

Immigrant entrepreneur knowledge in the tourism industry of island destinations

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This document is the Accepted Manuscript version of a Published Work that appeared in final form in *Tourism Geographies*. To access the final edited and published work see [<https://www.tandfonline.com/doi/full/10.1080/14616688.2020.1786152>]

Abstract

The economy of many islands is heavily based on tourism. In mature tourism islands, the tourism sector acts as a magnet for immigrant workforce that help resolve some human resource problems. Due to some blockades in the local job market and/or the opportunities they identify based on their knowledge, many immigrants set up new ventures in the tourism industry. Immigrants' new ventures could increase destination supply in the sector, providing innovation and differentiation that avoid and delay the decline stage. In the island context, the creation of immigrant businesses is affected by a relative isolation and lack of easy connections with continental territories, which suggest the existence of interesting dynamics in the acquisition and use of knowledge. Immigrants' life experiences and relationships in the home and host countries contribute to their knowledge construction to set up and manage their new businesses on islands. A survey on immigrant restaurant entrepreneurs in the tourism industry on the three Eastern Canary Islands was conducted. Results show the high relevance of knowledge obtained from experience, and the low importance of knowledge from institutions and written material; moreover, education in the home country is more relevant than education in the host country; in addition, networks and Internet also provide some entrepreneurial knowledge. The existence of two groups of immigrant entrepreneurs on islands with different knowledge characteristics is also shown.

Keywords

knowledge, immigrant entrepreneur, islands, Eastern Canary Islands

Introduction

In the new global economy, tourism has been one of the few activities in which many islands are competitive across the world. The development of tourism in open and globalised economies such as islands has generated many job and business opportunities. This has resulted in the attraction of immigrants to a growing tourism sector, which is becoming an increasingly important topic and even a concern for island destinations. At the same time, when tourist destinations reach maturity stages, they must implement resilient actions such as innovation and adaptation to the changing market in order to rejuvenate the destination.

The concept of mature destination tends to integrate ideas from the product life cycle in the marketing literature and the tourist area lifecycle model presented by Butler (1980). According to Butler's approach (2012), a mature island destination is an insular area that has been developed for some time and needs rejuvenation to avoid decline. In that sense, this kind of island destinations faces problems in attracting new markets effectively. Most mature destinations have an existing image that targets specific market segments, but action is required to transform that image and reposition the destination in the market (Butler, 2012). An important part of these actions can be taken by immigrant entrepreneurs.

Immigrant entrepreneurship relates to the self-employment efforts of individuals who migrate to a different country and engage in ownership of businesses (Chaganti et al., 2008). Skandalis and Ghazzawi (2014: 97) outline that "immigrant entrepreneurship can inject new dynamism into an economy and be a very important tool for the future of economic development." Immigrants are exposed to different types and sources of knowledge in various geographical contexts, which can be valuable in new business creation. The increase in entrepreneurial activity by immigrants has highlighted resources they have constructed that residents of an island destination do not have, including knowledge acquired in their home country and in the host country. Immigrant entrepreneurs could therefore be in a position to increase destination supply and provide innovation and differentiation, which are relevant aspects to increase the destination performance and competitiveness.

There is a growing body of literature that recognises the importance of immigration and entrepreneurial orientation focusing on the different resources that immigrants possess (Basu & Altinay, 2002; Altinay & Altinay, 2006), even entrepreneurship and knowledge (West & Noel, 2009). There has also been academic interest in the relationship between knowledge and tourism (McLeod, 2014). Research on knowledge regarding immigrant entrepreneurs has been more limited and mainly related to highly skilled immigrants (Saxenian, 2002). There is an evident lack of academic literature on the knowledge of immigrant entrepreneurs in the tourism industry, especially in the case of island destinations. Recently, researchers have shown increased interest in the role of immigrants and entrepreneurship on islands (Baldacchino, 2010), even on the importance of knowledge (Burnett & Danson, 2017). However, no research has been found that analyses the impact of knowledge in the entrepreneurial process of immigrants on islands.

This work attempts to describe immigrant entrepreneurs' sources and origin of knowledge based on the needs to start, operate and manage their new tourism firms in island

destinations. In order to address the knowledge sources, aspects such as education, experience, networks, institutions, Internet and other written material (books, journals, etc.) are analysed. In terms of education, experience and networks, it is also interesting to distinguish the origin of this knowledge (i.e., home country versus host country). Furthermore, the combination of their knowledge sources and origins allows us to identify knowledge profiles of immigrant entrepreneurs on islands. The paper directly addresses two topics of interest for this special issue: island tourism migration and island tourism networks, enterprises and organisations.

Following this introduction, a theoretical framework to address the relevant topics of the work is presented in two sections: the first one deals with immigrant entrepreneurship in island destinations, and the second one analyses the knowledge immigrants possess for creating new firms. We then describe the empirical research method used followed by a presentation of the results. The paper concludes with a discussion of the findings and main conclusions.

Immigrant entrepreneurship in island tourist destinations

Tourism has been a desired activity of many island destinations. Isolation and lack of road and rail transportation links with other territories have prevented islands from developing manufacturing industries that can compete in global markets. Internationally competitive service industries are far easier to develop on islands, as long as valuable resources are available for exploitation and development. Tourism is one of the service sectors where islands can successfully compete, as the services satisfy a specific demand and are contingent on the availability of extraordinary resources. In fact, many islands are tourist destinations (Sharpley, 2012).

Tourism has relevant impacts on the islands' residents and resources. Tourism activities can have three types of positive and negative impacts in three different domains: economic, sociocultural and environmental (García-Almeida, 2011). All in all, the tourism industry has become a source of wealth and employment for islands, but there have also been negative reactions from the islanders, such as overtourism or xenophobia against the arrival of foreign tourists or immigrants (Baldacchino, 2010). One of the challenges that islands face is migration, and it deeply impacts the tourism industry. The relevance of labour migration to the tourism industry workforce is well documented (Baum, 2007). In this sense, the current consequences of migratory waves make islands interesting settings for researching the impacts of migration (King, 2009).

Many islands attract significant volumes of tourists (Sharpley, 2012). Islands have been considered “idyllic tourism destinations for centuries” (Carlsen & Butler, 2011). Though the exact nature of the appeal of visiting islands is hard to explain, it seems there are psychological, geographical, economic, climatic, sensual and convenience reason for it (Butler, 2002). Many islands with significant economic sectors enjoy high average incomes and advanced level of socio-economic development (Sharpley, 2012). In highly developed islands where tourism is an important economic activity, or when islands with significant tourism activities achieve a higher level of development, many jobs in the tourism industry seem to be unattractive to locals (García-Almeida & Hormiga, 2017). Moreover, the lack of a large local population in many cases can mean a general lack of expertise to accommodate the international tourist (Butler, 2002). Thus, the tourism industry on islands can suffer from a shortage of human resources in certain activities. Aitken and Hall (2000) state that the growing competitiveness of destinations and businesses mean that foreign skills are a necessity.

Islands have traditionally been places with a long history of emigration. However, mature island destinations tend to be a host society for immigrants working in a labour-intensive tourism sector; the opposite can be said of islands in the early stages of their life cycle, where emigrants leave in search of opportunities (McElroy & Hamma, 2010). The development of tourism and other industries has managed to stop emigration from islands and many of them have become magnets for immigrants in search of new opportunities (Gössling & Schulz, 2005), particularly as the development stage progresses (Butler, 1980). Globalisation, combined with the better conditions for mobility, have been causes for the statistical increase of tourism and migration year after year (Illés & Michalkó, 2008), resulting in an increase in inbound tourism and immigration, in the case of island destinations. In this respect, many immigrants are very satisfied with working in a sector that offer jobs and higher salaries than those on offer in their home countries, or allows for living in an island atmosphere. In that sense, some jobs in the tourism sector require a low level of knowledge (Divisekera & Nguyen, 2018), and are an excellent entry point for immigrants who are unfamiliar with the island institutions and local knowledge. However, many immigrants may encounter social integration difficulties, and they cannot use professional qualifications obtained in the home country due to the host islands’ academic recognition system. These frustrations can often lead them to perceive entrepreneurship as an interesting career move in the tourism industry.

The increase in tourism demand is accompanied by an increase in the number of activities on offer. Considering the low barriers of entry and cost of some services too, the effect is that new business opportunities are generated (Othman & Rosli, 2011). This has been a catalysing factor for the increase in the flow of immigrants seeking to improve their standard of living (Sahin et al., 2009) and set up new ventures. The tourism industry provides immigrants not only with income-generating jobs but also allows them to acquire valuable knowledge through work experience (Janta et al., 2011) or the opportunity to use their prior knowledge in their own business. In this way, some immigrants use this acquired knowledge to identify opportunities and become entrepreneurs in restaurants, cafeterias, etc. For Chaganti et al. (2008), immigrant entrepreneurship refers to the self-employment efforts of individuals who migrate to a different country and become involved in business ownership. In the tourism sector, Biddulph (2017) found that local landowners largely retained their properties during early stage of tourism expansion but business ownership in the sector was dominated by outsiders.

Mature tourism destinations must engage in resilient actions such as innovation and adaptation to the changing market in order to rejuvenate the destination (Hamzah & Hampton, 2013). Immigrant entrepreneurs are an important part of island destinations and can contribute to these actions. Collins and Shin (2014) empirically found that the immigrant restaurant entrepreneurs in their sample are innovative and are always looking to improve their business, and to take advantage of better opportunities. Moreover, tourists in island destinations tend to perceive that immigrants exert a positive influence on the innovation and creation of new things to offer in the tourism industry, and on the existence of a diverse supply in tourism services (García-Almeida & Hormiga, 2017).

Human capital is a significant factor to generate service innovation in tourism (Divisekera & Nguyen, 2018), and, among other things, the innovative capacity in the tourism industry relies on knowledge and competence (Ronningen, 2010). On this basis, immigrant entrepreneurs in the tourism sector are likely to be in a position to innovate and/or unleash and foster innovation in their new ventures. This innovation is highly necessary when island destinations, especially those targeting sun, sand and sea tourism, are in the consolidation/stagnation stage in their life cycle (Butler, 1980). Innovation provides differentiation from traditional activities and/or diversification of tourism products and experiences. These aspects postpone and even cancel the decline stage, as they generate dynamism and avoid inertia (Butler, 2009).

Entrepreneurs need knowledge to create their businesses and to generate and exploit innovation in the tourism sector. Immigrant entrepreneurs who decide to create new ventures on islands may have a competitive advantage due to the specific nature of the knowledge they have been constructing. In fact, migrants tend to have a higher level of entrepreneurship and a global orientation due to the experience of the migration process and their cross-cultural experience (Vandor & Franke, 2016). Some of the explanations for the entrepreneurial tendency of certain immigrant communities are the so-called ethnic resources such as cheap labour, co-ethnic customers, networks, access to cheap finance, but knowledge must also be outlined (Robb & Fairlie, 2009). This knowledge, obtained from different sources and origins, could provide immigrants on islands with a competitive edge compared to the relative isolation that locals have experienced.

Knowledge for creating new firms: types, geographical origin, and sources

Knowledge and entrepreneurship have been widely discussed in the academic literature. According to Leonard and Sensiper (1998:113), knowledge can be defined as “information that is relevant, actionable, and based at least partially on experience”. For Koohang and Paliszkiwicz (2013), knowledge develops over time, and through experience that includes what one assimilates from instructional courses, books, mentors, and/or informal learning. In order to understand knowledge construction and dynamics of immigrant entrepreneurship on islands, aspects such as the knowledge to create new ventures, the geographical origin of knowledge, and knowledge sources need to be addressed.

Knowledge to create new firms

Availability of knowledge resources in the tourism sector is becoming both increasingly important and necessary for operating a business in changing environments, which changes the use of the types and sources of knowledge (McLeod, 2014). This also applies to entrepreneurs in the tourism industry, who need knowledge on how to start a business, how to manage it and how to operate in the tourism sector. For West III and Noel (2009), the three relevant types of procedural knowledge that entrepreneurs require are knowledge about the industry, about the business approach adopted, and about creating and building new ventures. A differential knowledge base by the entrepreneur helps to mitigate the uncertainty of creating a company and positively affects the decision to run it (De Clercq & Arenius, 2006). The construction of knowledge to create new firms on islands is highly challenging for immigrants. This is due to the general assumption that immigrants experience the liability of

foreignness to a certain degree, and that mobility to take full advantage of network connections is hindered.

The concept of business knowledge includes the capacity to find and obtain resources, and at the same time, know how to exploit them in a business (Alvarez & Busenitz, 2001). Entrepreneurs with a prior knowledge base have the capability to evaluate the new venture and acquire the necessary resources (Zhang et al., 2010). Key aspects where entrepreneurs use their knowledge are managing information about demand, using technology, organising available resources, and understanding and interacting with the market and suppliers (Baptista et al., 2014). Once the company is created, its growth and positive performance are fundamentally based on business knowledge in all those dimensions. This emphasises the role of the entrepreneur's skills, functional knowledge, trust and training (Omerzel & Antončič, 2008), since specific knowledge in areas such as marketing, finance and strategic planning clearly contribute to performance (Ganotakis, 2012).

Geographical origin of knowledge

From a geographical point of view, immigrants acquire relevant information regarding firm creation and management in different knowledge contexts (Agarwal & Shah, 2014).

Geographical mobility means that the immigrant entrepreneur has got relevant information obtained from having lived in different countries and cultures, in which s/he has acquired the knowledge and skills necessary to search for the information s/he is looking for (Okonta & Pandya, 2007). In fact, immigrants bring with them the knowledge acquired in their country of origin, acting as diffusers in the host country. But they are also capable of acquiring knowledge in the new geographical context, making entrepreneurship easier (Li et al., 2018). The migratory process itself and the return trips to the country of origin allow for the accumulation of knowledge that also fosters entrepreneurship, although not always in a profitable way (Frederiksen et al., 2016). Immigrants bring from their country of origin information and knowledge about consumers' preferences, new processes and strategies, which will allow them to create and manage businesses in the host country (Sequeira et al., 2009). This knowledge was acquired in their country of origin through different sources and will be used to detect business opportunities, but also improves the idea with new knowledge in the host country (Aliaga-Isla & Rialp, 2012).

Islands, which are characterised by varying degrees of geographical isolation and connectivity, present several particularities beyond general assumptions of host territories.

This is especially acute in the case of small islands states. These particularities are discussed next, in the presentation of knowledge sources.

Sources of knowledge

New firms need useful knowledge to effectively perform and grow, which they acquire from different sources (West III & Noel, 2009). These rely on external sources of knowledge to exploit strategic opportunities (Foss, Lyngsie, & Zhra, 2013). Five main sources can be used to discuss the main inputs in the process of immigrant entrepreneurs' knowledge construction for starting and managing new ventures in the tourism industry (Calero-Lemes et al., 2010). These sources pose specific challenges on islands due to their characteristics.

Education

Higher education institutions and other educational centres, such as vocational training centres, are sources of relevant knowledge to be directly used/applied to management and entrepreneurship in the tourism sector. For some authors (e.g. Rueda-Armengot & Peris-Ortiz 2012) formal education is related to success and growth. Under this perspective, a well-trained workforce recognises the value of knowledge, and the previously unexploited opportunities and ideas that lead to innovation (Divisekera & Nguyen, 2018). However, some authors argue that education, in general, is not a determining factor in the growth of a company (Altinay & Altinay, 2006), or for detecting business opportunities (Aliaga-Isla, 2014). Some academic literature suggests that completing higher education will have less effect than simply completing secondary education (De Clercq & Arenius, 2006). In fact, technical education is not a clear success factor when facing entrepreneurial activities, unless it is complemented with managerial training/experience, which will improve performance (Ganotakis, 2012). Others do see academic education as a relevant factor in some aspects, such as a way to compensate for the lack of experience in inexperienced entrepreneurs to detect innovative opportunities (Ucbasaran et al., 2009).

A paramount aspect of education is that it allows for acquiring new knowledge (Ployhart & Moliterno, 2011), and it is particularly relevant to start-ups in dynamic environments that require innovation to survive or effectively compete. Some islands provide high-quality university education in tourism and entrepreneurship, as some higher education rankings endorse, but educational supply tends to be more limited due to the mobility options available in continental territories. In addition, immigrants may have attended university in

the home countries, and their short-term priorities and difficulties prevent them for studying in the universities of the host island.

Experience

Prior experience in non-managerial and managerial jobs, in or out the tourism industry, can offer the opportunity to construct relevant knowledge to start a new venture in the sector. Most of the literature on entrepreneurship states that experience plays a more important role than education when it comes to detecting opportunities (Aliaga-Isla, 2014). There is some controversy that previous experience in business setup improves the expected performance of entrepreneurs, in line with Cassar (2014) who finds no relationship between the two variables, whilst others find that skills acquired in previous experience benefit the companies created thereafter (Zhang, 2011).

Many immigrants specifically choose to work in restaurants to acquire the knowledge and skills necessary for starting their own business later (Collins & Shin, 2014). Immigrants with more experience in the host country tend to have a greater propensity for entrepreneurship, as they have easier access to the resources needed to start a business (Li, 2001). Many islands have internationally recognised attractions, and they have built a sound hospitality infrastructure for providing services to the tourist. Islands whose tourism industry is at consolidated stages of the life cycle offer an excellent setting for immigrants to gain experience, and who will later create a new venture in the sector. Nevertheless, even in islands with an incipient tourism sector and which offer limited possibilities for providing labour experience, immigrants can acquire practical knowledge working at home before emigrating and may find unexploited opportunities in the low level of tourism development on those islands.

Networks

The academic literature on entrepreneurship tends to emphasise the role of interaction with other people in the creation and success of new ventures. Entrepreneurs need the appropriate resources to develop their activity, and a good part of them are obtained through other people and institutions (Venkataraman, 1997). According to Hayter (2013) the academic literature tends to recognise the importance of networks for entrepreneurial success.

In the case of immigrants, networks, agents and institutions are fundamental in entrepreneurship, since they are highly dependent on local contacts and acquiring sufficient knowledge about the host society and to identify business opportunities (Katila & Wahlbeck,

2012). The literature on immigrant entrepreneur networks tends to emphasise networks developed in the host country, whether they involve communities of the same nationality, from third countries, or whether they are mostly locals. Nevertheless, with the development of information and communication technologies and the affordability of travel, networks in the home country can still have a major impact on these entrepreneurs. The strong ties of immigrant communities traditionally provided the so-called ethnic resources, such as ethnical market, labour and finance, but also knowledge as a vital resource for empowerment (Assudani 2009). However, such strong links may restrict the development of such enterprises at later stages (Deakins et al., 2007). Therefore, other networks outside their community must be taken into account. If the entrepreneur possesses significant prior knowledge, s/he can avoid excessive dependence on links with fellow nationals and forge links out of the immigrant community (Sequeira & Rasheed, 2006). On islands, the fellow national immigrant community tends to be smaller due to isolation with a likely trend to avoid the ethnic market, with one major exception: that the immigrant's country is also a major tourism market for the island. Local networks on the island are also an important source of knowledge since they can provide the immigrant with valuable specific knowledge about the island and its dynamics.

Institutions

Research on the impact of institutions on entrepreneurship has been highly productive, and they can sometimes be a relevant source of knowledge. Carlsson (2002) distinguishes four groups of institutional factors: the science base and mechanisms of technology transfer; the density of networks and the role of business support services and companies in related industries; the entrepreneurial climate, especially the availability of finance; and the policy environment and other infrastructure. Some of these institutions facilitate access to relevant knowledge that accelerates the business setup process, to learn about business development opportunities, and also to improve future business development (Capelleras et al., 2010). In addition, these institutions can mediate in the search for non-redundant knowledge, which will allow immigrant entrepreneurs to develop new projects (Assudani 2009). Immigrant entrepreneurs could build larger networks with weaker links, such as joining professional associations or organisations that allow them to create weak links (Sequeira & Rasheed, 2006) giving them access to new knowledge. Generally, the institutional context of the host country is not adequately understood by all immigrants (Lassmann & Busch, 2015). In situations where institutions are weaker and poorly perceived, social ties are stronger (Estrin

et al., 2013). The level of development of the institutions on islands varies considerably. As the tourist industry of an island enters the consolidation stage in its life cycle, there will probably be a wide range of local institutions willing to provide knowledge and help to potential and current immigrant entrepreneurs. These institutions can be of a public nature (e.g., public administration dealing with entrepreneurship or public destination management organisations), of a private nature (e.g., banks, consultants, or even private professional associations of the tourism sector), or mixed (e.g., chambers of commerce or some destination management organisations). The perception of immigrants as outsider competitors who are depriving locals of income can be a major barrier to obtaining knowledge from such entities.

Internet and other codified sources

Information and communication technologies facilitates networking and create new links with like-minded people outside of the local setting (Chen & Wellman, 2009). Immigrant entrepreneurs use these technologies to build networks which enable them to put their diverse knowledge and skills into practice (Qureshi & York, 2008). Moreover, Internet repositories provide relevant codified knowledge that entrepreneurs can utilise, as well as books, specialised magazines, and newspapers which also analyse industrial issues, products, production technologies and industrial and market trends. Advances in information and communication technologies (ICTs) have reduced the distance and barriers to economic interaction with the rest of the world due to geographical separation, as in the case of islands (Agrawal et al., 2006; Baldacchino, 2018). In addition, the use of the Internet has a positive effect on the ethnic diversity of key business networks (Chen & Wellman, 2009).

A review of the literature in this section has laid the foundations for studying immigrant entrepreneurship on island destinations from a knowledge perspective, but it has also shed light about the gaps and challenges that research in this area faces, especially regarding knowledge sources and origins. These gaps are even more acute to understand the knowledge dynamics that characterize immigrant entrepreneurs on tourism islands.

Methodology

In order to meet the objective of this work from an empirical perspective, a survey was conducted among immigrant entrepreneurs who had opened restaurants in tourism areas of the three Eastern Canary Islands (Gran Canaria, Lanzarote, and Fuerteventura). The

restaurant sector was chosen because it has the highest number of immigrant entrepreneurs in the tourism industry within these three islands, based on data about tourism firm creation held by the Government of the Canary Islands. This quantitative relevance is probably due to the relative lack of entry barriers.

The Canary Islands have become Europe's leading peripheral coastal destinations after the accelerated growth in tourism over recent decades, mainly because of their good climate and natural attractions. In the case of the Eastern Canary Islands, tourism development has led to a significant increase in population. In 2017 and according to the Canarian Institute of Statistics (ISTAC), the three islands had a population of 1,100,480, of which 16.4% were foreigners. The three islands jointly received 10,124,675 tourists during 2017. The number of restaurants and other food and beverage outlets on Gran Canaria in 2017 was 5,093, in Lanzarote there were 2,863, and Fuerteventura had 1,764. Between 2007 and 2015, 32% of new restaurant requests were submitted by immigrants.

The target population were immigrant entrepreneurs who were running a business with less than 10 years of existence. Defining the population was a difficult task. One of the problems was the lack of an updated database of immigrant entrepreneurs. The list of individuals in the population was based on data held by Canarian public institutions. A refining process was carried out based on the companies that were in operation, by using two specific actions: the analysis of tourism websites on the Internet (such as TripAdvisor and Google), observation at street level by the survey team as indicated in the fieldwork description, and referrals by other immigrant entrepreneurs. The final population comprised of approximately 3,110 food and beverage firms.

The questionnaire was prepared in English and Spanish. The basic scale used to measure the entrepreneur's knowledge constructed through education, experience, networks, institutions, Internet and other codified sources consisted of three items which were built on two works. On the one hand, West III and Noel (2009) declare three types of knowledge considered to be important at start-up: (1) about the industry in which the venture competes; (2) about the type of business approach adopted; and (3) about creating, building, and harvesting new ventures. On the other hand, Chandler (1996) uses task environment knowledge and skills/abilities as the two dimensions of business similarity to study the entrepreneur's knowledge, skills, and abilities. In this work we use the terms 'knowledge' and 'skills' as a basis for addressing the entrepreneur's knowledge, since the word 'knowledge' tends to be observed as the content perspective of knowledge, and 'skills' encompasses a procedural one. Thus, survey respondents were asked about knowledge and

skills in three areas: (1) business creation, (2) general management and (3) the sector, for each knowledge source. All the items were evaluated on a Likert scale ranging from 1 ("strongly disagree") to 7 ("strongly agree"). Due to relevant variations between the country of origin and the host country, the scales for education, experience and networks were duplicated to collect data from these two geographical areas. Additional information such as age, gender, propensity to return (sojourning) and number of employees were also collected. The questionnaire was pretested with three immigrant entrepreneurs, and some adaptations were performed after it.

During the fieldwork, participants were addressed by intentional, convenience and snowball sampling. The questionnaire was self-administered at the entrepreneur's business in the presence of a research assistant to help to clarify any questions. Three teams were established for data collection; one on each island. Participants were initially contacted directly at the address of the restaurant included in the original database, or found in the Internet or in the polling process. The data collection process was very complex due to the special characteristics of the population. The final sample comprised of 108 valid questionnaires and the margin of error is 7.78 at a confidence level of 0.90.

Regarding the characteristics of the sample, 62.2% of the respondents are male. The most common age range was between 41 and 50 years old (48.1%), followed by those between 31 and 40 years old (25%). In terms of the level of education completed, most respondents have completed secondary education in high school/college or vocational training (47.7%); 25.3% of the respondents have a university degree. Most immigrant entrepreneurs in the sample come from European countries (42.6%) followed by those who come from Latin America (32.4%) and Asia (21.3%). The average number of years that these entrepreneurs have lived in Spain is 12.15, and the average number of employees in the firms is 3.65.

The general goal of the empirical approach of this work deals with the description of several knowledge and knowledge-related characteristics of migrant entrepreneurs on islands. Data were analysed using IBM SPSS Statistics 26 software. Cronbach alphas, frequencies, percentages, medians, means and standard deviations, along with a cluster analysis were computed.

Results

The first set of analyses to meet the objective of this study examines immigrant entrepreneurs' knowledge sources and origin based on the knowledge needs to start, operate and manage their new tourism firms in island destinations. All Cronbach alphas are higher than 0.90. Table 1 displays data about the immigrant's education in relation to entrepreneurship, both in the home and host countries. Only two knowledge aspects (the one for setting up and implementing the business, and the one for operating in the tourism industry) barely exceed the average value of 4.

[Insert Table 1 About Here]

The analysis of experience (Table 2) reveals the high impact that this knowledge source has on immigrant entrepreneurship in island destinations. All average values for the knowledge types and geographical origins of the experience are higher than 4. The knowledge obtained through experience in the host country is quantitatively superior to that obtained in the home country, particularly in relation to knowledge for operating in the tourism industry (4.77 compared to 4.19) and for setting up a new venture (4.73 compared to 4.11). In general, more than 40% of the immigrants outlined the high relevance of experience in the host area on their entrepreneurship knowledge. It is also worth noting the relatively high values of experience in the home country, which are higher than 4.0 and also higher than those previously given for education.

[Insert Table 2 About Here]

Data on knowledge obtained via networks are shown in Table 3. None of the average values for the different knowledge types and origins is higher than 4, although one third of the immigrants in the sample outline the high relevance of home country networks in providing knowledge to start the new business. The knowledge obtained to set up and manage the business is higher in home country networks; conversely, the knowledge and skills for operating in the tourism industry obtained in host country networks is higher than that of home country networks.

[Insert Table 3 About Here]

The results from Internet, books, professional publications, and other written material, and institutions as sources for constructing knowledge are displayed in Table 4. Less than 20% of the individuals in the sample recognise Internet as a very relevant source to create and manage the new business. Similarly, most of the respondents state that books and other written material do not play a significant role in constructing knowledge to set up and manage a new tourism firm on islands. In this respect, average knowledge values are lower than 3, surpassed by only one knowledge type (knowledge and skills for the setup and implementation of the business).

[Insert Table 4 About Here]

The data collected do not seem to point to institutions as a relevant source for immigrant entrepreneurs on islands. Thus, immigrants tend to allocate a lower level of relevance to the role of institutions such as public administrations, chambers of commerce, and banks as valuable knowledge-providing organisations. The highest value they assign in this category is 3.0 (knowledge and skills for the creation and implementation of the business).

Groups of immigrant entrepreneurs in island destinations (cluster analysis)

In order to discover the existence of groups of immigrant entrepreneurs on islands based on their knowledge sources and origins, a two-step cluster analysis of their knowledge sources and origins was conducted (Table 5). Two groups of immigrant entrepreneurs on islands were identified: one which comprises 40% of the combined cases of the cluster study, and the other comprising almost 60%. These two groups can be described by the different patterns of knowledge sources and origins used in the two-step cluster analysis.

[Insert Table 5 About Here]

The members in Group 1 have higher knowledge from all the sources and origins, with the exception of the knowledge obtained from networks in the home country. The latter is the knowledge characteristic that best describes the members of Group 2. Members in Group 1 highly value the knowledge sources of the host country, with distinctly higher scores

in experience and education in the host country; they also value networks outside their community and consider the internet important. On the other hand, immigrants in Group 2 value less all sources in general, with those related to their country of origin being the most valued. Based on the detailed values of knowledge sources and origins, members of Group 1 could be labelled 'integrated knowledgeable immigrant entrepreneurs', and members of Group 2 could be considered 'immigrant entrepreneurs in foreign communities'. The higher level of knowledge from almost all the sources and the relevance of the host country for those sources have been decisive for the label of individuals in Group 1. In addition, the finding associated with the higher value of constructed knowledge from fellow nationals from the home country observed in the members of Group 2 has highlighted the dependence of these entrepreneurs on their home-country community.

Further descriptive analyses have been conducted in order to shed more light on the profiles of immigrant entrepreneurs included in the two groups respectively. The *integrated knowledgeable immigrant entrepreneurs* (Group 1) are younger, speak the local language (i.e. Spanish) better, and tend to avoid going back to their home country even when they have spent less time in the host area. The *immigrant entrepreneurs in foreign communities* are on average two years older and express a higher level of desire to return to their home country. In relation to the tourism business that they have set up on the islands, they appear to have done so by necessity (and not by opportunity) to a higher degree than the *integrated knowledgeable immigrant entrepreneurs*, and their firms tend to be larger and with more employees from their home country.

In terms of gender, both groups are mostly male. However, the proportion of women is higher in the *integrated knowledgeable immigrant entrepreneurs* than in the *immigrant entrepreneurs in foreign communities* (42.9% and 35.3% respectively). In terms of country of origin, the two groups show similar proportions: in Group 1 those migrating from other countries in the European Union are 45.9% and in Group 2 they are 45.5%.

Discussion

The findings of this work help to understand the role of knowledge in the immigrant entrepreneurial process in the tourism sector of islands. Any discussion about immigrant entrepreneurs is incomplete without recognising the role played by human capital (Sequeira & Rasheed, 2006). Immigrants turn to different sources and areas to construct the knowledge

they need to start new firms in the tourism sector in islands.

The analysis of the knowledge sources has started with the role of education in immigrant entrepreneurship in the tourism sector of islands. However, it seems that education is not a very relevant knowledge source for setting up and managing new firms in this context, as many immigrants do not observe education as a major source of knowledge for entrepreneurship on the island. In fact, Ganotakis (2012) warns of the lack of positive impact of technical education without managerial experience or training. Immigrants tend to learn about tourism entrepreneurship via formal education in their home country. The relevance of education in the host country is lower, hence suggesting that immigrants do not have the ability, motivation or time/opportunities to access the educational system in the host islands for entrepreneurship purposes.

Experience is the main knowledge source for creating new ventures in the island tourism sector, as it is by far the most relevant source of the five addressed in this work. Corroborating the general significance found in the academic literature (e.g., Aliaga-Isla, 2014), immigrants seem to construct much of their knowledge from prior work experience. Results for the host country reveal that the island tourism sector can provide valuable local experience, especially for the setup, implementation and operation of new businesses in the industry. By having previously worked in the tourism sector, immigrants develop knowledge that prepares them not only for their jobs, but also for future entrepreneurship, as Collins and Shin (2014) suggest. Understanding tourists' needs and demands, and the complex system of interactions in the tourism sector, definitely helps to identify opportunities and manage new ventures. Experience in other industries also fosters the ability to manage firms and take risks, facilitates information on setting up a new venture, and even provides tips on approaching the tourism sector with new 'out of the box' ideas. The maturity of the tourism industry on islands propels the transfer and generation of knowledge, and immigrants can capitalise on it. Regarding the geographical comparison, it seems that immigrant entrepreneurs on islands tend to learn more from experience in the host countries than in their home areas.

Immigrant entrepreneurs on islands also construct knowledge from their interactions with other individuals, but the relevant role that networks play in entrepreneurship (e.g., Sequeira & Rasheed, 2006) does not seem to be confirmed in this work. Knowledge from networks is not as high as that gained from experience or from education in the home country. The geographical characteristics of islands probably make it more difficult for the entrepreneur to take advantage of their contacts, compared to wider continental territories

with a bigger critical mass of fellow nationals. Moreover, immigrants tend to learn more about setting up and managing a business in their home country, and they use networks in the host countries, especially on host islands, to acquire knowledge on the particularities of the local tourism context. Another remark in this line is provided by Estrin et al., (2013) who draw a similar conclusion after observing that entrepreneurs have weaker social ties in territories where institutions are positively perceived.

The two last categories of knowledge sources are the institutions and Internet and codified sources. Institutions such as public administrations, chambers of commerce and banks are the weakest knowledge source for immigrant entrepreneurs in the island tourism sector. The only noteworthy value in this trend in the data collected, is their role as information providers for creating and setting up the new venture, even though that role is exceeded by all other knowledge sources. Due to the classical assumption that these institutions encourage entrepreneurship and assign many resources to assist and foster entrepreneurship (e.g., Dana, 2000), this could be considered a major failure in terms of their performance towards the immigrant collective on islands. One explanation could be the lack of language skills and cultural knowledge of staff in these organisations. Another potential reason lies in the very nature of the migration process, meaning that some of these entrepreneurs mistrust them due to irregular access to the country/island. Regarding Internet and other codified, written material, immigrants do not seem to prioritise them as very useful sources for setting up and managing new tourism firms on islands. This hinders the possibility of exploiting an area where islands could compete equally, considering the development and lack of physical barriers that ICTs imply. However, the distribution system possibly discourages the use of books and some publications since publishing houses restrict their diffusion on islands and the transport of goods takes longer to reach more isolated island territories.

Sequeira and Rasheed (2006) indicate that immigrants arrive in their host countries with differing levels of human capital, reinforcing the idea contained in the academic literature about the existence of different groups of immigrants regarding their knowledge (unqualified immigrant workforce versus highly qualified immigrants that contribute to the loss of talent in their home countries). This study has also found the existence of two clearly different types of immigrant entrepreneurs on islands destinations: the *integrated knowledgeable immigrant entrepreneurs* and the *immigrant entrepreneurs in foreign communities*. The first type of immigrants tends to be younger and more embedded in local networks, and they take advantage of local education and experience in order to start up their

new ventures. The *immigrant entrepreneurs in foreign communities* have spent more time in the host country but they have a lower level of Spanish. These entrepreneurs have a higher propensity to return to their home countries and they have mainly constructed their knowledge for tourism entrepreneurship and management on the island from networks with individuals and experience from the home country. In addition, while the firms created by *integrated knowledgeable immigrant entrepreneurs* are smaller, they tend to have been created driven by opportunity, thus leaving room for a higher level of innovation and novelty in the tourism sector of the host islands. Moreover, there has been a change in recent years with the arrival of immigrants who are more willing to construct their knowledge from sources in their host area and from the Internet, written material and local institutions.

Conclusions

This work has described the main features of immigrant entrepreneurs' sources and origin of knowledge based on the needs to start, operate and manage their new tourism firms in island destinations. This description provides some interesting academic and practical implications, which represent several contributions that add to knowledge about immigrant entrepreneurship on islands. Firstly, the existence of some knowledge sources that are more relevant than others to face entrepreneurship in the immigrant community on islands has been highlighted. Secondly, the relevance of the two geographical scopes where knowledge by immigrants is constructed differs based on the knowledge source and even the specific learned aspect. A third relevant finding of this study reveals the existence of two groups or profiles of immigrant entrepreneurs based on their knowledge construction patterns.

The results of this work also enable to make several recommendations to public administrations and destination management organisations on islands. Firstly, islands should foster educational systems that provide entrepreneurship training for immigrants. While the immigrants' level of education appears to be not so relevant in terms of immigrant entrepreneurship from the data collected, this may be due to the lack of specific managerial training, in line with Ganotakis (2012). Management courses targeting new entrepreneurs from the island's main immigrant groups working in the tourism sector could be offered at university or vocational level. Moreover, another interesting measure to foster the transfer of knowledge could be the creation of associations of entrepreneurs with immigrant background, or sections in the chambers of commerce of islands that initiate networking programs for the exchange of potential foreign entrepreneurs' entrepreneurial experiences. In

this vein, services of public administrations and organisations that have an interest in local entrepreneurship on islands should also be guided to assist the main immigrant population collectives on the island.

This work has several limitations. The empirical study was conducted in the restaurant industry; while this subsector is highly relevant in the tourism industry and it is arguably the main subsector for immigrant entrepreneurship in island destinations, care should be taken when generalising the results for the global tourism industry. Moreover, the findings are based on a limited number of respondents due to the complex fieldwork and likely misunderstanding about the potential use of the information gathered; this limitation can affect the exact level of the quantitative values for each knowledge input, but the trend in the hierarchy of the knowledge sources is expected to remain in similar terms following the identified patterns. In addition, the data have been collected through a questionnaire. In this regard, a qualitative approach could complement the results of this study. Finally, it would be interesting to see the results of any future analyses of immigrant entrepreneurship in other islands (for example in the Caribbean and Southern Europe) in order to compare the results of this study with the situation in other important small island destinations.

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Table 1. Immigrants' knowledge from education in home and host country. Source: Authors.

Type of knowledge	Education in home country						Education in host country					
	Mdn.	\bar{x}	St. Dev.	Low %	Med %	High %	Mdn.	\bar{x}	St. Dev.	Low %	Med %	High %
Knowledge and skills for the creation and impl. of the business	4.00	4.02	2.23	32.7	36.6	30.7	4.00	3.68	2.24	38.7	34.0	27.4
Knowledge and skills to manage the business	4.00	3.89	2.24	35.6	34.6	29.7	4.00	3.64	2.22	36.8	38.7	24.5
Knowledge and skills to operate in the tourism sector	4.00	4.00	2.34	36.0	30.0	34.0	4.00	3.88	2.34	37.4	29.8	33.7
Cronbach Alpha	0.936						0.950					

\bar{x} : Mean; Mdn: Median

Table 2. Immigrants' knowledge from experience in home and host country. Source: Authors.

Type of knowledge	Experience in home country						Experience in host country					
	Mdn.	\bar{x}	St. Dev.	Low %	Med %	High %	Mdn.	\bar{x}	St. Dev.	Low %	Med %	High %
Knowledge and skills for the creation and impl. of the business	4.00	4.11	2.36	35.9	27.2	35.0	5.00	4.73	2.21	21.9	34.3	43.8
Knowledge and skills to manage the business	4.00	4.17	2.26	35.0	31.0	34.0	5.00	4.56	2.23	24.5	34.8	40.6
Knowledge and skills to operate in the tourism sector	4.00	4.19	2.28	29.4	35.2	35.3	5.00	4.77	2.17	21.9	30.5	47.6
Cronbach Alpha	0.946						0.916					

Table 3. Immigrants' knowledge from networks in home and host country. Source: Authors.

Type of knowledge	Network in home country						Network in host country					
	Mdn.	\bar{x}	St. Dev.	Low %	Med %	High %	Mdn.	\bar{x}	St. Dev.	Low %	Med %	High %
Knowledge and skills for the creation and impl. of the business	3.50	3.85	2.36	35.2	31.4	33.3	4.00	3.74	2.01	30.5	46.3	23.2
Knowledge and skills to manage the business	4.00	3.83	2.22	33.4	38.9	27.8	4.00	3.79	2.01	30.6	45.4	24.1
Knowledge and skills to operate in the tourism sector	3.00	3.63	2.32	41.7	31.5	26.8	4.00	3.81	2.10	35.2	39.9	25.0
Cronbach Alpha	0.916						0.936					

Table 4. Immigrants' knowledge from Internet, books and written material, and institutions.

Source: Authors.

Type of Knowledge	Internet					Books and written materials					Institutions				
	Mdn.	\bar{x} (St. Dev.)	Low %	Med %	High %	Mdn.	\bar{x} (St. Dev.)	Low %	Med %	High %	Mdn.	\bar{x} (St. Dev.)	Low %	Med %	High %
Kn. to create b.	3.00	3.55 (2.03)	34.6	45.7	19.6	2.00	3.03 (1.94)	52.4	33.3	14.3	3.00	3.00 (2.01)	49.1	33.3	17.6
Kn. to manage b.	3.00	3.51 (2.04)	36.2	43.9	19.6	2.00	2.91 (1.93)	57.8	27.5	14.7	2.00	2.82 (2.03)	53.7	29.6	16.7
Kn. to operate in tourism s.	4.00	3.68 (2.1)	33.6	42.0	24.3	2.00	2.90 (1.97)	54.9	28.8	16.3	2.00	2.86 (1.96)	50.9	34.2	14.8
Cronbach Alpha	0.925					0.969					0.946				

Table 5. Cluster distribution and knowledge sources by group. Source: Authors.

Knowledge source	Group 1 [Integrated knowledgeable immigr. entrepreneurs]		Group 2 [Immigr. entrepreneurs in foreign communities]	
	Mean	Standard dev.	Mean	Standard dev.
	Education in home country	4.676	2.181	3.097
Education in host country	5.874	1.233	2.661	1.623
Experience in home country	5.622	1.694	4.018	2.030
Experience in host country	6.171	0.951	2.830	1.666
Networks in home country	3.135	2.199	4.036	2.015
Networks in host country	3.955	1.988	3.321	1.750
Internet	4.351	1.934	3.006	1.764
Books and other written material	4.099	2.024	2.079	1.305
Institutions	3.559	2.077	2.346	1.498
<i>Cluster distribution</i>	<i>N</i>	<i>% of the combined cases</i>	<i>% of the total cases</i>	
Group 1	37	40.2%	34.3%	
Group 2	55	59.8%	50.9%	
Combined	92	100.0%	85.2%	
Excluded cases	16	-	14.8%	
Total	108	-	100,0%	