in Pakistan (Lahore, Gujranwala and Islamabad), and they belonged to different age

groups. This geographic, operational and age-related versatility facilitated comparisons across multiple contexts in order to develop a fine-grained model of international value chain relocations among migrant international ventures.

It proved very challenging to identify relevant firms, and I had to use multiple channels, including government institutes, social media, university alumni offices and personal connections, as the starting points for subsequently reaching the desired firms and their founders. The entire process of searching for firms and informants, building rapport, conducting interviews, performing an informal analysis and asking for missing information during follow-up calls took approximately 36 months (January 2017 to December 2019).

The research context of Pakistan's IT industry was chosen for a number of reasons. First, at the generic level, the IT industry – particularly software development – has been the subject of substantial research efforts in the fields of international entrepreneurship (e.g. Bell, 1995; Child & Hsieh, 2014; Gabrielsson & Gabrielsson, 2004; Zain & Ng, 2006), migrant entrepreneurship (e.g. Cannone & Ughetto, 2014; Riddle & Brinkerhoff, 2011; Saxenian, 2002) and offshoring (e.g. Jensen, 2012; Srikanth & Puranam, 2014). Thus, prior findings have increased the analytical generalisability of this study by allowing for a broader comparison with existing research in the above-mentioned fields. Second, the contribution made by the IT industry to the gross domestic product (GDP) and foreign exchange earnings of Pakistan has significantly improved in recent years due to various factors, including supportive government policies, the high proportion of young inhabitants, the widespread availability of the internet and the improved IT-related ecosystem. Third, in its 2019 ranking of the top-rated countries for freelancing, Payoneer ranked Pakistan at number four (after the USA, the United Kingdom and Brazil) and discerned a 38 percent growth in the number of freelancers in the year from 2018 to 2019 (Friedman, 2019). Fourth, Pakistan is consistently ranked among the top ten countries in the world in terms of the number of emigrants, with the proportion of foreign exchange remittances accounting for more than five percent of the country's gross domestic product (UN, 2019). Lastly, the empirical context of Pakistan represents an alternative offshoring destination and so its investigation should increase the comparability, acceptance, refutation and modification of the predominantly India- and China-centric prior literature (e.g. Dossani & Kenney, 2007; Stephan et al., 2008).

On the basis of both the above-mentioned decisions and the initial literature review, I decided to conduct a pilot field study from January 2017 to April 2017 in order to increase my understanding of the dynamics of Pakistan's IT industry and refine the research topic to ensure a more focused and comprehensive analysis during later stages. I visited Pakistan and conducted 32 informal discussions with relevant industry experts, employees of IT companies, representatives of government

institutes (Pakistan Software Export Board, Pakistan Information Technology Board, Plan X, Plan 9), representatives from the IT departments of three major universities (FAST, Quaid-I-Azam University, Punjab University) and representatives of an association of IT firms. During these discussions, I ensured that I obtained essential and relevant information from all the major stakeholders, which proved immensely helpful in relation to developing an understanding of the politico-institutional, socio-cultural, industrial, organisational and educational aspects of the IT industry in Pakistan. At this stage, the discussions were less organised, customised and entirely driven by the interviewees. For example, the IT company employees explained the inner organisational workings of their companies, while the representatives of government institutions clarified the development and implementation of policies related to the operation of the IT industry. Details concerning the informal interviews are presented in Table 3, which depicts the diversity of the discussions conducted with a wide range of stakeholders.

**Table 3** Overview of the pilot study

<b>Firm</b>	<b>Meeting city/ duration</b>	<b>Interviewee</b>	<b>Founder nationality</b>	<b>Starting year (firm)</b>	<b>Target countries (if firm)</b>	<b>Employees</b>
Firm A1	Sialkot (60 min)	Founder	Pakistan-based founder	2004	Domestic only	3
Firm A2	Islamabad (40 min)	HR manager	Migrant founder based in the UK	2016	UK, EU	15
Firm A3	Islamabad (90 min)	Project manager	UK national owned and managed firm	2012	UK, USA, EU	40
Firm A4	Islamabad (30 min)	HR manager	Founded by a Pakistani American	2008	USA	250
Firm A5	Islamabad (80 min)	Founder	Pakistan-based founder	2012	USA, UK	10
Firm A6	Lahore (40 min)	Founder	Pakistan-based founder	2006	USA, EU	20
Firm A7	Gujranwala (80 min)	Founder	Pakistan-based founder	2014	Italy, UK	15
Firm A8	Gujranwala (60 min)	Founders	Pakistani Americans	2012	USA, EU	25
Firm A9	Gujranwala (120 min)	Founder	Pakistan-based founders	2013	Australia, USA	8

These informal discussions not only informed me about the perspectives of multiple stakeholders, but also helped to nurture my professional connections, which subsequently assisted in snowballing to firms that fulfilled the above-mentioned four inclusion criteria. I also used my professional relationships with Pakistani migrants

in multiple countries, in addition to posts in relevant social media groups, to identify Pakistani migrant entrepreneurs in the IT industry. Based on these collaborations, I was able to identify and shortlist several migrant international ventures, with ten of them being included in the final data collection and analysis. The sample size was not predetermined, and the data collection process was paused when the initial signs of data saturation appeared. The migrant-owned international firms were based in six countries (the USA, Australia, New Zealand, Norway, Finland and Sweden), had back-end operations in three Pakistani cities (Lahore, Gujranwala and Islamabad) and belonged to various age categories.

Toward the end of the informal field study, I realised that the firms started by migrant Pakistanis outperformed the firms owned and managed by non-migrant founders. There were notable differences in the ways the migrant-owned firms designed their business models, coordinated their international value chains and made use of the international experience, network and capabilities of their founders. There were initial signs that, for migrant international ventures, such factors played a vital role in gaining and sustaining competitive advantages. However, a comparison of the empirical observations with the prior literature in the field of international entrepreneurship, migrant entrepreneurship and offshoring revealed that such critical issues had not attracted sufficient research attention. Thus, it was at this stage that I decided to restrict the scope of the dissertation to questions related to international value chain relocations and the relevance of the international experience and capabilities of migrant founders. In what follows, I explain the formal data collection process and the analysis approach used to organise and report the findings.

### 3.3.3 Data collection

The data were collected from the founders of migrant international ventures through semi-structured interviews (Eriksson & Kovalainen, 2015) conducted either online or on a face-to-face basis. For the face-to-face interactions, I travelled to Pakistan three times between January 2017 and December 2019. All the interviews were recorded and then transcribed verbatim by me. Additionally, immediately after each meeting, detailed field notes concerning informal discussions and personal reflections were routinely recorded. This process resulted in 600 pages of textual data, including both transcripts and associated notes. In the case of multiple founders of migrant international ventures, maximum effort was made to conduct separate interviews with all the founders so that evidence related to the value chain analysis and its disintegration, dispersion and reintegration could be collected and corroborated from multiple sources. For five case firms, I conducted interviews with more than one founder. However, for two firms (from

Finland and Sweden), I was only allowed to interview the principal founder, while three ventures (one each from New Zealand, Norway and the USA) were started, owned and managed by single founders.

**Table 4** Overview of the data collection process

Case firm	Start year	International sales	Country of residence	Founder migration year	Founder interview date (duration min)	Partner interview date (duration)
Firm A	2016	Finland, France, USA, Germany, Switzerland, Australia	Finland	2009	03/09/2017 (85 min)	Partner not willing
Firm B	2015	Sweden, Africa, South Korea, USA	Sweden	2014	01/10/2017 (90) 10/10/2017 (45)	Partner not willing
Firm C	2016	Norway, Germany	Norway	2008	03/10/2017 (75) 06/10/2017 (40)	Single-owner firm
Firm D	2017	Norway, USA, Canada, Austria, Pakistan	Norway	2018	15/10/2017 (80) 03/03/2019 (75)	29/10/2017 (75 min)
Firm E	2015	New Zealand, USA, Australia, Malaysia, France,	New Zealand	2016	02/11/2017 (95) 12/11/2017 (45)	Single-owner firm
Firm F	2015	Australia, UK, Austria, France, USA, Belgium, Slovakia	Australia	2011	05/02/2018 (70) 09/02/2018 (60 min)	Partner 1: 15/02/2018 (120 min) Partner 2: 23/02/2018 (85 min)
Firm G	2002	USA, Middle East, Australia, UK, Singapore, Pakistan, Kuwait	USA	2007	04/02/2018 (95) 09/02/2018 (70)	25/02/2018 (65 min) 26/02/2018 (40 min)
Firm H	2010	USA, Australia, Africa, Saudi Arabia, UAE, UK, several others	USA	2014	01/03/2018 (65)	Single-owner firm
Firm I	2009	USA, Malaysia, UAE, EU, Australia, 20 other countries	USA	2002	02/03/2018 (85) 06/03/2018 (45)	10/03/2018 (50 min)
Firm J	2011	USA, UK, Australia, Qatar, UAE	USA	2008	01/12/2019 (65) 10/12/2019 (60)	01/11/2019 (120 min)

The first formal interview was conducted in September 2017 and the last in December 2019, which shows that the whole interview process took around 27 months. The duration of the interviews varied between 45 minutes and 95 minutes, depending on the openness and cooperation of the interviewees as well as the extent of the information shared. With a few exceptions, each migrant entrepreneur was interviewed twice. The first interview concentrated on background details concerning the major themes and the personal experiences of the migrant founders in Pakistan and their COR. The second interview was more focused and in-depth, and the aim was to dig deeper into the broader themes in order to elicit more details. In addition, I also made short telephone calls to the founders at various times during the analysis phase whenever clarification was needed or information was missing. The data collection and data analysis processes were conducted simultaneously, although later discussions were more focused, while the initial interviews were broader and more general.

Overall, the content of the interviews was subjectivist in nature (Eriksson & Kovalainen, 2015). It was related to the migrant founders' experiences, reflections and learnings, in addition to the roles they played in enterprise decision making. Moreover, questions were also asked about the motivations, dynamics, challenges and management of value chain relocations to Pakistan and the migrant founders' COR. Particular emphasis was placed on how the migrant founders decided on the international spread of their value chains as well as how their varied experiences shaped their distinctive capabilities, which proved to be the antecedents of firm-level value chain relocation decisions, including the country choice, activity choice, management of operations and transformation of resources.

Table 4 presents the code names (Gibson & Brown, 2009) of the firms, their founding years, the names of the countries where the firms are actively selling, the COR of the migrant founders, the founder's year of migration and the interview date and duration.

Before conducting the interviews, a detailed interview guide (see Appendix 1) was prepared and shared with the migrant entrepreneurs via email so that they could make an informed choice regarding participation and, if they wished to participate, answer the questions thoughtfully. The interview guide provides a broad overview of the themes that I intended to explore, such as the prior experiences, learning, networking, skills and role of the migrant entrepreneurs in relation to the different dimensions of offshoring decisions (Qu & Dumay, 2011). However, the actual interviews took place more naturally and interactively, with only limited adherence to the sequence outlined in the guide. This naturalistic approach was in line with the principle of minimal interference by the interviewers in order to allow the interviewees to explain their stories, reflections and opinions freely (Patton, 1990; Strauss & Corbin, 1990). The role of the interviewer was restricted to asking the next



question when the interviewee had stopped answering a question, asking for clarification where needed and streamlining the discussion if the interviewee was deviating too much from the main points. Although the interviews were flexible in terms of their duration and content, it was ensured that all the themes were explored in sufficient detail to serve the purpose of theorisation. Moreover, as the founders had all lived in two countries, the questions related to the above themes were asked in relation to the stay in Pakistan and the current stay in their COR.

Although all the interviewees were proficient in the English language, I preferred to interview them in the local Urdu language so that they could comfortably explain their experiences, reflections and opinions. All the interviews were recorded, translated and transcribed into English by me. When the transcripts were ready, they were shared with the interviewees so that they could point out any factual misrepresentations or inaccuracies, and the required amendments were made prior to starting the formal analysis.

### 3.3.4 Data analysis

The process of data analysis was approached by developing a preliminary conceptual framework based on a review of the literature concerning value chain fine slicing (essay II), dynamic capabilities and dynamic managerial capabilities (essay III). Although I structured the analysis around inductive theory building and the preliminary frameworks did not influence the initial stages of analysis, these preliminary frameworks were useful in terms of comparing the interview statements with the existing theoretical assertions. In particular, I followed the three-step data structure approach suggested by Corley and Gioia (2004) and reiterated by Gioia et al. (2013), which includes the inductive delineation of first-order codes, the merging of first-order themes into higher-order categories and the combining of second-order categories into aggregate dimensions. This method of analysis represents an extension of the grounded theory approach, and it revolves around understanding the real voices of the interviewees. Moreover, it also provides a systematic step-by-step approach for analysing complex empirical data and developing testable propositions. Somewhat similar methods of qualitative analysis, albeit with different numbers of steps and different names for them, have been suggested by other leading qualitative researchers (e.g. Braun & Clarke, 2006; Miles & Huberman, 1994; Strauss & Corbin, 1998).

While adhering to the essential analytical guidelines that inform the Gioia method, I divided the data analysis into the informal and formal categories. The informal analysis began as soon as the first interview was conducted with the founder of Firm A in September 2017, and it continued until the initial signs of data saturation appeared, which marked the end of the data collection phase. Immediately after

completion, each interview was transcribed and a complete record of my field notes and reflections on the conversation was made. This initial analysis guided the subsequent interviews and helped in making them more interactive and focussed on important themes. I performed the same procedure of informal analysis for all the interviews, meaning that the interviews conducted during the later stages differed significantly from those conducted during earlier times.

Based on insights derived from the informal analysis, I began the formal analysis when no new themes were emerging from the latest interviews. At this stage, I used NVivo 12 software to enhance the analytical efficiency in terms of developing, classifying, storing, modifying and retrieving codes. However, while performing the detailed analysis, I observed several times that the existing data required more feedback from the current interviewees, which resulted in short telephone calls to fill the identified information gaps. In addition, I also decided to select four more case firms so as to increase the total number of cases to ten, which meant that detailed information about emergent themes could be obtained.

Overall, the formal analysis comprised the three stages mentioned above: developing the first-order themes, combining those themes into second-order categories and merging the categories into aggregate dimensions. First, all the interview statements were open coded to develop, describe, name and classify the content. During the next stage, as the coding progressed, I discerned the relationships between the different first-order themes, which provided a foundation for combining those themes with similar content into one higher-order category. This stage is referred to in the literature as 'axial coding'. However, the codes were defined and refined several times throughout the process to ensure that they were in the correct categories (Locke, 1996). Moreover, throughout the process, new themes were created if the emerging information did not fit into the existing categories, while some existing themes were removed if the emergent findings revealed them to be less important. Lastly, all the categories developed during the axial coding process were further combined into aggregate dimensions.

Notably, in relation to essay II, I performed line-by-line coding to analyse and segment all the interview statements concerning the disintegration, dispersion and reintegration of value chain activities across Pakistan and the COR of the migrant founders. Based on the integration of the open codes into the axial coding, ten categories of different business processes or value chain activities were outlined, which were then further condensed into four aggregate dimensions during the final stage. Similarly, in relation to essay III, I developed a preliminary codebook consisting of a few themes related to the different dimensions of offshoring decisions and individual-level factors such as entrepreneurs' prior professional and non-professional experiences, education, learning and competencies. Based on a thorough reading of the transcripts, the important and relevant statements were open

coded and then merged into seven categories during the axial coding stage. Finally, the seven entrepreneurial capabilities were further combined as the underpinnings of firm-level sensing, seizing and transforming offshoring capabilities (Gioia et al., 2013; Miles & Huberman, 1994; Strauss & Corbin, 1998).

### 3.3.5 Evaluation of the study

The traditional criteria used to evaluate the quality of quantitative studies, namely internal validity, reliability, objectivity and generalisability, are not suitable for use in relation to qualitative research. Instead, qualitative researchers evaluate their findings based on the criterion of trustworthiness, considering the broad question of ‘*can the findings be trusted?*’ (Korstjens & Moser, 2018). In this regard, Lincoln and Guba (1985) outlined a four-dimensional framework that is widely used to evaluate the trustworthiness of qualitative research. Their framework is also used in the present dissertation. The four dimensions of trustworthiness are: credibility, dependability, transferability, and confirmability. In addition, it is also critical to determine the reflexivity of the researcher (Korstjens & Moser, 2018), which is based on the assumption that the knower cannot be separated from the knowledge and, further, that interpretations may be influenced by the biases, preconceptions and preferences of investigators.

First, credibility refers to the level of confidence that the findings are accurate reflections of the real-world happenings (i.e. truth). In other words, it implies that the researcher has accurately understood and interpreted the original views of the informants in order to draw plausible inferences from the data. Lincoln and Guba (1985) highlighted four strategies for ensuring the credibility of the findings: persistent observation, prolonged engagement, member check and triangulation. In this dissertation, I used all four strategies to ensure that the findings and interpretations represent accurate versions of the founders of migrant international ventures. Persistent observation was ensured through reading and rereading the data as well as developing and revising the codes and core categories multiple times until the final theories of value chain relocation (essay II) and the relevance of prior experiences and capabilities in terms of sensing, seizing and transforming offshoring capabilities emerged from the data. During this process, themes were created, renamed, removed and reconnected to each other in an iterative, dynamic and emergent manner. Further, the engagement with the interviewees was prolonged, in-depth and spanned over 36 months. Typically, the engagement with the interviewees took place in a gradual manner, and they were contacted several times during the research process. For instance, the initial engagements (i.e. before the first formal interview was conducted) were very broad and mainly concerned with finalising arrangements for the interview. Next, the interview process (generally, two detailed

interviews were conducted with the same interviewees) was designed in such a way that the first part involved broad questions, while the second part was more focussed, detailed and in-depth. During the interviews, I did not apply any time limitations, and the interviewees were asked probing and leading questions until all the themes had been explored exhaustively. Furthermore, the interviewees were phoned several times during the later stages of the process to fill any information gaps and so help develop the theory. In sum, all the migrant entrepreneurs and their partners were actively contacted and engaged with during the pre-interview, interview and post-interview stages.

The third strategy for ensuring trustworthiness is triangulation, which involves the use of a multitude of theories, methods, data sources and investigators. The primary aim of triangulation during qualitative research is to enrich the researcher's understanding of the investigated phenomena from multiple perspectives and, therefore, ensure that the findings are robust, comprehensive, rich and well developed. Within the context of this dissertation, I only applied source triangulation by collecting and corroborating data from various sources. In this regard, the fundamental technique involved interviewing all the partners who are actively involved in the planning and implementation of strategic and operational decisions. In doing so, I ensured the accuracy of the perspectives, statements and opinions expressed by the principal migrant founder regarding events as well as their actions, experiences and capabilities. Moreover, I also actively followed the social media accounts of both the founders and their firms to keep up to date about events happening in their lives after the interviews were conducted. Additionally, I explored the websites of the firms and, where possible, gathered and analysed archival data. However, the founders were generally reluctant to provide detailed documentation, and only one of the ten case firms supplied documents concerning the firm's internal workings. Lastly, the transcripts were verified and modified by means of member checking (i.e. sending completed versions of the transcripts to the interviewees to check that they are an accurate representation of their feelings, thoughts and actions).

The second dimension of trustworthiness is transferability, which refers to the applicability of findings across different contexts and study settings. It corresponds to the concept of generalisability found in quantitative research, although its conceptualisation is slightly different. The concept of transferability is more restrictive, as the findings may only be generalised to specific contexts, which differs from the context-free and broader applicability pursued in relation to generalisability. The key strategy here is to include rich descriptions of the research process so that readers can judge that the research choices have been made impartially and following a rigorous and thoughtful process. In this regard, I have fully explicated the research process in this introductory essay as well as in essays II and III. My explanation includes details of the decisions made as well as the

justifications for selecting the specific study setting (the IT industry of Pakistan), the cases (migrant international ventures), the interviewees (migrant founders and their partners) and analytical methods (the Gioia method).

The third and fourth dimensions of trustworthiness relate to dependability (the degree to which the findings are repeatable and consistent) and confirmability (the possibility that other researchers may reach similar inferences if they follow the same research methods). Dependability concerns the aspect of consistency, while confirmability refers to the element of researcher neutrality. The suggested approach here is an audit trail, which involves outlining all the details relevant to decisions made throughout the research process so that readers can evaluate the impartiality and consistency of the results. In this dissertation, I have explained the choices and research process in detail, while the interview statements that formed the basis for the theory development are detailed in the essays. This inclusion of a high number of interview excerpts reflects the fact that the findings are deeply embedded within the data, rather than being the biased interpretations of the researcher.

Lastly, it is also necessary for the qualitative researcher to be self-aware and reflexive with regard to his/her role in the process of collecting, analysing and interpreting the data. Reflexivity represents an integral aspect of ensuring the quality and transparency of the research process, as the researcher may have a specific relationship with the informants, while the informants themselves likely come with a distinctive set of preconceptions, biases and preferences, which may impact the choices made throughout the research process (Korstjens & Moser, 2018). It is true that the findings of qualitative research are the interpretations of the researcher (Wynn & Williams, 2012), which are reported in light of the chosen theoretical frameworks. Thus, I acknowledge that the findings may slightly reflect my personal characteristics, deeply held assumptions about reality, experience of living in Pakistan for an extended period and prior relationships with some of the interviewees. Nonetheless, I tried to be objective to the greatest extent possible when asking the questions and reporting the findings. For instance, during all the interviews, I explored both the broad and in-depth details concerning the themes of value chains and personal entrepreneurial characteristics, even though I had become aware of several aspects based on earlier interviews. The primary aim of conducting the interviews more naturally was to allow the interviewees to explain their own perspectives, which were further verified by sharing the transcripts and my initial findings with the migrant founders.

After explaining the phenomenon of interest and its importance, as well as the aims, theoretical positioning, theoretical underpinnings and methodological choices of the dissertation, the next logical step is to report the outcomes of the three essays and explain how they are interrelated and coherent. Hence, the following chapter presents summaries of the research essays.

## 4 Summaries of the essays

This chapter briefly presents and discusses the objectives, background literature, methodologies, findings and contributions of the three interconnected essays, which collectively help to answer this study's main research question: *How do migrant-owned firms attain competitive advantages?* The chapter can be divided into two parts. The first part, which comprises subsections 4.1 to 4.3, includes summaries of the three essays, while the second part, which comprises subsection 4.4, then explains how the findings of the three essays can be synthesised in an integrated manner to comprehensively explain the attainment of competitive advantages by different migrant ventures. It is this synthesis that serves to answer the main research question. In particular, essay I addresses the study's first sub-question: *How does a value chain analysis apply to the existing migrant entrepreneurship literature?* Essay II concerns the second sub-question: *How do migrant international ventures disintegrate, disperse and reintegrate value chain activities?* Finally, essay III relates to the third sub-question, which addresses the opportunity-focused reconceptualisation of offshoring decisions and the relevance of the prior experiences and capabilities of founding entrepreneurs to such decisions: *How do the previous experiences and capabilities of migrant founders underpin the offshoring capabilities of migrant international ventures?*

### 4.1 Essay I

The primary aim of essay I is to apply a value chain analysis in order to critically review the existing literature on migrant entrepreneurship and develop a firm-focused typology of migrant-owned firms, which should provide an entirely new lens for examining the attainment of competitive advantages by various types of migrant ventures. In doing so, the intention is to bridge the gaps that currently exist between the streams of literature concerning international entrepreneurship and migrant entrepreneurship. To accomplish all this, I have constructed a four-step typology development process by synthesising the scattered guidelines on organisational taxonomy found within the literature. This step-by-step guide is followed throughout essay I to classify migrant-owned firms into eight ideal types, which are informed by three dimensions: the degree of market ethnicity, the degree of value chain

ethnicity and the degree of internationalisation. The ideal types not only differ in terms of their composition in relation to these three dimensions, but also exhibit competitive advantages with different natures. I have conceptualised the competitive advantages into three broad types: ethnic competitive advantages, hybrid competitive advantages and non-ethnic competitive advantages. Furthermore, I have illustrated each ideal type by selecting a firm from real life and investigating its current composition with regard to the three underlying dimensions of the typology.

More specifically, I conducted the typology development in two stages. Initially, the degree of value chain ethnicity (proportion of value chain participants from a similar ethnic background to the migrant founders) and the degree of market ethnicity (proportion of ethnic customers among the total customer base) were assessed. For each firm, the extent of the value chain and market ethnicity can be either high or low, resulting in four possible ideal types of migrant ventures: ethnic ventures, ethnic break-out ventures, break-out ventures and ethnic break-in ventures.

First, ethnic ventures are conceptualised as migrant-owned firms with value chain activities – both upstream and downstream – that are primarily completed by co-ethnic stakeholders. Moreover, their main target market niche consists of fellow co-ethnics in the COR. Hence, they exhibit a higher degree of ethnicity in relation to both dimensions.

Second, ethnic break-out ventures reflect a higher degree of ethnicity on the part of value chains (i.e. a greater proportion of value chain participants are from ethnic backgrounds), although the products/services are mainly targeted toward non-ethnic market niches. In other words, the upstream and downstream value chain activities are dominated by individuals or firms from the same ethnic background as the migrant founders, while the customers hail from non-ethnic backgrounds.

Third, break-out ventures are migrant-owned firms with value chains and target markets dominated by non-ethnic stakeholders. These firms operate similarly to non-ethnic ventures because they are not concerned about ethnic resources, networks and customers. Their point of distinction is the fact that they are owned and managed by founders from a migrant background. This difference is vital because migrant entrepreneurs generally face a different set of adjustment challenges in their COR when compared with their native counterparts.

Fourth, ethnic break-in ventures refer to migrant-owned firms with value chains that are predominantly the responsibility of stakeholders from non-ethnic backgrounds, although their primary target market is fellow immigrants from similar ethnic backgrounds. Such firms make use of the non-ethnic resources embedded within the broader socio-cultural and politico-institutional environments to offer products/services to ethnic clients, who are generally ignored by firms owned by founders from ethnic majority backgrounds.

During the second stage, I added the geographic dimension to the above-mentioned two dimensions to further classify the four types of migrant-owned ventures. Geographically speaking, both the value chain activities and the customer base can be confined within the boundaries of the COR (domestic) or spread and coordinated across multiple countries (international). Consequently, a three-dimensional typology is constructed, which comprises the eight ideal types: ethnic ventures, ethnic internationals, break-outs, international break-outs, ethnic break-outs, international ethnic break-outs, ethnic break-ins and international ethnic break-ins. From these eight, four types of migrant ventures are domestic, as their operations are confined to the COR, and they are explained in the above paragraphs. The remaining four ideal types (ethnic internationals, international break-outs, international ethnic break-outs and international ethnic break-ins) represent extensions of the four ideal types from the first stage and relate to the international geographic dimension.

More specifically, ethnic internationals expand the concept of ethnic ventures, with the only difference being that, in the case of the former, the value chain activities and customer base come from multiple countries. Nevertheless, the value chains and target market niches are primarily from a similar ethnic background to that of the migrant founders. Similarly, international break-outs, international ethnic break-outs and international ethnic break-ins represent extensions of break-out ventures, ethnic break-outs and ethnic break-ins, respectively, with the only difference being that the former three types have an international outlook, whereas the latter three are confined to the COR.

As discussed above, to empirically illustrate the eight ideal types of migrant enterprises, I used my professional connections, web searching and snowballing to identify migrant-owned firms that reflect different characteristics in relation to the three dimensions of the typology. ‘My Pakistan’ (a pseudonym) is a restaurant located in the United Kingdom (UK) that is owned and managed by a migrant of Pakistani origin, with most of its suppliers, employees and customers also hailing from a Pakistani background (i.e. an illustration of an ethnic venture). ‘Arabic Fashion’ is a store located in the United Arab Emirates (UAE) that sells traditional clothes to native Emirati females by coordinating value creation with local stakeholders. Nevertheless, it is owned and managed by a migrant Pakistani who resides in the UAE (i.e. a break-out venture). ‘SC’ is an IT consultancy firm located in the UK with a founder and value chain participants from a Pakistani background, although it primarily sells services to native British people (i.e. an ethnic break-out venture). ‘CND Co’ is a property consultancy located in Canada that provides housing services to people from migrant backgrounds, although its value chain is mainly dominated by local Canadians (i.e. an ethnic break-in venture). Similarly, in the international domain, ‘Eastern Fashion’ sells traditional Pakistani clothes to



migrant Pakistanis in multiple countries, while its manufacturing and outsourcing facilities are located in Pakistan. It is owned by a British Pakistani (i.e. an ethnic international venture). ‘FnG’ is a multinational company owned and managed by a Pakistani American and headquartered in the USA. It sells metal and plastic products to leading automobile manufacturers around the globe from its scattered value chains in ten countries (i.e. an international break-out venture). ‘TN’ is a software development firm founded and managed by a Pakistani American. Its head office is located in the USA and its back-end operations in Pakistani. Most value chain contributors are Pakistanis, and the target customers are international customers from non-Pakistani backgrounds (i.e. an international ethnic break-out venture). Lastly, ‘Pak Internationals’ is a Pakistani-owned international trading firm based in Spain that purchases used electronic items and other scrap metal from suppliers with non-Pakistani backgrounds and sells them to fellow Pakistanis in Pakistan (i.e. an international ethnic break-in venture).

These eight ideal types are all distinctive enterprises, which also vary in terms of the attainment and nature of their competitive advantages. For instance, ethnic ventures that are deeply embedded within the ethnic value creation networks of suppliers, employees, distributors and customers gain ‘competitive ethnic advantages’. Similarly, break-out ventures rely on non-ethnic value creation networks and politico-institutional environments; therefore, their competitive advantages are termed ‘non-ethnic competitive advantages’. Ethnic break-out and ethnic break-in ventures make use of information and resource from both ethnic and non-ethnic network structures, meaning that the nature of their competitive advantages can best be explained as ‘hybrid competitive advantages’. After adding the international geographic dimension to the competitive advantages, three types of competitive advantages can be seen to also originate from international value creation networks. They can best be described as international ethnic advantages, international non-ethnic advantages and international hybrid advantages.

By developing and empirically illustrating a firm-focused typology, essay I has pushed the boundaries of the prior migrant entrepreneurship literature to underscore the fact that the value chain framework provides a different lens in relation to sociologically dominated explanations. It also highlights how attempts to develop a single overarching theory to explain the identification and exploitation of opportunities by a multitude of migrant enterprises are counterproductive. Therefore, multiple mid-range theories should be developed to explain the idiosyncrasies of the different ideal types of migrant ventures. Essay I provides a strong foundation for the subsequent essays, which focus explicitly on one of the eight migrant international ventures. The following subsection offers empirical insights into how migrant international ventures examine, disintegrate, spread and reintegrate their value chain activities across multiple countries.

## 4.2 Essay II

Essay II builds on the central assumption that business models – the structures of business activities – influence the creation and capture of customer value and, ultimately, the attainment of competitive advantages. In line with the aim of this essay being to investigate decisions regarding the disintegration, dispersion and reintegration of value chains among migrant international ventures, I applied the lens of value chain fine slicing as the preliminary framework for organising, analysing and interpreting the findings. The migrant international venture is a special type of firm that has a global vision, has sold in multiple international markets since its inception and has spread its value chain activities internationally.

Empirically speaking, 15 informants were interviewed at multiple time points across ten IT firms, which were started and managed by migrant founders of Pakistan origin in six countries. The findings reveal that migrant international ventures design their business models differently when compared with international new ventures because the former mainly relocate their value chain activities between the COO and the COR of the migrant founders, while the latter are more open in terms of the country choice for value chain relocations. After inductively analysing 600 pages of data, at the aggregate level, all business activities are grouped into non-core activities, COO-based support activities, COR-based support activities and core activities. The findings further reveal that migrant international ventures generally design their business models in such a way that all the operational, non-core and strategic support business activities are completed in the offshored back-end premises in Pakistan. The principal motivation for relocating these tasks to Pakistan is the desire to utilise the low cost, yet acceptable quality, competencies of teams in Pakistan to accomplish the strategic objectives. On the contrary, all the core activities are based in the COR and completed under the direct supervision of the migrant founders. Nevertheless, the performance of core tasks in the COR greatly depends on the support activities in Pakistan. Lastly, another group of activities that is vital to facilitating the timely and quality performance of tasks in Pakistan is the COR-based support activities. Such support is critical because the technological and environmental dynamics are changing at a rapid speed, requiring the continuous upgrading of operational mechanisms. In short, the value chains of migrant international ventures are uniquely configured across Pakistan and the COR to simultaneously identify and exploit promising value creation opportunities.

First, the non-core activities refer to those business processes that are repetitive, operational, less innovative and do not significantly contribute to gaining competitive advantages. In the context of software development within the IT industry, non-core activities comprise technical product development, technical product leadership and the management of operations. Generally speaking, a team leader or partner based in Pakistan is entirely responsible for the design,

development, testing and delivery of software products according to the customer needs specified by international teams based in the COR. Hence, to support the technical development of software products that conform to international standards, a higher proportion of technical staff (e.g. designers, engineers, programmers and coders) are hired in Pakistan. In this regard, all activities related to the development of a comprehensive working plan intended to ensure that the required financial, organisational and other resources are relocated to Pakistan with only minimal interference by the migrant founders. This working plan subdivides the entire software development process into smaller submodules that are assigned to several individuals or teams and, further, that outline the monitoring mechanisms to ensure that all participants work collaboratively in order to meet both temporal and technical international standards. During later stages, migrant international ventures develop a management structure intended to divide the business processes into various departments and connect them through hierarchical relationships. The partner or team leader based in Pakistan is generally granted complete autonomy to develop a working organisational infrastructure because the migrant founders, due to being based in distant countries, cannot remotely manage all the tasks.

Second, the findings show that business processes based in the COR essentially need support in terms of searching for international customers and maintaining a profitable relationship as well as in developing and executing the strategic and business development plans. Migrant international ventures fine slice both their marketing and strategic tasks into two primary parts: the core part and the support part. Consequently, a higher proportion of support activities are relocated to Pakistan, as they can be accomplished according to the expected quality standards while requiring the low-cost skills and competencies of the Pakistani team. For example, the search for new customers and the conducting of initial negotiations are delegated to the team in Pakistan. When such negotiations enter the advanced stages, the migrant founders themselves step in, finalise the deal and maintain long-term coordination with the help of a team in the COR. However, even at the later stages, the team in the COR depends on the information provided by the Pakistani team regarding the technical, financial and managerial feasibility of the new project. Similarly, the strategic and business development team based in the COR also depends on continuous support from the systems, processes and procedures in Pakistan. No strategic plan can be developed and implemented without updated information and resource support from the Pakistani team.

Third, migrant international ventures organise and locate some support and core strategic activities in the COR of the migrant founders. No operations can be completed in Pakistan without operational support from the migrant founder and his/her team in the COR. This support can be rendered in three possible ways: advanced international customer coordination and relationship management,

coordination with the team leader in Pakistan and operational support. In terms of customer interaction, the migrant founders typically enter the negotiation process during the later stages to finalise the project timeline, price, performance standards, technology to be used and technical details. In a similar vein, the migrant founders routinely coordinate with the team leader in Pakistan to ensure that the strategic plans are executed and the software products are developed according to internationally acceptable standards. Furthermore, the migrant founders also share their knowledge and both guide and monitor the configuration of value chains and the assignment of tasks to multiple team members.

Fourth, for all migrant international ventures, the core tasks that directly and significantly contribute to the achievement of competitive advantages are predominantly located in the COR. For example, customers based in the COR are strategically very important and, therefore, all business processes ranging from their initial identification to sales and post-sales relationship management are handled from the Cor. Similarly, all tasks of a strategic nature, such as the formulation and implementation of business development plans, are also performed in the COR because they require a deep understanding of the internal and external changes. If the founders do not have a firm grasp on the systems and processes inside the firms and fail to correctly recognise and anticipate external changes, migrant international entrepreneurs cannot be effectively led toward the achievement of strategic goals.

In sum, the empirical evidence suggests that the way migrant international ventures (and other firms) configure their value chains partly determines their attainment of competitive advantages. Notably, it indicates that the more strategically important an activity becomes, the higher the likelihood of it being relocated to the COR. Furthermore, the findings also show that the second most influential factors in terms of the international relocation of value chains among migrant international ventures are the prior experiences and capabilities of migrant founders. The migrant founders have gained these unique competencies through their wide range of experiences in Pakistan and the COR. This increased awareness of the importance of personal entrepreneurial characteristics naturally leads to the third essay, which is more focused on the interactions between the individual features and firm-level phenomena of international value chain relocations.

### 4.3 Essay III

After essay II highlighted the fact that the unique international relocations of their value chains represent an important source of competitiveness for migrant international ventures, the focus in essay III is on the second source of competitive advantages, namely the role played by the personal experiences and capabilities of the founding entrepreneurs as the micro foundations for decisions concerning value

chain relocations. Notably, this essay extends the opportunity-based typology of sensing, seizing and transforming (Teece, 2007) and integrates it with the social, human and cognitive capital dimensions of the dynamic managerial capabilities' framework (Adner & Helfat, 2003). Fundamentally, essay III is based on two key assumptions. First, the three aspects identified by Teece (2007) are applicable to decisions related to value chain internationalisation, similar to how they provide a theoretical lens for examining other strategic decisions. Second, the cognitive, human and social capital of the migrant founders underpin the international value chain relocation decisions made by migrant international ventures. However, these three individual-level dimensions manifest differently in the context of international value chain relocations, which indicates the need for an empirical investigation.

Related to the reconceptualisation of international value chain relocations, which traditionally depends on four types of decisions (i.e. disintegration, dispersion, reintegration and transformation), I argue that the sensing, seizing and transforming typology (Teece, 2007) provides an alternative lens for examining such relocations. More specifically, migrant international ventures are required to make timely and accurate sense of information cues from the COR and the COO of their founders to determine that a promising offshoring opportunity exists. After such an opportunity has been sensed, the next vital task is to design an appropriate business model and arrange the resources required to seize it effectively. Next, migrant international ventures are required to continuously upgrade their business models and resource bases to offer an appropriate response to the changing global environment, technology and competitive dynamics. In short, the relocation decisions of migrant international ventures can be better explained in a more connected, comprehensive and cohesive manner with the help of an opportunity-based framework concerning dynamic capabilities. Against this backdrop, the personal characteristics of entrepreneurs (i.e. experiences and capabilities) need to be re-examined with reference to the sensing, seizing and transforming dimensions. This brings us to the empirical part of the essay, which investigates the prior experiences and entrepreneurial capabilities of the migrant founders of ten migrant international ventures within the IT industry of Pakistan.

First, the findings reveal that the migrant founders possess three kinds of individual-level capabilities, which underpin the firm-level sensing capabilities and impact decisions related to the selection of activities and geographic locations for the international relocation of value chains. These three entrepreneurial capabilities are dual cognitive capabilities, affect and dual cultural capabilities. With regard to the dual cognitive capabilities, migrant founders have developed unique perceptual systems to accurately and in a timely fashion identify and interpret relevant information cues from the environment in both their COR and Pakistan in order to make sense of emerging threats and opportunities. Based on their prior managerial,

socio-cultural, educational and institutional interactions in Pakistan and the COR, they are well prepared to understand and exploit both positive and negative factors at multiple levels in the two countries. Thus, they can determine if it is possible to offer unique value propositions by combining resources from both countries. The cognitive capabilities are further transformed, modified and developed when the migrant entrepreneurs engage in versatile interactional experiences in the social, professional, educational and institutional realms in both countries.

In terms of the affect, which represents the second underpinning of offshore sensing capabilities, migrant founders' sense of affiliation with Pakistan partly influences their decisions to select Pakistan as an offshoring destination. Their feeling of connectedness in relation to Pakistan influences their choice through emotional mechanisms, as the founders feel an obligation to pay back their COO and a desire to visit and meet with loved ones during intermittent visits. Additionally, dual cultural capabilities – the ability to understand and comprehend the nuances of cultural dynamics as well as people's psychology, behaviours, values and belief systems in Pakistan and the COR – also underpin the sensing capabilities of migrant international ventures. Here again, migrant founders are uniquely able to understand the cultural nuances of both countries based on their enculturation and acculturation experiences, in addition to being competent enough to act as a bridge between stakeholders from multiple cultural backgrounds.

Second, the empirical findings indicate that the three entrepreneurial-level capabilities that underpin the seizing capabilities of migrant international ventures are structural design capabilities, dual managerial capabilities and dual social capabilities. With regard to the structural design capabilities, it can be observed that migrant founders are the most capable individuals in relation to migrant international ventures when it comes to conceiving and designing an appropriate organisational structure because they are heavily aware of the internal and external dynamics in both countries. Typically, they create the structure in such a way that low-value, routine and less-creative tasks are assigned to Pakistan, while high-value, non-routine and more-creative activities are located in their COR. Additionally, they also lead the formulation of rules, processes and procedures to ensure that the required resources are flowing between different stakeholders. In terms of the dual managerial capabilities, migrant founders, after putting the firm structure in place, turn their attention to ensuring coordination between the teams in Pakistan and the COR. Dual managerial capabilities are vital in relation to managing the challenging and complex coordination of international customers and teams in Pakistan, with both being embodiments of varied cultural backgrounds. Thus, due to their dual managerial capabilities, migrant founders are appropriately positioned to mitigate the lack of trust and any miscommunication among multiple international stakeholders so that high-quality software products and services can be developed and delivered. In doing

so, they are responsible for organising the necessary financial and human resources as well as for fostering a cooperative environment that allows for increased technical and operational coordination. As for the dual social capabilities, migrant founders have developed the competencies necessary to create, nurture and capitalise on a wide range of social, familial and professional ties in the new and old homelands. As a result of their versatile interactions, they have improved their communication abilities, cognitive acumen, behavioural flexibility and humanistic considerations, which are all pre-requisites for developing and maintaining sound and healthy relationships. Migrant founders, unlike monocultural international entrepreneurs, also have the opportunity to combine internet-facilitated interactions with face-to-face relationships by personally visiting the COO and connecting with stakeholders.

Third, the empirical findings indicate that the ‘change management capabilities’ of migrant founders underpin the transformation dimension of international value chain relocation capabilities. It should be noted here migrant international ventures within the IT industry are required to continually update the structure, culture and competence base of their employees so that they can effectively respond to uncertain and drastically changing environments. In such changing situations, the current repertoire of knowledge, competence and skills held by all team members, including the migrant founders, need to be restructured. In particular, migrant founders lead three kinds of adaptations in the context of migrant international ventures, namely local adaptation, international internal adaptation and customer-centred adaptation. Local adaptation refers to the incorporation of transformations within the competence profile and resource base of the teams in Pakistan and the COR in response to local changes in both countries. International internal adaptation refers to amendments made to the processes and systems of a team based in one country in response to the changing demands of a team in another country. For instance, the technical software development skills of the team in Pakistan may have to be improved if the business development team in the COR has made some significant changes to the strategic direction of the firm. Customer-centred adaptation refers to the incorporation of changes on the basis of the fluctuating needs and demands of international customers. Here again, migrant founders are better prepared intellectually, culturally, technically, socially and managerially due to their varied past experiences of successfully diagnosing the problem, formulating solutions and then implementing them. In sum, the findings of essay III highlight the relevance of the firm-level dynamic capabilities framework as well as the importance of entrepreneurial experiences and capabilities in relation to the sensing, seizing and transforming offshoring capabilities.

After separately presenting the findings of all three essays in the above three subsections, in the following subsection, I will explain how the findings are

connected with reference to the proposed preliminary theoretical framework for the dissertation.

## 4.4 Synthesis of the findings

In this subsection, I discuss how, collectively, the findings of the three interrelated essays help in answering this dissertation's main research question: *How do migrant-owned firms attain competitive advantages?* The central aim of the dissertation is to examine firm-focused value chain configurations and their relevance to the attainment of competitive advantages among migrant-owned firms. However, the main research question is divided into three sub-questions, which are interconnected and collectively help in answering the main question (see Figure 4 below).

The aim of essay I is to apply the value chain analysis framework to review the migrant entrepreneurship literature and then develop a firm-focused typology of migrant-owned ventures. This aim is operationalised through the following sub-question: *How does a value chain analysis apply to the existing migrant entrepreneurship literature?* As both the phenomenon of competitive advantages and the value chain framework are relatively new in the context of migrant entrepreneurship, the first sub-question is intended to broadly apply the framework to all the possible types of migrant-owned firms. This is important before moving on to the next two research sub-questions, which are directly related to only one kind of migrant-owned venture. Therefore, the findings of essay I, which classify migrant-owned firms into eight ideal types, form the foundation for investigating one ideal type of migrant venture in the remaining essays. The typology reflects the fact that the decisions of migrant-owned firms to disintegrate, disperse and reintegrate their value chains impact the attainment of their competitive advantages. For example, firms that relocate their value chains among the ethnic stakeholders in the COR differ in terms of their competitive advantages from firms that relocate their value chains among non-ethnic stakeholders in multiple countries. For the former, competitive advantages are termed 'ethnic competitive advantages', whereas for the latter, they are conceptualised as 'non-ethnic competitive advantages'. For all the ideal types of migrant ventures, the competitive advantages can be any of the three main types, namely ethnic competitive advantages, non-ethnic competitive advantages and hybrid competitive advantages, which can be further examined in relation to the geographical dimension as either domestic or international.

After the completion of essay I, it became clear that the achievement of competitive advantages by migrant-owned enterprises primarily depends on three interrelated factors: the value chain configurations, the personal characteristics of migrant founders and the external socio-cultural and politico-institutional environments. Of these factors, the relevance of value chains has not been



sufficiently researched and highlighted in prior studies, while the other two factors have examined under the broad umbrella of the theory of mixed embeddedness. However, in the interest of performing a focused and in-depth investigation in essays II and III, I have selected the value chain configurations and the personal characteristics of migrant founders as sources of competitive advantages. In particular, essay II is concerned with the investigation of the disintegration, dispersion and reintegration of value chains among migrant international ventures as a source of competitive advantages. This represents an extension of the value chain analysis proposed to develop a typology of migrant ventures in essay I. Essay III emphasises the second important source of competitive advantages for migrant-owned firms, that is, the personal characteristics of entrepreneurs. More specifically, the focus is on the under-researched dimensions of the prior experiences and the dynamic entrepreneurial capabilities of migrant founders. Essay III is linked to essays I and II because the personal characteristics of migrant founders are studied with reference to value chains, which represent the core focus area of the first two essays.

The findings reported in essay II provide evidence that the unique design of the business models of migrant international ventures in terms of locating their business processes in Pakistan and the COR of the migrant founders serves as an important source of international competitive advantages. With reference to the three types of competitive advantages, this falls within the category of hybrid competitive advantages because the stakeholders of Pakistani origin mainly create value, while the target customers are from international non-ethnic backgrounds. The business processes are merged into ten main themes depending upon the similarities and differences between them. Next, the ten activities are aggregated into four main types: COO-based non-core activities, COO-based support activities, COR-based support activities and COR-based core activities. In addition, the submodules of the activities, which are aggregated into different functional areas, are interconnected and interdependent when it comes to their performance. In short, essay II empirically reaffirms the assertion made in essay I that value chain configurations play a significant role in the attainment of competitive advantages.

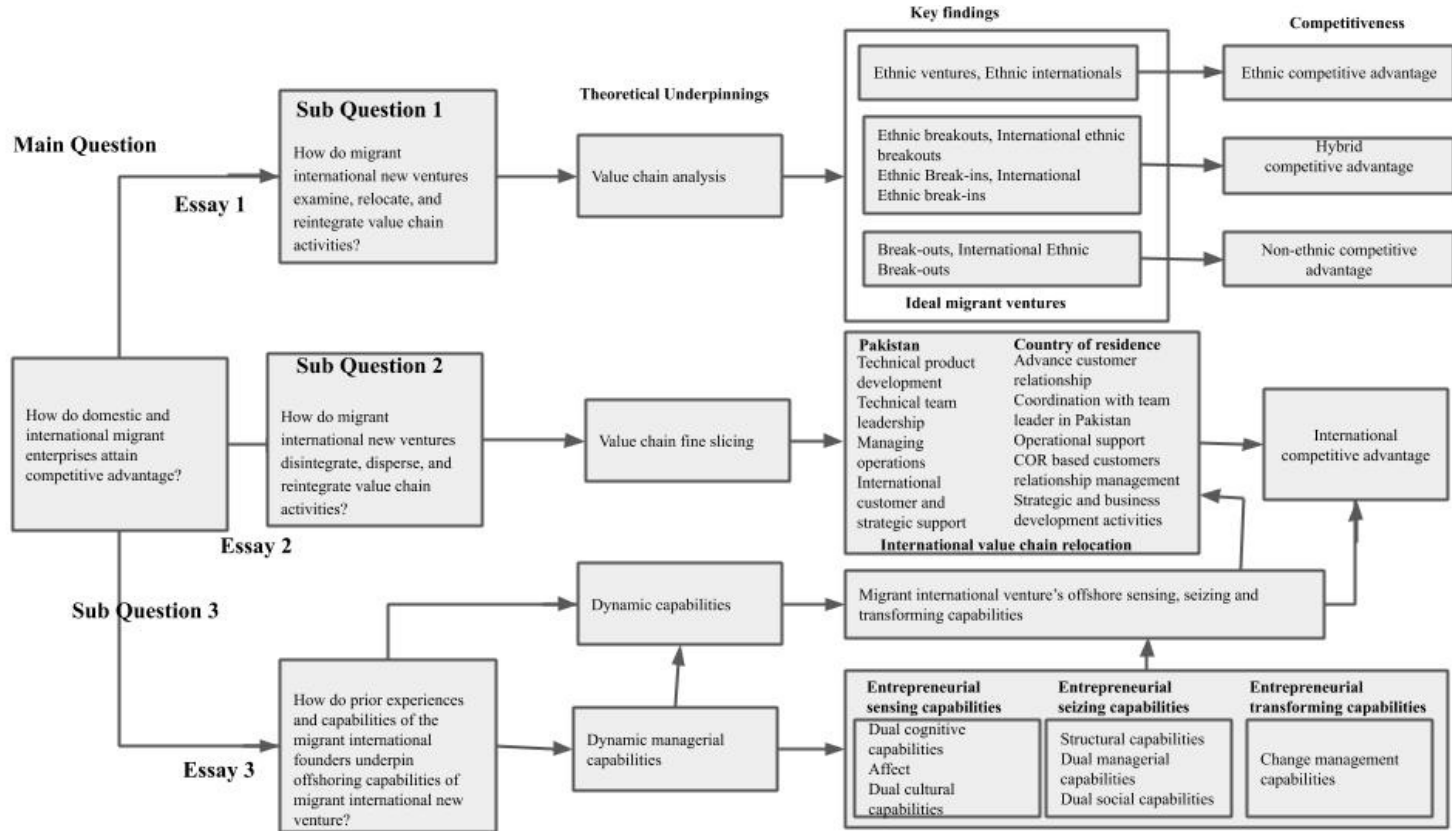


Figure 4 Synthesis of the findings

Essay II explicitly theorises the pertinence of the experiences and capabilities of migrant founders, one of the three identified sources of competitive advantages for migrant international ventures. This became the focal point of investigation in essay III. The findings of the third essay reveal that the opportunity-based typology of sensing, seizing and transforming capabilities also applies to strategic decisions related to international value chain relocations, which is also known as offshoring. This novel typology provides a new means of examining the disintegration, dispersion and reintegration aspects of international value chain relocations. As a result, three entrepreneurial-level capabilities – dual cognitive capabilities, affect and dual cultural capabilities – are identified as critical antecedents of firm-level sensing capabilities. In addition, structural design capabilities, dual managerial capabilities and dual social capabilities are found to be the three essential underpinnings of offshoring seizing capabilities, while the change management capabilities of migrant founders are considered to be important in relation to transforming the business model and resource base in light of new changes.

In sum, the findings of all three essays have gradually built upon each other to move from consideration of the broad value chain configurations of all migrant-owned firms to the value chain analysis of migrant international ventures and the role played by the individual experiences and capabilities of migrant founders in those value chain relocations. Collectively, the three essays provide a comprehensive answer to the main research question addressed in this dissertation, which is related to investigating the attainment of competitive advantages among both domestic and international migrant-owned firms.

# 5 Conclusions

## 5.1 Theoretical contributions of the study

Chapter four reported and synthesised the findings of the three essays included in this dissertation. As the logical next step, in the present chapter, I will clarify how the conceptual and empirical findings confirm, refute or extend prior theoretical assertions in the migrant entrepreneurship, international entrepreneurship and offshoring domains. To maintain consistency with the structure of the discussion in the above chapters, I have organised the explanation of the contributions with reference to the preliminary theoretical framework proposed in chapter two according to the sequence of the essays. In what follows, I will discuss the theoretical contributions of essays I, II and III in a sequential manner and then present a synthesis of those contributions to highlight the overall contribution of the dissertation.

### 5.1.1 Contributions of essay I

I will start with the contributions of essay I, which are intended to enhance the literature on migrant entrepreneurship and international entrepreneurship. As discussed above, to increase the understanding of why and how different migrant ventures differ in terms of their competitive advantages, essay I aims to build a firm-centred typology of migrant ventures based on the novel framework of a value chain analysis (Oviatt & McDougall, 1994; Porter, 1985). The fundamental assumption of the essay is that the value chain configurations of migrant ventures, in terms of the ethnic and geographic dimensions, result in the exchange of specific forms of information and resources, which consequently impacts the attainment and nature of firms' competitive advantages. The successful application of a value chain analysis has confirmed the notion that, to develop an increased understanding of the different aspects of migrant venturing, it is necessary to cross-fertilise and build on the theoretical lenses derived from the other disciplines, particularly international entrepreneurship (Elo et al., 2018; Xu et al., 2019). Although the value chain framework has provided an entirely new way to classify migrant enterprises, the different ideal types can be compared with regard to their similarities with previously

conceptualised migrant-owned firms. The eight ideal types of migrant ventures, which are determined based on three dimensions (i.e. the degree of value chain ethnicity, the degree of market ethnicity and the degree of internationalisation), exhibit a number of complete and partial similarities with certain previously examined and conceptualised ventures.

The classification of migrant enterprises into eight categories confirms the assertions of recent studies that migrant-owned firms have become increasingly complex, industrially diverse and transnationally connected entities (Dabić et al., 2020; Drori et al., 2009; Jones et al., 2014; Vertovec, 2007; Zhou, 2004). Thus, the traditional view of migrant entrepreneurs as petty traders who operate in neglected market niches needs to be amended, as such traders represent only one category of migrant venture. Notably, recent advancements in information and communication technologies, coupled with the development of low-cost and rapid means of transportation as well as the occurrence of the economically inspired immigration of a skilled workforce, have made it possible for migrant entrepreneurs to connect with a wide range of value creation networks across numerous industries and geographies (Portes et al., 2002; Riddle et al., 2010; Saxenian, 2002). Yet, this increasing involvement of migrants in diverse industries does not mean that traditional ethnic firms have ceased to exist and been supplanted by new forms of migrant-owned firms. Rather, they are still there, and a number of migrant entrepreneurs still prefer to serve ethnic customers in their COR due to a variety of reasons. Similarly, some migrant-owned ventures pursue their international aspirations by starting and expanding the businesses in the international markets from their inception, and they may be focused on a wide range of industries. The constructed typology endorses the efforts of Landolt et al. (1999), Ndofor and Prium (2011) and Sequeira et al. (2009) to categorise migrant ventures into different types, although it deviates due to being firm-focused and considering three dimensions. The argument in the present dissertation is that researchers should clearly and appropriately categorise the types of migrant ventures prior to conducting detailed empirical research so that the eventual findings are not muddled and confusing.

The conceptualisation and empirical exemplification of the firm-focused ideal migrant ventures also highlights how existing theories inspired by the structuralist (Barrett et al., 2001), culturalist (Portes & Shafer, 2007), interactionist (Waldinger et al., 1990) and mixed embeddedness (Kloosterman et al., 1999) schools cannot independently explain opportunity development. Efforts by scholars belonging to these schools have played a significant role in developing the literature concerning migrant entrepreneurship, but they can explain only part of the phenomenon. For example, the structuralist school explains the identification and exploitation of ethnic business opportunities as a result of the disadvantaged position of migrant entrepreneurs, which is said to originate from community hostility, racial

discrimination and the limited opportunities for upward mobility in the COR (Clark & Drinkwater, 2000; Constant & Zimmermann, 2006; Jones et al., 2014). Scholars inspired by culturalist explanations argue that the selection of ethnic opportunities is based on the distinctive embeddedness of migrant entrepreneurs within ethnic networks, focusing on the importance of ethnic social capital as a predictor (Kalnins & Chung, 2006; Portes et al., 2002; Portes & Sensenbrenner, 1993). The interactionists combine both these approaches and argue that a comprehensive explanation of opportunity development requires an integrated view that considers the interactions of individual and structural determinants as explanatory sources (Aldrich & Waldinger, 1990). Moreover, the mixed embeddedness theory, which is the most comprehensive theoretical framework, takes into account all three schools, although it also includes politico-institutional factors when explaining the formation of ethnic enterprises (Kloosterman, 2010). Taken together, the four primary schools principally explain the identification and exploitation of ethnic venturing opportunities, thereby neglecting non-ethnic opportunities. Additionally, they also ignore the fundamental fact that migrant ventures are organisations that organise their value creation activities internally and externally in order to generate a valuable product or service for ethnic/non-ethnic customers.

The conceptualisation in essay I agrees with the fundamental assumptions of the mixed embeddedness theory regarding the opportunity structures and the characteristics of individual entrepreneurs. Nonetheless, essay I introduces a novel framework based on a value chain analysis to the field of migrant entrepreneurship, which complements the mixed embeddedness theory. The core argument of this dissertation is that the spread of value chain activities results in the flow of a specific form of resources and information, which gives rise to unique competitive advantages. With reference to the prior literature, Ndofor and Priem (2011) proposed the consideration of the ethnicity/non-ethnicity of value chains in relation to the selection of enclave-based or broad market niche-focused firm strategies. Nevertheless, their discussion was mainly concerned with migrant ventures operating within the COR and, therefore, it falls short in terms of explaining migrant ventures that operate internationally. Additionally, they did not explicitly conceptualise the different types of competitive advantages that originate from the ethnicity/non-ethnicity of value chains. In essay I, I have built on the insights of Ndofor and Priem (2011) to comprehensively and exhaustively conceptualise and categorise migrant-owned ventures, including both domestic international firms, so as to understand the differences in their attainment of competitive advantages.

For instance, with reference to the developed typology, the first ideal type of migrant venture is termed an ethnic venture and includes those firms whose value creation is primarily performed by stakeholders from an ethnic background in the COR. In other words, their suppliers, buyers, employees, customers and other

stakeholders mainly belong to the same ethnic group as the migrant founder, which results in the flow of ethnicity-related resources and information and, therefore, generates ‘ethnic competitive advantages’. In the existing literature, the structuralist, culturalist, interactionist and mixed embeddedness theories have mainly examined migrant-owned firms, which I refer to as ethnic ventures. Consequently, a large body of knowledge exists regarding ethnic ventures, which has resulted from concerted efforts to examine this particular type of migrant-owned firm (e.g. Collins & Low, 2010; Masurel et al., 2004; Zhou, 2004). On the contrary, I have used the concept of break-outs for firms that are dominated by non-ethnic stakeholders and serve non-ethnic customers, albeit within the boundaries of the COR. However, my approach partially differs from the existing conceptualisation of break-outs (Rath & Swagerman, 2016; Wang & Warn, 2019) due to shifting the focus to value chains rather than markets. Aside from crystallising the differences between ethnic ventures and break-outs, essay I also acknowledges the possibility of value chains being dominated by ethnic stakeholders but serving non-ethnic customers (and vice versa). Eventually, two further ideal types, namely ethnic break-outs and ethnic break-ins, are developed. The competitive advantages gained by these two types of firms are termed ‘hybrid competitive advantages’. Although some scholars (e.g. Ndofor & Priem, 2011) have stressed the need to highlight how migrant-owned firms make use of both ethnic and non-ethnic resources to serve different market segments in multiple countries, the prior literature is inadequate when it comes to presenting a clear conceptual difference in this regard.

Furthermore, the higher ethnicity/non-ethnicity of value chains and markets may extend beyond the COR, rendering the competitive advantages more international in their outlook. By considering the degree of internationalisation as a third dimension, the above-mentioned four ideal types can further conceptualised as ethnic internationals, international break-outs, ethnic international break-outs and ethnic international break-ins. Similarly, the ‘international’ suffix must be added to the three types of competitive advantages. The prior literature generally focuses on transnational entrepreneurship, a subdomain of migrant entrepreneurship, when investigating ethnic internationals (Landolt et al., 1999; Sequeira et al., 2009). In principle, this can also include migrant-owned enterprises that are dominated by non-ethnic stakeholders and serve non-ethnic customers in multiple countries (Drori et al., 2009). In this regard, my typology has provided a strong foundation for differentiating the various types of migrant-owned international enterprises. Consequently, the findings concerning the different ideal types can be compared in terms of their similarities and differences.

This subsection has discussed the relevance of the value chain analysis process as a foundational framework for constructing a comprehensive typology of migrant-owned enterprises. From the eight identified ideal types, one type of ethnic

international break-out serves as the main point of focus of the remaining two essays. However, in this dissertation, I have used alternative term ‘migrant international ventures’ to refer to these migrant-owned firms.

### 5.1.2 Contributions of essay II

This subsection discusses how the empirical examination of the value chain relocations of migrant international ventures impacts the current theoretical debate within the international entrepreneurship and offshoring literature. The primary aim of this essay is to explore how migrant international ventures disintegrate, disperse and reintegrate their value chains across the COO and the COR of their migrant founders. The essay relies on the fundamental assumption that the way in which value chain activities are relocated influences the attainment of international competitive advantages. Consistent with this assumption I conducted a detailed and in-depth analysis of the business tasks or processes, as well as their organisation, relocation and reintegration, of ten migrant-owned international ventures.

Prior to comparing the findings with the existing literature concerning international entrepreneurship, it is worthwhile mentioning that the concept of international opportunity identification and exploitation includes both sales-side internationalisation and value chain internationalisation. Nonetheless, decisions related to the international relocation of value chains, despite being at the core of the theorisation since its inception (Korhonen et al., 1996; Oviatt & McDougall, 1994), remain under-researched and underexplored (Coviello et al., 2017; Fernhaber et al., 2009; Monaghan et al., 2020; Vadana et al., 2019). The application of value chain fine slicing to examine the international relocations of value chains offers an entirely new lens for understanding and comprehending the phenomenon of backward internationalisation in relation to the current network-dominated (Coviello & Munro, 1995) and dynamic capabilities-dominated (Knight & Cavusgil, 2004) research. The findings show that migrant international ventures differ from other international new ventures because the former spread their value chains within the COR and the COO, while the latter are more open in terms of their country choice. More specifically, as the issue of international value chain relocations lies at the heart of the offshoring literature, I also compared the findings with the theory-based modularity research in the field of offshoring. In particular, I highlighted the corroborations and extensions with regard to the existing offshoring knowledge to point out how it can assist in developing the theoretical repertoire within the current international entrepreneurship literature.

At a broader level, the findings confirm the core argument that their unique way of spreading and completing the business activities to the COO and COR represents a crucial source of competitive advantages among the migrant international ventures.



The findings indicate that all the business activities of migrant international ventures can be separated into four groups: non-core activities, COO-based support activities, COR-based support activities and core activities. From these, all the non-core and support activities related to international customer search and relationship management, as well as the strategic and business development tasks, are generally located in the COO. On the contrary, the core activities related to strategic and business development tasks, advanced search and relationship management with international customers and complete customer handling in the COR are primarily completed in the COR. In addition, the teams in the COR lead by the migrant founders also provide the required operational support to the team leader and teams in the COO. This unusual arrangement reflects the fact that migrant international ventures design their business model or structure in a unique way in order to combine complementary resources from both countries. These findings make incremental contributions by extending the arguments of Gilley and Rasheed (2000) and Quinn (1999) to the new context of migrant international ventures. For instance, Quinn (1999) argued that firms' value chain activities could be divided into three categories: core, essential and non-core activities. Gilley and Rasheed (2000) offered a similar argument using different terms: core, critical and commodity processes. In essence, the findings endorse their view that firms keep core activities within the headquarters while non-core tasks are relocated to other countries (in the present context, the COO). Therefore, it is further established that the relative strategic importance of value chain activities is a crucial determinant of offshoring choices concerning business processes (Aron & Singh, 2005). However, the present findings diverge by exhibiting a different manifestation of such relocation decisions.

Furthermore, the findings are in accordance with the guidelines provided by the fine slicing modularity (Contractor et al., 2010) and the complexity theories (Burnes, 2005), which hold that organisations consist of highly complex systems that need to be divided into smaller subsystems so that a proper understanding can be achieved and appropriate decisions made (Elia et al., 2019). In doing so, firms perform a task-level analysis to classify the systems into independent, separate, and self-contained micro-modules, which are connected to create synergistic value for customers (Campagnolo & Camuffo, 2010). More specifically, firms evaluate the business tasks, disaggregate them at the task level, combine them at the functional or department level, spread them to both countries and ensure their reintegration. The results further echo the idea that migrant international ventures, similar to other firms, would not relocate an entire functional area (Campagnolo & Camuffo, 2010; Gooris & Peeters, 2016). Instead, for each functional area, the core tasks are based in the COR, while the non-core activities are located in the COO.

The findings indicate that, aside from the strategic importance, the second element that may guide the selection of business activities for relocation is the task

characteristics. In this regard, the traditional argument found in the literature states that those business activities that are more repetitive and require a low level of interaction among the involved parties have a higher likelihood of being internationally relocated. However, the findings of this essay conform with recent assertions that, in principle, all business activities can be transferred to other countries (Contractor et al., 2010). Some scholars argue that activities of a repetitive nature that require a low level of interaction are better candidates for relocation to countries characterised by low costs, while activities that require higher levels of knowledge, customisation and interaction would be better relocated to countries with more developed infrastructure (Doh et al., 2009; Elia et al., 2019; Kenney et al., 2009). The findings further show that collaboration via information and communication technologies has made it possible for migrant international ventures to perform some highly interactive tasks from the COO. These tasks involve the consistent exchange of information with international customers and the teams in both the COO and the COR. Similarly, many tasks currently being completed in the COO, such as technical software development, may require team members to learn more innovative approaches to meeting the ever-changing demands of international customers. Nevertheless, at any stage, migrant international ventures must consider the potential of any activity to be modulated and coordinated from multiple geographies when deciding on its relocation potential.

### 5.1.3 Contributions of essay III

This subsection deals with the theoretical contributions of essay III, which are related to the application of the opportunity-based sensing, seizing and transforming framework suggested by Teece (2007) and the highlighting of the relevance of the cognitive, human and social capital of migrant founders to the value chain international relocations of migrant international ventures. Notably, this essay is intended to contribute to the offshoring and international entrepreneurship literature.

As migrant international ventures are smaller and more resource-constrained firms with business activities spread across the COR and COO of the migrant founder, the findings of this essay validate claims that firms of all sizes and types are increasingly internationalising their value chains (Mudambi & Tallman, 2010; Mukherjee et al., 2019). In addition, the findings reiterate the assertion made in both the literature and essay II that the international relocation of value chains is a multidimensional construct that comprises decisions related to the disintegration, dispersion and reintegration of value chains (e.g. Mihalache & Mihalache, 2020; Pisani & Ricart, 2016). However, the essay deviates by using the new opportunity-based lens of Teece (2007) to examine international value chain relocation decisions. Teece (2007) extended earlier versions of the dynamic capabilities theory (Teece et

al., 1997) to offer a typology of opportunity sensing, seizing and transformational capabilities. The decision to apply the dynamic capabilities theory is motivated by the fact that international value chain relocations represent strategic decisions, and Teece's (2007) lens is the most widely used lens for probing strategic decision making within companies.

More specifically, the findings corroborate those of Teece (2018) by pointing out that firms are required to accurately scan, search, explore and interpret informational cues from the environment to determine that an attractive opportunity exists and can be exploited. Next, after an opportunity has been sensed, firms design an organisational structure and acquire the necessary resources so that the opportunity can be effectively seized. With reference to the existing literature in the field of international business, the concept of opportunity seizing is identical to the concept of the control (Buckley & Hashai, 2005), governance (Elia et al., 2019), management (Schmeisser, 2013) or coordination (Porter, 1985) of relocated value chain activities. Finally, firms need to evaluate and update their organisational structures and resource bases to ensure that they are appropriate to respond to changing environments (Mudambi & Venzin, 2010). Thus, the typology of sensing, seizing and transforming capabilities is also relevant to international value chain relocations.

Moreover, the empirical findings of the essay extend the findings of the individualist school within the domains of offshoring (Musteen, 2016; Musteen et al., 2017; Oshri et al., 2019) and migrant entrepreneurship (Drori et al., 2009; Portes et al., 2002; Saxenian, 2002; Zaheer et al., 2009). Individualists argue that international value chain relocation decisions are significantly influenced by the personal characteristics of migrant founders. In this regard, the framework concerning dynamic managerial capabilities (Adner & Helfat, 2003) found within the strategic management literature offers a valuable theoretical lens for highlighting the entrepreneurial microfoundations of opportunity sensing, seizing and transforming capabilities (Felin et al., 2015; Helfat & Martin, 2015). In particular, dynamic managerial capabilities comprise three types of individual capabilities, namely cognitive capabilities, social capabilities and human capabilities (Adner & Helfat, 2003). Although this three-dimensional framework provides a good starting point for examining different types of decision making, my findings show that these three capabilities manifest differently in the context of international value chain relocations among migrant international ventures. For example, such ventures primarily spread their value chain activities in the COO and COR of the founders, which differs from the approach of other firms that are more open in terms of their country choice. This unique arrangement of value chain configurations indicates that the traditionally invoked firm-centred theoretical lenses – such as resource-based theory (Barney, 1991), transaction cost economics (Williamson, 1975) and co-evolutionary perspectives (Lewin & Volberda, 2011; Thakur-Wernz & Bruyaka,

2017) – offer an inadequate explanation of the international value chain relocation decisions of migrant international ventures. This gives further credence to the argument that dynamic capabilities are not necessarily embedded within firms' routines; rather, they can be held by the managing entrepreneurs (Zahra et al., 2006).

Therefore, while acknowledging the relevance of the cognitive, social and human capital of entrepreneurs, the findings reveal that migrant entrepreneurs have developed seven critical individual-level capabilities that underpin the enterprise-level sensing, seizing and transforming capabilities of migrant international ventures. More specifically, three entrepreneurial capabilities – dual cognitive capabilities, affect and dual cultural capabilities – enable migrant founders to accurately and in a timely fashion perceive, attend to and interpret different aspects of the information cues from the COO and COR, which is known as opportunity sensing.

Related to the dual cognitive capabilities, the findings substantiate assertions that migrant founders have built versatile knowledge structures (Helfat & Peteraf, 2015) based on their enculturation, acculturation and professional experiences in the COO and COR. Their cognitive versatility underpins their opportunity sensing capabilities when it comes to understanding and comprehending promising opportunities to relocate value chains. In addition, affect (i.e. emotional attachment) is the second key element that influences the opportunity sensing of migrant international ventures (Hodgkinson & Healey, 2011; Huy & Zott, 2019). In this regard, migrant entrepreneurs' sense of affiliation and feeling of obligation to pay back their former homeland serve as the key motivations behind decisions to relocate part of the value chains in their COO.

Furthermore, migrant entrepreneurs also exhibit a detailed and in-depth awareness of the cultural values in both countries, which enables them to acquire, absorb and make sense of the knowledge flowing between different network partners. The dual cultural capabilities are the manifestation of the human capital dimension of the dynamic managerial framework. The findings of essay III support existing arguments that the ability of entrepreneurs to appreciate cultural differences, form cultural expectations and select the most appropriate tools for dealing with the two are important antecedents of decision making (Eriksson et al., 2014; Mukherjee et al., 2019).

The essay also identified three entrepreneurial microfoundations – structural capabilities, dual managerial capabilities and dual social capabilities – of the seizing capabilities of migrant international ventures. It is primarily the responsibility of the migrant founders to design an appropriate organisational structure by examining the business processes, combining the tasks into jobs, grouping those jobs into departments, hiring relevant experts and establishing rules to ensure effective coordination between different participants in the value chains. This finding is also

a manifestation of the human capital dimension of the dynamic managerial framework for value chain relocation decisions. Migrant founders have built structural design capabilities due to their prior varied technical, managerial and strategic experiences.

The second underpinning is the dual managerial capabilities (i.e. the ability to ensure maximum coordination between multiple teams scattered across the COR and COO). Migrant founders possess the required knowledge and power to develop an environment in which all team members support each other in order to create the highest possible customer value. In this regard, the prior enculturation, acculturation, technical and managerial experiences of migrant founders provide a unique foundation for developing dual managerial capabilities. Next, the dual social capabilities (i.e. the ability to effectively manage internal and external relations) are the third antecedents of seizing capabilities. Such capabilities refer to the social capital dimension of the dynamic capabilities framework (Adner & Helfat, 2003; Kor & Mesko, 2013). The findings indicate that migrant entrepreneurs are uniquely placed to access valuable informational resources and manage the networks in both countries. This deviates from prior research efforts that have highlighted the significance of firm-level social capital in relation to international value chain relocations (Musteen & Ahsan, 2013; Musteen et al., 2017).

Finally, the findings further expand the human capital dimension of dynamic managerial capabilities (Adner & Helfat, 2003; Kor & Mesko, 2013) by highlighting how the ‘change management capabilities’ of migrant founders provide the necessary foundation for migrant international ventures to change the organisational structure and existing resource base in response to new changes.

In sum, this subsection stresses that the dynamic capabilities and dynamic managerial capabilities frameworks offer valuable theoretical lenses for simultaneously examining the firm- and individual-level factors that impact international value chain relocation decisions. Consequently, migrant international ventures can make better value chain disintegration, dispersion and reintegration decisions and so gain competitive advantages.

## 5.2 Synthesis of the contributions

The central aim of this dissertation is to comprehensively examine the sources of competitive advantages among migrant-owned firms. However, the individual theoretical contributions of the three essays only explain fragments of the attainment of the phenomenon of competitive advantages, with a complete understanding only being achievable through synthesising the theoretical insights from all the essays. The preliminary theoretical framework (see Figure 3) and the synthesis of the empirical findings (Figure 4) provide a strong foundation for highlighting how the

conclusions of the dissertation push the boundaries of the existing literature on competitive advantages in the migrant entrepreneurship, international entrepreneurship and offshoring research streams. Overall, the comparison of the literature and the empirical findings reveals that the dissertation makes five important theoretical contributions, which are discussed below.

First, it is affirmed that the mixed embeddedness theory offers a comprehensive and multilevel perspective for examining the relevant macro-, meso- and micro-level factors in order to comprehend and explain the identification and exploitation of new opportunities, including value chain relocations. Yet, the dissertation has discerned that the mixed embeddedness theory of migrant entrepreneurship has thus far entirely neglected the firm-centred approach due to limiting its focus to the opportunity structures and individual characteristics of entrepreneurs. As a result, the migrant entrepreneurship literature does not appropriately cross-fertilise with the organisation theory-based broader management and business literature. The first contribution of the dissertation is, therefore, the introduction of a firm-centred perspective by applying a value chain analysis to develop a comprehensive typology of migrant-owned firms. The typology reveals that there are eight different ideal types of migrant-owned ventures, with each ideal type representing a different combination of three dimensions: the degree of value chain ethnicity, the degree of market ethnicity and the degree of internationalisation. The typology further reflects how the value chain activities of migrant-owned firms have become more complex, internationalised and industrially scattered. Thus, traditional ethnic firms and modern migrant-owned international firms (and their different variants) exist side by side, and they can be better explained by applying a set of middle-range theories rather than continuing to invoke the grand theories. The ethnic and geographic backgrounds of the value chain participants in different countries serve as a conduit for a unique type of information and resources, which eventually produces various kinds of competitive advantages.

Second, this dissertation has advanced the understanding of how migrant-owned firms fine slice and relocate their value chain activities to multiple value contributors in the domestic and international arenas. In doing so, it has extended the newly introduced value chain analysis framework to underscore how firms analyse their business processes and divide them into sub-tasks prior to relocating. These findings are consistent with the modularity, complexity and value chain fine slicing theories, which perceive firms as complex systems. The empirical results reveal that migrant-owned firms exhibit different value chain relocation strategies to native-owned firms. For example, the former relocate their value chain activities to the COO, while the latter are not restrictive with regard to their country choice. In terms of these relocation decisions, the strategic importance of the value chain activities and the backgrounds of the migrant founders are two critical determinants. Furthermore, the

results also confirm that the unique approach to value chain relocation does contribute to the attainment of competitive advantages.

Third, although the opportunity-based view has inspired research in the broader domains of international and migrant entrepreneurship, it has not yet been conceptualised with reference to international value chain relocations, which are otherwise referred to as offshoring. In this regard, the findings of the present dissertation are in accordance with the view of the broader literature concerning dynamic capabilities that firms are required to have sensing, seizing and transforming capabilities (Teece, 2007) in order to make appropriate value chain relocation decisions. Hence, firms should accurately scan, search, explore and interpret information cues from the environment to make sense of an opportunity. Firms seize the sensed opportunity by designing appropriate business models and organising the necessary resources. Additionally, firms are required to periodically update their resource and structural bases so that they can continue to sense and seize promising opportunities.

Fourth, within the context of this new opportunity-based conceptualisation of value chains, no previous study has underscored the prior experience and capabilities of migrant founders as the individual-level antecedents of firm-level capabilities. Moreover, the importance of the personal characteristics of migrant founders is emphasised in the migrant entrepreneurship literature. Here, the findings echo arguments that social, human and cognitive capital (i.e. three individual-level managerial capabilities) are critical antecedents of both firm-level capabilities and international value chain relocations. Interestingly, the findings show that these three capabilities manifest differently in the context of global value chain relocations among migrant-owned firms.

In sum, this dissertation builds on the central contribution that the mixed embeddedness theory needs to accommodate the firm-centred perspective. Hence, the competitive advantages of migrant-owned firms mainly originate from two sources: 1) value chain relocations and 2) entrepreneurial experiences and capabilities.

### 5.3 Practical implications

This subsection presents the practical implications of the findings of the three essays for different stakeholders in migrant-receiving and migrant-sending countries.

In terms of the migrant-receiving countries, the findings of my dissertation have broadened the understanding of migrant entrepreneurs as important contributors on the international stage, which moves beyond their traditional image as petty traders in ethnic products within their host countries. For example, essay I discusses eight types of migrant-owned firms, ranging from the traditional industries to the higher

knowledge-intensive IT industry. This diverse range of firms operate with varying business models and with their founders having different levels of personal capabilities. As a result, they require other types of support from the host country institutions. In addition, these various enterprises have access to distinctive information and resources, which impacts the nature of their competitive advantages. The dissertation has further illustrated these enterprises with the help of empirical cases that demonstrate how immigrants are conducting business across multiple industries and national geographies by making use of their ethnic and non-ethnic network resources. Thus, all the findings have provided new empirical insights concerning the personal-level experiences, perceptions, actions and interactions of migrant founders from a large number of industries to all stakeholders in the migrant-receiving countries. This ground-level information provides an important foundation for policymakers when it comes to developing comprehensive and well-integrated policies to attract, integrate, utilise and develop a wide range of migrants.

Such insights will further assist policymakers in the migrant-receiving countries in spending national resources more judiciously in order to develop a future-oriented ecosystem in which different types of migrant entrepreneurs can access the support necessary to make important economic contributions. In this envisioned ecosystem, all institutions, including universities, government departments, companies and civil society, should work together to improve the access of migrants to financial, institutional and market resources and reduce their cultural isolation, anxiety and systematic discrimination. It is vital to recognise that the support requirements of a migrant-owned restaurant seeking to serve ethnic food to fellow ethnic customers are markedly different from those of an international software firm owned by a migrant and with operations in multiple countries. Thus, without developing an appropriate ecosystem, it is not possible to provide the necessary support to businesses in various industries that operate at multiple scales and in diverse geographies. This increased sensitivity to the real needs of numerous migrant-owned firms has become more critical in recent years due to megatrends such as aging populations, rapidly obsoleting skills, worryingly declining birth rates and restricted international movements due to the COVID-19 pandemic. Such megatrends are expected to reduce the number of new business startups and employment opportunities as well as the availability of a skilled labour force with the right kind of skill set, thereby increasing the importance of encouraging more migrant entries to the market. However, the prerequisite for unleashing and utilising the talent of migrants in order to ensure their economic, social and innovative contributions is the provision of appropriate institutional, societal and organisational support.

Notably, the empirical findings of essays II and III indicate that migrant entrepreneurs may play an instrumental role in linking the value creation activities in their former and newer homelands. It is observed that migrant international firms



locate part of their value chains in the COO of the migrant founders, which has far-reaching consequences not only for the firms but also for policymakers in the home and host countries. For instance, this unique arrangement highlights a distinctive way of offering a value proposition to international customers by integrating the complementary expertise of several stakeholders from multiple countries. It further suggests that, in the current digital era, the relocation of value chains across borders is the domain not only of multinational companies but also of smaller and resource-constrained firms, which may create value as part of international networks. In addition, the findings point out that all firms could finely slice their value creation business processes into hundreds or even thousands of sub-tasks to examine and differentiate the automatable tasks, to determine which tasks can be completed by themselves abroad or partners internationally, and to decide on the core tasks that should be kept close to headquarters.

Thus, as part of global value creation networks, firms are increasingly restricting themselves to core activities and relocating the remaining operations to other participants in the global value chains. These international relocations and the associated coordination enable firms to focus their resources on the most critical areas, which are relevant when it comes to gaining sustainable competitive advantages. A secondary, albeit still essential, implication of this increased understanding of the role played by the experiences and capabilities of skilled migrants in the global value chains is that policymakers and multinational companies should review their policies so as to utilise the immigration talent more effectively. The enculturation, acculturation and prior professional experiences of highly skilled migrants may offer valuable resources for disintegrating, dispersing and reintegrating value creation on a global scale.

Lastly, the findings of essays II and III also have a number of important implications for policymakers with regard to changing the societal view of the diasporas among different stakeholders in migrant-sending countries. The key indicator is that migrants who have left their home countries due to a sense of insecurity or in an effort to improve their economic conditions should not be viewed as a brain drain. Instead, recent advancements in information and communication technologies, coupled with cheaper transportation options, have made it possible for developing countries to tap into the intellectual and financial capital of their scattered diasporas. Frequently, they are the pioneer investors who undertake risks to bring foreign direct investments to their former homelands, thereby paving the way for increased investment by other international investors. They may also establish the offshoring centres of their international firms in their home countries, consequently creating additional employment opportunities, sharing international cutting-edge knowledge and connecting the home countries with international value chains. Therefore, migrant-sending countries, such as India, China, Pakistan and

Bangladesh, are advised to devise, implement and periodically update their diaspora-oriented policy in order to eliminate the barriers to increased engagement in the home countries. Through doing so, these countries have the potential to rapidly transform and develop their societies to have a more global orientation.

## 5.4 Limitations and boundary conditions

Although steps were taken to ensure that the findings reflected the best possible representation of the truth, I must acknowledge that the dissertation still had a number of limitations. Thus, when interpreting the results of the three essays, readers should take into account the visible limitations and boundary conditions of the dissertation.

First, consistent with the aim of providing a foundational framework for business and management researchers, essay I did not discuss all the migrant venture types in detail due to space limitations. Similarly, multiple theories from the entrepreneurship, international entrepreneurship and business domains have the potential to completely, or at least partially, explain the phenomenon of value chain configurations. I hope that more research involving multiple theoretical lenses and with an in-depth focus on one or more of the ideal migrant ventures included in the proposed typology will assist with the knowledge creation, refinement and updating of the proposed framework.

Second, the empirical case firms discussed in essays II and III only belong to the IT industry. I have explained in the methodology section that the IT industry is the most commonly used empirical context in the fields of international entrepreneurship, offshoring and migrant entrepreneurship, meaning that its selection increases the comparability of the findings with those of prior studies. Nonetheless, I consider that there may be several firms in other service and manufacturing industries that are started by founders from a migrant background, have operations in the COO and COR, and sell to multiple markets from inception. Hence, the dynamics of the IT industry may have partly influenced the research outcomes, which indicates that conducting similar research in more industries may result in different explanations or manifestations of the phenomenon of interest and related constructs. For instance, it may be easy for migrant founders to modularise, relocate and monitor the software development process, although it would prove more challenging to operate a manufacturing centre located abroad. Thus, readers should understand and comprehend the findings primarily within the context of the IT industry and not, without caution, generalise them to other industries.

Third, the interviewees made retrospective statements about past happenings, events, actions and opinions. There is a possibility that the interviewees may not be able to recall information about several aspects in an accurate manner. To minimise

the retrospective bias, I interviewed each person multiple times, did not interfere in the interviews, conducted detailed interviews with partners where possible, followed the founders on social media and corroborated the information provided using websites and other documentary evidence. Yet, despite these rigorous efforts, I acknowledge that retrospective bias may not have been completely eliminated.

Lastly, in essays II and III, the aim was to demonstrate that it is both possible and valuable to apply firm-focussed theories to explain different aspects of migrant ventures, including value chain internationalisation. The choice of value chain fine slicing, dynamic capabilities and dynamic managerial capabilities may not have been the best option. Alternatively, they could have been explained better. For instance, value chain fine slicing has been extensively discussed in relation to the modularity and complexity theories in the literature. However, in my view, the phenomena are all relatively new, which suggests that adopting an inductive approach to assign greater importance to the empirical results was appropriate. Nevertheless, the comparison with the existing literature could have been more rigorous, which would have enhanced the analytical generalisability of the findings.

In sum, as no study is without limitations, the best approach is to explain all the possible factors that may have resulted in limitations throughout the research process. In light of the above-mentioned limitations, I suggest that the results apply to migrant-owned firms (essay I) and migrant-owned international ventures in the IT industry (essays II and III). Given these limitations, the next section suggests some directions for future research.

## 5.5 Suggestions for future research

In this final subsection of the introductory essay, I present some areas for future research by scholars seeking to enhance the understanding and comprehension of the value creation networks of firms as well as the role played by migrant founders in such networks. These suggestions flow directly from the limitations set out above. Notably, they can be divided into four broad themes: 1) the application of multiple theories, 2) further research at the nexus of various domains, 3) methodological diversification and 4) and contextual diversifications.

From the theoretical standpoint, the comprehensive typology of migrant-owned firms, as based on their value chains, has provided a strong foundation for invoking multiple theories from the migrant entrepreneurship, international entrepreneurship and broader business and management literature. For example, the mixed embeddedness theory only focusses on the macro-, meso- and micro-level factors due to disregarding the value chains. However, the international new venture theory-based research has noted the relevance of value chains and the role of personal factors such as entrepreneurial networks, prior experience, cognition and capabilities

in such value chains. Therefore, future researchers are advised to develop and validate co-evolutionary theories by integrating relevant factors from multiple levels within a comprehensive framework. Similarly, due to this new value chain-based theorisation, it has become possible to apply some of the theories that have illuminated most research in broader fields. These theories include the international new venture theory (Oviatt & McDougall, 1994), dynamic capabilities (Teece, 2007), network theory (Coviello, 2006) and the opportunity lens (e.g. Alvarez & Barney, 2007; Ardichvili et al., 2003; Shane & Venkataraman, 2000).

To elaborate further, the international new venture theory is built on the value chain analysis process, and it has stimulated most research in the field of international entrepreneurship. It exhibits excellent potential to further enrich the understanding of different aspects of migrant entrepreneurship, particularly transnational entrepreneurship. Dynamic capabilities represent the second most influential theoretical lens to have underpinned the research on rapidly internationalising young firms, and such capabilities also carry the potential to make notable contributions in the field of migrant entrepreneurship. Although I have applied the dynamic capabilities framework in essay III, more research needs to be conducted using this lens.

Related to the network theory, the current narrow conceptualisation of the individual-level networks of migrant founders could be widened by using the more balanced approach of considering the differences between firm-level and entrepreneurial-level social capital (Coviello, 2006). In addition, while the migrant entrepreneurship literature has discussed the concept of opportunity, the connections with the parent field of entrepreneurship (Alvarez & Barney, 2007; Ardichvili et al., 2003; Shane & Venkataraman, 2000) are very weak and, therefore, require more consideration in future research studies.

Essay II applied the value chain fine slicing framework, which is interchangeable with the modularity and complexity theories found in the information science and innovation literature. There exists a vast repository of knowledge on these theories in the broader research, which could potentially enhance the understanding of the value chains of migrant-owned firms. Hence, researchers are recommended to communicate, borrow and build on insights derived from the complexity and modularity theories to examine the value chain relocations among smaller and resource-constrained firms. Lastly, essay III established firm ground upon which to cross-fertilise this domain with the broader strategic management literature by using the dominant theory of dynamic capabilities. I maintain that the potential is immense when it comes to enhancing understanding of the strategic decision making of migrant-owned firms by borrowing from and building on the dynamic capability-based research.

The application of the above-mentioned theories has, in essence, underscored the criticality of researching at the nexus of different literature streams. For example, some scholars have begun to explore the interface of transnational entrepreneurship and international entrepreneurship, and such efforts should be continued in the future. This multidisciplinary research offers great promise when it comes to deriving novel, exciting and valuable insights.

Similarly, the use of the opportunity-based sensing, seizing and transforming capabilities framework to examine the international relocations of value chains has highlighted the potential for cross-fertilisation between the offshoring, international entrepreneurship and migrant entrepreneurship literature. More specifically, several research insights from the offshoring stream are relevant to the examination of the value chain-side internationalisation of smaller and resource-constrained firms. In addition, future researchers in the field of offshoring should apply the above-mentioned alternative conceptualisation and examine the relevant explanatory macro-, meso- and micro-level factors in relation to sensing, seizing and transforming offshoring capabilities. Likewise, social, human and cognitive capital have been extensively researched in the international entrepreneurship and migrant entrepreneurship literature, and they have the potential to challenge existing assertions concerning offshoring.

The third suggested area for future research is related to the use of multiple methods. Following the approach of the variance theory, this dissertation used a retrospective research design to analyse the data. Future research could focus more on the use of a process research methodology, as decisions related to value chain relocations may have changed over time. Similarly, the human, social and cognitive capital of firms' founders develop over time as they gain more experience in the home country, in host country and across multiple organisational settings. Therefore, the use of a process design to examine changes over time would be a valuable approach. As a result, more in-depth information could be gained about changes in the constructs, which could guide the formulation and implementation of more appropriate policies. Another suggestion related to the diversification of methodological approaches concerns the use of quantitative methods to validate the above-proposed frameworks, in addition to introducing and testing the relevance of several variables from the above-mentioned theories in the domain of migrant-owned firms.

The fourth suggestion for future research is to diversify the industrial and geographical context in order to verify, refute and modify the frameworks proposed in this dissertation. In this regard, it is recommended that researchers examine the relocations of value chains by a broad range of migrant-owned firms in the manufacturing and service industries. Moreover, studies should also be conducted on migrant-owned international ventures from other regions (e.g. Bangladesh,

Africa, Vietnam, etc.) to compare, contrast and update the findings. This increasing diversity will help to develop a comprehensive, coherent and more generalisable framework for examining migrant-owned ventures.

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# Appendices

## Appendix 1 General interview guide

Research question	Sub-question	Interview themes	Guiding questions
	How do migrant international new ventures examine, relocate and reintegrate their value chain activities?	Background information. Business idea development and implementation. Startup motivations. Value chain disintegration, relocation and reintegration.	Can you please tell me about the background and international operations of your company? When and how did you decide that an international venture should be started? Why did you start it? What actions did you take when you were convinced that some favourable idea exists? How did you find your first international customer? Which countries is the firm current serving? Why and how? Why did you choose Pakistan for back-end operations? Which departments are based in Pakistan and which in your country residence? Why? How did you decide which business tasks should be relocated and why? Please tell me if there have been any changes in the decisions concerning departmental relocations? How are you managing and coordinating the scattered operations? Has this relocation arrangement supported international competition? Why and how?
How do migrant international new ventures gain competitive advantages through value chain relocations?	How do the prior experiences and capabilities of migrant international founders underpin the offshoring capabilities of migrant international new venture?	Prior experiences.  Human capital, social capital and cognitive capital.	Can you explain your role in the firm? How are you able to play this role in an efficient and effective manner? What kind of capabilities are more important to manage from a distance? Why they are important? How have you developed them? To what extent have your previous experiences supported the development of these skills? If you have a partner in Pakistan, how have you split the roles and what kind of skills does he/she possess? What kind of prior education, training and experience have you had? How have they developed over time? How has your learning changed since leaving Pakistan? What kinds of changes in your perceptions, feelings and actions are caused by your prior learning and experiences? To what extent are these experiences and learnings important for the identification and exploitation of international opportunities? Are there any important people who have influenced your thoughts and international venturing journey? What did you learn from them? How do you manage the important networks in both countries? How do you see the external influence of your Pakistani family as well as the industrial and general environments on your thoughts, actions and decisions? How do you see the external influence in your host country of the social, industrial and general environments on your thoughts, actions and decisions?

## Appendix 2 Terminological underpinnings

Concept	Definition
Competitive advantages and sustained competitive advantages	Following the approach of Barney (1991, p. 102), in this dissertation, a migrant venture is 'said to have competitive advantages when it is implementing a value-creating strategy not simultaneously being implemented by any current or potential player'. Similarly, a migrant venture is said to have sustained competitive advantages if current and potential competitors are unable to duplicate the strategy currently being implemented by the migrant venture (Barney, 1991).
Ethnic, migrant, transnational diaspora	Firms started and owned by migrants are researched under different titles, including ethnic entrepreneurship (Chaganti et al., 2008; Zhou, 2004), immigrant entrepreneurship (Kloosterman & Rath, 2001; Vissak & Zhang, 2014), migrant entrepreneurship (Liargovas & Skandalis, 2012), diaspora entrepreneurship (Cohen, 2008; Gillespie et al., 1999), transnational entrepreneurship (Drori et al., 2009; Portes et al., 2002) and transnational diaspora entrepreneurship (Riddle et al., 2010). Within the scope of the present dissertation, ethnicity refers to the connection of the founder to stakeholders who belongs to the COO, irrespective of their COR. Moreover, the term 'migrant' is used to refer to the first-generation immigrants who have permanently relocated to some country other than their COO (Dheer, 2018). Additionally, the terms 'transnational' and 'international' are used interchangeably and, in a more literal sense, to refer to cross-border engagements.
Country of origin (COO)	The COO refers to the homeland or country of birth of the first-generation migrants.
Country of residence (COR)	The COR denotes the country where the entrepreneur has migrated to and is currently living with the intention of staying there permanently.
Third countries	A third country refers to any country other than the COO and COR.
Migrant international ventures	A migrant international venture is a business organisation that is founded by an entrepreneur from a migrant background in order to sell products or services internationally in multiple countries and by combining resources from the COO and COR.
Offshoring	Offshoring is the process of sourcing and coordinating some of the tasks and business functions from the COR to the COO. This definition is compatible with the approach of Lewin et al. (2009). Indeed, it only differs in terms the context, which in the present dissertation is the COR and COO.



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