SUBODH BHAT
San Francisco State University, USA

ETHNIC ENTREPRENEURSHIP IN THE U.S. HIGH-TECH INDUSTRY

Abstract:

Since the 1990s, there has been an explosion of startups by Indians and Chinese in the U.S. high-tech industry. This study investigates the motivations, support systems, networks, attitudes and behaviors of these new Indian entrepreneurs based on interviews with over two dozen entrepreneurs and a web survey of eighty respondents.

The respondent sample was predominantly male, between 30 and 49 years of age and had masters degrees.

Our respondent entrepreneurs were motivated primarily by the desire to create something new and the potential for making money. Other major motivators were the propensity for action ("doing"), the excitement of entrepreneurship, the desire for autonomy and having the technological edge or industry vision.

They relied on friends, former co-workers and relatives for help in starting the business. They also highlighted the importance of fellow Indians (informal rather than formal networks) in the startup process. This was also demonstrated in the fact that about three-fourth of the co-founders of our respondents' businesses were Indians. Surprisingly, university ties and formal professional networks, whether Indian or not, were rated least influential in the startup process. Whereas former co-workers, friends, and other Indians helped across a range of business functions, family help was mainly in the realm of finance. Only one-fifth of these entrepreneurs received help from any government institution.

Our respondents rated their success in business as quite high on various measures. Unfortunately, they also reported that their businesses were not generally quite profitable. They judged their success not only on the basis of typical business barometers like revenues and profits, but also on personal wealth, sense of achievement and organization-building.

Our respondents attributed their success mainly to hard work and focus or drive. Other major factors were supportive relationships at work and with family and friends, technical knowledge and experience, command of English, education in the U.S., and access to finance.

Friends, former co-workers, and the general category of Indians played major roles in the success of these entrepreneurs. Surprisingly, relatives and university mates were not considered very crucial for success. Business or professional organizations were rated least important.

Keywords:

Entrepreneurship, high-tech, startup success