

ENTREPRENEURIAL LEARNING IN THAI ENCLAVES

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ABSTRACT

This paper investigates the relationship between human and social capital and business knowledge acquisition of Thai immigrant entrepreneurs in Australian restaurant businesses. Business knowledge acquisition in this paper is distinguished into two types: marketing knowledge and financial knowledge. This study attempts to examine the extent to which 1) human capital aspects, formal education, industry-related training and experience are related to the acquisition of marketing and financial knowledge, and 2) social capital dimensions are related to marketing and financial knowledge acquisition. An anonymous survey of 540 Thai restaurant owners was conducted. Eighty-five usable questionnaires were returned from the 540, which were used for analysis. Thai immigrant entrepreneurs demonstrate relatively high educational background with some specific knowledge of the industry. Principal components analysis and hierarchical regression analysis were the two major statistical techniques employed to address the hypotheses.

These findings indicate the impact of both human and social capital upon the knowledge acquisition of immigrant entrepreneurs in a non-technology-based industry. The findings suggest that immigrant entrepreneurs need background knowledge from education, and training in the acquisition of new knowledge from close social networks. Each social capital dimension has a different relationship with marketing and financial knowledge acquisition. The findings highlight the importance of knowledge specification in the analysis of knowledge management, since each type of knowledge acquisition requires different factors in order to facilitate the knowledge acquisition process. Finally, these findings will increase immigrant entrepreneurs' awareness of the importance of diversity of knowledge, proactive learning behaviour and social capital which is crucial in new venture development.

Keywords: Thai entrepreneurs, social networks, social capital, human capital.

INTRODUCTION

This paper investigates the relationship between human capital, social capital and business knowledge acquisition of Thai immigrant entrepreneurs in Australian restaurant businesses. Business knowledge acquisition in this paper is distinguished into two types: marketing knowledge and financial knowledge. This study attempts to examine the extent to which:

- 1) human capital aspects, formal education, industry-related training and experience are related to the acquisition of marketing and financial knowledge; and
- 2) social capital dimensions are related to marketing and financial knowledge acquisition.

There is increasing evidence of the positive influence of immigrant entrepreneurs on many aspects of host societies which are open to migration such as the United States, Canada, and Australia, (Chotigeat, Balsmeier and Stanley, 1991; Collins, 2002; Kalnins and Chung, 2006;

Marger, 2001; Research & Statistics Sections, 2007). Like all entrepreneurs, immigrant entrepreneurs need multifunctional business knowledge—including production, marketing, organisational, and financial knowledge—if they are to run a successful firm (Yamada, 2003; Barney, 1991; Brush et al., 2001). Knowledge acquisition and entrepreneurial learning is a relatively new area of knowledge management research (Cooper, Folta, and Woo, 1995; Cope and Watts, 2000; Harrison and Leitch, 2005; Assudani, 2009). Entrepreneurial capital, especially intangible human and social capital, plays a critical role in the deployment and utilisation of entrepreneurial firm resources (Chotigeat, Balsmeier and Stanley, 1991; Collins, 2002, Wang, 2007). Knowledge is considered to be a form of resource or capital of the firm. However, researchers highlight the currency of the learning process instead of knowledge itself, since learning actually produces knowledge (Harrison and Leitch, 2005; Assudani, 2009).

There has been a growing interest in the acquisition of tacit knowledge (that is, knowledge that is intuitive and unspoken, often based on experiences and intangible skills) within the context of entrepreneurship. Due to its embeddedness in the social fabric, tacit knowledge is difficult to share and absorb (Loebecke, Van Fenema and Powell, 1999) without extended social connections (Nonaka, Toyama and Konno, 2000) and learning competence (Baron and Markman, 2003). The acquisition of knowledge is a process of entrepreneurial learning after awareness about the need for knowledge is raised. Little research has been conducted on how immigrant entrepreneurs employ their human and social capital to access tacit financial and marketing knowledge (Firkin, 2003; Hau and Evangelista, 2007; Katz and Shepherd, 2003). To address these gaps in the literature, this study investigates the role of the human capital and social capital of immigrant entrepreneurs in knowledge acquisition. The study also examines the extent to which relational social capital and cognitive social capital are related to immigrant entrepreneurs' acquisition of these two types of business knowledge.

THEORETICAL FRAMEWORK AND HYPOTHESES DEVELOPMENT

Tacit marketing and financial knowledge can be obtained by immigrant entrepreneurs through their *human capital* (Sequeira and Rasheed, 2006), which has been shown to make a significant contribution to the business operations of immigrant entrepreneurs (Busenitz and Lau, 1996; Davidsson and Honig, 2003; Madsen, Neergaard, and Ulhoi, 2003; Marger, 2001). The term 'human capital' in this context can be understood as the total capabilities of an individual for performing work-related activities—including knowledge, experiences, skills, self-efficiency, and personal educational background (Dana, Korot and Tovstiga, 2005; Firkin, 2003).

Tacit marketing and financial knowledge of immigrant entrepreneurs can also be obtained through social networking, which provides *social capital*, or 'collective-owned capital' as described by Nahapiet and Ghoshal (1998). A high level of social capital has been shown to assist entrepreneurs in gaining valuable resources (Baron and Markman, 2003). For the purposes of the present study, 'social capital' is defined as relational resources inherent in close social connections, which facilitate collective actions for mutual business benefits and knowledge exchanges. In response to their own limited resources in a host country, immigrant entrepreneurs often resort to close ties to gain these knowledge-based resources (Dhaliwal and Kangis, 2006; Ley, 2006).

Human Capital of Immigrant Entrepreneurs and Knowledge Acquisition

It has been shown that there is a relationship between human capital and the business growth of immigrant firms through resource acquisition (Ley, 2006; Marger, 2001; Sequeira and Rasheed, 2006). However, despite acknowledgement that human capital plays a key role in knowledge acquisition, no coherent account of the relationship between the two concepts has been developed in the context of immigrant entrepreneurs (Ley, 2006). On the one hand, it has been shown that immigrant entrepreneurs with a high level of human capital have a lower level of knowledge acquisition from co-ethnic immigrants than do immigrant entrepreneurs who have less human capital (Ley, 2006; Marger, 2001). Human capital is thus posited as an indicator of immigrant self-reliance in knowledge acquisition (Marger, 2001). On the other hand, knowledge theory contends that the possession of a background of fundamental knowledge and experiences eases barriers to the acquisition of knowledge (externally and internally) and facilitates individual learning (Premaratne, 2001; Firkin, 2003; Inkpen and Tsang, 2005). In line with these findings, the present study contends that a high level of human capital among immigrant entrepreneurs is likely to mean that they will be less reliant on external knowledge resources than immigrant entrepreneurs with a low level of human capital. However, it is recognised that a high level of human capital will facilitate their knowledge acquisition when they do seek business knowledge from external sources.

Madsen, Neergaard, and Ulhoi (2003) categorise human capital into: general human capital (which refers to a general capability derived from formal education) and specific human capital (which refers to a specific capability derived from industry knowledge, experience, training, and skills). General human capital thus provides the information background that enables an individual to understand the general components of industry knowledge, whereas specific human capital provides knowledge of particular industry operations (Bowman and Swart, 2007). Both forms of human capital are key elements of entrepreneurship (Sequeira and Rasheed, 2006). With regard to general human capital, the absorption and transfer of knowledge is influenced by the general knowledge of the individual learner (Firkin, 2003; Inkpen and Tsang, 2005; Liao and Welsch, 2005; Nahapiet and Ghoshal, 1998). The previous formal education provides a foundation of general knowledge base to absorb new financial knowledge (Cohen and Levinthal, 1990; Yli-Renko, Autio, and Sapienza, 2001). Immigrant entrepreneurs with more general human capital (in the form of a level of formal education) will thus be in a better position to recognize and value new external knowledge (Carter, 1989). The formal education of immigrant entrepreneurs is therefore likely to facilitate their acquisition of financial knowledge (investment laws, business financing, accounting and taxation requirements, etc.) in the host country, but that such education will not necessarily assist in the acquisition of marketing knowledge (which is more industry-specific oriented).

Another important aspect of specific human capital is industry-related training. Entrepreneurs need multifunctional knowledge and skills in the various stages of the development of a business specifically marketing knowledge in both the start-up stage and the maintenance stage (Jones and Tullous, 2002). Industry-related training provides an entrepreneur (both potential and actual) with the necessary industry-specific skills and knowledge, and with a relevant framework in which to apply those (Solomon, Fernald, and Dennis, 2003). Indeed, it has been argued that training for entrepreneurs contributes to entrepreneurs' acquisition of essential knowledge (Hsu, 2007) and is thus critical for their success (Solomon, Fernald, and Dennis, 2003). The following hypothesis is therefore proposed:

H1a: The formal education of immigrant entrepreneurs is positively related to marketing knowledge acquisition.

H1b: The industry-related training of immigrant entrepreneurs is positively related to marketing knowledge acquisition.

H1c: The industry-related experience of immigrant entrepreneurs is positively related to marketing knowledge acquisition.

H2a: The formal education of immigrant entrepreneurs is positively related to financial knowledge acquisition.

H2b: The industry-related training of immigrant entrepreneurs is positively related to financial knowledge acquisition.

H2c: The industry-related experience of immigrant entrepreneurs is positively related to financial knowledge acquisition.

Social capital of Immigrant Entrepreneurs and Knowledge Acquisition

Social capital is generated by reciprocal exchanges between social actors within networked relationships of mutual acquaintance (Nahapiet and Ghoshal, 1998; Firkin, 2003; Zorn, 2004; Inkpen and Tsang, 2005). According to Nahapiet and Ghoshal (1998) there are three dimensions to social capital: structural, cognitive, and relational. Our study focuses on the second and third of these dimensions, grounded in the premise that the field of immigrant entrepreneurship remains untouched by empirical research on the effect of the quality and social context of social capital for knowledge-based resources.

The Cognitive Dimension of Social Capital

The cognitive dimension of social capital is defined as the common psychological attributes and understanding shared among network members (Liao and Welsch, 2005; Nahapiet and Ghoshal, 1998; Totterman and Sten, 2005). In general, these facets refer to the background of both the individual and their particular environment, such as culture, language, religion, or even corporate culture in an organisational context. These shared cognitions create norms to govern the relationships (Busenitz and Lau, 1996; Greve and Salaff, 2003). Shared language, codes and narrative are argued to be critical enablers in knowledge transfer and creation (Nahapiet and Ghoshal, 1998). Without accurate interpretation and understanding of the counterpart, interaction and cooperation are impossible. As shared language allows access to people and information, shared narrative has been pointed out to be another crucial factor in knowledge acquisition. The intersection narrative of two parties eases understanding in a particular context, as well as facilitating greater combination (Busenitz and Lau, 1996; Nahapiet and Ghoshal, 1998; Prusak and Cohen, 2001). In addition to shared language and narrative, common goals and culture are also important cognitive elements (Busenitz and Lau, 1996; Inkpen and Tsang, 2005). Culture explains the shared norms and preferred behaviour that govern relationships (Inkpen and Tsang, 2005). Hence, trust is created due to fulfilled obligations and expectations (Coleman, 1988). Researchers recognise the critical influence of cultural background on internationalisation decisions and the strategic choices of businesses (Wang and Fulop, 2007; Andersson, 2004; Dana and Wright, 2004; Ibrahim, 2004; McDougall and Oviatt, 2000), as well as new venture behaviour of immigrant/ethnic entrepreneurs (Busenitz and Lau, 1996; Sequeira and Rasheed, 2006).

Entrepreneurial cognition is believed to be based on the rationale of entrepreneurial behaviour (Katz and Shepherd, 2003). While researchers recognise its close link with behaviour, there is little discussion about the cognitive dimension in the mainstream literature on social capital (Liao and Welsch, 2005). Despite some null findings (Dana, Korot, and Tovstiga, 2005), it is found that the narrative factor demonstrates its influence through the discussion of network choice in the first phase of start-up, as well as network size (Greve and Salaff, 2003). By assuming the relationship between cognition and behaviour in the development of social capital, this study implements further analysis of the effect of cultural cognition on the knowledge acquisition of immigrant entrepreneurs.

Within the context of immigrant entrepreneurs, the cognitive dimension is assumed to be more complex based on the mixture of host and home country. It is worth noting that the structural and relational dimension of social capital and knowledge acquisition are affected by cognitive foundation. People with shared cognition or a similar background tend to believe in each other and acquire information from those people, reflecting an existing ethnic enclave of immigrants (Sequeira and Rasheed, 2006). Thus, this study argues that knowledge acquisition is likely to be related to the cognition of entrepreneurs. In this way, the cognition of cultural similarity from home country is argued to have a relationship with knowledge acquisition in immigrant entrepreneurs.

H3a: Cultural-similarity cognition of immigrant entrepreneurs is positively related to marketing knowledge acquisition.

H3b: Cultural-similarity cognition of immigrant entrepreneurs is positively related to financial knowledge acquisition.

H3c: Positive perception of immigrant entrepreneurs is positively related to marketing knowledge acquisition.

Testing H3d: Positive perception of immigrant entrepreneurs is positively related to financial knowledge acquisition.

Testing H4a: The relational social capital of immigrant entrepreneurs is positively related to marketing knowledge acquisition.

Testing H4b: The relational social capital of immigrant entrepreneurs is positively related to financial knowledge acquisition.

METHODS

Sampling

This study attempts to investigate the effect of human capital, social capital and cognition on the knowledge acquisition of immigrant entrepreneurs. Thai restaurant owners in Australia were chosen as the sample for this study. The rationale of selecting this ethnicity is not only that Thai is one of the major ethnic immigration groups in Australia but they also constitute a mature group in terms of developing their own businesses in the host country (Research & Statistics Section, 2007). Self-administered questionnaires (together with a covering letter) were distributed to a random sample of 571 restaurant owners drawn from a database of Thai-Australian restaurant owners maintained by the National Food Institute of Thailand in Australia. A total of 85 completed and useable questionnaires were returned (representing a response rate of 16.3%).

Measures

The questionnaire was divided into three sections. The first section asked for the demographic information of the respondent and his/her restaurant, including gender, age, age of the restaurant, and firm size. The second section asked questions about social networks and the cognition of the respondent. Then, section three asked the respondents to identify the level of acquisition of each type of knowledge. All measures used in the survey were developed in accordance with the relevant literature on human capital, social capital, knowledge learning, and entrepreneurship. A five-point Likert-type scale (1 = ‘strongly disagree’ or ‘very limited’; 5 = ‘strongly agree’ or ‘very rich’) was used for responses, except for a formal education level.

The key variables of the research are adopted from the literature, but adapted to suit this study. The meaning of each variable is clarified in this section in order to promote an understanding of the terminology used in this research.

<i>Marketing knowledge:</i>	In line with the definition of each type of business knowledge by Widding (2005), the term marketing knowledge refers to the level of knowledge acquisition related to product, service, operation and marketing, by emphasis only upon the tacit dimension of this knowledge.
<i>Financial knowledge:</i>	Adopted from Widding’s (2005) concept, financial knowledge covers the tacit dimension of business knowledge acquisition related to financial and accounting management.
<i>Formal education:</i>	The level of formal education obtained by immigrant entrepreneurs before starting the business.
<i>Industry-related training:</i>	The level of specific knowledge about the restaurant business, such as cookery, obtained from attending training courses.
<i>Industry-related experience:</i>	The level of specific knowledge about the restaurant business gathered from working experience in the restaurant industry.
<i>Cultural similarity cognition:</i>	Cognitive social capital (Busenitz and Lau, 1996) referring to the level of influence from home country cognition on the immigrant entrepreneur (Sequeira and Rasheed, 2006).
<i>Positive perception:</i>	An aspect of cognitive social capital (Busenitz and Lau, 1996) that refers to the positive perception toward people from the same home country as the immigrant entrepreneur (Sequeira and Rasheed, 2006).
<i>Relational social capital:</i>	A type of social capital (Nahapiet and Ghoshal, 1998) referring to the level of trust and trustworthiness the immigrant entrepreneurs have in the relationship.
<i>Structural social capital:</i>	The relationship styles of immigrant entrepreneurs within social networks (Nahapiet and Ghoshal, 1998).

DATA ANALYSIS AND RESULTS

Demographic data

Demographic data was analysed using frequency, mean and standard deviation statistical calculations (refer to Table 1).

Take in Table 1 about here

Table 1: Demographic data for Thai immigrant entrepreneurs (N = 85)

Table 1 indicates that there were an almost equal proportion of male and female respondents: 50.6% male and 49.4% female. The age of respondents ranged from 30 to 63, with a mean of 43.82 and a standard deviation of 7.4 years. Respondents' length of living in Australia ranged from 7 to 556 months. The mean was 14.9 years and the standard deviation was high at 7.96 years.

The size of the restaurant was examined based on the number of staff hired per day, which showed a wild distribution. On average, the restaurants employed 6.02 staff per day, with a standard deviation at 4.06 people. The median and mode were equal at 5 staff. The distribution of staff in the restaurant per day ranged from 1 to 29 people. Half of the restaurants hired approximately three to six staff. However, a very small number of the restaurants hired more than 10 people a day, accounting for approximately 7%. The average length of ownership of the restaurant business was approximately nine years, while the average age of the current restaurant was about eight years. In addition, both the length of ownership and the age of the restaurant had a high standard deviation of about six and five years respectively.

Hypothesis Testing

Multiple regressions and Pearson correlation coefficients were employed to test the hypotheses. The regression model was divided into four models in each dependent variable in order to theoretically test the relationship of each group of independent variables (refer to Tables 2 and 3 below).

Take in Table 2 about here

Table 2: Pearson Correlation Coefficient Matrix of Human and Social Capital and Knowledge Acquisition Variables for Thai Immigrant Entrepreneurs

Take in Table 3 about here

Table 3: Multiple Regressions of Human and Social Capital and Knowledge Acquisition for Thai Immigrant Entrepreneurs

For the control variables, the results from the correlation matrix show small relationships between the control variables and dependent variables of this study, reported in Table 3. Only two control variables, age and firm size, are related to the dependent variables. Age has a significantly negative relationship with marketing knowledge acquisition. Conversely, firm size is strongly positively correlated to financial knowledge acquisition. It also significantly predicted financial knowledge acquisition in all regression models ($\beta=0.29, p \leq 0.01$). Except formal education and industry-related working experience, the other independent variables exhibited a significant correlation ($p \leq 0.05$) with the dependent variables, though at different levels based on each type of knowledge.

In addition, correlation coefficient reveals notably significant correlation between structural and relational social capital ($r = 0.86 \leq p < 0.01$). The very high correlation between these two

independent variables may affect the predictability of the variables. In order to avoid this, the study excludes one independent variable from the following analysis. Davidsson and Honig (2003) affirm that the exchange behaviour is at the core concept of social capital theory. Further, they place greater emphasis on relational social capital over structural social capital because it relates directly to the exchange behaviour from the aspect of trust and trustworthiness which in turn creates bond of relationship in reciprocity. This study follows this proposition and, thus, hypotheses related to structural social capital and knowledge acquisition (H4a,b) are excluded from the hierarchical regression analysis. All the results are reported in the order of the research questions.

H1a: The formal education of immigrant entrepreneurs is positively related to marketing knowledge acquisition.

The coefficient of formal education and marketing knowledge acquisition is not significant ($r = 0.16, p \geq 0.05$). The results from regression analysis show no significant relationship between the formal education of immigrant entrepreneurs and marketing knowledge acquisition ($\beta = 0.06, p \geq 0.05$). Hence, H1a is rejected.

H1b: The industry-related training of immigrant entrepreneurs is positively related to financial knowledge acquisition.

The Pearson correlation shows a strong, significant, positive correlation between training and marketing knowledge ($r = 0.34, p \leq 0.01$). Regression analysis reveals a slightly reduced level of relationship as the social capital variables loading increased. The positive impact of industry-related training on marketing knowledge acquisition is notably strong in all regression models, with beta values of 0.37 and 0.32, and p-values all less than or equal to 0.01 in both models. Thus, H1b is strongly supported.

H1c: The industry-related experience of immigrant entrepreneurs is positively related to marketing knowledge acquisition.

Industry-related experience has no significant correlation with marketing knowledge acquisition ($r = 0.17, p \geq 0.05$) in terms of its Pearson correlation coefficient. Regression analysis also demonstrates a slightly negative but not significant relationship ($\beta = -0.08, p \geq 0.05$). The industry-related experience of Thai immigrant entrepreneurs has no significant relationship with marketing knowledge acquisition, so H1c is rejected.

H2a: The formal education of immigrant entrepreneurs is positively related to financial knowledge acquisition.

The majority of Thai immigrant entrepreneurs have a relatively high level of formal education. About 25% have diplomas, 63% have undergraduate degrees, and 12% have post graduate qualifications. Nobody reported that they had no qualifications. Correlation analysis shows a strong significant correlation between formal education and financial knowledge acquisition. Hypothesis 2a is also supported by regression analysis. Different from H1a, regression analysis shows a significantly positive relationship between the formal education of Thai immigrant entrepreneurs and the acquisition of financial knowledge ($\beta = 0.30, p \leq 0.05$).

H2b: The industry-related training of immigrant entrepreneurs is positively related to financial knowledge acquisition.

Training related to the restaurant industry has a significantly strong correlation with financial knowledge acquisition in Thai immigrant entrepreneurs ($r = 0.31, p \leq 0.01$). However, the predictability of this is lower as the social capital variables increase. The only significant positive relationship is shown in model two, which contains three variables of human capital and control variables ($\beta = 0.24, p \leq 0.05$). After an increase in social capital variables the relationship becomes weaker, and has a minor association ($\beta = 0.18, p \leq 0.10$) with financial knowledge acquisition. Therefore, hypothesis 2b is supported with minor significance.

H2c: The industry-related experience of immigrant entrepreneurs is positively related to financial knowledge acquisition.

Hypothesis 2c is rejected because both the Pearson correlation and multiple regression analysis show no significant results. The coefficient relationship is low at 0.17. The relationship with financial knowledge acquisition is low in every model ($p \geq 0.05$). It is also obvious that the industry-related experience of Thai immigrant entrepreneurs has a lower relationship with financial knowledge acquisition, as the social capital variables are added into the analysis at the beta value of .10 and .06, with a p-value over .05, in models two and three respectively.

H3a: Cultural-similarity cognition of immigrant entrepreneurs is positively related to marketing knowledge acquisition.

The coefficient between cultural-similarity cognition and marketing knowledge acquisition is positive and considerably strong ($r = 0.35, p \leq 0.01$). A minor significant positive relationship as an independent variable with marketing knowledge acquisition is found ($\beta = 0.19, p \leq 0.10$). Therefore, cultural-similarity cognition has an impact upon the acquisition of marketing knowledge of immigrant entrepreneurs. Therefore, hypothesis 3a is supported to minor extent.

H3b: Cultural-similarity cognition of immigrant entrepreneurs is positively related to financial knowledge acquisition.

Cultural-similarity cognition has no significant correlation with financial knowledge acquisition in terms of its Pearson correlation coefficient ($r = 0.18, p \geq 0.05$). Hypothesis 3c is rejected since the beta of regression analysis is equal to -0.11, and the p-value is more than 0.05. In other words, the cultural-similarity cognition of Thai immigrant entrepreneurs has no impact upon the acquisition of financial knowledge.

H3c: Positive perception of immigrant entrepreneurs is positively related to marketing knowledge acquisition.

Positive perception has no significant correlation with the acquisition of marketing knowledge ($r = 0.19, p \geq 0.05$). Its predictability based on this dependent variable is also low and not significant ($\beta = -0.05, p \geq 0.05$). This explains that the positive perception of Thai immigrant entrepreneurs has no relationship with the acquisition of marketing knowledge.

Testing H3d: Positive perception of immigrant entrepreneurs is positively related to financial knowledge acquisition.

The correlation coefficient of positive perception and financial knowledge acquisition is positively significant ($r = 0.26, p \leq 0.05$). However, Hypothesis 3d is rejected in regression since the predictability is small. The relationship in the model is not significant with the beta at 0.01 ($p \geq 0.05$). In relation with H3c, the positive perception of immigrant entrepreneurs toward people

from the same home country has no impact upon either marketing or financial knowledge acquisition.

Testing H4a: The relational social capital of immigrant entrepreneurs is positively related to marketing knowledge acquisition.

Hypothesis 5a is supported, though with minor significance, indicated by regression analysis. Pearson correlation reveals a strong, positive, significant correlation between the relational social capital of Thai immigrant entrepreneurs and marketing knowledge acquisition ($r = 0.36$, $p \leq 0.01$). Hierarchical regression analysis shows a positive, minor, significant relationship between relational social capital and marketing knowledge acquisition ($\beta = 0.21$, $p \leq 0.10$). This confirms the hypothesis that the social capital of Thai immigrant entrepreneurs has a minor effect upon marketing knowledge acquisition from their relatives and friends.

Testing H4b: The relational social capital of immigrant entrepreneurs is positively related to financial knowledge acquisition.

A considerably strong positive correlation is found between the relational social capital of Thai immigrant entrepreneurs and their financial knowledge acquisition ($r = 0.32$, $p \leq 0.01$). Similar to the positive relationship revealed for H5a, H5b is strongly supported by the regression result. From the analysis, the relationship of relational social capital is drastically strong in terms of the acquisition of financial knowledge ($\beta = 0.34$, $p \leq 0.01$). This supports both hypotheses on relational social capital theory, that relational social capital has a positive relationship with the acquisition of knowledge.

CONCLUSION

This study examined the impact of human and social capital of immigrant entrepreneurs in relation to business knowledge acquisition. The main findings of the study are:

- relational social capital of immigrant entrepreneurs is related to the acquisition of both financial knowledge and marketing knowledge; and
- human capital of immigrant entrepreneurs is related to the acquisition of both financial knowledge and marketing knowledge.

Formal education and industry-related experience do not play a role in marketing knowledge acquisition. However, formal education plays an important role in the acquisition of financial knowledge. This study posits that Thai immigrant entrepreneurs have quite a high level of general background knowledge, so they are aware of the need for other knowledge other than just about restaurant operation, and choose not to acquire tacit financial knowledge from professional service providers, but rather rely upon relatives and friends. Industry-related training, on the other hand, plays only a minor role in financial knowledge acquisition. The minor role of training may be the result of the need for the modification of knowledge to match the specific industry.

The relationships between relational social capital and marketing and financial knowledge acquisition are significant. This means that the relational social capital of Thai immigrant entrepreneurs with Thai relatives and friends in Australia has a significant impact upon business knowledge acquisition. In line with the literature, the role of relational social capital in the acquisition of resources and knowledge is outstanding (Davidsson and Honig, 2003; Liao and

Welsch, 2005; Marger, 2001; Nahapiet and Ghoshal, 1998; Yli-Renko, Autio, and Sapienza, 2001). This research confirms the vital role of informal close relationships in the acquisition of marketing and financial knowledge for two main reasons: the sensitivity of knowledge types, and the trustworthiness of the relationship.

The relational social capital in this study had a minor effect upon marketing knowledge acquisition, and a strong significant effect upon financial knowledge acquisition. From these findings, it seems that the impact of relational social capital on knowledge acquisition depends upon the sensitivity of each knowledge type. For instance, marketing knowledge is a less confidential requirement than the financial knowledge of small firms in non-technology-based industry. As numerous studies of social capital review the importance of relational social capital in reciprocity, the sensitivity of the confidentiality of business information prevents entrepreneurs from using weak ties as demonstrated from the findings of this research. The relationship between relational social capital and the acquisition of financial knowledge is both stronger and has a higher degree of predictability than the acquisition of marketing knowledge.

In line with Greve and Salaff (2003), this study argues for the protection of ideas from outsiders to be the reason for utilising close social capital. The confidentiality of the knowledge considered by immigrant entrepreneurs is a reason why they choose to acquire critical knowledge like financial knowledge from relatives and friends. Meanwhile, knowledge with less sensitivity, such as the marketing knowledge of small firms in non-technology-based industries, can be discussed within a wider range of social networks.

Industry-related training, cultural-similarity cognition and relational social capital are founded to have impact on marketing knowledge acquisition of immigrant entrepreneurs. Financial knowledge acquisition is effected from formal education, industry-related training and relational social capital. It is found that both general and specific knowledge is vital in providing a knowledge framework for further knowledge acquisition. The research gives an insight into the how immigrants gain knowledge to achieve localness and possibly move out of their ethnic enclaves.

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Table 1: Demographic data for Thai immigrant entrepreneurs (N = 85)

Variables	Number (%)
Gender	
Male	43 (50.6%)
Female	42 (49.4%)
Variables	Mean (S.D.)
Age^a	43.82 (7.4)
Length of living in Aus.^b	14.90 (7.56)
Firm size^c	6.02 (4.06)

^{a, b} Age and Length of living in Australia are reported in yearly units.

^c Firm size is determined by the number of staff per day.

Table 2: Pearson Correlation Coefficient Matrix of Knowledge Acquisition, Human and Social Variables for Thai Immigrant Entrepreneurs

	Mean	S.D.	1	2	3	4	5	6	7	8	9	10	11	12	13
1. Age ^a	43.82	7.4	1												
2. Gender ^b	-	-	-.16	1											
3. Living in Australia ^c	14.9	7.56	.49**	-.24*	1										
4. Firm Size ^d	3.69	.98	-.01	-.17	.12	1									
5. Education	6.02	4.06	-.40**	.02	-.25*	.05	1								
6. Training	3.11	1.07	.01	-.08	.11	.18	.18	1							
7. Work experience	3.44	1.30	-.16	-.10	-.12	-.02	-.23*	.52**	1						
8. Cultural-similarity cognition	3.09	1.00	-.11	-.05	-.03	.15	.28**	.10	.04	1					
9. Positive perception	2.66	.89	.01	-.24*	.20	.21	.28**	.25*	.14	.41**	1				
10. SSC	2.69	1.14	-.24*	-.23*	-.08	.07	-.02	.26*	.29**	.48**	.32**	1			
11. RSC ^e	2.95	1.05	-.17	-.21	-.01	-.02	-.03	.27*	.30**	.44**	.34**	.86**	1		
12. MktK ^f	2.69	.91	-.23*	-.08	-.17	.19	.16	.34**	.17	.35**	.19	.45**	.36**	1	
13. Fin K ^g	2.65	.99	-.09	-.10	-.09	.34**	.21	.31**	.17	.18	.26*	.37**	.32**	.59**	1

** Correlation is significant at the 0.01 level (two-tailed).

* Correlation is significant at the 0.05 level (two-tailed).

^a Age is presented in yearly units.

^b Gender is coded as 1 = male, 2 = female. It is a nominal variable, so the mean and standard deviation are not available.

^c Living in Australia stands for the length of time living in Australia of immigrant entrepreneurs, and is presented in yearly units.

^d Education level is coded as 1 = primary school; 2 = secondary school; 3 = diploma; 4 = bachelor's degree; 5 = master's degree.

^e SSC stands for structural social capital

^f RSC stands for relational social capital.

^g Mkt K stands for marketing knowledge acquisition.

^h Fin K stands for financial knowledge acquisition.

Table 3: Multiple Regressions of Human and Social Capital and Knowledge Acquisition for Thai Immigrant Entrepreneurs

Variables:	Marketing Knowledge Acquisition			Financial Knowledge Acquisition		
	Model 1	Model 2	Model 3	Model 1	Model 2	Model 3
Control variables:						
Age	-.19	-.15	-.10	-.03	.08	.16
Gender	-.10	-.10	-.05	-.08	-.05	.03
Living in Aus.	-.12	-.16	-.16	-.14	-.14	-.15
Firm size	.19	.12	.13	.35**	.30**	.34**
Main effects						
Human capital						
Education		.09	.06		.25*	.30*
Training		.37**	.32**		.24*	.18 [†]
Experience		-.05	-.08		.10	.06
Social capital						
Cultural similarity cognition			.19 [†]			-.11
Positive perception RSC ^c			-.05			.01
			.21 [†]			.34**
R ²	.19	.22	.36	.14	.26	.33
Adjusted R ²	.06	.15	.22	.10	.19	.24
F	2.42*	3.14**	3.41**	3.33**	3.76**	3.69**
N	85	85	85	85	85	85

[†] p ≤ .10

* p ≤ .05

** p ≤ .01

^c RSC means relational social capital