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Diaspora Entrepreneurship and Technology Transfer: A Conceptual Model of Strategic Leadership and Absorptive Capacity

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Abstract — This paper will explore the connection between diaspora entrepreneurship and technology transfer to the home-country firm and if strategic leadership of the home-country firm moderates the relationship, in the context of Nigeria.

Design/methodology/approach: The paper is conceptual and has a narrative review. It is a mix of aspects of social capital, absorptive capacity and upper echelons theory. It is informed by evidence from China, India, Ghana, Kenya and Nigeria and by empirical studies mostly from the past 10 years, particularly from 2023 to 2026.

Findings: Diaspora and returnee connections have a knowledge border transcending function. The former will prefer to adopt technology when technology is being used, when there is a high level of ecosystem maturity, institutional quality, low relational friction, and high absorptive capacity of the receiving firm. Strategic leadership as a moderator in this relationship was not studied in any of the studies reviewed, and the Nigerian evidence was on remittances and not technology. The paper makes three propositions. There is a positive relationship between technology transfer and diaspora entrepreneurship and strategic leadership strengthens this relationship. As an alternative explanation, absorptive capacity is a mediator and leadership works through it.

Limitations/implications for research: The propositions are not tested and are a mixed evidence base. Future studies should compare and contrast the moderation and mediation models with the firm level data of Nigeria.

Practical implications: diaspora entrepreneurs need to think of transfer as a partnership with other partners that are able to absorb the transfer. Receiving firm should designate a leader to adopt the external knowledge. Increase institutional reliability: Policy-makers should make the institutions more reliable.

Originality/value: This paper shifts the focus from the diaspora actor to the receiving firm. It presents conflicting views of strategic leadership in an African context.

Keywords: Diaspora Entrepreneurship, Technology Transfer, Strategic Leadership, Absorptive Capacity.

1.0 Introduction

Today, migration is one of the drivers in the organisation of economic activity across borders by the firms, investors and governments. Diasporas shape trade, investment and entrepreneurship in both their countries of origin and residence. Migration is not just about the flows; the frameworks and institutions that regulate these flows also matter (Elo et al., 2025). In this change, transnational diaspora entrepreneurship has become a more socio-cultural and economic phenomenon that has gained increasing interest (Sternberg et al., 2023).

Diaspora entrepreneurs bring knowledge, networks and legitimacy from their experience abroad with an understanding of the conditions at home, making them potential technology transfer agents (Saxenian, 2006; Riddle & Brinkerhoff, 2011). The knowledge can move and innovation flourish at home as demonstrated in China and from ethnic scientific networks in the United States (Kerr, 2008; Liu et al., 2010). However, this is not guaranteed. In India, the advantage of being a returnee has declined due to the development of the domestic ecosystem (Wadhwa et al., 2026). The liability of returnees in Kenya has been attributed to the misconception and mistrust between the

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returnees and host communities (Mreji & Barnard, 2021). But the impact of knowledge once it gets to the home is as important as when it arrives.

The problem is evident in Nigeria. In 2024, it attracts the highest remittance inflows of US$20.98 billion, which represents over 40 per cent of the entire sub-Saharan Africa (SSA) region (Olubodun et al., 2025). It requires technological upgrading as well. However, the evidence that is available is of financial flows and not of technology, and where institutions are poor, remittances have not brought about any lasting enterprise (Olubodun et al., 2025). Much remains unknown about the process of how diaspora and returnee entrepreneurs' knowledge is translated into technology that can be used by firms in Nigeria.

A portion of the solution is within the receiving company, this paper proposes. Whether knowledge from outside can become practice can depend on the strategic leadership – the ability of the CEO and senior team to give direction to that knowledge, to invest in it and to embrace it and to rally staff behind it. If there is no leadership in place, diaspora knowledge can remain with the persons who possess it. An alternative explanation is that leaders have limited impact due to their ability to create the firm's absorptive capacity.

The idea of the paper is conceptual. It combines social capital, absorptive capacity and upper echelons theory and formulates three propositions between diaspora entrepreneurship and technology transfer and strategic leadership. These include a competing model that sees leadership as being achieved through absorptive capacity. The paper makes three contributions: it shifts the focus from diaspora actor to the receiving firm, it incorporates leadership theory into diaspora entrepreneurship research, and it outlines a particular evidence gap in Nigeria.

The rest of the paper is organised as follows. The review approach is explained in Section 2.0. The constructs and theories are explained in sections 3.0 and 4.0. Section 5.0 contrasts country contexts and Section 6.0 reviews empirical evidence. The propositions are presented in Section 7.0, implications discussed in Section 8.0, limitations and future research in Section 9.0, and conclusions in Section 10.0.

2.0 Review Approach

This article is a conceptual paper with a narrative review. It does not make any claim to comprehensiveness of a systematic review. It is designed to combine the evidence of diaspora entrepreneurship with technology transfer and strategic leadership, and to formulate propositions to be tested. The sources were identified using a combination of keywords from scholarly search engines and publisher databases: diaspora entrepreneurship, returnee entrepreneurs, transnational entrepreneurship, knowledge and technology transfer, absorptive capacity, strategic leadership and top management teams. Key studies were also searched in the reference lists of the studies. The studies from 2023–2026 were included. Previous studies were only kept when they present a theory or construct applied in the model (Cohen & Levinthal, 1990; Hambrick & Mason, 1984; Nahapiet & Ghoshal, 1998; Zahra & George, 2002) or provided foundational evidence on diaspora and returnee knowledge flows (Kerr, 2008; Liu et al., 2010). An attempt was made to deliberately seek studies from Africa, because of the focus on Nigeria. The report of one think tank (Wadhwa et al., 2026), which provides recent firm-level data on Indian returnees not available elsewhere, is included and treated as indicative. Sources that were not attributed to a verifiable publisher were omitted.

3.0 Conceptual Clarification

3.1 Diaspora Entrepreneurship

Diaspora entrepreneurship is the development and operation of entrepreneurial businesses by migrants and their offspring who maintain economic, social or emotional connections to a country of origin (Sternberg et al., 2023). It is part of a broader field of study on trade, investment, remittances and technology (Elo et al., 2025) that includes migrant entrepreneurship. But it does have one difference that is relevant here: the venture is not detached, so it continues to have ties, obligations or business activity in the home country (Riddle et al., 2010). This paper adopts a perspective on returnee entrepreneurs that is largely consistent with the literature, which considers them to be part of the diaspora (Gruenhagen et al., 2020; Marin & Freiling, 2026). These are people who have a skill and either study or work overseas and then established ventures at home. The choice is important because the majority of the evidence for diaspora knowledge flows, from China, India, Ghana and Kenya, is related to returnees. Thus diaspora entrepreneurship pertains to two groups: persons of Nigerian origin in the diaspora operating ventures with Nigeria, and Nigerian returnees that start or lead ventures in Nigeria.

3.2 Technology Transfer

Technology transfer is the transfer of technical knowledge, skills and practices from a source to a recipient who can utilize the technical knowledge, skills and practices. Technology includes not only equipment but also the know-how and competence needed to operate it (Lamere et al., 2024). Transfer is considered here as a process, and not a single delivery. Lamere et al. (2024) reported that it is effective in Uganda, Kenya and South Africa as long as there is knowledge sharing and absorptive capacity, and they call for two-way exchange. Diaspora transfers could be related to production methods, digital tools, management routines or market knowledge. The recipient can be the diaspora venture itself, or a local partner. Transfer is only complete when the knowledge is being used in the receiving firm, therefore diaspora knowledge is not necessarily technology transfer.

3.3 Strategic Leadership

Strategic leadership involves strategic tasks that can be carried out by leaders at the highest level of an organization that can have strategic impacts on the organization as a whole including the CEO, the top management team and board of directors (Samimi et al., 2022). The idea is based on the upper echelons theory but is not exactly the same, so Crossland et al. (2024) warn that the terms shouldn't be confused. For this paper, strategic leadership is in the receiving Nigerian firm. It is the ability of the founder or chief executive and the senior team to establish direction for external knowledge, invest resources in knowledge acquisition and get people on board with using it. The construct has been studied largely outside of Africa (Singh et al., 2023), but recent studies have started to investigate it in the African emerging economy context (Kebede et al., 2024).

3.4 Unit of Analysis

The unit of analysis for this study is the receiving firm in Nigeria. It can be an initiative started by a returnee or a local company, in cooperation with a diaspora entrepreneur overseas. It is good to have all three constructs at this level so that the model is consistent. Diaspora entrepreneurship provides the knowledge and connections, technology transfer is seen in the recipient company, and strategic leadership is provided by the leadership of the recipient company.

4.0 Theoretical Foundations

The model is based on three theories. The social capital theory is a theory that explains how diaspora entrepreneurs access knowledge. Absorptive capacity theory provides insights into the transformation of that knowledge into technology in use. The theory of upper echelon provides an explanation for the differences in how leaders make the link between the two. None suffices alone.

4.1 Social Capital Theory

Social capital is the assets that lie within and are mediated by a network of social relationships. Nahapiet and Ghoshal (1998) identify three types of components: structural, relational and cognitive, and claim that social capital contributes to the generation and sharing of knowledge. The theory is well suited to diaspora entrepreneurship as the diaspora entrepreneur has a relationship in both countries and can bridge the two countries (Riddle & Brinkerhoff, 2011). Wang et al. (2024) use this lens to focus on the returnees of Ghana. They demonstrate how social capital (which is created through opportunity, motivation and ability) affects value in knowledge transfer across the international boundary. But not everything ties are helpful. For Ethiopian returnees, the authors find that social networks have a negative correlation with business success, which is believed to be due to bonding relationships that limit rather than expand opportunities (Kassaye et al., 2025). Proposition 1 is explained by social capital theory in the model, but it is important to note that it is not just about the quantity of ties, but also the quality.

4.2 Absorptive Capacity Theory

Cohen and Levinthal (1990) describe absorptive capacity as the capacity of a firm to identify the value of external knowledge, learn it and utilize it. They believe that this skill is heavily dependent on and based on prior related knowledge. Zahra and George (2002) redefine it as four capabilities: acquisition, assimilation, transformation and exploitation, which they categorize as potential capacity and realised capacity. Later, it is shown that these abilities are not uniformly applied. However, Singh et al. (2025) found that acquisition, assimilation and transformation in Indian multinational subsidiaries led to reverse knowledge transfer, but not necessarily to the exploitation. The theory moves the transfer process into the receiving organization: diaspora knowledge is transformed into technology when it can be identified, adapted and applied within the receiving organization (Lamere et al., 2024). It thus specifies the model's result and justifies the other side of the argument based on Proposition 3.

4.3 Upper Echelons Theory

As the executives' experience, values and cognition affect their strategic decisions, so do they influence the organisations in which they work (Hambrick and Mason 1984). Subsequent studies expanded the scope to the top management team and the board (Samimi et al., 2022). It has also connected strategic leaders with innovation, in terms of the decisions they make and the systems they create (Cortes & Herrmann, 2021). The theory is applied here as a way to look at strategic leadership, not as a definition of it as per Crossland et al. (2024). It accounts for how two similar receiving firms with the same access to diaspora knowledge might transfer different amounts of technology: the leaders' perception of the opportunity and the resources they devote to it are different. Proposition 2 is based on this reasoning.

4.4. Integrating the three Theories

The theories combined make one stream of thought. Social capital provides the recipient firm with diaspora knowledge and partners. That knowledge becomes technology in use or not depends on absorptive capacity. Upper echelons theory is the theory used to explain the nature of differences among leaders as they enable this transformation. Theories also have two interpretations of the function of leadership. Leadership is a moderator, as stated in Proposition 2, if leaders influence the strength of diaspora relationships to transfer at a certain level of capacity. Leaders, as stated in Proposition 3, have an earlier role in the chain, if the role of leaders is primarily to build absorptive capacity over time. There are designs that have been developed to split up these roles. According to Hassan et al. (2025), the knowledge

integration capability was a moderating variable between e-leadership and strategic innovation, and inter-team coordination was a mediator. Thus, it is possible and useful to test the two readings against each other.

5.0 comparative analysis of country contexts

This section provides a comparison of five settings in which diaspora and returnee entrepreneurs have been connected to knowledge and technology flows. Two of the benchmarks are Asian, China and India, and three of the cases are African, Ghana, Kenya and Nigeria. The comparison is structured based on three questions: the level of support from the state for diaspora ventures, the maturity of the home ecosystem and whether evidence is available on knowledge and technology or just financial flows. The studies are not homogeneous in terms of methodology or quality, so they cannot be compared statistically.

5.1 Asian Benchmarks: China and India (PNG)

The best evidence of a returnee advantage is in China. In Beijing's Zhongguancun Science Park, out of 711 high technology SMEs, those companies with a returnee entrepreneur were more export-oriented and had better export performance (Filatotchev et al., 2009). Returnee entrepreneurs stimulated innovation and knowledge spillovers among other firms as revealed by panel data of Chinese high technology firms (Liu et al., 2010). The state further strengthened these through incubators for returnees, preferential funding and talent programmes (Wadhwa et al., 2026).

India demonstrates the power it can wield as an ecosystem evolves. Comparative studies of Taiwan, China and India suggest otherwise, suggesting that it is not returnees who started these technology industries. They emerged as significant once the domestic entrepreneurs had already begun to stimulate growth (Kenney et al., 2013). A recent study by Wadhwa et al. (2026) on 596 Indian startups in the high tech sector founded between 2016 and 2023 corroborates this trend. Long-term returnees were more likely to have a higher median funding of their ventures, and were more likely to have a higher survival rate (96.1 per cent to 87.8 per cent for domestic ventures). But in all three unicorn cases, there were only local teams behind the founding of the unicorn. The authors argue that this is due to a maturing domestic ecosystem and a policy approach which does not differentiate returnees from other founders. This is due to the fact that that study is a think tank report, with correlational analysis, which means the findings are considered indicative.

5.2 Ghana

The Ghana situation is one of evidence of mechanism and not performance. Based on interviews with 20 returnees from Ghana, observation, archival data, and an expert interview, Wang et al. (2024) demonstrate that social capital created by opportunity, motivation and ability influences the value added in international knowledge transfers. They also recognize social factors that may be obstacles to transfer. A broader study of entrepreneurs in the African diaspora in the United Kingdom reveals the same: entrepreneurs possess knowledge and skills from overseas and also have trustworthiness of their family and business relations at home to establish businesses (Nyame-Asiamah et al., 2020). Ghanaian experience thus indicates that transfer is not only a function of the status of the returnee but is also dependent on the relationship in which knowledge is transferred.

5.3 Kenya

The resistance overcome by transfer is illustrated in Kenya. Mreji and Barnard (2021) identify returnee liability in a mismatch of expectations, cultural tension and mutual suspicion between returnees and local actors among 20 technology-enabled returnee entrepreneurs in Nairobi. Further research among Kenyan returnees reveals that the opportunity and the liability go hand in hand, with returnees using the knowledge acquired from outside to create innovative enterprises and also experiencing the institutional burden of a different context (Mreji et al., 2026). The value of technology transfer was also influenced by the recipient's absorptive capacity, and two-way interactions with local partners, in a technology transfer study, including a Nairobi site (Lamere et al., 2024). It is therefore clear that Kenya shows that knowledge from the diaspora needs to be managed within the receiving organisation.

5.4 Nigeria

Nigeria evidence has more to do with money than technology. Olubodun et al. (2025) conclude that diaspora remittances increased self-employment in the short term but decreased it in the long term, based on the annual data from 1991 to 2020, and conclude that it is related to the weak institutional quality. The authors also find remittance inflows of US$20.98 billion in 2024. There is limited evidence on knowledge transfer in the form of case studies. Ojo (2017) analysed two returnees from Nigeria and reported the situations facing them, alongside the widely held misconceptions regarding the relocation of a business home. There are no sources found for this paper which measure technology transfer by Nigerian diaspora ventures directly.

5.5 Cross-Case Synthesis

Three patterns emerge. Firstly, diaspora links are essential but not sufficient. In all instances: ecosystem maturity in India, relationships in Ghana, interpersonal friction in Kenya and institutional quality in Nigeria. Second, there are differences in state approaches. It is China that is directly targeting returnees, and Nigeria's institutional weakness means that inflows have limited impact.It is China that is specifically targeting returnees, and Nigeria's institutional weakness means that inflows just have limited impact.

Thirdly, none of the studies measures strategic leadership, but Ghanaian and Kenyan evidence indicates processes within the receiving company in which strategic leadership occurs: the building of relationships, managing friction, and developing the capacity to absorb knowledge. There is also a diversity in terms of the kind of evidence. The Asian studies provide a measure of firm performance, the African studies delineate mechanisms, and the Nigerian evidence deals primarily with the flow of money. The only obvious gap in this comparison is the study of the technology transfer in Nigerian receiving firms.

6.0 Review of Empirical Evidence

The empirical literature validates the three links of the model as diaspora connections and transfer, absorptive capacity in the receiving firm, and leadership as a conditioning factor. None of the three are covered in a single study.

6.1 Diaspora Ties and Knowledge Transfer

Although firm-level studies support the finding that returnees can help to increase innovation, the impact varies based on the role of the returnee and the context of the firm. Qiao et al. (2024) determined that returnee employees and technologists were positively correlated with domestic patenting, and that overseas work experience is more important than overseas study, using data for 2,499 Chinese listed firms between 2002 and 2016. By contrast, those managing returnees were linked to U.S. patenting. The positive effects were confined to state owned enterprises, large firms and the eastern regions. Hajdari et al. (2024) conducted a survey of 151 returnee entrepreneurs to examine factors that influence the education and knowledge transfer of returnees and whether time spent abroad has any moderating effect on business development. They found that education and knowledge transfer were positively associated with business development among returnees, and that time spent abroad did not have any moderating effect. Qualitative research in the Philippines also indicates that returnees are not "one and the same". They affect to a greater or less degree depending on their human capital and the level of their integration into home institutions (Marin & Freiling, 2026). These studies collectively demonstrate that diaspora knowledge does get to home firms, although in a fragmented manner.

6.2. Absorptive Capacity and the Receiving Firm

Another set of studies attributes success or failure within the receiving organization. Singh et al., (2025) conducted a study on knowledge transfer from developed economies to Indian multinational corporations in developed economies using structural equation modelling and found that acquisition, assimilation and transformation had a positive impact on the reverse knowledge transfer, while exploitation did not. Krasniqi et al. (2025) concluded that for returnee-owned firms in Kosovo, returnee status did not directly influence performance, but rather knowledge transfer within the firm did. Jafar et al. (2026) found that an institutional intermediary had a significant impact on the level of knowledge flow between the two groups of firms, as seen in an agent-based simulation of 30 returnee-founded firms and 30 local firms in an Iranian technology park. These studies consider absorptive capacity and exchange routines not as a consequence of diaspora knowledge but as conditions, in their own right.

6.3 Leadership as a Conditioning Factor

There is more evidence of leadership and knowledge-based innovation, but it is in other contexts. Hassan et al. (2025) conducted a study on inter-team coordination and knowledge integration capability that were found to moderate the effect of e-leadership on strategic innovation in a sample of 241 professionals from the United States. Walrave et al. (2024) demonstrated that the strength of the relationship between knowledge diversity and innovation performance was mediated by the structure of the top management team, using longitudinal data on 124 pharmaceutical companies, 2,815 top managers and 34,203 inventors. Gonzalez (2024) found that in 218 Brazilian manufacturing companies, the leadership of knowledge acted as a moderator in the relationships between absorptive capacity and open innovation. The field of strategic leadership research focuses very much on the non-African region, on the whole (Singh et al., 2023). In recent years, empirical studies have been conducted in Ethiopia to investigate the development of some strategic leadership practices, such as strategic control and stakeholder engagement, with low levels of development in the Ethiopian context (Kebede et al., 2024).

6.4 Gaps in the Evidence

Four gaps follow. First, there is little direct evidence of technology transfer from diaspora ventures, and the evidence that does exist is based on small qualitative samples or correlational data. Second, the leadership studies reviewed do not focus on diaspora ventures or on receiving firms. Third, none of the studies tests strategic leadership as a moderator of the link between diaspora entrepreneurship and technology transfer. Fourth, the Nigerian evidence is on remittances, not technology. In addition, the studies employ a variety of techniques, such as interviews, time series, structural equation modelling, and simulation, making it difficult to compare their effect sizes directly. The propositions in Section 7.0 are aimed at directing the study in the Nigerian context to fill the gaps.

7.0 Propositions and Conceptual Model

The review in Sections 4.0 to 6.0 indicates that diaspora connections are sources of knowledge but the amount of technology in use depends on the conditions within the receiving company. In this section, it is stated that argument as three propositions. The unit of analysis is the receiving

Nigerian firm and can either be a start-up by a returnee or a local firm that collaborates with a diaspora entrepreneur.

7.1 Diaspora Entrepreneurship and Technology Transfer

Diaspora entrepreneurs bring with them technical knowledge, management practices and networks they have acquired overseas, as well as knowledge of domestic conditions (Saxenian, 2006; Riddle & Brinkerhoff, 2011). Multiple contexts suggest that these resources move around. Knowledge flows in ethnic scientific networks within the US, as evidenced in patent citations, and manufacturing output in home countries increases with greater scientific connections to the American frontier (Kerr, 2008). Liu et al. (2010) found that in China, the existence of returnee entrepreneurs stimulated firm innovation and led to spillovers of knowledge to other firms. In Africa, diaspora entrepreneurs from the United Kingdom brought knowledge and skills they acquired overseas, and they established relationships that supported their transfer of knowledge at home based on opportunity, motivation and ability (OMA) (Nyame-Asiamah et al., 2020), while Ghanaian returnees transferred knowledge through relationships that are founded in opportunity, motivation and ability (OMA) (Wang et al., 2024). The connection is explained by social capital theory, which suggests that social relations provide knowledge and provide trust required for the sharing of knowledge (Nahapiet & Ghoshal, 1998).

Proposition 1: Diaspora entrepreneurship positively correlates with technology transfer to receiving companies in Nigeria.

7.2 The Moderating Role of Strategic Leadership

The same evidence reveals that there is a lack of symmetry between the two sides of the relation. In Nairobi, returnees were expected to shoulder a responsibility based on expectations that were not met, as well as cultural tension and suspicion between them and the local hosts (Mreji & Barnard, 2021). The linkage between returnees and innovation was found to be mediated by ownership, location and size in China listed companies (Qiao et al., 2024). One explanation for this difference is found in upper echelons theory, which suggests that top managers perceive opportunities and utilize resources based on their own experience and values (Hambrick & Mason, 1984). Diaspora knowledge is more likely to transcend the person who possesses it when strategic leaders provide direction, resources and staff to the knowledge. There is supporting evidence from related work. In the pharmaceutical companies, the relationship between knowledge diversity and innovation performance became stronger or weaker depending on the composition of the top management team (Walrave et al., 2024). The relationship between e-leadership and strategic innovation was also mediated by the knowledge integration capability (Hassan et al., 2025).

Proposition 2: Strategic leadership of the receiving firm moderates the relationship between diaspora entrepreneurship and technology transfer, with the relationship being stronger in the presence of high strategic leadership in the receiving firm.

7.3 A Rival Explanation through Absorptive Capacity

An alternate version attributes leadership to a higher position. Absorptive capacity can be defined as the ability to recognize, absorb and apply external knowledge (Cohen & Levinthal, 1990; Zahra & George, 2002) and leaders can be important primarily because they develop it. Given the 151 returnee-owned businesses in Kosovo, the authors found that returnee status had no direct positive impact on performance; knowledge transfer had the impact, and the authors believe it is because of the ability of the business to absorb the knowledge of the returnee. The uneven effects of the absorptive capacity dimensions (Singh et al., 2025) and the weight of recipient capacity in African technology transfer (Lamere et al., 2024) point the same way.

Proposition 3: Absorptive capacity acts as a mediator between diaspora entrepreneurship and technology transfer, and strategic leadership has a significant effect on technology transfer, primarily by enhancing absorptive capacity.

7.4 The Conceptual Model

The propositions are summarised in figure 1. We have two main models, P1 and P2, with an empirical model P3 to compare against. The returns to diaspora activity are also influenced by the quality of institutions and the maturity of the ecosystem, as suggested by the evidence from Nigeria and India (Olubodun et al., 2025; Wadhwa et al., 2026; Kenney et al., 2013), which are referred to as boundary conditions.

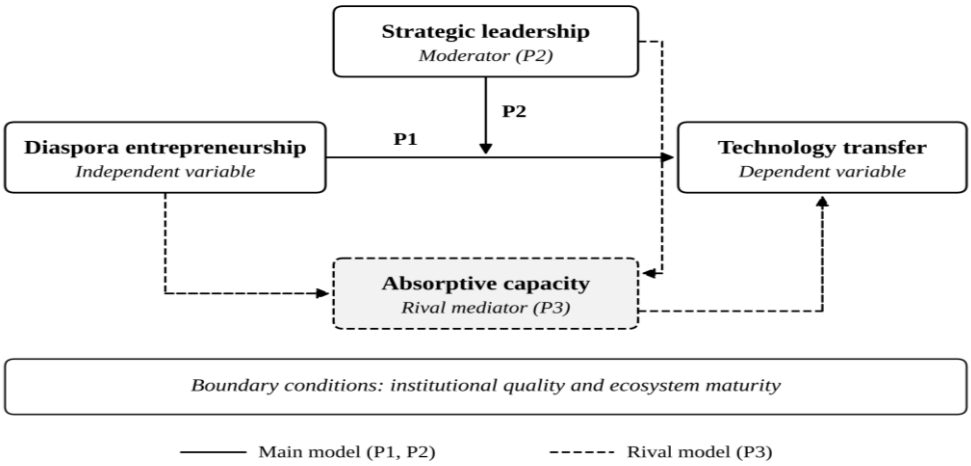

Figure 1. Conceptual model of diaspora entrepreneurship, strategic leadership, absorptive capacity and technology transfer

Source: Author's own construction

8.0 Discussion and Implications

8.1 Discussion

There is some evidence that suggests that diaspora entrepreneurship may be a mixed blessing when it comes to technology transfer. Diaspora connections have the power to transmit knowledge, but the knowledge becomes knowledge in use in an uneven fashion. As the Indian ecosystem grows, the returnee advantage that is seen in China diminishes (Kenney et al., 2013; Wadhwa et al., 2026). The Kenyan returnees face resistance that can hinder the transfer of their assets and Nigerian returnees contribute little to sustainable enterprise in weak institutional contexts (Mreji & Barnard, 2021; Olubodun et al., 2025). All of the above refer to conditions on the home side, which is why this paper focuses on the receiving firm instead of the diaspora actor.

The paper has three contributions. Firstly, it integrates social capital, absorptive capacity and upper echelons theory into one theory of access, conversion and leadership. Second, it declares the role of leadership in two conflicting capacities: the moderator in Proposition 2 and the capacity builder in Proposition 3. To test them against one another, it is important to know whether leaders are more important at transfer or in slower capacity building. Third, it introduces an African case into a literature that is Asian-based.

Three cautions apply. First, social ties do not always have a positive impact; in Ethiopia, bonding ties had a negative correlation with returnee business success (Kassaye et al., 2025). Second, it is possible for apparent effects to be due to who returns, rather than to what they return (Qiao et al., 2024; Wadhwa et al., 2026). Third, leadership can be endogenous; firms that are looking for diaspora partners might be the firms that are investing in absorptive capacity. Proposition 3's alternative model is designed to uncover this possibility, rather than deny it.

8.2 implications for practice and policy

Transfer should be considered an exchange with home partners, not a one-way delivery, for diaspora entrepreneurs (Lamere et al., 2024). They should select partners, in part, because of their ability to learn, and forge connections outside family and kin networks.

The receiving firms' leaders can set clear norms for acquiring, assimilating and transforming external knowledge as the norm for those that led to transfer in Singh et al. (2025). They can also expect the expectations and suspicions that lead to tension between returnees and the local staff (Mreji & Barnard, 2021).

The Nigerian evidence is that the first thing policy makers need to bear in mind is the reliability of institutions (contract enforcement, property rights), as this is the basis for diaspora inflows to sustain enterprises. (Olubodun et al., 2025) An intermediary can also play a role, as one simulation study (Jafar et al., 2026) shows that the number of knowledge exchanges between returnee and local firms was significantly higher with the intermediary. Agencies like the Nigerians in Diaspora Commission will also have to determine whether to directly target the returnees as China did, or to engage in general startup support as India has (Wadhwa et al., 2026).

9.0 Limitations of the study and Future research

There are a number of limitations of this paper. Firstly it is based on a narrative review and not systematic review and so the evidence was chosen for relevance to the model and not for being a comprehensive search. Second, there is lack of consistency in the evidence. Most of it is from Asian contexts, most of the African studies use small qualitative samples and one source is a think tank report rather than a

peer-reviewed study. Third, the propositions have not been tested and measures of the constructs have not yet been validated in Nigerian firms.

The limits set forth here indicate an agenda for further research. The initial focus is on measuring all four constructs directly within the first step of a firm-level survey of receiving firms in Nigeria, specifically: diaspora entrepreneurship (measured by returnee founders and active diaspora partnerships), technology transfer (measured by adoption and use of new processes, products and practices), strategic leadership (measured by the functions of the chief executive and the senior team), and absorptive capacity (measured by the four dimensions of absorptive capacity, Zahra & George, 2002). The same data should be analyzed for comparing the moderation model in Proposition 2 with the mediation model in Proposition 3, and a moderated mediation design might help determine if both of these mechanisms are involved. Second, longitudinal designs would help to differentiate between the effects of diaspora knowledge and the selection of returnees, as well as from the endogeneity of leadership. Thirdly, the findings could be compared with Ghana and Kenya to demonstrate the extent of their reach to other African contexts. Finally, future research needs to separate bonding from bridging ties and make the quality of the institutions and maturity of the ecosystems boundary conditions rather than background conditions.

10.0 Conclusion

This paper sought to understand the relationship between diaspora entrepreneurship and technology transfer and if strategic leadership in the receiving firm influences this relationship. It posited that the knowledge partners and knowledge available through diaspora connections is a function of social capital, that absorptive capacity is a prerequisite for the knowledge to be translated into technology in use, and that the absorptive capacity is in turn determined by the top leaders.

This argument is partially supported by the review. Diaspora and returnee relationships pass on knowledge to borders, and relationships affect the possibility of transfer. However, outcomes are influenced by conditions within the knowledge transfer firm's ecosystem – its maturity, institutional quality, relational tension, and knowledge absorption capacity. None of the studies reviewed included strategic leadership as a moderator of this relationship, and only Nigerian evidence was found for remittances and not technology. The paper thus makes three propositions. Proposition 1 relates diaspora entrepreneurship and technology transfer. Proposition 2 considers strategic leadership to be a moderator of that link. Proposition 3 provides an alternative model of absorptive leadership.

The paper is conceptual in nature. It shifts actors of the diaspora to the receiving company, combines three theories into one model and pinpoints a gap in an African context. It makes claims that are indicative but not causal as they are based on a limited and inconsistent evidence base. Nigeria's large diaspora will become less important for technology upgrading, if the model is found to be correct, not so much because of what the diaspora brings home, but because of how firms at home are managed that will be able to absorb and utilize the diaspora.

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