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Immigrant entrepreneurship: New research trends and challenges

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From the Editors

The five papers published in this special issue of the Journal of Entrepreneurship, Management and Innovation discuss a variety of aspects of immigrant entrepreneurship. The authors of the articles, many of whom are immigrants themselves, present views using a diversity of theoretical approaches covering groups of immigrants in several countries. The articles highlight Chinese SME transnational enterprises in the UK, immigrant entrepreneurs in Lapland, immigrant entrepreneurs in general in Germany, Vietnamese ethnic entrepreneurs in Germany, and South Asian immigrant entrepreneurs in Greater London. The phenomenon of entrepreneurial and self-employed activities carried out by migrants and ethnic minorities have been the subject of wide-ranging studies, mainly starting in the 1970s, linked to the general growth in the scale of migration both to Europe and the USA. However, migration patterns have changed significantly lately. Firstly, as globalization processes have increased the opportunities for communication and travel, many immigrants can maintain links with their country of origin while developing new links with their countries of residence or additional third countries. Secondly, contemporary migration has become a global phenomenon involving, albeit with a different intensity and extent, the majority of developed and developing countries. This expansion is also accompanied by a diversification of migration flows, from the point of view of motive, economic and legal status, education, gender, and geographic origin. Finally, immigrant populations presently include both first and second generations in their countries of residence. In addition, due to political turmoil, a new wave of refugees has become more and more visible, especially in European countries, creating new challenges for policy makers, social activists, as well as researchers. These changes have also influenced entrepreneurial activities undertaken by immigrants and refugees. The articles presented in this special issue are a reflection of the response of research to the changes in immigrant entrepreneurial motivations, intentions, types, and trends in general.

We start with the article by Jan Brzozowski and Anke Lasek investigating the impact of self-employment and entrepreneurship on the integration of immigrants in Germany. Brzozowski and Lasek discuss a very important and crucial issue, critically questioning the assumption that the self-employment

and entrepreneurship of immigrants foster their integration. This positively biased assumption aligns with the longstanding understanding of many researchers that labor integration, in other words being part of the labor market – be it employed or self-employed, enhances the integration of migrants in their countries of residence. The results of this quantitative study, based on the German Socio-Economic Panel dataset, show that after considering absolute income, full-time employment and fair income, being self-employed only partly influences integration positively. In short, a precise and very differential evaluation of the value of immigrant entrepreneurship is necessary when authorities are planning policies that promote self-employment.

The paper from Rose Quan, Mingyue Fan, Michael Zhang and Huan Sun introduces in-depth case studies of Chinese entrepreneurs in the UK who are operating transnational small businesses. Based on network analysis and the concept of institutional embeddedness, the data revealed that the transnational entrepreneurs utilize different types of embeddedness at different stages of their business in their countries of origin, as well as in their country of residence. The authors contribute to entrepreneurial embeddedness studies by focusing attention on the hierarchical process involved in establishing networks, as well as on the interconnectedness between the entrepreneurs' country of origin and country of residence.

The paper by Mark McPherson concerns a qualitative study of entrepreneurship by South Asian Sikh, Hindu and Pakistani Muslim entrepreneurs in Greater London. The main question in his research is how entrepreneurial intentions, abilities and opportunities facilitate or inhibit the growth and success of small businesses. Adopting a phenomenological paradigm, the data analysis reveals the importance of sector and break-out approaches such as 'content to remain,' 'forced to remain' and 'struggling to adjust.' The author suggests that business requirements, sector-specific characteristics and infrastructures are aspects no less important than culture, religious ethnicity and generation when attempting to understand immigrant ethnic entrepreneurship.

The article by Quynh Duong Phuong and Aki Harima looks at Vietnamese ethnic entrepreneurs in Germany. Utilizing cultural theory and the embeddedness approach, the authors identified four distinctive cultural values influencing Vietnamese ethnic entrepreneurs; namely, family involvement, cautiousness in entrepreneurial decision-making, assertiveness towards the community, and cordiality of service. These values are unique to a specific group of entrepreneurs. The authors maintain that only when focusing on the context-specific interconnectedness of cultural values and entrepreneurial activities is it possible to understand underlying processes. In the case of the Vietnamese entrepreneurs in Germany for example, family involvement

establishes a cultural rather than a business contribution to entrepreneurial success. The paper thereby adds perspective to the role played by the cultural capital of ethnic entrepreneurs and stresses the importance of considering embeddedness, and social and cultural capital, as processes.

Finally, Nafisa Yeasmin and Timo Koivurova deal with the sustainable opportunity recognition of immigrant entrepreneurs in Lapland. Combining Corporate Social Responsibility (CRS) theory and the mixed embeddedness theory, the authors investigated immigrant entrepreneurs who have run their business for more than three years. Yeasmin and Koivurova state that most immigrant entrepreneurs generally close down their businesses within the first year. The respondents of their study though have successfully built networks and developed customer service by hard work, confidence and a willingness to learn. Thus, their embeddedness within the social and business environment had an impact on the survival and growth of their ethnic immigrant businesses.

We would like to thank the authors for contributing their articles to this special issue of JEMI which adds to the expanding, accumulated knowledge in the fields of innovation, management and entrepreneurship. We would also like to thank the reviewers for their commitment and support in suggesting improvements to the submitted papers and for enhancing the whole editorial process. We hope these articles will be of interest to our readers and inspire further research into this interesting and current topic.

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The impact of self-employment on the economic integration of immigrants: Evidence from Germany

***Jan Brzozowski*[1], *Anke Lasek*[2]**

Abstract

Traditional approaches in migration studies suggest that self-employment and entrepreneurial activities enhance the perspectives of economic advancement of immigrants in host countries. Therefore, in many popular destinations in Western Europe and Northern America, policies encouraging the self-employment of immigrants have been proposed. But does the self-employment contribute to the economic integration of immigrants? Is it a universal, one-way avenue that guarantees the successful insertion of foreigners in a new socio-economic environment? Based on the German Socio-Economic Panel dataset, this study empirically investigates the effect of self-employment on the economic integration of immigrants in one of the most important host countries in Europe. Our results demonstrate that the current self-employment status in Germany is associated with higher income in absolute and relative (self-assessment) terms. The immigrants with previous self-employment experience in Germany are less integrated than the average. This result indirectly shows that the business economy of immigrants is associated with a high risk of failure and not all self-employed individuals succeed in advancing in economic terms in a host country. Consequently, we argue that host countries should be more cautious in promoting entrepreneurship as the "perfect" and "universal" strategy that improves economic integration.

Keywords: *immigrant self-employment, economic integration, economic activity*

INTRODUCTION

There is no doubt that human migration has become a highly sensitive topic in public debate in the Western world. As the discussion on migration

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issues in Western Europe is currently dominated by the negative images of the immigrant and refugee crisis (Hatton, 2016), the proponents of more liberal migration policies tend to advertise the most positive outcomes of immigration processes. Among the benefits which immigration provides to the host country, immigrant entrepreneurship is the most popular example of how newcomers can become productive and contribute to the economic well-being of the entire national economy (Sinnya & Parajuli, 2012).

The benefits associated with immigrant entrepreneurship, which are identified in the academic literature, are at least three-fold. Firstly, the newcomers contribute to the entrepreneurial ecosystem in a host country: with the higher number of foreigners the knowledge spillover between immigrant and native communities occur and, consequently, such process contributes to an increased internationalization of newly established firms (Li, Isidor, Dau, & Kabst, 2017). Secondly, the foreign-born managers can have better managerial skills and access to valuable foreign and ethnic business networks which, in turn, can contribute to a better performance of the firms compared to those that are managed by native managers (Kulchina, 2017). Thirdly, the immigrants tend to exhibit higher entrepreneurial propensity than the natives: for instance, in the UK 17.2% of foreign-born individuals have chosen self-employment, while for the British citizens it was only 10.4% (Centre for Entrepreneurs and DueDil, 2014). In consequence, the foreigners are responsible for a substantial part of the businesses created in host countries. Just in the US, the share of immigrant entrepreneurs doubled from 13.3 percent in 1997 to 28.5% of all businesses run in this country in 2014 (Bizri, 2017).

This latter manifestation of entrepreneurial activity of immigrants is of particular importance for the major destination countries, as in such cases foreigners do not only create jobs for themselves but also for their family members and members of the co-ethnic community. Therefore, both many scholars and also experts and policy-makers, perceive the self-employment of immigrants as a path to successful economic integration (Brzozowski, 2017b). As a result, many public bodies at a local, regional and national level have adopted policies that encourage immigrant entrepreneurship (Rath & Swagerman, 2016). Unfortunately, by adopting such policies, the public authorities are under the influence of a "taking for granted effect," presuming that entrepreneurship always leads to betterment in the economic position of an immigrant. The recent literature review on the linkage between entrepreneurship and economic integration clearly shows, that there is very limited evidence to support such claims (Brzozowski, 2017a).

On the contrary, many studies demonstrate the opposite: self-employed migrants obtain lower incomes than their wage-employed counterparts (Hjerm, 2004). Consequently, there is still a need to get a better understanding

of how entrepreneurial activities can influence the economic position of immigrants in a host country. As Borjas (2017, p. 2) rightly points out in his recent essay, this knowledge is also crucial within the frame of the current debate on costs and benefits of international migration as "immigration does not improve everyone's well-being (…) There are winners and losers, and we will need to choose among difficult options."

Therefore, the main aim of this paper is to analyze the outcomes of the economic integration of immigrants and the role of self-employment in this regard. Using the representative household survey (German Socio-Economic Panel, henceforth: GSOEP), we investigate whether the current and former entrepreneurial experience of immigrants pay off in terms of their current economic performance. Our findings are somehow mixed: while we find support for the positive linkage between the current self-employment status and economic integration, the immigrants who used to have entrepreneurial experience in the past in Germany obtain significantly lower integration scores. This result indirectly indicates a potential detrimental effect of the failed business project on economic integration and shows that promoting immigrant entrepreneurship may not always be a suitable policy.

The structure of our paper is as follows: in the second section, we review the theoretical and empirical literature on immigrant entrepreneurship and economic integration to describe the potential linkage between those variables. The third section presents the research hypotheses and research methods. The fourth section presents the results of the empirical analysis while the fifth one discusses those results and compares them with the previous studies. The last section concludes the paper, offering policy recommendations and giving directions for further research.

LITERATURE REVIEW

To date, there is no fixed definition of the term or concept of immigrant self-employment among researchers due to constant changes in the world of immigration around the globe (Nestorowicz, 2012). Self-employment is generally associated with the immigrant starting his/her own business in the host country and not being in labor employment (Chiang, 2004; Ambrosini, 2013; OECD, 2015). Mostly, these seem rather small or medium-sized businesses (Chiang, 2004), although usually it is not discussed what is meant by those terms (i.e., threshold values, etc.). To run the business, the immigrant owners may either do this personally (Lechmann & Wunder, 2017), include family members and/or employees (Chiang, 2004), and/or hire a local manager (Kulchina, 2017). Nevertheless, there are cases in which self-

employment might be a sideline to a primary labor engagement (Szarucki, Brzozowski, & Stankevičienė, 2016). For delineation purposes, the term entrepreneurship might be reserved for discussions of the conceptional work in the scientific field (Parker, 2004) or attitude (Nestorowicz, 2012; Glinka & Brzozowska, 2015); self-employment is suggested to be rather used when it comes to examining practical or quantitative empirical aspects in scientific work (Parker, 2004; Nestorowicz, 2012, p. 3). For the purpose of this paper, we focus on the term self-employment in the sense of an immigrant being the owner of his/her business at his/her own account and risk (Parker, 2004, p. 6), independently of with or without employees.

Self-employment seems to be the preferred choice of immigrants to OECD countries to earn their living in host destinations (Nestorowicz, 2012; but not so in Switzerland as Guerra, 2012, investigated). It may be chosen for many reasons, of which, it seems, finding a solution against unemployment (Cruickshank & Dupuis, 2015) or for social promotion especially for the lower class (e.g., in Italy, Ambrosini, 2013), rank highly. Among these immigrant groups, for instance, significant economic achievements are the creation of worker demand for the domestic field industries or service lines that had not existed in the host country before immigration (Ambrosini, 2013). Or the establishment of either new supply chains in the host country (with respect to food, services and leisure activities, cf. Ambrosini, 2013; Brzozowski, 2017b) or new supply chains within an ethnic enclave (Brzozowski, 2017a). As such, we believe self-employment affects economic integration and *vice versa*. Running a business in low-productivity and less attractive sectors, and being new to the country, however, seem to result in being less integrated (Sinnya & Parajuli, 2012).

Nevertheless, when unemployment rates are high among those immigrants, this is mostly due to language and cultural challenges (Kushnirovich, 2015), the ability to support oneself, the possibility and/or opportunity to apply skills and qualifications to the new market, and as such the actual obtainment of work (Chiang, 2004). Especially at the early stages of the settlement process at the destination, social and cultural host capital is needed most by the immigrant (Cruickshank & Dupuis, 2015) but is difficult to obtain or learn (Chiang, 2004). On the other hand, there are sample immigrant groups that move intentionally abroad as they are already "adequately resourced" from the very beginning by either self-employment backgrounds and/or sufficient "economic and symbolic capital" (Cruickshank & Dupuis, 2015). Moreover, there is some evidence that EU countries are applying selective migration policies, and the same happens on the supply side, as high skilled migrants prefer countries with a production structure to apply their home skillset right from the beginning (Frattini, Fenoll, & Siragusa, 2017). Also, self-employment might sometimes be

chosen for the immigrants, i.e., by governments and the ways their immigrant support and policies ensure immigrant competencies become useful in the economy (Neumann, 2016) or fill specific economic gaps (Hou & Wang, 2011). Consequently, the degree of economic integration differs from immigrant to immigrant and country to country.

Besides the absence of clear definitions and term delineation, it becomes clear from our literature review that there is a common understanding of what is meant by integration. Defining a fixed term, however, again seems challenging as it is multidimensionally facetted, encompassing many fields of science such as economic or social science (Kuhlman, 1991). Economic integration, after that, might be interpreted as "the process of change" for the immigrant in order to settle in the host country, mostly influenced by "attaining material welfare" through an "optimal allocation of resources which are scarce and alternatively applicable" (Kuhlman, 1991). Leicht et al. (2012), for instance, state that the level of integration depends on a future perspective of employment (i.e., self-employment) as well as its welfare effects in the form of earned income. With respect to Germany, as a matter of fact, and its heavy influx of migrants over the past years, there are new research areas developing analyze integration through the measuring the effects of so-called integration courses offered by the German government to immigrants, which focus on education in the German language and life in Germany to help them integrate into society (Boockmann & Scheu, 2018). Proof for the EU countries shows, moreover, that the longer an immigrant is present at the destination, the degree of integration may rise through time and acquisition of host country-specific capital (Frattini et al., 2017). As a result, earning and profit levels may rise, as evidence from Sweden shows for self-employed immigrant men (Neumann, 2016). Successful host self-employment is, moreover, majorly dependent on human capital factors such as age, education and experience (Neumann, 2016; for more general see Haberfeld, Birgier, Lundh and Ellder (2017). Those who are older, with longer previous work experience either in labor or self-employment, tend to be more successful in their new businesses over time, but immigrant men do not necessarily reach parity with self-employed natives (Neumann, 2016).

Problematic in this course of discussion is, in our view, a preferred focus on successful self-employment in the host country. This may be – among other reasons - due to the "survivors" being visible and present, and as such may act as a role model attracting attention for what they do (Guerra, 2012, p. 7; Leicht et al., 2012, p. 6). Neumann (2016) points out explicitly that there is a failure among immigrant firms (Neumann, 2016, p. 3). Sinnya and Parajuli (2012) point out that those self-employed immigrants with a lower education and experience level may face a higher failure. Banks, in this respect, not

providing loans so easily to immigrants is because of a "higher failure rate of immigrant business compared with native business" (Wayland, 2011, p. 33).

On the other hand, self-employment may come to an end calculably when the economy is doing better with wage job opportunities arising, and immigrants switching back to the labor market by choice (Sinnya & Parajuli, 2012). Self-employment is therein explored either through cross-sectional approaches in which only one period is considered or through the panel approaches in which potential former business ownership experience seems neglected. In our view, this results in business failures not being properly addressed but should, however, be included in the research to better understand the whole process of integration through adaption. As such, in our view, longitudinal studies considering more than just one year of data analytics should be taken up despite the fact of experimental challenges known and acknowledged.

Generally, it seems, migrants start their business activity but fail to develop properly and soon close (Chrysostome, 2010). The number of foundings and closings of migrant business, along with the number of such self-employment businesses, may indicate the strengths of migrant self-employment (Leicht et al., 2012). Existing datasets capture, however, mainly the "successful survivors" but do not consider what happens to the formerly self-employed due to the lack of accessible information on their previous occupation in the home country (or even in another host country before the current one (Kerr/ Kerr, 2010). GSOEP data, in this respect, provides a special source of accessing such data, both in Germany (host country) and in the home country (Brücker et al., 2014).

RESEARCH METHODS AND HYPOTHESES

Based on the literature review presented in the former section, we now turn to the formulation of the hypotheses that will guide our empirical analysis. We consider three distinct economic effects of self-employment on the economic integration in the host country. At first, many countries encourage the immigration of persons with entrepreneurial experience as there is an expectation that such persons are more skilled and talented than the average, and additionally they can contribute to business creation in the host country. Therefore, we expect that the self-employment status in the home country before migration increases the perspectives for successful economic integration:

Hypothesis 1: The former self-employment experience from their home country affects positively the economic integration of an immigrant in Germany.

Secondly, according to the surveyed literature, immigrants usually choose self-employment in the host country because they hope to get a higher reward by running a business activity. Therefore, we expect a direct influence of the entrepreneurial activities on the economic performance of the immigrant:

Hypothesis 2: Current self-employment status is associated positively with immigrant economic integration in Germany.

Finally, migrants can and usually do switch occupations, looking for better economic alternatives. In such a case, the migrant may have former business experience but might now have wage employment status.If entrepreneurship is the "right" strategy for economic integration, it might have an indirect positive effect on the current economic activity of an immigrant, thanks to gained skills, competences and working experience. Consequently, we hypothesize that:

Hypothesis 3: Former self-employment experience in Germany is associated positively with immigrant economic integration.

In order to verify these hypotheses, we researched the economic integration of immigrants in Germany using data from the representative household survey (German Socio-Economic Panel, GSOEP). Since 1984, GSOEP is a wide-ranging representative longitudinal survey of about 11,000 German private households and more than 20,000 persons (annual sample size for data collection)[3] which contains rich bibliographical information on the socio-economic activity of immigrants in Germany (Krohn, Kühne, & Siegers, 2017; Goebel, 2015). We use the 2013 round of the survey, as it contains a more comprehensive composition of immigrant communities in the country including the "new" foreigners from Central and Eastern Europe. Moreover, due to the enrichment of the data with biographical information on the former employment statuses from the public registers, this round of survey enables pseudo-panel analysis (Brücker et al., 2014). As we are particularly interested in the self-employment status, we can include dummies for the self-employment experience in the home country and former self-employment experience of immigrants in Germany.

In our empirical analysis, we turn to quantitative methods, namely econometric analysis. In order to account for heterogeneous measures of economic integration we use three dependent variables: a natural logarithm of obtained income per capita in the immigrant household (Ln (income), continuous), probability of being employed full-time (fulltime, binary) and probability of obtaining a fair income (fair income, binary). The first measure accounts for the most objective indicator of economic performance while the second one is important from the political perspective of the host country,

3 https://data.soep.de/soep-core; asamples of SOEP are multi-stage random samples which are regionally clustered. The respondents (households) are selected by random-walk. The interview methodology of the SOEP is based on a set of pre-tested questionnaires for households and individuals.

as traditionally the receiving society wants migrants to be legally employed and to pay taxes. The third one – fair income – is a more subjective measure which includes the perspective of the immigrant and one's personal wellbeing and satisfaction. Taken altogether, we believe that these three dependent variables provide a more comprehensive picture of the process of economic integration in a host country.

EMPIRICAL ANALYSIS

For the sake of our analysis, we use the GSOEP data set by restricting a sample to individuals in the working age (18-65) and excluding individuals who have never worked and/or are currently (at the moment of survey) on maternity leave. In our sample, which consists of 3,851 individuals, there is a slight predominance of males (51.44%), the mean age is 39.58 years, and the average level of education is relatively low (10.10 years of education which accounts for a secondary level being completed).

We estimate the first equation (Ln (income)) with the OLS model. In the case of the second equation, with full time being the dependent variable we turn to firthlogit regression4. In the case of the third equation, it is estimated with the traditional logit model. The results of our empirical exercise are provided in Table 1.

In the case of the first equation with the dependent variable Ln (income), we include two specifications of the model. The first specification includes the most important socio-economic and personal characteristics of an immigrant. The effect of gender is significant for the level of income, and works in a surprising direction, as males are found to get lower income than females, while all other factors held constant. Still, this effect is rather small. The effect of age on income is positive and significant. The number of children affects negatively the income per capita per household. The second generation of immigrants gets a slightly higher income than the foreign-born persons but also the magnitude of this effect is not impressive.

Interestingly, migrants who came to Germany due to political factors and who sought asylum in this country, obtain a significantly smaller income than the average. The same effect can be observed in the case of immigrants who are Muslim. The level of human capital matters for the level of obtained income: both in the cases of an MA diploma obtained in a home country, while a BA diploma has a positive effect both in the case of German and home country tertiary institution, but the effect of a German diploma is stronger.

4 The firthlogit model is chosen because of the estimation problems of the logit model which fails to include the interaction between a former self-employment status with a job change.

Table 1. Estimation results

	Income (I) OLS		Income (II) OLS		full time (firthlogit)		fair income (log reg)	
	coef	se	coef	se	coef	se	coef	se
Gender (male=1)	-0.0896***	0.0153	-0.0155	0.0149	1.9302***	0.0887	-0.0107	0.0463
Age	0.0345***	0.0046	0.0389***	0.0049	0.1880***	0.0290	0.0231	0.0259
Age^2	-0.0004***	0.0001	-0.0005***	0.0001	-0.0023***	0.0003	-0.0004	0.0003
Married (dummy)	0.0004	0.0175	0.0217	0.0187	0.0346	0.1074	0.0851	0.0961
Number of children	-0.1133***	0.0037	-0.1199***	0.0040	-0.1470***	0.0231	-0.0877***	0.0206
Born in Germany (dummy)	0.0376*	0.0210	0.0177	0.0226	-0.1178	0.1297	-0.1476	0.1139
Health condition	0.0336***	0.0070	0.0588***	0.0074	0.3753***	0.0438	0.3370***	0.0404
Arrived before 1995 (dummy)	0.0032	0.0219	0.0171	0.0235	0.1697	0.1371	0.2285*	0.1228
Arrived as refugee (dummy)	-0.1126***	0.0244	-0.1470***	0.0262	-0.4072**	0.1576	-0.2165	0.1453
Christian (dummy)	0.0147	0.0158	0.0188	0.0169	0.0650	0.0970	0.2039**	0.0866
Muslim (dummy)	-0.0694***	0.0203	-0.0812***	0.0218	-0.2802**	0.1282	-0.1686	0.1152
MA diploma in Germany (dummy)	-0.0226	0.0565	-0.0005	0.0607	-0.0635	0.3720	0.3777	0.2986
MA diploma in home country (dummy)	0.1219***	0.0341	0.1322***	0.0367	0.0564	0.2071	-0.0156	0.1844
BA diploma in Germany (dummy)	0.2480***	0.0491	0.2730***	0.0528	0.6694**	0.3311	0.3215	0.2596
BA diploma in home country (dummy)	0.0593**	0.0285	0.0633**	0.0308	0.2305	0.1755	0.2189	0.1552
Level of German proficiency	0.0185**	0.0075	0.0341***	0.008	0.2684***	0.0461	0.1176***	0.0416
Full-time employment (dummy)	0.2401***	0.0177						
Unemployed (dummy)	-0.2512***	0.0219	0.050***	0.016				
Currently self-employed (dummy)			0.1205***	0.0324			0.8583***	0.1601
Has changed job(s) in Germany (dummy)	-0.0036	0.0152	0.0475***	0.0161	0.7338***	0.0870	0.5193***	0.0780
Former self-employed in Germany (dummy)			-0.2124**	0.1024	-2.2164**	0.9277	-0.8204	0.7796
Job change*former self-employed in GER			0.3924***	0.1850	4.0494**	1.7550	-0.1423	1.0971
Self-employed before migration (dummy)			-0.0343	0.0362	0.4252**	0.2063	-0.3488*	0.1966
% of foreign staff in workplace	-0.0042	0.0248	0.1309***	0.0261	1.833***	0.1420	1.1818***	0.1238
Intensity of social contacts with Germans	0.1046***	0.0205	0.1282***	0.0220	0.3678***	0.1282	0.0930	0.1168
Speaks foreign language (dummy)	0.0507***	0.0149	0.0508***	0.0160	-0.1542*	0.0925	-0.0644	0.0830
Does not intend to stay permanently in Germany (dummy)	0.0945***	0.0157	0.0924***	0.0169	-0.1096	0.0965	-0.0819	0.0863
Does not have a permanent residence status (dummy)	-0.1190***	0.0214	-0.1453***	0.023	-0.4390***	0.1351	-0.0752	0.1215
Hours worked overtime	0.0026***	0.0006	0.0056***	0.0006				
Unskilled job (dummy)	-0.0704***	0.0161	-0.0470***	0.0172				
_cons	5.6256***	0.1049	5.3232***	0.1119	-7.9233***	0.6745	-2.9824	0.1965
Number of observations	3239		3239		3500		3500	
R2	0.51		0.4325		0.058		0.0970	

Note: *** p<0.01, ** p<0.05, * p<0.1

Not surprisingly, the level of proficiency in the German language is positively associated with income. Employment status is a very important predictor of income: full-time employed individuals get a much higher income than the partially-employed immigrants (reference category), while an unemployed status works in the opposite direction. This finding confirms our choice for using full-time employment as the measure of interaction (in the second equation).

Unskilled job status and working overtime dummies have a significant and expected effect on the level of income (negative on the former, and positive on the latter) but their magnitude is rather small. The intensity of social contacts with German citizens is positively linked to income, showing the importance of social interaction for economic integration. Lack of permanent status is associated negatively with income while the dummy for the intention to stay in Germany temporarily has a positive influence on the dependent variable. Finally, foreign language proficiency positively affects obtained income.

The second specification of the model, with income as the dependent variable, introduces new independent variables which are crucial for our hypotheses verification. Current self-employment status has a positive and significant influence on the level of income. The effect of the former self-employment status is not so evident. The parameter for the former self-employment dummy is negative and significant at 5 percent: for those immigrants who started their business activity in Germany and failed, i.e, unsuccessful entrepreneurial experiences, leaves a negative mark on currently obtained income. However, this effect works only in the case of persons who are currently unemployed or economically inactive. Those immigrants who used to be self-employed, but were able to successfully switch economic activity to waged employment (interaction effect of dummies: former self-employment in Germany and a job change), exhibit higher income levels. Finally, the former self-employment status of an immigrant in a home country does not have any significant influence on current income.

In the case of the second equation with fulltime (employment status) as a dependent variable, the effect of gender is in line with our expectations, since males tend to exhibit a much higher probability of being employed full-time than females, while all other factors held constant. This effect, combined with the negative effect of the number of children on the full-time employment probability, shows that female immigrants in Germany pursue rather traditional roles in the families in which the professional career is less important than family obligations at home. The effect of health conditions is positively linked to full-employment status (i.e., healthier immigrants obtain higher income) while refugee status is linked in a negative way. Once again, religious affiliation seems to affect the integration perspectives, as Muslim

immigrants show a smaller propensity to become full-time employed than Christian and immigrants of other religions and atheists (the reference group). In terms of educational measures, only the bachelor diploma obtained in Germany seems to have a positive impact on full-time employment probability, and this effect is quite strong. Also, the level of German language proficiency works in the same direction.

Turning to the most important independent variables from the perspective of hypotheses verification, once again the former self-employment status is associated with a substantially lower probability to be fully employed. Once again, the interaction of a job change with former self-employment is positive and significant at 5 percent, showing that immigrants who move from self-employment to other activities become more integrated from an economic aspect. In this equation, current self-employment status is not used as an independent variable; as for the most self-employed, this is the main economic activity (carried out on a full-time basis). In this model, the entrepreneurial experience from the host country (dummy self-employed before migration) is positively linked to full-time employment probability in Germany.

Finally, the last equation deals with the most subjective measure of integration: whether the immigrant obtains a fair income or not (based on a self-assessment of the individual). Some of the controls such as health condition, number of children or German language proficiency show the same signs and similar magnitude as in the previous model (with dependent variable full-time employment). There are some important differences: the gender, refugee status and Muslim affiliation become insignificant; the same can be observed in terms of the educational attainment measures. In the case of our hypotheses, current self-employment status is associated with a substantially higher self-assessment of obtained income. As in other equations, economic mobility expressed as a job change in Germany has a positive effect on the dependent variable. The former self-employment status in Germany and the interaction of the former self-employment in Germany with a job change are insignificant. Then, the self-employment experience before migration (from a source country) has a negative effect but at 10 percent a significance level.

DISCUSSION

The main aim of our study was to verify the hypotheses on the effect of current and former self-employment status on the economic integration of immigrants in Germany. In the case of the first hypothesis which suggested a positive linkage between the self-employment experience from the home country and economic integration in Germany, we have found mixed results: in the case

of the first equation, the parameter was not significant; in the case of the second one it was positive and significant at 5 percent, and in the third one it was negative and significant at 10percent. Thus, we have found only partial support for the positive impact of previous self-employment status in the home country on economic integration in the host country. This finding has important implications for policy-making in the area of migration: as in the case of Hiebert (2008) who found that immigrants with entrepreneurial experience in the source country were less integrated than the rest of immigrants in Canada, we can confirm that entrepreneurial skills may not be perfectly transferable across international borders. Therefore, countries which aim at adopting selective migration policies to attract skilled workers should be more careful in designing the entry preferences for immigrant entrepreneurs.

As for the second hypothesis, on the positive impact of the current self-employment status on economic integration in Germany, we have found supportive evidence both in equation 1 (dependent variable: Ln of current per capita income) and equation 3 (dependent variable: probability of obtaining fair income). Thus, we have confirmed the results of previous studies (Constant & Shachmurove, 2006; Constant, 2009; Liebermann, Suter & Rutishauser, 2014) which show that currently self-employed immigrants exhibit higher integration outcomes than immigrants who pursue other forms of economic activity.

In the case of the third hypothesis, which suggested a positive link between former self-employment experience in Germany and immigrant economic integration, our results are somehow surprising. In the case of equation 1 and 2, this parameter displayed a negative sign at a significance level of 5 percent, while in the third equation it was also negative but not significant. Moreover, the interaction of former self-employment in Germany and job change dummies was positively associated with economic integration, and the magnitude of this effect was much stronger than for the dummy job change. Thus, we interpret these results as an indication that those migrants who have moved from a former self-employment status into waged employment, have been able to get a higher income and have a higher probability of obtaining full-time occupation than the average. Consequently, we have not found any supporting evidence for our hypothesis 3. Quite the opposite: our results clearly show that in our sample we have two groups of self-employed individuals: “winners” and “losers.” The “winners” are those immigrants who have started in self-employment and have continued this activity until now. In their case, such economic activity yields higher returns than in the case of other migrants and it improves their economic integration. There are also “losers” – the individuals that started being self-employed but had to abandon this activity due to lower profitability. In such a case, the former “losers” who

were able to move into waged employment could also advance in economic integration: but for those individuals who stayed in part-time employment or with unemployment status, the former entrepreneurial experience constitutes an additional burden and obstacle in economic advancement in Germany. This finding draws, once again, attention to the failed entrepreneurial projects, the incidence of which is substantial in the case of immigrants, especially in the case of necessity-driven types of entrepreneurship (Chrysostome, 2010). We argue that future studies on immigrant entrepreneurship and economic integration should also take into consideration the dynamics of entrepreneurial process, including failed business projects and moves between entrepreneurial activities and waged employment.

Moreover, we argue that host countries should be more cautious in promoting entrepreneurship as the "perfect" and "universal" strategy that improves economic integration. The self-employment strategy and entrepreneurial projects are connected to higher risk than waged employment: consequently, there are "winners" and "losers" of this strategy. Consequently, focusing on "losers" (i.e., individuals whose business project has failed) is also important from an integration and social policy perspective.

Finally, our study also provides interesting results from a socio-economic policy perspective, and integration policy in particular. For instance, the two groups perceived as "problematic" in public discourse on immigration: refugees and Muslims (Adida, Laitin, & Valfort, 2016; Cheung & Phillimore, 2017) – exhibit different integration outcomes, depending on the measure of integration chosen. In the case of absolute income per capita and full-time employment, those two groups attain significantly lower integration scores, but when we take into consideration the measure of fair income, all this negative effect disappears. In such a case, both refugees and immigrants with Muslim religious affiliation are not significantly different than the rest of the immigrant population in the sample. Therefore, our study clearly shows that care must be taken when choosing the measures of economic, but also socio-cultural, integration of immigrants, and the only sound approach is to apply a set of heterogeneous measures to get a full picture of the phenomena being investigated.

Ironically, our study also provides some evidence that immigrants who stay in the ethnic enclave economy are – paradoxically – better integrated from an economic aspect. This finding goes against the predictions of former theoretical literature on that topic which suggests that better perspectives exist for immigrant businesses, which go beyond the ethnic enclave (Eraydin, Tasan-Kok, & Vranken, 2010; Curci & Mackoy, 2010). The parameter of the variable "the percentage of foreign staff in the workplace" is positive and significant in all equations (with the exception of the first specification of the

first equation). We acknowledge that this measure is not perfect and does not capture all the complexities of the effect of an ethnic enclave economy on the economic performance of immigrants in the host country. We found this result interesting and stimulating for future studies on this aspect.

CONCLUSION

In our study, we have investigated the effect of current and past self-employment status on the economic integration of immigrants in Germany taking into consideration three measures of integration: absolute income, full-time employment and fair income. We have found evidence that confirms hypothesis 2 on the positive relationship between current self-employment and economic integration. We have limited results to backup hypothesis 1 on the positive impact of the self-employment experience in the home country on economic integration in the host country. Finally, we have to reject hypothesis 3 on the positive impact of former self-employment status in Germany on current integration outcomes: on the contrary, such effect in the light of our results seems to be negative.

Therefore, our study offers important policy implications: we demonstrate that entrepreneurial failure is an important factor which hinders economic advancement of an immigrant in Germany, and the public authorities should be more cautious in promoting migrant entrepreneurship as a "universal" strategy for improving the economic integration of foreigners in a host country.

Our study, although based on a large and representative GSOEP sample, has some limitations that need to be addressed in future studies. We have enriched the cross-sectional dimension of dataset with pseudo-panel information on past economic activity dummies, but such information still does not provide a full picture on the real dynamism of economic activity of immigrant in the host country. Consequently, future research on economic integration should take into account the full panel datasets, including the future waves of GSOEP dataset.

In spite of this limitation, we believe our study provides valuable results that could help in improving the knowledge on the relationship between entrepreneurship and the economic integration of immigrants. We would like to point out the most important issues that need to be considered in the future:

- First, the inclusion of both "winners" and "losers" of the entrepreneurial activity – the failure rates of immigrant business is substantial, therefore the empirical analyses should take into the account both current entrepreneurs, and former ones, including the whole variety of past entrepreneurial forms and ideas (also the

business projects that failed to materialize due to a set of specific constraints);

- Second, the awareness of the complexity of the economic integration project. As there are no ideal and widely accepted definitions of integration, the measures of such process achievement should be as heterogeneous and inclusive as possible. Using only one measure of economic integration as a dependent variable produces highly biased results.
- Third, the role of the ethnic enclave economy in the economic integration of both immigrant entrepreneurs and immigrants employed in the ethnic businesses is not yet fully explained and needs a closer investigation: both from a qualitative studies perspective, and the quantitative approaches, that use longitudinal data.

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Abstrakt

Tradycyjne studia migracyjne sugerowały, że samozatrudnienie i przedsiębiorczość wpływają pozytywnie na pozycję ekonomiczną imigrantów w krajach docelowych. Dlatego w najważniejszych krajach przyjmujących, w Europie Zachodniej i Ameryce Północnej, zaczęto wdrażać polityki wspierające przedsiębiorczość wśród imigrantów. Ale czy samozatrudnienie naprawdę wpływa pozytywnie na ekonomiczną integrację imigrantów? Czy jest to uniwersalna strategia, gwarantująca ich skuteczne zagnieżdżenie w społeczno-ekonomicznej strukturze w miejscu osiedlenia? W niniejszym artykule korzystamy z panelowej bazy danych (German Socio-Economic Panel w Niemczech) by zbadać wpływ samozatrudnienia na ekonomiczną integrację imigrantów w jednym z najważniejszych krajów docelowych w Europie. Wyniki naszych badań wskazują że aktualny status samozatrudnionego powiązany jest z wyższym dochodem jednostki, zarówno w sensie absolutnym, jak i relatywnym. Jednakże imigranci mający wcześniejsze doświadczenie samozatrudnienia są gorzej zintegrowani niż przeciętny imigrant. Wskazuje to pośrednio na wyższy współczynnik porażki w przypadku biznesów imigrantów, co oznacza że nie wszyscy samozatrudnieni awansują ekonomicznie w miejscu docelowym. W oparciu wyniki naszej analizy wskazujemy, że kraje docelowe powinny być ostrożniejsze w zakresie promowania przedsiębiorczości jako jedynej skutecznej strategii wspierającej ekonomiczną integrację imigrantów.

Słowa kluczowe: *somozatrudnienie imigrantów, ekonomiczna integracja, ekonomiczna aktywność*

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A dynamic dual model: The determinants of transnational migrant entrepreneurs'embeddedness in the UK

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Abstract

Effective embeddedness in the host country is an important issue for immigrant and transnational entrepreneurs. However, prior research has mainly focused on subsidiaries' local embeddedness of multinational companies (MNCs). While a limited number of studies have examined transnational enterprises, few have explored how transnational entrepreneurs embed in the host country where they immigrate to. Employing 7 in-depth case studies of Chinese small transnational enterprises operating in the UK, we construct a dynamic dual process model which consists of 3 dimensions: structural embeddedness; institutional embeddedness; and cognitive embeddedness. Our findings make a theoretical contribution by offering insights into how transnational migrant entrepreneurs embed in a dual cross-border business environment.

Keywords: *Transnational entrepreneurship, host country, institutional theory, embeddedness*

INTRODUCTION

Transnational immigrant entrepreneurship has received increasing research attentions in recent times (Bagwell, 2015; Brzozowski, Cucculelli, & Surdej, 2017; Elo et al., 2018). It has been found that transnational immigrant entrepreneurs make a great contribution to the local economy by generating jobs and forming valuable social hubs. According to Johnson and Kimmelman

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(2014), 60% of the top technology businesses were started by 'migrants' in the US. As 'a new horizon, in entrepreneurship and international business studies' (Sequeira, Carr & Rasheed, 2009, p.31), research in transnational entrepreneurship (TE) literature highlights that transnational entrepreneurs face more difficulties and challenges when operating in a dual business context (Bagwell, 2018; Chen & Tan, 2009). TEs are those who immigrate to a foreign country, but do not limit their business activities to the host country only (Dimitratos, Buck, Fletcher, & Li, 2016; Urbano, Toledano, & Ribeiro-Soriano, 2011), simultaneously engaging in two or more socially embedded environment (Drori, Honig, & Wright, 2009).

Embeddedness is a topic often discussed in economic transnationalism research (Sequeira, Carr, & Rasheed, 2009). Individuals or groups engaged in economic transnationalism utilize their social sources, such as interfirm networks (Granovetter, 1985), to facilitate economic actions and shape organizational outcomes (Uzzi, 1997). Given the fact that local embeddedness in the host country affects firms' overall performance, international entrepreneurship researchers (McDougall & Oviatt, 2000; Zahra & George, 2002) and ethnic entrepreneurship researchers (Rath & Kloosterman, 2000; Yinger, 1985) have extensively examined entrepreneurial cross-nation activities in the areas of (1) opportunity seeking and value creation in the host country (McDougall & Oviatt, 2000); (2) born global firms (Mainela, Puhakka, & Servais, 2014); (3) knowledge transfer of returning entrepreneurship in home country (Kenney, Breznitz, & Murphree, 2013; Liu, Lu, Filatotchev, Buck, & Wright, 2010; Pruthi, 2014).

With an increasing number of migrant entrepreneurs attempting to embed in the host country, it has become important for TE researchers to understand their 'embeddedness' and extend the development of transnational immigrant entrepreneurship. By reviewing existing international entrepreneurship literature, nevertheless, very few studies have explored the embeddedness of transnational immigrant entrepreneurship (Bagwell, 2018). To fill this research gap, our paper aims to explore: *How do transnational immigrant entrepreneurs embed in the host country successfully, especially in the UK? What is the process of the embeddedness for small transnational enterprises?* Answers to these questions enhance TE researchers' understanding of this phenomenon by providing empirical evidence in the context of Chinese transnational entrepreneurs in the UK. The reason for making this case is because migrant-founded enterprises in the UK employ 1.16 million people and contribute to 14% of SME job-creation (Johnson & Kimmelman, 2014). Amongst these migrant entrepreneurs, about 25,000 have a Chinese background (Dimitratos, Buck, Fletcher, & Li, 2016). However, to our best knowledge, there is only one study (Dimitratos, Buck, Fletcher, & Li, 2016) that investigated the motivation

of Chinese transnational entrepreneurs in the UK. We extend their research by investigating the embeddedness in the host country.

Given the nature of the 'how' design for this research, we conducted 7 in-depth case studies by sampling Chinese small entrepreneurial enterprises operating in the UK. Due to the fact that the TE phenomenon is still in its emerging stage (Urbano, Toledano, & Ribeiro-Soriano, 2011), case studies will allow us to discover the theoretical inside through inductive inquiry (Eisenhardt, 1989; Yin, 2003). Our findings show that the transnational enterprises' embeddedness is a dynamic and interactive three-stage process (e.g., structure embeddedness, institutional embeddedness and cognitive embeddedness) which involves both host country and home country. Our research makes a theoretical contribution to immigrant and transnational entrepreneurship literature by offering insight into how small transnational enterprises embed their businesses in the host country, especially in the UK. Conceptually, it offers knowledge of Chinese transnational immigrant entrepreneurs' dual transnational activities. In practice, this paper presents empirical evidence for immigrant policymakers to consider how to continuously support transnational immigrant entrepreneurs to achieve long-time growth, particularly given the fact that one in seven of all UK companies is run by migrant entrepreneurs in the UK (Johnson & Kimmelman, 2014).

Following this introduction, the structure of this article is as follows. First, the theoretical background of transnational entrepreneurship and embeddedness is presented as an overview of the literature. This is followed by a detailed account of the methods we adopted for this research along with our findings and discussions. Finally, the conclusions are presented with suggestions for future research.

LITERATURE REVIEW

Definition of transnational entrepreneurship

Empirical evidence has shown that globalization has facilitated even the small immigrant-created businesses into a transnational realm (Light, 2007). As a newly emerged phenomenon, research on TE has attracted growing attention in ethnic entrepreneurship studies (Elo et al., 2018; McGrath & O'Toole, 2014). The research on TE first appeared in the middle of the 1990s when Basch, Schiller and Blanc (1994) defined TE as the process by which *immigrants* forge and sustain multi-stranded social relations that link together their societies of origin and settlement, and through which they

create transnational social fields across national borders. Similarly, Drori, Honig and Wright (2009) define transnational entrepreneurs as 'individuals that *migrate* from one country to another, concurrently maintaining business-related linkages with their forms country of origin, and currently adopted communities (p. 1001)'. These concepts provide a new view of the greater intensity and extent of circulation of people, goods, information and symbols caused by immigration (Ley, 2006; Pavlov, Predojević-Despić, & Milutinović, 2013; Riddle, Hrivnak, & Nielsen, 2010). Economic geographers and regional planners view the role of TEs as influencing the creation of business opportunities and affecting the transfer of knowledge, technology and know-how. They are regarded as a catalyst for the evolution of global production networks (Mustafa & Chen, 2010; Saxenian, 2002).

Embeddedness and networks

As a concept of transnationalism, 'embeddedness' was first introduced by Polanyi (1944) and is used to understand how social structure affects economic activities (as cited in Uzzi, 1997). Embeddedness reflects the degree to which firms are enmeshed in a social network in different situations (Uzzi, 1997). Many studies in relation to embeddedness have overwhelmingly examined MNCs' cross-board activities in the host country by focusing on: (1) the relationship between a subsidiary and its local counterparts in the host country (external embeddedness) (Granovetter, 1985; Meyer & Nguyen, 2005); (2) a subsidiary's relationship with its parent MNCs (internal embeddedness) (Andersson & Forsgren, 1996; Nell, Ambos, & Schlegelmilch, 2011); (3) the combination of internal embeddedness and external embeddedness (Andersson, Björkman, & Forsgren, 2005; Forsgren, Holm, & Johanson, 1992). However, given the liabilities of small and newness, it is rational to assume that the embeddedness of small entrepreneurial enterprises, compared to MNCs' subsidiaries, is more difficult and complex. Nevertheless, not much has been explored and theorized well in this research area (McKeever, Jack, & Anderson, 2015).

Entrepreneurship is a socialized process and entrepreneurs are social actors. Entrepreneurial business activities are inevitably integrated into the community (Chen & Tan, 2009; Davidsson & Honig, 2003; Riddle, Hrivnak, & Nielsen, 2010). Social networks have considerable effects on a wide range of organizational performance. From a social network perspective, embeddedness in the context of entrepreneurship reflects 'the relationship between entrepreneurship, self and society' (McKeever, Jack, & Anderson, 2015, p. 52). Existing literature indicates that entrepreneurial embeddedness is a mechanism which influences and shapes entrepreneurs' actions (Jack & Anderson, 2002; Uzzi, 1997). In order to better survive in the foreign markets,

migrant entrepreneurs attempt to develop a variety of ties in local society at multi-levels (e.g., individual, groups and societies), through which they identify opportunities and absorb social capital to overcome the liability of smallness and newness. By accessing local social resources, entrepreneurs quickly accumulate institutional knowledge of the host country and create added value to their foreign businesses (Welter, 2011). According to Mainela and Puhakka (2008), densely tied local networks and high-quality relational embeddedness are benefits that help firms develop dynamic and valuable capabilities.

The research into transnational entrepreneurship shows that they access resources across borders in order to make use of their contacts and networks by engaging in social and business activities in both countries (Mustafa & Chen, 2010). Successful embeddedness in the host country has been a key indicator in explaining the success of migrant entrepreneurs. Their social and economic embeddedness determines entrepreneurial outcomes. According to Bagwell (2018), not only transnational networks play a key role in shaping the embeddedness of Vietnamese migrant enterprises in London, but the macro level of institutional characteristics also has an impact of transnational enterprises' embeddedness.

Institutional embeddedness and entrepreneurial behaviors

North (1990, p. 3) claims that institutions form 'the rules of the game in a society.' Institution-based theory suggests that institutions, both formal and informal, constrain or enable business strategies, such as internationalization decisions (Meyer & Peng, 2005). Formal rules include constitutions and legal regulations, and informal institutions refer to codes of conduct, values and norms (soft institutions) embedded in society (Scott, 1995). According to Peng and Heath (1996), the behavioral characteristics of enterprises are heavily influenced by the external environment. As social actors, entrepreneurs' behaviors are constrained, enabled and shaped by the institutional frame (Yamakawa, Peng, & Deeds, 2008).

Transnational entrepreneurs take an unusual route to organize and produce their economic activities and their actions are 'facilitated and constrained by an ongoing process of institutional relations in both home and host countries' (Yeung, 2002, p. 30). The embedded structures of institutional relations shape transnational enterprises' outcomes of economic activities across borders. As the institutional environment in their home country is substantially different in many aspects compared to their host country, particularly in the context of firms from developing markets entering the developed countries, transnational entrepreneurs are eager to develop dual capabilities in both host and home countries in order to better understand

multiple institutional environments (Drori, Honig, & Wright, 2009), and better exercise their home country endowments in the host country in the institutional context (Bagwell, 2015; Yeung, 2002). There are different levels of institutions, such as government policies and industrial policies. These elements, in accordance with business functions (e.g., resource control, leverage capabilities and exploit opportunities), create great challenges for transnational entrepreneurs to firmly embed their business in the host country (Urbano, Toledano, & Ribeiro-Soriano, 2011).

Given the fact that country-specific entrepreneurial factors have an impact on transnational migrant enterprises' performance (Bagwell, 2018; Brzozowski, Cucculelli, & Surdej, 2014), TE researchers have investigated transnational migrant entrepreneurs from different nations in both emerging (Riddle, Hrivnak, & Nielsen, 2010) and developed countries (Bagwell, 2018). Reviewing the existing TE literature, we found that a limited number of studies examine Chinese transnational entrepreneurship in general. The current Chinese-related TE studies mainly focus on motivation (Urbano, Toledano, & Ribeiro-Soriano, 2011), opportunity seeking (Lin & Tao, 2012) and value creation (Lan & Zhu, 2014; Wong & Ng, 2002).

Bagwell (2018) in her study investigated the embeddedness of Vietnamese transnational business activities in London and highlighted the importance of successful embeddedness of transnational entrepreneurs in the host country. Nevertheless, none of the studies has specifically explored the 'embeddedness' of Chinese transnational migrant entrepreneurship in the UK. As indicated in the Introduction section, an impressive 14% of SME job-creation is created by migrant entrepreneurs in the UK, and about 25,000 entrepreneurs have a Chinese background (Dimitratos, Buck, Fletcher, & Li, 2016; Johnson & Kimmelman, 2014). Discovering how these Chinese transnational migrant entrepreneurs successfully embed in the UK will extend the TE theory in a different context.

To construct our theoretical framework, we apply Nahapiet and Ghoshal's (1998) social capital and intellectual capital framework, which comprises three dimensions: structural dimension (network ties and network configuration); cognitive dimension (knowledge of shared codes, language and culture); and relational dimension (trust and expectation).

RESEARCH METHODS

This study employs an exploratory multiple-case approach which has long been recognized as an efficient approach to examine a complex and under-explored phenomenon in a real-life context (Lee, 1999; Yin, 2003). Compared

to a single case study, 'multiple cases are generally regarded as more robust' (Urbano, Toledano, & Ribeiro-Soriano, 2011, p. 123) as the multiple-case design enables cross-case checking for replication logic (Eisenhardt & Graebner, 2007). Qualitative case studies have been increasingly used in entrepreneurship research (Katila & Wahlbeck, 2012; Perren & Ram, 2004; Sabah, Carsrud, & Kocak, 2014). The qualitative case study approach offers a valuable opportunity to explore new insights and build new theoretical explanations for the observed phenomenon (Bruton, Khavul, & Chavez, 2011).

Our research aims to discover the process of 'embeddedness' of Chinese transnational enterprises in the UK; it is still an emerging and under-explored phenomenon in the TE research domain. To explore the insights of a relatively new phenomenon, multiple case studies are the most suitable research method and has been utilized by many TE researchers in the previous studies (Bagwell, 2018; Lan & Zhu, 2014; Urbano, Toledano, & Ribeiro-Soriano, 2011). Especially, Mustafa and Chen (2010) claimed that a multiple case method is particularly helpful in tracking process over time and explains why this method was employed for this study.

Data collection

Using a purposive sampling method (Pratt, 2009), we conducted 7 in-depth case studies. Two main control criteria are used in the case choices. First, all selected cases must be small Chinese enterprises, operating in the North of England (including North East and North West). Second, we choose cases that are as diverse as possible (Eisenhardt, 1989) to maximize the exploration of potential insights into the new phenomenon of transnational enterprises' embeddedness in the host country. Following these selection criteria, the final 7 selected small Chinese entrepreneurial enterprises include: a hotel business (case 1); an online beauty products company (case 2); a property agency (the case 3); a Post Office (case 4); a combined Post Office and nail business (case 5); an electronic goods and bicycle retailer (case 6); and a pub business (case 7). Table 1 below describes the case backgrounds and the participants' information.

Given the fact that a qualitative research approach provides creative ways to make a rich contribution (Bryman, 2003), we employed different data collection techniques through three stages from the qualitative perspectives. First, one of the researchers already had connections with the owners of these Chinese enterprises through a variety of ethnic, social events either in the UK or China. Taking advantage of this, several informal conversations, site-visits and observations were carried out in the first stage. Second, 8 in-depth semi-structured interviews were conducted.

Table 1. Summary of the cases

Firms	Owners' educational background	Age of owners	Years in business	Years in cross-border business	Types of cross-border business	Funding resources
1	PhD in Bus Mag	36	8	3	Hotel	Family/self
2	PhD in e-business	40	10	10	Beauty products	Family/self
3	Master in Bus Mag	35	11	4	Property Agent	Family
4	Mater in Bus Mag	33	6	5	Post office	Family
5	PhD in computing	45	10	4	Post office + nail	Family
6	Bachelor in Bus	33	12	10	Electronic +	Family
7	Mag	55	4	2	bicycle	Self
	Master				English Pub	

The participants for the semi-structured interviews were either owner-managers or senior managers in the transnational enterprise. They were chosen as key informants because they had been heavily involved in their transnational businesses as front-line management and employees in both home and host countries. Their transnational experiences provided valuable insights in helping us to collect rich qualitative data. The authors used their personal networks in the UK, and either directly or indirectly contacted the key informants via email and WeChat (the Chinese version of WhatsApp), initially to gain access to the case companies, and then interview dates were arranged in later conversations. The main interview questions included 1) general questions to collect basic data on the firms; 2) transnational activities and social capital/ethnic links used to support these TE activities; 3) broad open-questions to ensure that the key points were covered.

Considering the participants were more comfortable in expressing their opinions using their native tongue (Wang et al., 2014), each interview was conducted in Mandarin Chinese and lasted for 1 hour on average. An interview protocol designed by the researchers collectively was utilized for the semi-structured interviews. 7 interviews were recorded with the permission of the interviewees. Following ethical principles of protecting research participants from harm and privacy (Fontana & Frey, 2004), the organizations and participants' real names, as agreed prior to the formal interview, are replaced by fictional names. As the last stage, 3 post interviews were conducted to clarify ambiguities in the information collected in the first round of interviews.

Data analysis

The case analysis involved a three-step process by applying Yin's (2003) case analysis method combined with Miles and Huberman's (1994) data

deduction and coding approach. As a first step, all interview transcripts were stored as word-process documents, and the researchers read the transcripts independently and repeatedly to get rid of the non- and less relevant raw materials. Second, using the protocols of an interview, combined with the research questions, an individual researcher carefully and manually coded the 'emerged patterns' for each individual case and left them as an open-coded database. The identified themes and patterns were coded in English. Some core quotes were selected and highlighted in the original transcripts. This process was repeatedly applied to each individual case until no new patterns emerged from all interview transcripts. The researchers compared their codes through numerous face-to-face meetings, emails and WeChat communications between the UK and China. Thirdly, the similarities and differences of the coded categories cross cases are compared and analyzed by using a constant comparative method inductively (McKeever, Jack & Anderson, 2015). In doing so, we developed the final coded categories to ensure the completed 'code book' 'conveying the connections between the analyzed data and the emergent theory' (Bansal & Corley, 2011, p. 512).

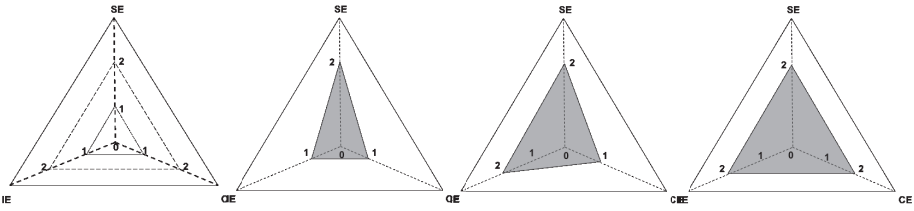
Evaluation of the research

Qualitative research has long been criticized for lacking structure, and being too subjective and difficult to replicate (Bryman, 2003). Qualitative researchers must build up confidence in the truth of the findings and convince researchers themselves and audiences that their findings are 'worth taking account of' (Lincoln & Guba, 1985, p.290). To hit its methodological merits and rigor, the researched cases and interviewees were carefully selected before the main research was conducted. The interviewed owner-managers are all Chinese, but many of them have been studying and living in the UK for more than 10 years. Their in-depth understanding of both Chinese and British culture enables them to provide the most valuable information, which enhanced the quality of this study. In addition, all research files, such as interview transcripts, fieldwork notes, and discussions notes have been maintained in an accessible manner to achieve 'dependability.' Finally, during the whole data analysis process, 1-2 regular meetings were organized between the researchers every week at the early stages to discuss and confirm the emerged patterns. This step is very important to maintain a high degree of consistency.

ANALYSIS AND RESULTS

Our findings show that three embeddedness forms in the host country emerged at different stages after these small Chinese enterprises started up their businesses in the UK. Based on the inductive model, we identified a hierarchical process of embeddedness: (1) structure embeddedness in the start-up stage; (2) institutional embeddedness in the early development stage; and (3) cognitive embeddedness in the growth stage (see Table 2).

Table 2. Three types of embeddedness at different stages

Lifecycle stage	Start-up stage	Development stage	Growth stage
Embeddedness types	Structure embeddedness (SE)	Institution embeddedness (IE)	Cognitive embeddedness (CE)
			

In addition, we found that the identified hierarchical embeddedness is an ongoing and interactive process in a dual environment. Successfully embedding in the host country is affected by network forces in the firms' home country. While enterprises accumulate novel information and knowledge of the foreign markets and improve their business performance in the host country, advice gained from the support network in their home country also contributed to deeper embeddedness in their host country.

Stage one: Structure embeddedness

As shown in Figure 1, the invested small Chinese enterprises attempted to structure and embed themselves into 4 social groups in the host countries at the start-up stage, including (1) business networks; (2) ethnic groups; (3) Government networks; and (4) competitors in the host country (UK).

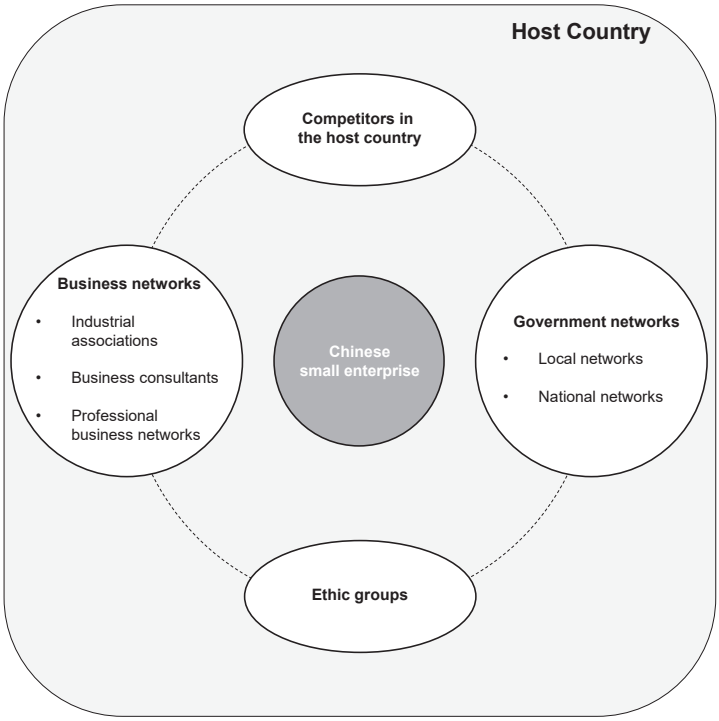


Figure 1. The chosen networks are structured by Chinese small enterprises in UK

The evidence from the 7 case studies shows that once small Chinese enterprises started their businesses in the UK, each firm invested affordable time and resources (due to the liability of smallness) to choose different networks to embed with in the host country. The evidence summarized in Table 3 shows a variety of networks choices at the earlier stage.

Amongst the 4 types of networks, professional networks (e.g., web-designers; accountants, solicitors, business managers of banks, etc.) and Chinese ethnic networks (e.g., Chinese North East Association and Chinese SMEs Association in the UK, etc.) were highlighted by all interviewees. Dealing with accountants, solicitors and business account bank managers were the first inevitable 'networks to embed' for all firms after they entered the UK.

Table 3. Summary of the network embeddedness

Network embeddedness		C1	C2	C3	C4	C5	C6	C7	(%)
Business networks	Industrial associations				✓	✓		✓	43
	Business consultants	✓	✓						29
	Professional business networks	✓	✓	✓	✓	✓	✓	✓	100
Ethic groups		✓	✓	✓	✓	✓	✓	✓	100
Government networks	Local networks	✓		✓		✓	✓	✓	71
	National networks		✓		✓		✓		43
Competitors in the host country		✓							14
In total		5	4	3	4	4	4	4	

Meanwhile, embedding into Chinese ethnic groups in the host country was also highlighted by all interviewees, as the following quotes demonstrate:

'As a Chinese entrepreneur, the Chinese cultural features won't diminish with the passage of the time and changes of location. Wherever and whenever, it affects your behaviors. Getting to know local Chinese individuals and institutions is the first step if you want to embed your business in the host country successfully as they have more experience, you can learn from them' (case 2)

'I received lots of advice and support from him (the Chinese owner-manager in case 4), he started the post office business a few years early than me, and his experiences of failure and success are all treasure for me. We meet regularly' (case 5)

Owner-managers from five enterprises (cases 1, 3, 5-7) out of 7 (71%) claimed that they attempted to establish a good relationship with local government to receive professional supports for free and utilize their powerful influence. This perception might be due to the high power distance and 'Guanxi' culture in Chinese business practices, as the majority of interviewed Chinese entrepreneurs highlighted that a good relationship with government is crucial, as an interviewee explained: *'this relationship (with Government) benefits our business not just now but in the future'*. In addition, three interviewees (cases 2, 4 and 6) out of 7 (42%) admitted that apart from local government, they participated in numerous activities and meetings organized by One North East, a business support agent controlled by UK central government at the national level.

In addition, two enterprises (cases 4 and 5) out of 7 (29%) made links with local Industrial Associations, others (cases 1 and 2, 29%) built a network

relationship with private business consultant companies. Interviewees from cases 4 and 5 confirmed that they pay annual fees to join the Industrial Association of the Post Industry in the UK, from which they received 'general' industrial-related information (e.g., a brief of industrial trends). Using private consultant services is expensive, highlighted by case 1 and case 2 firms who paid more money than case 4 and case 5, but received 'tailored' and professional services, typically designed for their companies. The evidence from these 4 cases suggests that the business networks in which to embed in a host country are determined by not only the nature of its business but also how many resources small firms are willing to invest in and can afford.

One of the most interesting cases is that of the owner of the hotel business (case 1) who networked during the start-up stage with a local competitor running a guest house business in the Lake District. It was, from this manager's perspectives, an effective way to embed his business into the local society. He explained:

'This village (where his business is located) is small, only about 6,000 people, due to its unique geographic location (one of the most popular tourism areas in the Lake District in the UK), with more than half of the local businesses involved in B&B, guest house or hotel services. They are my competitors but not 'enemies'! If you can make your competitors accept you as a newly started foreign business, you'll get much more (knowledge and information) than what you expected …. Her guest house is opposite my hotel, we are neighbors (laugh), she (the owner of the guest house) taught me a lot, to express my appreciation, in return, I introduced customers to her guest house if I had no rooms available during the busy season …'

We further asked this owner-manager how he developed such a network and he pointed out three main reasons: (1) his outgoing personality and good communication skills; (2) his emotional intelligence; (3) his multi-cultural background and knowledge. It was learned that this owner-manager had been studying for 8 years in a British university before he started his own hotel business in the UK. Entrepreneurs' personal traits, behavior and social cognitive knowledge structure have an inevitable impact in managing its embedding networks in the host country.

In summary, it is evident that Chinese small transnational migrant entrepreneurs chose different social networks to embed in the UK at the start-up stage. Through a variety of networks, they have gained transnational social capital to facilitate their embeddedness in the host country.

Stage two: Institutional embeddedness

Our findings also suggest that different institutions in the home and host country have a significant impact on small Chinese enterprises' embeddedness in the UK. After passing through the start-up stage of embeddedness, firms placed themselves in certain networks that they chose and moved to the 'development' stage in which firms experienced a variety of 'unexpected' issues and difficulties. The selected quotes in Table 4 illustrate the embedding difficulties and challenges these small Chinese enterprises encountered at the second stage of the embedding process. We define this stage as 'institutional embeddedness' as many failure stories started from a 'misunderstanding' of the institutions between the UK and China.

Six cases out of 7 (the exception being case 6) experienced different levels of negative embedding difficulties in the UK, either formally or informally. Although these Chinese firms had already prepared themselves before entering the UK markets, the knowledge and information acquired at the pre-entry stage were insufficient. They underestimated the complexity of the institutions when carrying on their business activities after entry. It is evident that simply implementing the business experience and knowledge they acquired in China into the host-country situations led to failures of further embedding in the host country.

As illustrated in Table 4, case 6 presented an exceptional story. In case 6, the local institutional knowledge of the British deputy manager that they had recruited played a key role, and he contributed significantly to the institutional embeddedness as the following quote demonstrates:

'I was a lucky person, really lucky, as I hired a British manager who had been working in the electric industry for long time in the UK markets and (he) has exceptional ability and sales experience in this area. I rely on him, maybe too much? (laughing)

Nevertheless, hiring such an experienced general manager was a considerable cost for the case 6 company. It may not be affordable for every small enterprise (or they may be unwilling to do so). Meanwhile, it has a potential risk of creating an over-reliance on this network relationship.

In this stage, our findings show that institutional and regulatory regimes in the UK affected a variety of Chinese transnational enterprises' business activities and their development after the start-up stage. Formal and informal institutional differences in the host country brought great challenges for these transnational enterprises, and in such a local environment it is not a surprise that these Chinese transnational entrepreneurs seek institutional embeddedness after passing the 'survival stage.'

Table 4. Selected institutional embeddedness related quotes

Cases	Institutional embeddedness	
	Formal Institutions	**Informal Institutions**
Case 1	"I was extremely struggling with maintaining the relationships with English employees. Working slight over time is such a common business practices in China, nevertheless, it did not work here …. I really had problems in managing British people"	'Guanxi is a widely accepted Chinese business culture, I attempted to apply it to my business when dealing with my British employees, once the good relationship was established I expect them to work longer-time during the busy seasons (I pay extra), but I was wrong, British people value work and life balance'
Case 2	"The institutional environment in the UK is quite stable and transparent, but regulations are too detailed (comparing with China). If you were not fully prepared for that, you have troubles. I went to the court for several times because of breaking the HR law unconsciously…. that was disaster"	Not experienced specifically
Case 3	Good understanding of the formal institutions (e.g. regulations and policies), and worked closely with his solicitors who was willing to provide many valuable advices	"I had strained relations with my British deputy manager. We had many disputes in terms of business practices ….. I realised later it was mainly due to the normal value differences"
Case 4	"I was fined £2,000 in the first months due to misunderstanding of the local business practices …I did not check a young customer's ID when he bought cigarette, then I was reported by another customer and was punished"	Not mentioned
Case 5	"I sacked one pregnant woman working in my Post Office. She made so many mistakes, I thought that I did everything which I SHOULD do, indeed I neglected some regulations to sack a pregnant woman. I have never, I meant never, thought I had that much trouble later. It was nightmare …. Cannot image how I went through it!"	"We had a regular customer who often bought 4 packs of cigarette every day. I told her that she should reduce the amount of cigarette, she was angry 'it was none of your business' I was told. Then, the lady has never back my shop since then"
Case 7	"Running a pub, you must be very sensitive to the regulations, learn all of regulations and laws as quick as possible … it impossible that you ask your solicitor all the time. When something happened emergently, you have to deal with it based on your sense making, but it might be wrong!"	"I had bad relationship with local community at the very beginning – I ever fight with a few British men, I was injured, and my daughter sent me to the local hospital. Now I am sponsoring a local football team in the local community …. Much improved relationship after learning and understanding more British culture and norms"

Stage three: Cognitive embeddedness

After going through the *structure embeddedness and institutional embeddedness* stages, these small Chinese enterprises established their relatively stable networks and developed competence in dealing with complex institutions in the UK. Following that, the interviewees admitted that owners of these firms realized the importance of updating their management knowledge and leveraging their capabilities if they expected to embed themselves more deeply and better in the UK. The evidence from our investigated cases suggests that this level of embeddedness is largely driven by the decision-makers' cognitive knowledge. Thus, we defined it as 'cognitive embeddedness.'

At this growing-up stage, deep learning in a social context has become critical, and the decision-makers' knowledge structure and strategic thinking styles were brought into play for further embeddedness. Their inherent and antecedent knowledge have constrained their abilities to expand and sustain their businesses in the host country. '*Unconsciously*,' one interviewee (case 5) explained: '*the business knowledge and experience which I obtained in China still habitually affected my decisions in the UK, however, it is proving that I was wrong!'.* Another interviewed owner-manager (case 1) added:

'Running a business in a foreign country is not easy, many unpredictable risks, my knowledge of the past did help me to make decisions, but you cannot highly rely on it, dealing with surprise is about every day learning and rethinking!'

Three interviewees (cases 1, 2 and 5) mentioned, for example, that 'flexibility' is a key business practice for small Chinese enterprises in China, nevertheless, when applying this management style into business practices in the UK, '*you have to know THIS flexibility is not THAT flexibility, British employees interpreted it differently from Chinese…..only continuingly updating your cognitive knowledge can help you to find the 'balance point' between the two systems, then adapt it!* (case 1)'. Re-created cognitive knowledge plays a crucial role in aiding small Chinese entrepreneurs to firmly embed into the networks in the host country.

At the individual level, Chinese transnational entrepreneurs realized the necessary of re-constructing their knowledge through absorbing new local knowledge and adapting the existing knowledge to gain competitive advantages in the new and dynamic environment. Our findings indicate that Chinese transnational enterprises' embeddedness is not solely influenced by the networks and institutions in the host country, but is affected by the individuals themselves as they are the key decision-makers for the firms.

A dynamic dual embeddedness process

At the initial stage of the embeddedness, these immigrated entrepreneurs of study case companies used a variety of connections with their networks (e.g. businesses or family ties, etc.) in China to help them in determining which business sectors to start in the UK as the following quotes demonstrate:

'*My family runs an electronic business in China, that's why I started the same business in the UK (case 6)'; 'My father has been working in the property industry for a decade, so I was encouraged by him to start a proper agent business here (the UK)(case 3)'; 'I chose beauty products to start in the UK because I have a close relationship with a large wig manufacturer in my home town (case 2)'.*

Indeed, these connections largely affected which networks to embed in when these small Chinese firms initially entered the UK markets (e.g., the different types of industrial associations).

Moving to the development stage, entrepreneurs' activities became more complicated, and a lack of in-depth formal or informal institutional knowledge encouraged these firms to find a better way of further embedding into the institutional environment in the UK. Continuously, it was claimed by interviewees that they still worked closely with 'advisors' and 'mentors' in China, who can be their parents, individuals or partners, running businesses in China. They seek specific support and advice from 'the home countryside' to identify key differences and similarities of institutional practices between the UK and China. These dynamic, interactive and experimental exercises leveraged these small Chinese firms' competency and helped them to embed better in the UK.

The interviewee in case 6 explored an interesting story regarding their product development, illustrating how a dual embedding process interactively arose between the UK and China. The interviewed owner in case 6 has run his business in the UK for more than 10 years, and his electronic products were well perceived by British customers. At a local business conference, a potential business partner expressed his interest in their products and said to him: '*we are currently using French-made products; I am wondering whether we can do business together."* After a few meetings and product tests *'we were told that the quality of our products could not meet their standard,'* said the owner-manager. On a trip to China, this owner persuaded his father (who runs an electronic business in China as well) to sponsor and support him in developing higher standard products for this potential customer. *"We succeeded and had*

more customers who need high-quality products and this success facilitated not only my business in the UK but my father's business in China'. This story demonstrates that embeddedness in the host country can be enhanced via interactive business activities between host and home countries.

Our findings in this section suggest that the embeddedness of Chinese transnational entrepreneurs in the UK is a dual process. When they face challenges in the local environment, due to a variety of influencing factors e.g., networks; institutional differences and individual knowledge limitations), they attempted to seek new opportunities and support from the home country. Mixed embeddedness of social and economic activities enhances their performance in both countries.

DISCUSSION

Embeddedness can either "enable or constrain entrepreneurial activities" (McKeever, Jack, & Anderson, 2015, p. 52). Understanding how small entrepreneurial enterprises harvest and embed businesses in their immigrated countries is an important and worthwhile research issue (Johnstone & Lionais, 2004; Uzzi, 1997). However, limited studies have examined this phenomenon, particularly with a focus on small immigrated entrepreneurial enterprises. This research attempts to fill this research gap by presenting the key findings demonstrated in Figure 2 below.

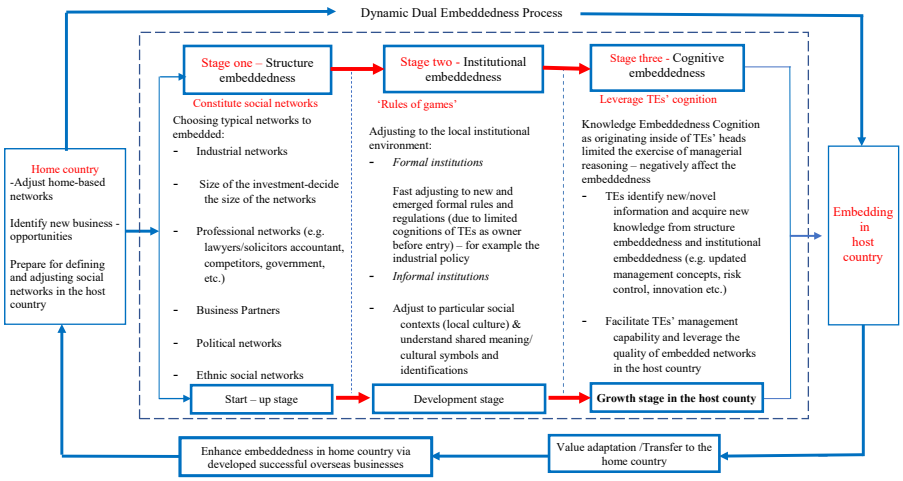


Figure 2. A dual embedding process adapted by small Chinese immigrated firms

Our findings generally support the view that embeddedness has multiple meanings and uses (Bagwell, 2018) and context is recognized as a critical factor in explaining entrepreneurial embeddedness (McKeever, Jack, & Anderson, 2015). Three different types of embeddedness forms were discovered in this research: structure embeddedness; institution embeddedness and cognition embeddedness. First, we found that small entrepreneurial firms make clear decisions about what typical networks to embed in the host country at the start-up stage. Consistent with network theory, firms admitted that embedding into the local social structure helps them to accumulate social capital (Drori, Honig, & Wright, 2009; Mustafa & Chen, 2010). Nevertheless, small firms, in general, suffer from insufficient resources (Ibeh & Kasem, 2011), and facing a variety of networks in the host country must decide where to embed and how to structure their initial networks at the early post-entry stage. Apart from these pre-requested professional networks (e.g., bank, solicitors, accountants, etc.), it appears that Chinese ethnic groups in the UK and government ties are important networks to embed in. This finding can be explained by the 'Guanxi' business culture (Dimitratos, Buck, Fletcher, & Li, 2016; Meyer & Peng, 2005) and power distance of Chinese national culture (Hofstede, 1980). It is also evident that to build a social relationship with competitors in the host county is rare (only one case out of 7) and difficult, but it is worth considering. According to the interviewee in case 1, such a network relationship brought him great advantages which helped him to better embed his hotel business in the Lake District region in the UK.

Second, this research argues that institutional embeddedness constitutes a crucial factor in leveraging small entrepreneurial enterprises' capability and improving their performance in the host country. After choosing what types of networks to structure, soon the small firms found that embedding within these networks was complex and affected by many institutional factors. The formal and informal institutional gaps (rules and regulations; norms and values) between emerging and developed countries (Yamakawa, Peng, & Deeds, 2008; Yeung, 2002) significantly constrained small Chinese entrepreneurial embeddedness in the UK. Our findings show that institutional embeddedness shapes firms' strategic choice (Rizopoulos & Sergakis, 2010) and influences its embeddedness process in the host country. Our findings support Dimitratos, Buck, Fletcher and Li (2016) who confirmed that Chinese transnational entrepreneurs attempt to achieve legitimacy in relation to the host country's environment of formal or informal institutions.

Third, at the individual level, the emerged cognition embeddedness reflected entrepreneurs' awareness of changing their 'stereotyped thinking mode' after they encountered difficulties and issues during the institutional embeddedness stage. It seemed that simply and passively applying the prior

acquired knowledge or experience into the host country system did not work properly for these small Chinese enterprises. Each entrepreneur has their own cognitive style, and when faced with a new problem in the host country they used the mind methods they were already familiar with (Wickham, 2006). However, the pre-cognitive styles limited them in finding new ways to constitute their business strategy in the host country. Consequently, they were willing, even eager to update their already stored home-country based knowledge through acquiring new host-country based knowledge to find a 'combined' approach during the embeddedness process. This learning, skill and expertise development at the growth stage leveraged the entrepreneurs' capability of creativity and inventiveness and enhanced its local embeddedness. Our findings extend Bagwell's (2018) embeddedness study by showing, at the micro level, that not just individual and co-ethic resources, but the entrepreneurs' own background and knowledge also determine transnational migrant entrepreneurs' embeddedness in the host country.

Fourth, compared to the majority of prior organizational embeddedness studies (Andersson, Björkman, & Forsgren, 2005; Uzzi, 1997), our findings show that embeddedness in the context of transnational entrepreneurship is more complex and dynamic (Dimitratos, Buck, Fletcher, & Li, 2016). An interesting result of this study is the identification of the interactive dual embedding process, involving both home and host countries. This finding extends Granovetter's (1985) key insight that embeddedness can be an on-going contextualization of economic exchange (activities) in different social structures in the context of transnational migrant entrepreneurship. Our finding reveals that the degree of embeddedness in the host country is affected by already established networks in the home country (Bagwell, 2018). The diversified networks (e.g., the types of transnational ties at different levels: individual and governmental networks) have a substantial impact on the Chinese transnational migrant entrepreneurs' embeddedness (Brzozowski, Cucculelli, & Surdej, 2017; Urbano, Toledano, & Ribeiro-Soriano, 2011). Taking a small Chinese entrepreneurial enterprise for example (case 6), embeddedness in the host country is developed and facelifted through an interaction of both home and host country networks (Mustafa & Chen, 2010). Overall, our study widens Zukin and DiMaggio's (1990) and Granovetter's (1985) concept, who propose that embeddedness refers to the contingent nature of economic activity on cognition, social structure and political institutions in the context of small transnational entrepreneurs attempting to embed their businesses in the host country. Moreover, it supports Bagwell's (2018) findings that embeddedness of transnational migrant entrepreneurs can be affected by both macro (institutional) and micro levels (individual).

CONCLUSION

This study sought understanding about how transnational migrant entrepreneurs embed their businesses in the host country. The questions explored are *what is the embedding process for small transnational enterprise? How do transnational immigrant entrepreneurs embed their businesses successfully in the host country?* We found that transnational entrepreneurs focus on different types of embeddedness at different stages, by choosing which networks to embed in at the start-up stage in order to achieve deeper embeddedness via institutional and cognitive embedding process. Migrant entrepreneurs also devote different resources and efforts on certain dimensions due to limited resources and international experiences (Bagwell, 2018). Interestingly, it is not just embedded networks in the host country, but well-established networks in the home country that also provide these entrepreneurs with sources of advice, resource, information and support which contribute to their successful embeddedness in the host country (Elo et al., 2018).

The contribution of our research is two-fold. First, our findings shed light on the theory of embeddedness in the context of transnational entrepreneurship. We have conceptualized the relationship between small transnational enterprises and embeddedness by identifying three different types of embeddedness as a hierarchical process. Very few entrepreneurial studies illustrate how small entrepreneurial firms generate their embedded structure from 'process' perspectives. The second contribution of our study lies in its illustration of how networks in the home country affect small entrepreneurial enterprises' embeddedness in their immigrated host country. It is evident that the interconnectedness between the home country and host country should be taken into consideration in future entrepreneurial embeddedness studies. In this sense, we encourage embeddedness researchers to pay attention to the 'home country' factor as well rather than just focusing on the host country as a one-way process in the international embeddedness research domain.

While we claim the contributions, we are aware of the limitations. First, our study is only based on small Chinese entrepreneurial firms operating in the UK market, and the data were only collected by sampling 7 in-depth case studies. Thus, the results should be viewed cautiously when applying our findings to other contexts due to different institutions (Zahra, Wright, & Abdelgawad, 2014). We suggest that future research address this issue by investigating a wide range of transnational entrepreneurial embeddedness from other countries. Second, many studies confirmed that embeddedness may either *enable or constrain* cross-border economic activities (Uzzi, 1996;

Zukin & DiMaggio, 1990), as small enterprises, in general, have a lack of resources, so embeddedness researchers should conduct further studies, investigating how small immigrated enterprises can avoid '*over-embed*' in the host country to avoid wasting time and limited resources. Thirdly, there is a lack of formal evidence showing to what extent highly skilled transnational migrant entrepreneurs embed in the host country, and how they differentiate their embedding process from other transnational migrant entrepreneurs. Future studies also need to take into consideration the entrepreneurs' background, skills and character and discover how these differences affect the transnational migrant entrepreneurs' embedding process.

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Abstrakt

Skuteczne osadzenie w kraju przyjmującym jest ważną kwestią dla przedsiębiorców imigrantów i przedsiębiorców transnarodowych. Wcześniejsze badania z tego obszaru koncentrowały się głównie na lokalnym osadzeniu spółek międzynarodowych (MNCs). Do tej pory badano przedsiębiorstwa ponadnarodowe, i niewiele osób zajmowało się sposobem osadzenia w kraju przyjmującym przedsiębiorców transnarodowych. Opisane badanie oparte jest na 7 pogłębionych studiach przypadku małych, chińskich przedsiębiorstw międzynarodowych działających w Wielkiej Brytanii. Na podstawie analiz Autorzy stworzyli dynamiczny model podwójnego procesu, który składa się z 3 wymiarów: osadzenia strukturalnego; osadzenia instytucjonalnego; i osadzenia poznawczego. Wnioski z badania stanowią teoretyczny wkład, oferując wgląd w sposób, w jaki międzynarodowi przedsiębiorcy migrujący osadzają się w podwójnym, transgranicznym środowisku biznesowym.

Słowa kluczowe: *przedsiębiorczość transnarodowa, kraj przyjmujący, teoria instytucjonalna, zakorzenienie*

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A factual analysis of sustainable opportunity recognition of immigrant entrepreneurship in Finnish Lapland: Theories and practice

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Abstract

Immigrant entrepreneurs are in a disadvantaged position in the Arctic Lapland. According to previous studies (see Yeasmin, 2016), there are many factors that hinder the sustainability of immigrant business. Immigrant entrepreneurs lack socio-economic and political knowledge along with many other hindrances. Broadening knowledge and combining strong and weak ties (Granovetter, 1985) are positive factors among many other mixed factors relating to operating a business successfully. Sustainable immigrant entrepreneurship practices require legitimacy between entrepreneurial actions and opportunity recognition. Research on sustainable immigrant entrepreneurship does not fit into a single literature body and it is difficult to make a single model for the growth potential of immigrant entrepreneurship in Lapland (Yeasmin, 2016). Therefore, the focus of this study is to create an integrated value for immigrant entrepreneurs by combining the CSR theory and mix embeddedness theory, and find an alternative concept of practice for understanding the drivers that can sustain the micro businesses of immigrants in Lapland and can give an explanation on opportunities recognition which can be embedded so as to get access to the necessary entrepreneurial capital (local, regional or national). This study argues that the degree of CSR embeddedness could be developed as a component of mixed embeddedness supports the discovery of institutional, social and economic opportunity strategy amongst immigrant entrepreneurs. Conceptually, this study explores adaptive factors that immigrant entrepreneurs are determined to embed (whether knowingly) as mixed practices that create entrepreneurial success.

Keywords: *mixed-embeddedness, sustainable, entrepreneurship, immigrant, CSR, opportunity recognition*

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INTRODUCTION

Immigrants are a marginalized group in the labor market in Finnish Lapland, since the unemployment rate is high among immigrant jobseekers. Immigrant entrepreneurs are also in a disadvantaged position in the Arctic Lapland (Yeasmin, 2016). According to previous studies (Yeasmin, 2016), there are many factors that hinder the sustainability of immigrant business. Immigrant entrepreneurs lack socio-economic and political knowledge along with many other hindrances. Broadening knowledge and combining strong and weak ties (Granovetter, 1985) are positive factors among many other mixed factors relating to operating a business successfully. Sustainable immigrant entrepreneurship practices require legitimacy between entrepreneurial actions and societal expectations.

Some other previous studies indeed showed that the entrepreneurial talent of immigrants might not be fully utilized in the host countries (Hjerm, 2004; Kloosterman et al., 1999; Frederick, 2008). Perhaps at some cost, it is possible to "close the gap" between immigrant entrepreneurs and the economic growth of their enterprises in the host countries (The European Commission, 2003; Frederick, 2008; Frederick, 2006). On the one hand, immigrants need to broaden their knowledge, while on the other hand, it is important to find out the disadvantages that inhibit the drive for self-employment by immigrants, such as 1) social and individual disadvantages, 2) geographic disadvantages, 3) cultural disadvantages 4) economic disadvantages and 5) structural disadvantages (European Commission, 2003). Perceptions of Corporate Social Responsibility (CSR) amongst immigrant, small entrepreneurs, are topical in the current study. Micro and small companies are not involved in the desired way and are not accountable for their impact on society and the environment. However, this research finds that their contribution to CSR would support entrepreneurial success and sustainability, which very much depends on social, economic and institutional interplay, and are the basic grounds of entrepreneurial success according to the mixed embeddedness theory (Rath et al., 2002; Rath, 2005).

This study is a combination of CSR practice and mixed embeddedness. The context of this integrated theory could enable micro and small enterprises to create tools for sustaining their entrepreneurial path in Lapland. CSR is a business approach for business sustainability that can ensure shared values between all stakeholders by delivering economic, social and institutional benefits. On the other hand, these are three main components of mixed embeddedness for finding main characteristics of the opportunity structures.

According to our case study, the adoption of CSR by the immigrant entrepreneur is a significant phenomenon, which needs research attention

in the Arctic. Immigrant entrepreneurs have mixed attitudes toward adopting CSR. The immigrant entrepreneurs who took part in this study knew very little about CSR. There is not much previous research regarding CSR in micro and small-scale, immigrant enterprises in Finland. According to the mixed embeddedness theory, the demand and supply side of the ethnic market has an effect on immigrant entrepreneurship (Rath et al., 2002, p 33). The concept of mixed embeddedness focuses on those factors (strong and weak ties), explaining the success of immigrant entrepreneurship (Portes, 1995; Rath, 2005). The focus of this study is to create integrated value for immigrant entrepreneurs, by combining CSR and mixed embeddedness, which can sustain micro businesses of immigrants in Lapland.

The CSR efforts of an immigrant's business can indeed be influenced in various ways by internal and external determinants: either for benefit or institutional, personal and external factors (Keinert, 2008, p. 139). Small-sized businesses have low public visibility, and the lack of a permanent establishment strategy isolates the individual entrepreneurs from the community, which compound a negative influence on their perceptions of CSR (Azmat & Samaratunge, 2009). However, in the context of immigrant businesses in Lapland, the theoretical positions of immigrant entrepreneurs and their success depend on various theories rather than any single theory. This study argues that the degree of CSR embeddedness is just a component of mixed embeddedness support discovering institutional, social and economic opportunity strategy among immigrants' entrepreneurs. This study explores the adaptive factors that immigrant entrepreneurs are determined to embed (whether knowingly) as mixed practices that create entrepreneurial success.

This study is based on ethnographic observation along with in-depth interviews of three enterprises and two in-depth interviews of immigrant entrepreneurs. They have followed mixed theories towards profit, independence, and resource availability. Although they have different conceptions about business success, reputation and business strategy, they have been operating their businesses successfully for more than three years

THEORETICAL FRAMEWORK

Lapland is a sparsely populated area and new immigrant-receiving region. There are different categories of immigrants (like refugees, asylum seekers, students, job seekers, etc.). "Immigrants are a vulnerable group in the labor market since the unemployment rate among immigrants in Lapland is higher than that among locals" (Yeasmin, 2016). The regional characteristics also differ from the rest of Finland because of its Arctic feature. Research on

sustainable immigrant entrepreneurship (Ibid.) does not fit into a single literature body and it is difficult to make a single model for the growth potential of immigrant entrepreneurship in Lapland (Yeasmin, 2016). Therefore, it is always important to combine some concepts for the tremendous potential of the application of business theories of immigrants in Lapland, since the extreme Arctic characteristics of Lapland and Finnish bureaucracy hinder business opportunity for newcomers (Yeasmin, 2016). We have chosen CSR and the mixed embeddedness theory to assess our empirical materials.

CSR is a commitment, obligation and action that is planned and implemented by entrepreneurs for assessing and evaluating business benefits (Coombs & Holladay, 2012, p. 29). CSR has been defined as a "*trend that appeals to change of business orientation from short-term to long-term goals and from maximum to optimum profit*" (Moravcikova et al., 2015).

CSR identifies and embeds mixed strategies to find ways and opportunities for motivation to operate a business (Rohweder, 2004, pp. 81–98). Positive images and influences of a business embed a steady precondition towards the successful operating of a company (Kotler & Lee, 2005; Santos, 2011). A good reputation requires a strategic plan to attract stakeholders, and build values and trustful relations among stakeholders for finding the best opportunity for business development. An entrepreneur can reduce operating cost by embedding vacancy chains in different forms that include the situational analysis of work phases and resources to decrease production costs, i.e., market research on getting cheaper raw materials, recycling materials, better value transportation, and finding more opportunities and support from the government, etc.

Some previous studies have also embedded the personal competencies of entrepreneurs to incorporate and implement the CSR process in business practice (Santos, 2011; Rashid & Ibrahim, 2002). A positive mindset of entrepreneurs towards CSR practices, challenges and opportunity embed mixed competencies from the entrepreneurs, i.e., social and academic skills, socio-cultural values and beliefs, learning skills, good behavior and attitudes, etc.

CSR in Finland highlights the relations among stakeholders, networks, public leaders. CSR orientation has been discussed as a minimal issue in Finland that is more often related to business taxes than ethics (Juholin, 2004; Gjølberg, 2010). By paying taxes, entrepreneurs are decreasing social security costs and this has been seen as a CSR practice. However, entrepreneurs have been pressured to comply with guidelines and meet social responsibility by considering recruiting working-age minority populations, e.g. immigrants and the local labour market (Suutari et al., 2016), which is also motivation for anti-discrimination (Migration Policy Group, 2002) and CSR initiates (Ram & Smallbone, 2003) for larger companies (a common good for society).

Therefore, corporate philanthropy and charity are compensated through a sympathy contribution in Finland. CSR practice is more common among big companies in Finland; however, it is equally important to embed CSR practice in micro-sized companies for the successful continuation of business. CSR perception is a way to encourage responsible behavior and individual values and cultivate the virtues of entrepreneurs in Finland (Wang, 2011).

Explicit CSR practice is embeddedness of trust, norms, rules and customs that create obligations, commitment and the motivation to find opportunities for business success. Such motivation of entrepreneurs is important for good will, human (personal) values and social inclusion (social status) of small-sized immigrant businesses. CSR activities help entrepreneurs to understand institutional, social and economic value through the realization that the recognition of opportunity is essential for business operation (MIT, 2011).

If we explain the concept of mixed embeddedness, it is not that different from the concept of CSR. There are diverse and numerous definitions of CSR (Mohammed & Leponiemi, 2009) but our concern is to explore interconnectedness between these two concepts for the clarity of analyzing our empirical materials. According to Polanyi, although business is an economic activity, there are many non-economic institutions, factors and provisions that support economic growth (Polanyi, 1968). Granovetter argued in 1985 that every economic activity is embedded in society and concrete societal relations – human behavior, personal relationship, networking with traders and customers. Kloosterman et al. (1999) also combined various values with the skills of entrepreneurs for the development of informal economic strategies. Mixed embeddedness is a conceptual framework for exploring how immigrant entrepreneurs encompass the crucial interplay between social, economic and institutional contexts. They argued that entrepreneurship is a competitive phenomenon; therefore, it demands competitive and mixed entrepreneurial strategies. He has combined a mutual relation of high and low threshold markets with different levels of human capital for measuring high and low growth potentials. The concept focuses on an economic, social and institutional opportunity structure and immigrant entrepreneurs are analyzed for the growth potential of the business and their understanding of local markets (Price & Chacko, 2009). In this theory, the success of business depends on local market analysis (location), institutional controls and finding access to opportunities, which are very much interconnected with the characteristics, personal experiences and competencies of immigrant entrepreneurs.

Therefore, integrated concepts focus on economic survival and the ethics of business based on interactions and economic, social and institutional connections, which influence their success in a relevant space and time (Figure 1). These concepts encompass multiple aspects of opportunity

structures that are related to the sustainability of immigrant businesses, i.e., the strategic flexibility, social capital and human capital of entrepreneurs.

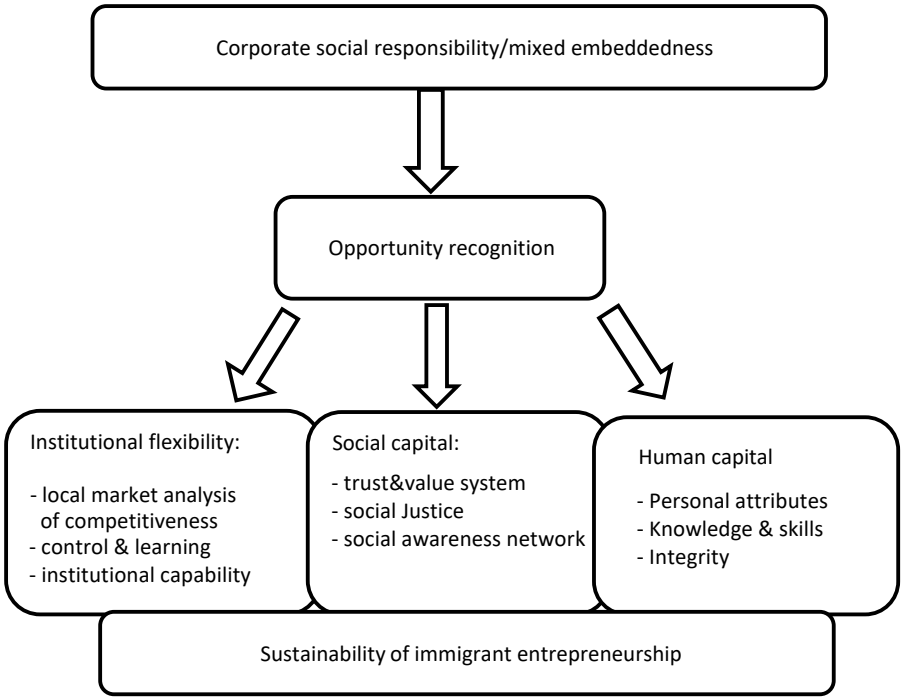

Figure 1. Relation between business sustainability with CSR and the mixed embeddedness theory

Integrated concept: Interconnectedness between CSR and the mixed embeddedness theory

In the mixed embeddedness theory, social embeddedness is important. However, time and space/place trajectories are equally important for sustaining a business. Proper time and a proper consumer market allow the success of a business according to Kloosterman (2003). Why are large spaces needed in the market for a certain business? Are the entrepreneurs themselves able to outsource the risk of the business? Do the existing rules and regulations allow such business? Does starting the business require any market research on certain products or is there already market research available? This information can be embedded in the entrepreneurial spirit. The time and space concept (Swedberg, 1994, p. 255) can embed market

demand by inspiring entrepreneurs to think about resource capital (financial, human, social and ethnic).

The time and space concept includes a specific opportunity structure that can help identify the resources of their place of settlement, its geographic location and support building companionship with neighbors. Through these mixed approaches, immigrant entrepreneurs can relate their resources to the opportunity-driven structure. All the entrepreneurs in our study have some weak and strong performance levels that have an impact on the entrepreneurial process. This particular mix of both strong and weak ties benefits entrepreneurial survival by finding structural holes, which necessitates discovering opportunity structures for filling up the holes (Elfring & Hulsink, 2004).

Therefore, we find that the specific sets of resources of individual immigrant entrepreneurs postulate a relationship between the opportunity structures by adding a dynamic interpretation of economic, social and institutional incorporation towards entrepreneurial success. Both CSR and the mixed embeddedness theories stand for the growth potential of enterprises and integrated policies back up a management style for entrepreneurs that enhance the possibility of long-term solutions and success of enterprises. The standpoints of the integrated concept end with opportunity recognition (see Figure 2). The main three components of integrated concept (institutional, economic and social) rely on strong and weak ties. These ties are positively related to entrepreneurial performances, socio-economic and institutional surroundings of entrepreneurs which could be different in a time-space context.

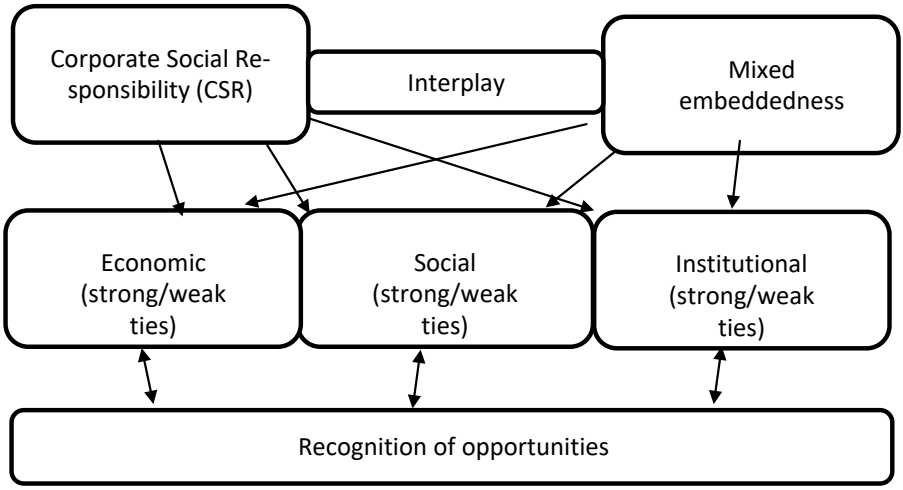

Figure 2. Interconnectedness between opportunity structures with both theories

Economic dimension: As per the mixed embeddedness theory, long-term growth for micro and small-scale enterprises can be measured by looking at different structural trends in a specific market (Kloosterman, 1999). The economic growth of an enterprise depends not only on a promising market but also on human capital and the orientation of human capital towards broader markets. On the other hand, the economic viewpoint of creating profit and values of an enterprise in CSR practice means good performance of entrepreneurs towards stakeholders, e.g., designing a supply chain and good services for the consumer. Enhancing positive attitudes towards all related stakeholders in a responsible way can build a corporate culture among stakeholders in the community where they reside (Nelson & Prescott 2003).

Satisfying customers by knowing their needs increase relations with stakeholders. This is not only limited to generic economic functions (Handelman, 2006), but also the survival and success of the enterprise. For instance, achieving economic and non-economic goals depends on relations and networking between different groups of stakeholders, not only consumption, investment and supply (Pirsch et al., 2007). This relationship should be extended to a stakeholder´s identity, interests, ideology, values and expectations (Preuss, 2011; Crane et al., 2004; Den-Hond & Bakker, 2007; Granovetter, 2005).

Immigrant entrepreneurs' individual competency to know the market competition, price and cost; monitor the market; utilize the capacity of existing support on human resources; and have negotiation and marketing skills, are equally important for the success of a business. Entrepreneurial skills support balancing ethical and trust-based responsibility among multiple stakeholders (Beekun & Badawi, 2005). As the mixed embeddedness theory describes, the success of some businesses requires a relatively high-skilled human capital, while some other businesses can attain business growth with small-scale, low-skilled human capital and physical fitness for sustaining long hours of hard work (Kloosterman, 1999). Exploring the category of business by immigrant entrepreneurs can be a cause of success and failure of the business (Waldinger et al., 1990).

Social dimension: An enterprise should have other measures of success than just financial performances. Under the CSR theory, all enterprises have a responsibility and accountability towards social effects. Immigrant entrepreneurs in small-scale and micro-level businesses do not have any philanthropic responsibility whereas macro-level enterprises have an obligation towards well-being among society and stakeholders. However, some scholars describe that the fact that immigrant and micro-enterprises pay taxes means they are contributing to society since taxes have been used for the development and well-being of the community and people (Rohweder, 2004; Uddin et al., 2008).

According to the social justice theory, CSR practice includes the social responsibilities of the enterprises, e.g., the relationship between society and entrepreneurs, and integrating social demands and the ethical obligation to society. This type of social responsibilities could be I) macrosocial and II) microsocial (Garigga & Melé, 2004). Macro enterprises solve social problems by creating harmony amongst the community and individuals. Sometimes society also demands a responsible corporate body (Davis, 1960).

Microsocial-concept is not a philanthropic ideal but rather an authentic norm of attitudes and behaviors of community members towards entrepreneurs and vice versa (Garigga & Melé, 2004). The overall perception of social justice is to hold the common good of society, which has a referential value for CSR (Mahon & McGowan, 1991; Velasquez, 1992). The social dimension of CSR illustrates the positive contribution of enterprises to the well-being of society, and a harmonic way to live together (Melé, 2002).

According to Sulmasy (2001), the common good is a convincing interpretation of the knowledge of human nature that permits the circumnavigation of cultural relativism (Sulmasy, 2001), and the convergence of religious, political and philosophical thought (Donaldson & Dunfee, 2000, p. 441). Some scholars think that living and working together in a community means a common good for society (Goodpaster, 1999; Kaku, 1997; Yamaji, 1997). If we assess all this thought on the social responsibility of entrepreneurs, we find that immigrant entrepreneurs can play a microsocial role through the convergence of religious and cultural thought of social members towards immigrants. Immigrant entrepreneurs can help society by integrating themselves in that society. Self-employment of immigrants is an advantage both for the local economy and for the community. Since, in spite of their different cultural (Azmat & Zutshi, 2012) and religious backgrounds, if they can live and work together with the local society, it is a common good for all in the society.

According to previous research findings, although immigrant communities are willing to adjust their home country culture, customs and family values, they still try to maintain some weak or strong linkage with their background culture whether it has a positive or negative impact on operating a business in the host country (Hamilton et al., 2008). Proper integration is sometimes good for business growth.

In the mixed embeddedness theory, most of the immigrant entrepreneurs kept a strong relationship with ethnic capital rather the common social capital of the host country. Immigrant entrepreneurs are usually dependent on ethnic capital by searching for employees and customers from within the ethnic community, and their network is mostly ethnically-based which does not support proper acculturation in the host society. They need to apply

a specific kind of social embeddedness that can build a trust relationship with local stakeholders (Kloosterman, 1999; Kloosterman, 2010).

In this case, the chances of becoming successful and the continuation of the business are rather slim (ibid.). Therefore, they lack opportunity knowledge and control over access to social capital. It can also limit their social competition and monitoring skills over business opportunity. As Kloosterman (1999) points out "being embedded in heterogeneous social networks may even constitute a prerequisite for starting a business there, as information of new consumption habits is essential." Social capital formation is a skill of the entrepreneur, and business strategy requires the professional competencies of entrepreneurs. It does not matter whether this competency has been achieved from the host country or the country of origin (Taylor & Leonard, 2002).

A skilled entrepreneur can combine a heterogeneous social network to support business growth and continuation. According to Granovetter (1985), entrepreneurial outcomes are achieved through social embeddedness, whilst in a previous study, the social embeddedness of an entrepreneur is a behavioral expression of social skills of a human (Giddens, 1984) that associates an economic and sociological approach on the success of enterprises (Granovetter, 1973). Social embeddedness into business relies on social class or status to some extent (Granovetter, 1985; Jack, 2005). In this latter respect, immigrant entrepreneurs are in a disadvantageous position in the business market (Yeasmin 2016) which necessitates social cohesion and inclusion in the host country (Ibid.) Social companionship requires ties between all relevant actors and sectors of society.

Institutional dimension: Institutional aspects indicate a macro embeddedness perspective to business. A different institutional framework generates a long and continuous learning path for immigrant entrepreneurs. Therefore, the institutional embeddedness in the opportunity structure creates a complex and, to some extent, underdetermined situation among entrepreneurs. Institutional embeddedness affects the opportunity structure of low-skilled immigrant entrepreneurs (Yeasmin, 2016), as micro-level enterprises, where the entrepreneur is the only employee of the business, have no capacity for learning institutional opportunity.

There are four factors in an institutional framework that may affect the opportunity structure. I) Ways of opportunities that depend on the welfare society, since different welfare regimes offer different facilities that can constrain or extend market provision of social reproduction. This institutional obstacle can create opportunity or can block the market for immigrant entrepreneur. II) Labour market regulations can be promising or less promising for aspiring immigrant entrepreneurs. There are sharp divisions in some state regulations between locals and immigrants, which can hinder the opportunity structure

for immigrant entrepreneurs. III) Regulations for regulating business such as controlling business opening hours, range of products, business location, size and type of office accommodations, skill requirements and educational qualifications for entrepreneurs or employees. IV) In some communities, the business system very much depends on relationships between economic actors. Some economic actors are dominating the business market and shrinking some opportunities for immigrant entrepreneurs who are outsiders in the host country. Institutional barriers could be a threat to the business inclusion for micro-enterprises and their embeddedness. Institutional law and order, formal-informal norms and policies necessitate a threshold of knowledge about the institutional structure of the host country and society. Institutional embeddedness requires the entrepreneur to know about various economic actors and sectors for business collaboration, which brings the potential for business growth, and to know about various business systems, e.g., state-organized or arranged by the community, etc.

Institutional dimension in CSR indicates a legitimate managerial behavior of enterprise within the framework of public policies, which are relevant in practice (Garigga & Melé, 2004). In CSR, public policies mean not only the literal text of law and regulations but also some social customs reflected through public opinion, the issues that can emerge through public discourse, and the implementation of public opinion in practice (Preston & Post, 1981, p. 57; Jenkins, 2006), are the principles of public responsibility. As mixed embeddedness, CSR also includes lobbying, coalition building, corporate public affairs, stakeholder management and relationship policies (Vogel, 1986). Establishing stakeholder dialogue support is necessary to address many unclear signals in the business environment (Kaptein & Van Tulder, 2003). Usually, micro-businesses can be involved in irresponsible business practices related to the workplace, consumer rights, safety, human rights, and the environmental context (Azmat & Samaratunge, 2009).

CSR requires informal codes of conduct for operating rules or ecological promises for posturing environmental issues in collaboration with stakeholders. For a micro-scale business, energy savings, preservations of product, waste disposal, recycling, pollution and health & safety policies (UN 2009) are all incorporated actions required from the entrepreneur. All those combining dimensions of CSR and mixed embeddedness require internal and external determinants from immigrant entrepreneurs to discover opportunity structures. CSR practice or embeddedness of mixed practices entails an effort from the immigrant business. Lack of clarity to those opportunity aspects and understanding CSR and mixed embeddedness narrow their business operating skills to some extent.

METHODOLOGY

This research work is based on five case studies on five immigrant entrepreneurs in Rovaniemi and the material is collected through 1) ethnographic observation, 2) semi-structured in-depth interviews and 3) theory analysis. The ethnographic observation was conducted between 2014 and 2018. The semi-structured in-depth interviews of two successful entrepreneurs were done in 2013. These two entrepreneurs have been successfully running their business for many years and have established a good reputation in immigrant entrepreneurial life in Rovaniemi. One of the authors of this study has been spending many hours with immigrant entrepreneurs for ethnographic observations with the remaining three entrepreneurs for collecting data and research materials.

Unstructured data from ethnographic observation was collected from direct engagement through informal conversations, community meetings, and involvement with their daily activities to some extent. The observation yields some more insights of their business lives that maybe wouldn't have been possible to discover by asking questions, due to language barriers between respondents and researchers, therefore sometimes it is easier and more understandable by observing respondents and their business activities. Although it is more time consuming than interviewing, the output is more credible.

In data analysis, the study emphasizes and categorizes themes and key issues. The main themes are narrated in accordance with theoretical explanations based on empirical insights. After data triangulation, the study highlights the collected data and how the entrepreneurial integration of the immigrant relates to CSR and the mixed embeddedness theory. Collected data and materials suggest that the integrated theory and its aspects facilitate and open up nodes of entrepreneurial integration of immigrants in Lapland. The enterprises in this study are micro level as they have less than 10 employees (European Commission, 2012; 2003). The entrepreneurs are from different parts of the world and have different socio-cultural and political backgrounds. Their origins are different and so are their age groups and business field. Rovaniemi is a very small city and, as everybody knows each other, it is difficult to expose their business field as it is recognizable. Usually, immigrants operate restaurant businesses, groceries, pizza shops, massage parlors, coffee shops, etc.

Four out of 5 respondents are male (M) and one is Female (F) and mostly they are middle-aged.

Table 1. A material collection

Cases	Method	Time of material collection	Original background	Gender/Age group
Case B Bob	Ethnographic observation and in-depth interview	2014-2018	Asia	M/30-40
Case T Tom	In–depth interview	2013	Europe	M/40-60
Case S Sadaf	Ethnographic observation and in-depth interview	2015-2018	Africa	M/ 30-40
Case C Camelia	In-depth interview	2013	Europe	F/30-40
Case P Payman	Ethnographic observation	2014-2018	Middle-East	M/50-70

In theory triangulation phases, we analyze our materials on the basis of opportunity recognition; how entrepreneurs perceive a possibility of improving an existing business. The basic three concepts of opportunity recognition are 1) perception, 2) discovery and 3) creation which can support entrepreneurs to match their resources with market needs. Our original dataset has been analyzed for coherent study-clustering. As our two theories address economic, social and institutional opportunity recognition we, therefore, analyze only those data that interpret and support our theories. On the other hand, both competing theories also help us to strengthen our data. Our empirical materials also show that immigrant entrepreneurship success in Lapland is not only influenced by the resources of entrepreneurs (competences, skills, capital) but also by the institutional regime, economies and social structure in the host country of the diaspora. Opportunities need to be embedded to get access to the necessary capital. The integrated concept of two business theories investigates the relevance between each other and enables an explanation to be provided on economic, social and institutional opportunity recognition amongst immigrant entrepreneurs in Lapland.

RESULTS AND DISCUSSION

Small, immigrant entrepreneurs lack resources and social and human capital in Lapland. Some of the respondents have pretty little knowledge of the CSR concept (Case B – Bob and Case P – Payman) whereas some others thought that CSR is very much related to larger companies and their philanthropic characteristics (Tom, Camelia & Sadaf), and they agreed that their businesses are small-sized, but they do not have a perfect knowledge about the definition

of a small–scaled business. Business governance strategy means a large time-consuming issue for the respondents in the first expression, which they do literally in unwritten form and unknowingly (Belal, Payman & Sadaf). Usually, they lack lead-time in small and micro companies as they have to work full time in their companies (Belal, Sadaf & Payman). They do not have any intermediaries to execute such initiatives. Therefore, small companies lack the ideal settings for CSR and sustainability because they require flexible management systems and corporate governance (Belal, Sadaf & Payman).

All the respondents believe that a lot of effort is needed at the beginning of the business to get public visibility and make the business a brand among customers. Business needs several strategic plans, goals and motivations for branding and getting visibility (Tom, Sadaf &Camelia) which are not necessarily in written form (Tom, Sadaf, Belal, Payman & Camelia). In most instances, a business run by an individual owner has planned a strategy on an instant basis. They take factual decisions instantly and, in most instances, the customer is their main priority. They believe that business success only depends on good customer service (Sadaf, Camelia & Tom), not about situational market analysis which is time-consuming. Strategic flexibility, social and human capital are indirectly related to customer services and business success. Unconsciously, they need to follow mixed embeddedness to offer good customer service. They do have surface knowledge (Belal, Sadaf and Payman) which means a level of understanding the meaning of entrepreneurial knowledge that has been created via logic, analysis, observation, reflection and prediction (Bennet & Bennet, 2008). Tom and Camelia have a shallow knowledge (Bennet & Bennet 2008) on entrepreneurship, which means contextual understanding, meaning and sense-making. However, all of the respondents lack deep knowledge on entrepreneurial success that depends on economic, social and institutional interplay.

We have discussed the immigrant entrepreneurs' perspective towards three opportunity recognition dimensions that can interconnect our theoretical perspectives as well, I) economic dimension, II) social dimension and III) institutional dimension. These can support us in exploring our findings according to our research questions for understanding the drivers of opportunity recognition.

Economic opportunity context

Lwimited human capital blocked various opportunities for the growth potential of immigrant entrepreneurs. Human capital in the forms of education, experiences, personal attributes and integrity support the orientation of entrepreneurs towards the market in Lapland. Bob and Payman have run their

businesses for more than three years, but lack many opportunities relating to creating profit and value in an enterprise. They had experience of working in a similar kind of enterprise before they established their businesses, yet they have little knowledge about business strategy, e.g., designing a supply chain, good consumer service, and relationships towards stakeholders.

Personal attributes towards all related stakeholders require a common communication language. In the Bob and Payman cases, we found that their common language skills are English and Finnish and both are too weak for business communication. They serve their customers by knowing their needs and increase relations with stakeholders, which is not only limited to generic economic functions. In both cases, an alternative explanation of their business success is their experience of prior working in a similar working place. They know the market competition, e.g., pricing and cost; their business attracts both ethnics and locals and they have the physical fitness to work hard. Bob attracts more locals than Payman; Bob also attracts a small group of tourists. Their business success does not create any enormous profit for them; it just creates value. They lack utilizing capacity of existing support because they lack lead-time to utilize such opportunities. They lack negotiation and marketing skills as they lack prior entrepreneurial knowledge and skills.

The human capital of Tom & Camelia helps them find various opportunities and make them successful in the Lappish market. They have both run their business for more than 10 years in Lapland. Camelia has prior entrepreneurial education at the university level. Tom has achieved supplementary entrepreneurial education immediately after establishing his business. Therefore, encompassing economic and non-economic goals, e.g., relations and networking between different groups of stakeholders, competency to know market competition, pricing and cost, monitoring market, utilizing the capacity of existing support on human resources, negotiation and marketing towards creating profit and values have helped them sustain their business. Their Finnish language skills indeed back up mixed embeddedness. Sadaf lacks entrepreneurial education, although he has other formal education and language difficulties are not identified as the biggest barriers in the case of Sadaf. He has a good command of English and Finnish. Therefore, language does not create a big barrier for business communication. He lacks lead-time to search for or utilize existing opportunities. Sadaf´s business product attracts different ethnic groups, which limits the number of local consumers. He has been motivated to establish a business by peer-role model. He has operated the business for three years and has been facing start-up problems until now. He lacks time for ongoing entrepreneurial education that could support recognizing the benefit and values of the business. The business position of Sadaf is survival but not successful yet. According to the integrated concepts.

Table 2. Assessment of economic context

Embeddedness Economic dimension	Case B (Bob)	Case T (Tom)	Case S (Sadaf)	Case C (Camelia)	Case P (Payman)
Human capital	H3	H1	H2	H1	H3
Behavioral economics	H4	H1	H2	H1	H4
Market orientation	H3	H1	H3	H1	H4
Utilizing opportunity	H5	H2	H3	H2	H5
Profit	H3	H1	H4	H2	H3
Lead-time	H0	H2	H0	H2	H0

Note: Success levels: 5 - poor condition, 4 - inadequate, 3 - manageable, 2 - feasible, 1 - satisfactory, 0 - not available (H - high).

In all cases, they are continuing their business although they have mixed business embeddedness towards economic success. In some cases, success requires relatively high-skilled human capital and in some others, business growth comes through small-scale and informal embeddedness, low-skilled human capital and physical fitness for sustaining long hours of hard work because of their age group. However, we found that the propensity for risk and opportunities of economic cycle among Sadaf, Bob and Payman which are at the "manageable" and "inadequate" level, suggest they embed their entrepreneurial knowledge and skills to ease their access to economic capital. Growth aspirations among Tom & Camelia are feasible and satisfactory since exploring mixed embeddedness of growth potential is high.

Social opportunity context

Relations between society and entrepreneurs are mainly micro-social in our cases. The entrepreneurs find that they do not want to create any philanthropic responsibilities between society and enterprises on a larger-scale. They follow a normal, authentic norm of attitudes and rational behavior with the community and specific ethnic community members. They hold a common good for society. Their social obligation, interpretation of common good, the definition of positive contribution and well-being vary depending on their socio-cultural background, and they follow a harmonic way to live together in the society. They pay taxes and have created employment for themselves for the common good of society, though their integration processes are different.

Tom and Camelia are Europeans and have very close socio-cultural characteristics with locals and they can understand the local economic sector better than Bob, Sadaf and Payman. The socio-cultural background of these

entrepreneurs gives them an advantage in their integrating process into society in Lapland. The market dependency on Tom and Camelia relies on both ethnic and local resources. They have strong networks with different ethnic groups, European immigrants and locals. On the other hand, Bob, Sadaf, and Payman are from very different socio-cultural backgrounds than local Finns and that has an impact on their business integration. Bob, Sadaf and Payman are willing to adjust their home country culture and customs and family values, and they maintain good relations with the members of similar language groups in Lapland, as it is easier for them to speak the same language with their peers from the same country. They still try to maintain some weak or strong linkage with their background culture which they also express in the business dealings with customers and stakeholders.

They have a strong peer network; different ethnic networks and their Finnish network is weaker than that of Tom & Camelia. It has either a positive or a negative impact on operating a business in Lapland. In some cases, entrepreneurial performance according to their own heritage culture does not necessarily attract host people in business performance. Their service style could be acceptable for co-ethnic customers, but not for Finns. Bob, Sadaf and Payman usually depend on a variety of ethnic capital by searching for employees or interns and customers from the ethnic community. It can help their internal business. However, it does not support their acculturation with mainstream society.

On the contrary, Sadaf gets business support from their peer network, both nationally and internationally. For example, most of his suppliers are from Holland and Sweden and belong to a similar ethnic group. Common business ethics between his peer stakeholders facilitates trustworthiness between Sadaf and his national and international supplier.

The majority of the customers of Payman and Sadaf are members of marginalized racial and ethnic groups who are segregated from the local mainstream network. The socio-cultural networks of Tom and Camelia support them getting business visibility. The advancement of the technical know-how of Tom and Camelia is socially constructed (Kloosterman & Rath, 2001), since they embed Finnish culture into their business (e.g., the interior design of their business place, applying a specific kind of service design that embeds and combines Finnish culture with an ethnic business) and they pay attention to the demand side of the ethnic and non-ethnic stakeholders.

Social networking increases know-how on integrating social demands and ethical obligation to society. The responsibility and accountability towards social effect are paid little attention by Bob, Sadaf and Payman since CSR is contextual and a social-cultural orientation, which differs in their countries of origin. The influence of CSR is an unknown perception in some of their

host countries. Interestingly, they practice CSR without being aware of the notion. Although they don´t know that they are socially responsible, Bob and Sadaf show a charitable, giving behavior. Bob sponsors, through micro-social resources, the multicultural community for the well-being of immigrants residing in Rovaniemi, while Sadaf donates a small amount of money to a youth society and to the Salvation Army organization for the well-being of youth and vulnerable people. They cannot pay full attention to charitable social issues with larger resources since the businesses are smaller and must survive.

The social network of Tom and Camelia controls access to social monitoring skills over business opportunity. As a social obligation, Tom recruits long-term unemployed as employees or interns in his business to reduce the social burden to some extent. Some support other social initiatives, e.g., distributing food among the poor and supporting the well-being of a specific ethnic group by incorporating small social impact projects at a micro-social level. However, others are inactive and do not adopt philanthropic activities.

Institutional opportunity context

The role of an institutional framework in mixed embeddedness can enable or constrain immigrant entrepreneurship. Whether or not the entrepreneurial success of an immigrant is influenced by institutional settings (legal and political restrictions) is an extended view of business opportunity (Volery, 2007). A European immigrant gets more institutional freedom than other immigrant groups since two major advantages are the freedom to establish a business within the EU and easier recognition of qualifications (Hermes & Leicht, 2010).

Table 3. Underpinnings of social embeddedness

Social embeddedness	Case B (Bob)	Case T (Tom)	Case S (Sadaf)	Case C (Camelia)	Case P (Payman)
Social network	W*	S**	M*	M**	W*
Mutual trust	M*	S**	M*	S**	W
Social status	W	M	W	S	W
Philanthropic activities	W*	M**	W**	I	I
Social awareness / justice	W*	M**	W*	M	W*
Integration to society	M**	S**	M*	S**	M*

Note: S= strong; M= medium; W= weak; I: inactive *Ethnic based with different ethnic groups; **Diverse with all ethnic(s) and locals.

The institutional system and legal barriers for accreditation of qualification from non-EU immigrants are mostly seen as a way of forcing them into self-employment. For instance, Bob started a business due to the restricted access to jobs and limited opportunities for upward mobility in the jobs available to them. Tom and Camelia have been somehow motivated to become entrepreneurs. Tom has a European education, which is easily accredited in Finland. There was no educational accreditation problem for Camelia, as she completed her education in Finland. Payman started his business on the basis of demand in an advancing economy and increasing his social status, while Sadaf was encouraged by a peer role model.

On the other hand, immigrants lack awareness about business law and regulations in the host country. They also lack clear information about different financial schemes like trust funds, soft loans, local enterprise funds or lease of buildings, etc. Bob, Payman and Sadaf lack service and guidance agencies. There is a guidance agency to support start-up businesses but support is unavailable during operational turbulences in the businesses. There are entrepreneurial boards in Lapland; however, representation requires some financial resources from the micro-immigrant entrepreneurs. Tom and Camelia have not been participating in any entrepreneurial boards; however, their comparatively strong social networks support them to get clear information about financial schemes. Business support processes are very bureaucratic and they also require strong professional skills.

Tax regulation, labor law and social security obligations are the same for all regardless of the size and age of the business, and this requires tailored counseling and assistance. Bob, Payman and Sadaf cannot take part in entrepreneurial courses offered by a governmental organization, since they do not have the human resources to substitute them during the course period. Even if they wanted to manage some substitute employees, there is a language barrier to understanding the lessons that are mostly provided in Finnish. They also lack formal and informal communication methods about such programs and courses.

According to Tom and Camelia, usually, there are no general policies by government organizations of sending messages to entrepreneurs to inform them that such courses are available. There is much to reform concerning the general rules and regulations on business performance. The attitude of the city towards immigrant business has an important role in making the business policies familiar to immigrant entrepreneurs. Bob, Payman and Sadaf lack all facilities from credit institutions and do not have access to other unconventional finance such as loans from credit unions. Many larger organizations use lunch vouchers as a payment instrument for their employees. These lunch vouchers, chip cards, recreational cards, dual wallet cards or transportation card payment

methods require institutional knowledge and information that immigrants lack. The companies who offer those different cards provide merchant benefits, which are difficult for immigrant micro-entrepreneurs to participate in. Bob emphasized several times this unwanted difficulty to get accurate information about the use of those lunch cards.

Therefore, matching opportunities with resources necessitates upgrading their exploitative and explorative knowledge about the unstable institutional framework. The entrepreneurs' attention towards institutional embeddedness changes the outcome of the business. Bob, Payman and Sadaf lack alliances between public and private sectors because there is no governmental body to regulate those alliances. To some extent, Camelia lacks regulatory bodies that can advise entrepreneurs and demand short corporate reporting yearly. Regulatory bodies can get practical knowledge and entrepreneurs' views through a corporate reporting system, whilst in return, enterprises get an opportunity to share their concerns and this might relieve some institutional pressure on entrepreneurs by sharing knowledge. Camelia expects credible strategic policies and coordinated efforts from the regulatory bodies.

According to Camelia, Tom and Sadaf, CSR practice should be coordinated and stimulated by a public body so that they might expand their understanding of institutional agendas. Embedding with a state institution can sustain the business. As, according to Tom, identifying an opportunity on public procurement law would help sustain his business in Lapland. The CSR concept (e.g., supplier diversity and inclusive purchasing) can embed an opportunity to a minority group through increasing interaction with a supplier, who is a larger organization and a primary stakeholder of Tom's. Tom embeds opportunities by making a sub-contract with a primary stakeholder, e.g., a municipality. Maintaining stakeholder relations with a larger institution would facilitate obtaining information for Tom and it would help in knowing where to get some particular information.

Legitimate managerial behavior of enterprise exists in the case of Tom and Camelia, for example, they can follow public opinion, public discourse about law and regulation, and understand coalition building, public affairs, as well as stakeholder management, comparatively better than other entrepreneurs do. Additionally, according to Tom and Camelia, there is stakeholder dialogue support to address many unclear signals from their businesses. However, the rights of consumers, safety, human rights, and other environmental contexts of CSR, are partly very difficult to understand for Tom and Camelia. By comparison, Bob, Payman and Sadaf have little or no knowledge about the environmental context of CSR and related rights.

Table 4. Situational assessment on institutional embeddedness

Institutional embeddedness	Case B	Case T	Case S	Case C	Case P
Overall institutional settings	X1	X4	X1	X3	X2
Identifying and matching institutional opportunities	X0	X3	X1	X2	X0
Institutional awareness	X2	X3	X2	X3	X2
Legitimate managerial behaiour/ governance	X2	X4	X2	X4	X1
Exploring institutional obligation	X1	X3	X2	X3	X1
Stakeholder management policy	X2	X4	X3	X4	X2
Human rights contexts	X0	X3	X1	X3	X1

Note: X1= inadequate, X2 = manageable, X3 = feasible, X4 = satisfactory; X = poor.

CONCLUSIONS

The study argues that there is no uniform model for measuring the success factors of immigrant entrepreneurs because immigrant entrepreneurs are of a diverse nature. They are from different socio-cultural, political and economic backgrounds, and this can have an effect on the success or failure of a specific policy targeting immigrant entrepreneurship. There are mixed advantages and disadvantages that affect business success or failure. Super mixed embeddedness reinforces the entrepreneurial path of immigrants in Lapland. The adjustment of demand and supply by assessing the needs of the immigrant entrepreneurs is, therefore, a dynamic process.

The success of immigrant businesses is also conditioned by the mixed provision of reliable service and business ethics. The ethical behavior of our respondents is supported by their mental culture (which is formed by their cultural heritage) and social culture (which is partly formed by the receiving culture). This bi-dimensional orientation of ethical beliefs towards business cause mixed outputs in their businesses. Even though they, to some extent, choose the business ethics of their origin, they have the choice to choose both values and ethics in their business. Combining and utilizing both values in the business, in the right place, at the right time, entails an opportunity structure.

The study finds that mixed professional backgrounds also perform as an important contributor to business since some of our respondents are successfully operating a business despite not having an entrepreneurial education. Sometimes, some weak ties are considered valuable to strengthen

strong ties. The combination of different mixed ties does not necessarily block business aspiration; it might open a different opportunity path for business success. An individual entrepreneur can have a strong degree of some factors and a weak degree of others. These strong and weak factors correlate with entrepreneurial opportunity recognition (Granovetter, 1985; Xiaodan et al., 2010). Although strong ties have influential values in entrepreneurship, weak ties can also be innovative and dynamic.

All the entrepreneurs in our study have run their businesses for more than three years, and that is hard in Lapland. Usually, immigrant entrepreneurs have to shut their businesses within one year of opening in Lapland (Yeasmin, 2016). In this transitional phase, our study respondents have been successfully operating their business with mixed embeddedness. Our respondents are creating new forms of embeddedness for sustaining their business even if they don´t know that their own creations are informal economic activities along with different domains of embeddedness. Their strong sides include good customer service, a hard-working nature, a level of confidence and a willingness to learn.

Their weak sides are, e.g., information acquisition, opportunity recognition; their weak ties are influenced by their strong ties. Some respondents think that word-of-mouth recommendations can attract and retain customers since they do not have the resources for marketing; informal stakeholder relationships, oral and instant strategy rather that written or legal provision, can be the cause of success or failure in some cases.

According to our study, CSR and mixed embeddedness lack any particular, universally understood meaning. Although some of our study respondents have little knowledge about CSR, they are somehow exercising those contexts in practice unconsciously. Their perceptions and practices of CSR include mixed propositions. They might be able to operate a successful business even better if they could get precise propositions of stakeholder theory, conceptions on human capital in business, institutional and social embeddedness. Particular understanding can make them aware of the importance of managing CSR and the importance of mixed embeddedness in business behavior. Familiarization with the ecological environment can play a significant role for individual and business sustainability, which has been paid little attention to by our respondents. If the surface and shallow knowledge (weak ties) are good for survival, deep knowledge (strong ties) is also significant for sustaining a business.

This research also has some limitations. The sample of the analysis is so small that the results cannot be generalized. Equally, as Rovaniemi is such a small city, the country of origin of the respondents cannot be divulged as this

would make them recognizable. Therefore, this limits the analysis to clarify the ethnic backgrounds of the respondents in the methodology part of the study.

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Abstrakt

Przedsiębiorcy imigranci funkcjonujący na terenie arktycznej Laponii znajdują się w niekorzystnej sytuacji. Według dotychczasowych badań (Yeasmin, 2016) istnieje wiele czynników, które utrudniają zrównoważony rozwój firm należących do imigrantów. Są to m.in. brak wiedzy społeczno-ekonomicznej i politycznej. Poszerzanie wiedzy, łączenie silnych i słabych więzi (Granovetter, 1973) mogą pozytywnie wpływać na rozwój biznesu. Zrównoważone praktyki przedsiębiorczości imigrantów wymagają legitymizacji między działaniami przedsiębiorczymi a uznawaniem możliwości. Badania nad zrównoważoną przedsiębiorczością imigrantów są na razie początkującym obszarem badawczym i trudno jest stworzyć jeden model potencjału wzrostu przedsiębiorczości imigrantów w Laponii (Yeasmin, 2016). Dlatego celem tego badania jest stworzenie zintegrowanej wartości dla przedsiębiorców-imigrantów poprzez połączenie CSR i teorii zakorzenienia oraz znalezienie alternatywnej koncepcji w celu zrozumienia czynników, które mogą podtrzymywać funkcjonowanie mikroprzedsiębiorstw należących do imigrantów w Laponii. Badanie to dowodzi, że stopień rozwinięcia CSR można rozpatrywać jako czynnik wspierający strategię instytucjonalną, społeczną i gospodarczą. W badaniu Autorzy skupiają się na czynnikach adaptacyjnych, które przedsiębiorcy-imigranci stosują, aby przetrwać i osiągać sukces przedsiębiorczy.

Słowa kluczowe: *mieszane zakorzenienie, zrównoważenie, przedsiębiorczość, imigranci, CSR, rozpoznawanie szans*

Biographical notes

Nafisa Yeasmin is a Post-doc Researcher. She devotes her studies to Arctic immigration in her Ph.D. research at the Arctic Centre of the University of Lapland. Her research interest includes how to understanding global migration governance at a regional level, and the challenges of migration governance to establish a greater coherence across the Arctic region. Special attention has been given to comprehensive governance strategies for accelerating the economic integration of immigrants since good governance reinforces economic integration that underpins the relative resilience of emerging economy in the global north. Nafisa works under the Arctic Governance Research Group. She has been involved with different national and international network on migration, such as the Sirius network. She has been leading the UArctic thematic network on Arctic Migration. She is also a distinguished member of the Finnish National Ethnic Advisory Board and has been the president of Arctic Immigrant Association. Additionally, she is also a member of several different steering committees directly involved with the integration of immigrants in the Arctic. Academically, Yeasmin has published several peer-reviewed articles in prestigious international journals. More information can be find here: https://lacris.ulapland.fi/en/persons/nafisa-yeasmin(daf932e2-26aa-4ba2-a6c4-27336a3d527e).html

Timo Koivurova is a Professor. He has specialized in various aspects of international law applicable in the Arctic and Antarctic region. In 2002, Koivurova's doctoral dissertation "Environmental impact assessment in the Arctic: a Study of International Legal Norms" was published by Ashgate. Increasingly, his research work addresses the interplay between different levels of environmental law, the legal status of indigenous peoples, migration, the law of the sea in the Arctic waters, integrated maritime policy in the EU, the role of law in mitigating/adapting to climate change, the function and role of the Arctic Council in view of its future challenges, and the possibilities for an Arctic treaty. He has been involved as an expert in several international processes globally and in the Arctic region and has published articles on the topics mentioned above extensively.

The impact of cultural values on Vietnamese ethnic entrepreneurs in Germany

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Abstract

While culture plays a central role in ethnic entrepreneurship, extant research offers a limited understanding of this aspect. This paper investigates the impact of cultural values on Vietnamese ethnic entrepreneurs in Germany. We conducted five case studies with Vietnamese ethnic entrepreneurs. Based on the case studies, we identified four distinct types of cultural values that have a crucial impact on the entrepreneurial activities of the observed Vietnamese entrepreneurs in Germany: i) Family involvement, ii) Cautiousness in entrepreneurial decision-making, iii) Assertiveness in front of the community and iv) Cordiality of service. The study offers an initial insight into the role of cultural values in entrepreneurial decision-making processes of ethnic entrepreneurs and recognizes a reciprocal effect between cultural values and the balance of embeddedness.

Keywords: *cultural values, ethnic entrepreneurship, ethnic entrepreneurs, embeddedness, Vietnamese ethnic entrepreneurs*

INTRODUCTION

Globalization has reached every corner of the world by now. Advances and cheaper costs in communication and technology have fostered big migration streams as they enable people to maintain distant links more easily (Shuval, 2000; Tung, 2008; Vertovec, 2004). The number of people moving across borders is steadily increasing. In 2015, a global estimate of 244 million international migrants was made, corresponding to 3.3% of the total world population (International Organization for Migration, 2017). While attempting to gain a foothold in a new country, self-employment is a crucial factor for

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these immigrants' economic advancement (Sanders & Nee, 1996). As the number of migrants increases, the number of ethnic entrepreneurs also rises continuously. Ethnic communities have started to substitute the migrants' home countries, and particularly the non-significant costs of modern communication technologies have reduced the need for physical proximity to relatives (Gowricharn, 2009). This change in transnationalism significantly promotes ethnic entrepreneurship, which has gained increased attention from researchers over the last years. With increasing globalization, questions about the depth and persistence of cultural differences arise (McGrath, MacMillan, Yang, & Tsai, 1992). These questions are particularly interesting with regard to migrants who have left their national boundaries and have moved into a society that encompasses cultural value patterns that differ from their own. Thus, being embedded in two different cultural contexts, migrants combine two different cultures in their own ways and create mixed values, which influence how they conduct business as entrepreneurs in their host countries. This dual embeddedness is a particular characteristic of ethnic entrepreneurs. As an integral component of the cultural dimension, value is a central concept to the understanding of human behavior and action (Bilsky & Schwartz, 1994; Caprara, Schwartz, Capanna, Vecchione, & Barbaranelli, 2006). It is therefore essential to take a closer look at its impact on the entrepreneurial actions of ethnic entrepreneurs to widen our understanding of this topic. Due to the intangible nature of values, however, the topic is difficult to grasp. Therefore, understanding cultural values requires careful investigation and intense dedication.

Nevertheless, previous research on cultural impact has neglected the role of values in the researchers' observations. While few studies have already tried to detect the impact of cultural values in a general manner without investigating concrete values (Aldrich & Waldinger, 1990), the studies focusing on particular migrant groups are lacking. It is necessary to investigate the role of cultural values in a particular ethnic group since cultural values are idiosyncratic to ethnic groups and their migration contexts (Pütz, 2003).

Given that each ethnic group holds its own values (Morris & Schindehutte, 2005) this study will take the first step in addressing this research gap by investigating the values of one particular diaspora group, namely Vietnamese ethnic entrepreneurs in Germany. Since Asian value patterns differ significantly from Western values (Phinney, Ong, & Madden, 2000), investigating the influence of cultural values on the Vietnamese diaspora is favorable, as it can be observed more clearly. With about 4 million people of Vietnamese heritage living outside of their home country (Ministry of Foreign Affairs of Vietnam, 2012), Vietnam has a "widespread diaspora and a growing rate of entrepreneurship" (Bagwell, 2015). This unique situation of Vietnamese diaspora has attracted

attention from researchers who have investigated Vietnamese businesses, especially concerning their networks in the UK (Bagwell, 2008, 2015; Hitchcock & Wesner, 2009). However, in Germany, this diaspora has remained untapped, despite being the largest Asian diaspora group due to its migration history in Germany (Hillmann, 2005), which will be further examined in section three. The Vietnamese diaspora in Germany is most visible through its small businesses, such as restaurants, snack bars and nail salons (Bui, 2003).

This paper aims to provide an insight into the role of cultural values in the entrepreneurial activities of Vietnamese ethnic entrepreneurs, by identifying which cultural values exert influence and how this impact affects the establishment, as well as the management, of the business. Furthermore, a particular focus will be placed on the concept of embeddedness, as it plays a crucial role in the context of ethnic entrepreneurship.

This paper addresses three research questions that build upon each other, which allows for a structured approach to the topic. The research questions are as follows:

1) Which cultural values play significant roles in Vietnamese ethnic entrepreneurship in Germany?
2) How do cultural values influence Vietnamese ethnic entrepreneurs?
3) How do cultural values influence the embeddedness of Vietnamese ethnic entrepreneurs?

The study contributes to the literature on ethnic entrepreneurship by filling the research gap as a result of combining research fields on cultural values and ethnic entrepreneurship through the cases of the Vietnamese diaspora in Germany. The topic is becoming increasingly important, as immigration is growing on a global level. The number of migrant-based businesses is steadily rising. Migrants with a wide variation of motivations and approaches engage in entrepreneurship in their host countries. Against this background, it is essential to explore and understand the concepts and patterns of diaspora businesses. Cultural values play an important role here as they represent subordinate influences from the home country, which are within the entrepreneur and sometimes even contrast with the host country's value patterns. This study can enhance our contextual understanding of migrant entrepreneurship and provide initial insights into what impact cultural values have in entrepreneurial decision-making processes. As a preliminary step towards the investigation of cultural values in migrant entrepreneurship, Germany provides a suitable research location, as it has experienced an immense increase in international migrants in recent years, climbing from 6th place to 2nd position among the countries with the highest

number of migrants between 1990 and 2015 (International Organization for Migration, 2017).

In order to answer the research questions in a structured manner, this paper proceeds as follows. First, a literature review provides the conceptual framework, introducing cultural values and ethnic entrepreneurship and its associated concepts of embeddedness and network theory. Afterward, an overview of the research setting is given. Subsequently, we briefly present the chosen methodological approach and move to our findings, which are compared to the extant literature. Finally, theoretical contributions, practical implications, limitations, and a future outlook are outlined.

LITERATURE BACKGROUND

Ethnic entrepreneurship and cultural values

Ethnic entrepreneurship refers to the business activities of migrants that have a common cultural heritage or origin (Volery, 2007). An important characteristic of ethnic entrepreneurs is the access to ethnic resources that comprise "any and all features of their ethnic group that potential owners can use" (Light, 1984, p. 201). Thus, as opposed to native entrepreneurs, the process of the resource mobilization of ethnic entrepreneurs is achieved as a collective community. By using their ethnic, social structures as their organizing capacity, ethnic entrepreneurs draw on their co-ethnic relations for capital and workforce (Aldrich & Waldinger, 1990). In the ethnic economy, and particularly in ethnic enclaves, networks are essential for the maintenance of business activities since all the resources they use exclusively come from the ethnic network (Zhou, 2006).

This observation leads to the concept of embeddedness that researchers often apply in the field of migrant entrepreneurship (Kloosterman, van der Leun, & Rath, 1999; Rusinovic, 2008). It helps to understand the diaspora's complex relationship to their environment, and therefore provides an explanation for their entrepreneurial decisions. In 1985, Granovetter first linked the concept of embeddedness to economic behavior and stated that all economic actions are "embedded in concrete, ongoing systems of social relations" (Granovetter, 1985: 487). Embeddedness in a social context can facilitate or constrain entrepreneurship by these links and relations within their networks (Aldrich & Zimmer, 1986). One crucial point for this study is that embeddedness needs to be understood, not as a fixed state, but as a dynamic process (Ryan & Mulholland, 2015).

Researchers have applied this concept to investigation on various aspects of ethnic entrepreneurs, for instance, immigrant enclaves (Portes & Sensenbrenner, 1993) or diaspora in the apparel industry (Uzzi, 1996). Previous scholars have predominantly focused on the social embeddedness of ethnic entrepreneurs when investigating the ethnic networks as well as their linked access to knowledge and resources (Aldrich & Waldinger, 1990; Zhou, 2006). The extent of their embeddedness is crucial for the decision to start a business as well as business performance (Schnell & Sofer, 2002). Korinek, Entwisle and Jampaklay even argued that the "features of social embeddedness are among the most influential factors for migrant settlement, onward movement and return" (Korinek, Entwisle, & Jampaklay, 2005, p. 794).

Despite extensive research in the field of resources, networks and embeddedness, the cultural component remains rather invisible. Even though culture can have a significant influence on entrepreneurial behavior (Glinka & Brzozowska, 2015), researchers seem to have taken the role of cultural values for granted, or as naturally given, and have yet not paid particular attention to the impact of cultural values in the context of ethnic entrepreneurship. In some studies, investigators have even treated cultural values as 'attributes' that, in explicit form, have disappeared from the discussion for the most part (Pütz, 2003, p. 555). Cultural values, however, are particularly important for ethnic entrepreneurs as they are a major component of the ethnic resources, which again have a strong impact on the entrepreneurial process (Volery, 2007). Furthermore, research about values linked to entrepreneurship mostly focuses on personal values and has ignored cultural values that, overall, have a strong influence on personal value orientation (Morris, Schindehutte, & Lesser, 2002). One of the most comprehensive studies about values comes from Hofstede, who defines value as "a broad tendency to prefer certain states of affairs over others" (Hofstede, 2000, p. 5). Another definition characterizes values as 1) concepts or beliefs that 2) pertain to desirable end-states or behaviors and 3) transcend specific situations in 4) guiding selection or evaluation of behavior and events, and 5) are ordered by relative importance (Schwartz, 1992, p. 4). Values can be held as an individual but also as a collective community, and are therefore called cultural values. Cultural values represent "the implicitly or explicitly shared abstract ideas about what is good, right, and desirable in a society" (Schwartz, 1999, p. 25) and serve as an orientation for individual values. Furthermore, it is noteworthy that cultural values are not region-bound but "widely held and kept intact though pressure from the unit or group" (Morris & Schindehutte, 2005, p. 454). This circumstance applies to all ethnic entrepreneurs who reside outside of their home country but are still embedded within their ethnic community on-site.

The constitution of different cultural value sets can influence the decision to create new businesses, providing a reason for the fact that not all societies or groups are equally eager to engage in entrepreneurship (Bruton, Ahlstrom, & Li, 2010). Values can also lead to different connotations, nuances, and manifestations in entrepreneurship depending on the cultural region that is looked upon (Morris & Schindehutte, 2005). Overall, there is a consensus among scholars that the level and nature of entrepreneurial activities vary due to differences in cultural values and beliefs. One possible indication for this assumption is the variance in business foundation rates in different societies (Shapero & Sokol, 1982) or, in national rates of inventiveness (Shane, 1992). Turro et al. (2014) discovered that the role of culture is crucial for the development of innovation (Turró, Urbano, & Peris-Ortiz, 2014). Values are learned predispositions, and they have the characteristic of being relatively stable (Schwartz, 2006). Therefore, migrants who come from a different culture often have the values of their country of origin (COO) within their mindset and act accordingly. When residing in a host country, however, there is likely to be an influencing factor coming from the host societies' values. It is therefore especially interesting to investigate how ethnic entrepreneurs orient themselves in a surrounding environment that holds different values than their COO. Values can be the key to understanding why and how ethnic entrepreneurs' behavior, or style of management, differs throughout ethnic groups.

Furthermore, the values can also give an explanation for why specific ethnic groups are more likely to become self-employed than others. However, there has only been limited scholarly attention paid to research addressing explicit values. Against this background, we have decided to investigate one particular ethnic group, which is Vietnamese ethnic entrepreneurs in Germany, whose unique migration history and settings are explained in the following section.

The Vietnamese diaspora in Germany

The Vietnamese diaspora is the largest Asian diaspora group in Germany (Hillmann, 2005). By the end of 2015, around 87,000 people of Vietnamese nationality lived in Germany. In addition, approximately the same numbers of German citizens with Vietnamese roots live in Germany, so that a total of 176,000 people with a Vietnamese migration background are registered as residents in Germany (Statistisches Bundesamt, 2015). There is also an estimated number of unreported cases of Vietnamese residing in Germany, which leads to a total estimate of about 180,000 people. Being one of the largest diaspora groups in the country, it is therefore of particular relevance

to investigate this group, as little is known about the Vietnamese diaspora and their entrepreneurial patterns, despite their high visibility in the entrepreneurial landscape in Germany.

The Vietnamese diaspora's bond to their homeland is solid. More than 500,000 Vietnamese who live abroad return to Vietnam annually for investment and family visits (Ministry of Foreign Affairs of Viet Nam, 2012). This homeland orientation is also particularly evident in the flow of remittances. In 2015, Vietnam belonged to the Top 10 countries in terms of remittance recipients (World Bank, 2016) with a total equaling 13.2% of the country's gross domestic product (International Organization for Migration, 2017).

Contact with Germany is a relatively recent phenomenon (Bui, 2003), starting in 1975 when the immigrant population resettled after the end of the war in Vietnam. Two significant waves of Vietnamese migrants came to Germany, namely the 'contract workers' and the 'boat people.' The so-called boat people were Vietnamese refugees from South Vietnam who fled communism and settled in Western Germany at the beginning of the 1980s after the defeat of the Americans in the Vietnam War. This paper focuses on the first group who migrated due to the severe economic situation in their country at that time. As contract workers came to the German Democratic Republic for temporary work, they were destined to leave the country after a certain period of time. When German reunification took place, many contract workers lost their jobs. Around two-thirds were sent back to Vietnam but found ways to return to Germany in late 1990. They came back to Germany with their family members. After their return, working and living in Germany became more difficult for them due to missing documents. It was not only the legal status of the former contract workers that remained uncertain for a long time but also their documents regarding education and qualifications that were not accepted in Germany, which made it difficult for them to find work. In order to escape the unclear and precarious situation after the reunification, they improvised through self-employment, mostly in the textile trade, food wholesale, retail and flower trade (Schmiz, 2014). The origin of Vietnamese ethnic entrepreneurship in Germany, therefore, had the nature of necessity entrepreneurship (Chrysostome, 2010; Maritz, 2004). Over the past few decades, however, the economic situation and social status of the Vietnamese diaspora in Germany has improved, which enables the modern diaspora to have broader vocational alternatives ranging from employment in the mainstream host-country market to self-employment.

Vietnamese diaspora entrepreneurship in Germany is most visible in the food and service sector (Sutherland, 2007). Particularly noticeable is the rising number of Vietnamese restaurants in big cities such as Hamburg or Berlin. Especially in eastern Berlin, some streets and corners are vastly

dominated by Asian restaurants with "at least one Vietnamese-run snack bar every five blocks on average" (Bui, 2003, p. 182). According to a study in 2005, Vietnamese entrepreneurs in Germany can be distributed as follows. 45% of Vietnamese entrepreneurs operate their business in the gastronomy sector. Retail and wholesale account for the second largest share with 35%, and finally, import and export businesses and other services share third place with 10% (Dao, 2005 cited in Schmiz, 2014).

METHODOLOGY

Research design

This study employs a qualitative and inductive approach in order to capture the motives and reasons behind observable behavior. Qualitative research is suitable to grasp complex and elusive constructs such as values since the research goes beyond measuring observable behavior (Marschan-Piekkari & Reis, 2004). The inductive reasoning enables this study to follow an unbiased approach to the topic of cultural values, avoiding theoretical preconceptions from existing literature (Hodkinson, 2008).

As current literature has not covered the topic within the targeted diaspora group and lacks emphasis on the concept of embeddedness, this study aims to deliver some initial insight and redefine the possible causalities between cultural values, ethnic entrepreneurial activities, and migrants' embeddedness. The research aim is to build a new theory that is empirically valid, by using multiple case studies and basing itself on the principles of Eisenhardt (1989). Case studies enable the research of a specific phenomenon within their natural settings. The multiple-case study described in this paper consists of five holistic cases, providing a robust base of evidence. Every case represents a first-generation Vietnamese ethnic entrepreneur and his or her business in Germany.

Data selection and data collection

In order to select suitable cases, we took the following selection criteria into account:

1) When doing case study research with a small number of cases, it is important to "choose cases where the progress is transparently observable" (Pettigrew, 1990, p. 275). As qualitative research focuses on a relatively small number of cases in contrast to quantitative research, purposeful sampling allows the researcher to select information-rich cases

that allow for an understanding and investigation to the phenomenon in depth (Patton, 2002). Thus, the most important criterion is the openness and willingness of the entrepreneur to talk and share personal stories, as these personal characteristics are essential for the analysis of cultural values, which have a strong intangible nature.

2) Case study participants are first-generation Vietnamese living in Germany and founders of their own companies, following the definition of a Vietnamese ethnic entrepreneur.
3) Their business is located in the predefined regional area, a major city in Lower Saxony. This selection criterion ensures that all entrepreneurs have access to similar institutional structures, which is essential to investigate the embeddedness of the observed entrepreneurs.

For each case, personal interviews with the entrepreneur, their children, as well as employees, serve as a primary source of information. Furthermore, field observation and secondary data through internet research are taken into consideration. We collected primary data via face-to-face interviews in February 2018, using semi-structured interviews. This type of interview represents a fruitful approach with the aim of exploring values, as it allows the interviewer to ask for interpretations of a situation or motives for action in an open form and to raise insights in an open manner (Hopf, 2007). Additionally, the interviewer can freely explore within the predetermined investigation areas (Strauss & Corbin, 1990).

Furthermore, the face-to-face situation makes it possible for the interviewer to capture subliminal attitudes in addition to the spoken words. The interviews were conducted in Vietnamese and translated into English afterward. The choice of language is especially important when conducting cross-cultural studies, as it affects the dynamics of the interview (Marschan-Piekkari & Reis, 2004). Insufficient language skills on the researcher's or the interviewee's side can lead to misunderstandings or response biases and even missing out on important references in non-verbal communication (Marschan-Piekkari & Reis, 2004; Ryen, 2003). Holding the conversations in Vietnamese enabled the interviewees to talk more freely, not being hindered by linguistic barriers.

The structured part of the interview covers broad topics revolving around the entrepreneur as well as his or her business, such as their general background story for migration, motives for becoming self-employed, working style, networking, integration of family into business activities, etc. The investigators captured the interviewee's perception of cultural values by particularly scrutinizing the entrepreneur's motives and reasons behind his or her actions. Moreover, their opinion and attitude regarding the motives were questioned. This multiple stage of in-depth questioning allowed for the investigators to

trace back the origin of the entrepreneur's line of thought, and consequently the moral concept behind it. Investigators paid particular attention to capturing different stages of the venture establishment: a) the planning phase, which describes the time span between taking the decision to found a business and the actual implementation, b) the establishment phase, the time span in which the entrepreneur founds the business and c) the business execution phase, describing the time span after business opening.

Questions on personal value conceptions have been intentionally omitted since the interviewer should not reproduce preconceived phrases about universally valid values. The aim was only to identify those values that have become visible through the conversation and have found application in the entrepreneurial activities. An overview of the cases is presented in Table 1.

Table 1. Overview of Cases

Entrepreneur	Age	Formal qualification	Year of arrival in Germany	Family composition in Germany	Venture	Year of foundation
A	57	Apprenticeship in shipbuilding	1992	Wife, two daughters	Restaurant	2005
B	51	Mechanics for trains and cars	1991	Wife, two daughters	Restaurant	2005
C	49	A-levels	1987	Wife, son, daughter	Retail Shop	1999
D	40	Dropped out of school after 7th grade	2000	Husband, daughter	Nail Salon	2014
E	52	A-levels, studied Opera for 2 years	1986	Two sons, daughter, ex-husband	Restaurant	2016

Since observation enables investigators to capture cultural values from different perspectives (D'Andrade, 2008), one of the authors conducted a field observation in order to experience the daily business and customer interaction in person. This field observation allows for the researcher to get a picture of the business, which adds to an all-embracing view of the company and the situation (Burgess, 2002).

To enhance the quality of the research, we made several efforts in terms of triangulation. Triangulation enhances the accuracy, validity, and reliability of research findings, and thus the level of the study's trustworthiness (Golafshani, 2003). This study collected different types of information such as face-to-face interviews with entrepreneurs and their family members, conversations with employees and entrepreneurs' family members, field observation, and secondary data such as homepage, press articles, and customer reviews. The consideration of multiple data sources enabled us

to look at the phenomenon from different viewpoints. Furthermore, two researchers participated in data analysis to reduce the negative impact of bias. It is noteworthy that one investigator is a second-generation Vietnamese migrant in Germany who can understand cultural values from an insider's perspective, while the other investigator has no Vietnamese ethnic background, which allows for the person to analyze cultural values from an outsider's viewpoint.

Data analysis

We analyzed the interviews with regard to the three research questions. A multi-stage coding process took place for the sake of structured data analysis. Due to the inductive and explorative character of the underlying research, the data coding process started without any pre-defined categories. The first step of the analysis is open coding. The idea of open coding is to have many detailed and specific codes by going through transcriptions line by line and paraphrasing the statements in order to gain familiarity with the data. The second step is to do selective coding by identifying possible causal relationships and categorizing them. The coding and categories are thus directly derived from the interviews. Those steps are first done in a within-case analysis. In a further step, the aim is to search for patterns across cases. The continuous iteration between the analysis of initial and selective codes and the extant literature resulted in the development of a preliminary theoretical framework. This step is considered necessary to raise the theoretical level of the findings (Eisenhardt, 1989). The idea is to build a theory from the bottom up, inspired by the coding process of grounded theory (Charmaz, 2014). For the data analysis, we used MAXQDA2018 and Microsoft Excel as technical support.

Vietnamese cultural values and their impact

Based on the investigated cases, this study identifies four distinctive cultural values that have an impact on entrepreneurial behavior*: i) Family involvement*; *ii) Cautiousness in entrepreneurial planning*; *iii) Assertiveness in front of the community*; and *iv) Cordiality of service*. This section will introduce each of the identified cultural values while providing empirical evidence, which is then connected to the extant literature.

Table 2 shows an overview of all detected cultural values with their constituent dimension as well as representative quotes.

Table 2. Overview of values with their constituent dimension

Cultural value	Constituent dimension	Representative quotes
Family Involvement	Business as a family business Family members as workforce	*"Working as waitresses for a few hours. Only at times when there were many customers. Watching the restaurant, taking phone calls, taking orders, bringing the food. Basically, being waitresses. "(A)* *"It was her who found this place and the rent is much cheaper. I really like it because I can save money by renting this place, so I took it." (D)*
	Administrative support from children	*"She helps me when I have difficulties, for example about bureaucratic things and everything that I'm not familiar with." (D)*
	Children as the contact person for business	*"When […] I don't understand it all, then I have to ask them. Then I just make an appointment and she will go for me. She goes to their office, talks to them and then comes back and explains everything to me." (A)*
	Consideration of family member's opinion	*"Another thing is that my eldest son said that the percentage of Germans who are vegan or vegetarian is very high. 27%. So, we need to offer more vegetarian and vegan dishes." (E)* *"For example, when she likes colors that I don't like, then we both ask each other and discuss." (D)*
	Emotional support through togetherness	*"I would always like them to join me in my work, no matter what kind of work. Just doing it together." (C)*
Cautiousness in Entrepreneurial Decision-making	Experience as a key requirement for business foundation	*"So, I assisted in the kitchen and slowly, while working there I learned the profession. I learned and explored everything and so I got the experience and the knowledge. That's how you get to know the profession." (A)* *"I think there is nothing difficult in there because I have gained enough experience." (B)*
	Self-assurance in their own skills before establishing the business	*"After I have worked a long time in those restaurants, I gained much experience. And through this experience, I am capable of being a boss on my own. I thought, if I open a restaurant, I will succeed. Because I already worked for several restaurants, German, Chinese and Thai for such a long period of time, so I was sure I can make it." (B)*

Cultural value	Constituent dimension	Representative quotes
Cautiousness in Entrepreneurial Decision-making	Self-consciousness of own skills and capabilities as well as limits and boundaries *"It wouldn't be enough. I mean they do have many ideas about this and that, and I think that is very good, but it lies beyond my capabilities." (C)*	
Assertiveness in Front of the Community	Business as own achievement	*Yes, because all my heart is in here. Since my wife and I opened this restaurant, 13 years have passed already. Generally speaking, I feel very satisfied with everything I did and everything that I built up until now." (B)* *"It is just about finding a suitable location that fits to your own strength. What I mean is, if the size of the restaurant fits to your strength, you can make it. […] If it fits with your strength and what you can do, then you won't encounter many difficulties." (E)*
	Distance to ethnic community	*"No, I never needed any other Vietnamese to help me except for my own family. It was either me alone or my children or my brother. In all of what I have done, I never needed to rely on any other Vietnamese. Never." (E)*
Cordiality of Service	Customer treatment	*"We usually welcome our guests very heartily. You can see it yourself. The important thing is that we have this mentality, that responsibility. That means that we serve our customers very thoughtfully." (A)*
	Customer feedback	*"I only do very little advertising, really not much. But my customers talk with each other on their own. Just word of mouth." (B)*

Family involvement

The first category focuses on the role of the family with *Family involvement*. Through all cases, we observe that entrepreneurs do not run the business alone, but family members participate in the business in different forms. The entrepreneurs' children help out in the shop as staff or assist in bureaucratic and administrative matters, leveraging their superior language proficiency. In the observed cases, all entrepreneurs let their children act as a second

contact person for the company. In the case of Entrepreneur D for instance, it was the daughter who managed to find a suitable location for the business.

"It was her who found this place, and the rent is much cheaper. I really like it (the business location) because I can save money by renting this place, so I took it." (Entrepreneur D)

In the case of Entrepreneur E, her son continuously gives suggestions to enhance the quality and variety of the menu by adding new vegetarian and vegan dishes, as the demand for this type of food is rising in Germany. However, the family members are not only valued for their physical support but also for their opinion. Despite being the decision-maker, it is crucial for the entrepreneur to listen to the family's opinion.

"And every time before I ordered the clothes, I usually asked my children as young teens to see if this style fit their age. Or to what age these kinds of clothing would fit. The decision is still mine. But still, I always want to listen to the opinion of my children and my wife." (Entrepreneur C)

The interviewees often emphasize that children are not obligated or forced to help. Still, they do wish and encourage them to work for their business. All interviewees describe their company as a family business, implying that everyone in the family helps and supports the business, regardless of how valuable or useful this support is. The crucial point is that the children should not be indifferent to the business of their parents and also put some thought in it.

"I would always like them to join me in my work, no matter what kind of work. Just doing it together." (Entrepreneur C)

Togetherness and team play in the family regarding the business is the decisive factor that entrepreneurs place much importance on. Through their participation in the business, the family provides the entrepreneur with indispensable emotional support. Receiving support from their spouse and children helps the entrepreneur to sustain emotional stability, which is especially necessary in times of stress and insecurities while founding the business. Sanders and Nee (1996) also emphasize the family as "an institution that embodies an important form of social capital that immigrants draw on in their pursuit of economic advancement" (Sanders & Nee, 1996: 233). Being such an institution, the main advantages of the family are not only

the tangible products such as unpaid labor but the intangible ones, involving mutual obligation and trust characteristics (Sanders & Nee, 1996).

Interestingly, previous research observed this particular attitude toward family members and expectation regarding business engagement in the context of Vietnamese ethnic entrepreneurs in another host country. In a study comparing Vietnamese Americans to non-immigrant U.S. American families, D'Andrade (2008) identified a central characteristic of Vietnamese families that he called the 'family-based achievement syndrome,' which aims at explaining that every achievement is or should be accomplished as a family. During the process of achievement, education, respect and family loyalty are always embedded. The author emphasizes "the family as a central institution through which achievement and knowledge are accomplished" (D'Andrade, 2008: 84). The concept of the 'family-based achievement syndrome' is applicable for the observed cases of Vietnamese ethnic entrepreneurs in Germany, who put considerable emphasis on the fact that family members get involved with and think about the business regardless of the actual benefit for business activities. Their perception of their business as a family business comprises the connotation of a place to live out the "strong and valued family world" (D'Andrade, 2008: 77). The most notable aspect of this value is the new dimension of family involvement to an ethnic business. Previous studies have argued that ethnic and migrant entrepreneurs use family members mainly as staff (Aldrich & Waldinger, 1990; Volery, 2007). However, the observed entrepreneurs understand their business not only as a business but as a kind of platform where they can develop and foster the solidarity of the family. This new dimension of family involvement implies that the entrepreneurs are not focused on the provided output through family members anymore, but that they place greater importance on team-play as a family, using the ethnic business as its foundation.

Cautiousness in entrepreneurial decision-making

Dealing with entrepreneurs' behavioral patterns, the second value is *Cautiousness in entrepreneurial decision-making*. While some started their business without having any vocational experience, the observed entrepreneurs place a great emphasis on gathering experience as a key requirement for becoming entrepreneurs. In four out of five cases, they have already spent several years working in the areas in which they open their business afterward.

"When you start your business, you always need to have experience first, know the work and should have already worked in a restaurant." (Entrepreneur A)

In the case of Entrepreneur C, he had not gained any experience in the retail industry before. In order to overcome the lack of direct experience, he tried to access as much information as possible and get in touch with several institutions to inform himself before finally deciding on the business. Apart from experience and knowledge, the interviewees are also aware of their abilities and capabilities. This also becomes evident in the case of Entrepreneur B. Even though he has a good command of the German language, as he had already worked as an accountant for a German bakery, he was aware that his German skills at that time were not sufficient to write a business plan in the German language that would be good enough to persuade the bank to give him a loan. Therefore, he needed to ask someone to translate it for him.

Furthermore, the entrepreneurs are especially self-conscious about their boundaries and limits. The way they build and run the business reflects this fact. They only start something when they are sure that it is possible and will not fail. They pay close attention to aligning the business according to their strengths and capabilities. Also, with regard to their competitive behavior, the entrepreneurs think in terms of their capabilities and limits. While being aware of the growing competition, they are very calculative of their abilities and boundaries and are considering their possibilities.

"I would love to offer new things and do some changes. I really love to do new things, but it's only possible within my capabilities and limits." (Entrepreneur E)

Cautiousness has both a positive and negative implication. In the spirit of their cautiousness, the entrepreneurs in the observed cases take their time before founding a company and emphasize the importance of experience and knowledge. The long preparation time allows them to collect a lot of prior knowledge, which plays a vital role in entrepreneurship theory. Literature suggests that prior knowledge about the host and home markets and customers is a source of unique opportunity recognition (Harima et al., 2016). There are three dimensions of prior knowledge that are crucial for opportunity recognition: prior knowledge of markets, prior knowledge of ways to serve markets, and prior knowledge of customer problems (Ardichvili, Cardozo, & Ray, 2003). The observed entrepreneurs have attempted to build more extensive knowledge in all three dimensions before establishing their business.

As prospective ethnic entrepreneurs, their opportunities are manageable, which means that the observed entrepreneurs decided to pursue a low-risk and less innovative business opportunity. While engaging in a business sector, they are familiar with; they hold an advantage in the sense that they have broad knowledge, especially about the local market, which enables them to position themselves favorably with their soon-to-be business. For instance, if they intend to start a business in the gastronomy sector, they have room to maneuver in the sense of how they organize their company, whether they open a snack bar or a restaurant, whether it will be a Thai or an Asian restaurant, depending on the current market gap in the targeted geographical sphere. Thus, *Cautiousness in entrepreneurial decision-making* leads to long preparation time, facilitating rich business know-how and market information, and enabling them to position their venture favorably in the market.

Cautiousness, however, does not only bring advantages when it leads entrepreneurial individuals to be risk-averse. This value contradicts the very nature of entrepreneurs who are credited as being risk-takers (Shane & Venkataraman, 2000). However, cautiousness often goes along with risk aversion in the sense that entrepreneurs try to keep the risk as low as possible through careful planning. The risk of failure accompanies all kinds of entrepreneurial activities. Taking a wrong decision, the entrepreneur can risk financial well-being, family relations and physical well-being (Brockhaus Sr, 1980). Particularly for an ethnic venture, which is essential for the survival of the family, failure can have substantial consequences. It is due to these circumstances that the entrepreneurs in the case studies care about keeping this risk as low as possible and place great focus on planning and considering all opportunities regarding their feasibility and risks.

Uncertainty also plays a role in this case. According to Lipshitz and Strauss (1997), "uncertainty in the context of action is a sense of doubt that blocks or delays action" (Lipshitz & Strauss, 1997: 150). Uncertainty becomes particularly problematic when circumstances require immediate action, for instance in the case of competitive threat. Uncertainty then acts as a barrier between the entrepreneur and his or her action, wasting valuable time which could have been invested in counteraction. Since the time frame for capturing opportunities is mostly fleeting (Shane & Venkataraman, 2000), it is particularly important to be able to act quickly. Conversely, cautiousness restricts the entrepreneur from making quick decisions and it can hinder the entrepreneur from reacting quickly to market changes and, thus, seizing immediate opportunities.

Assertiveness in front of the community

The third value is *Assertiveness in front of the community,* in which assertiveness should be understood as the entrepreneurs' self-assertion towards their ethnic community. What was observable in the case studies is the overall reluctance of interviewees to make use of the Vietnamese community for their business.

"No, I never needed any other Vietnamese to help me except for my own family. It was either me alone or my children or my brother. In all of what I have done, I never needed to rely on any other Vietnamese. Never!" (Entrepreneur E)

When it comes to supporting, the interviewed entrepreneurs draw a clear line between their family and the ethnic community. Although they like to meet the community for socializing, they tend to avoid asking acquaintances or people with whom they are not close friends for support. The analysis reveals two reasons for this reluctant attitude. The establishment of a business is a personal matter; therefore, they do not need any external help, meaning everyone who is not included in the circle of strong ties. The personal touch is also reflected in the fact that they see their business as a life achievement, something they have created with their strength. That is also the way they communicate it.

The entrepreneurs also revealed the reason why external support is so reprehensible. In their eyes and that of the community, the business is regarded as more valuable if one accomplishes it on one's own and does not have to ask others for help. Moreover, when asking someone for help in the Vietnamese community, this information spreads quickly, which leads to the creation of a reputation for being 'weak' and dependent on support. In fact, saving *face* is a crucial aspect in Asian cultures, as the face represents an individual's image, which is partly dependent on the evaluation of society (Thanh, 2010; Thi & Nhung, 2014). Interestingly, the empirical data shows that entrepreneurs' concern about their reputation in the community is only related to the Vietnamese ethnic community. Reputation in the German community does not seem to play a significant role in this aspect. Vietnamese entrepreneurs only compare themselves to other Vietnamese diaspora.

In the case of this specific value, both their pride and the position of the community ties play an important role. Entrepreneurs and also nascent entrepreneurs take pride in their business as their achievement. This attitude is also held by entrepreneurs when facing their ethnic community. In order

to prove themselves to the community, they do not seek any help from the community during the founding process. This attitude leads to a self-made disadvantage since they decide not to draw on their ethnic resources in this particular stage of venture establishment anymore. By relying only on their strong ties, they deny advantages of weak ties and the use of ethnic resources that can have a major impact in facilitating business start-ups (Sanders & Nee, 1996). These findings contradict prevailing assumptions about ethnic entrepreneurs regarding their reliance on ethnic, social capital (Aldrich & Waldinger, 1990; Aldrich & Zimmer, 1986; Mayer, Harima, & Freiling, 2015; Volery, 2007). Zimmer and Aldrich (1987) suggest that Asian business owners are likely to reach out to their ethnic kinship for funds and staff.

Interestingly, this is not the case with any of our observed entrepreneurs, who reject considering their ethnic community for assistance. By narrowing their network during the venture establishment stage, they fail to leverage resources and thus, ethnic advantages for the business coming from the Vietnamese ethnic community. This imbalance of embeddedness is, however, intentional as they purposely keep a distance from the community during their establishment stage.

Cordiality of service

The last value concerns the interaction with customers and is called *Cordiality of service*. In the case studies, field observation showed that customer relations are of particular significance. Regardless of whether they are in a bad mood or under stress, as soon as the entrepreneur talks to customers, he or she entirely concentrates on the customer and welcomes him with cordiality. The statement of Entrepreneur B also supports this value, who confirms that the treatment of customers is paramount. A good customer relationship is worth more than the immediate profit.

"You need to know how to make customers want to come back to you, once they visit you. It is not only about taking the money from them once. There are many times you have to suffer losses, but you still have to do everything, so they do not leave a bad word about you. That is the first point. Secondly, when they come to you, you need to create something in their hearts that makes them feel assured and leave a feeling of sympathy, which makes them want to come back to you. This is what makes it difficult for a restaurant to go well." (Entrepreneur B)

Regarding the treatment of customers, the most striking aspect is the cordiality with which they welcome their customers. All entrepreneurs set their priority as their customers' satisfaction. They do not take on a formal

role as in Japanese culture (Winsted, 1997), but they try to create a welcoming and hearty atmosphere and take on the role of a friend rather than a server.

The service culture is firmly rooted in the Asia-Pacific Region (Schmitt & Pan, 1994). The concept of service has been institutionalized in everyday life of Asians and can be found for instance in the "rituals surrounding the serving and drinking of tea, in host-guest relations, and packaging rituals" (Schmitt & Pan, 1994, p. 45). In contrast to Western culture, where efficiency and saving time are more valued, Asian culture appreciates a person-oriented service with high personal attention (Mattila, 2000; Schmitt & Pan, 1994).

By this means, they maintain good interactions with customers, which is crucial for building successful relationships (Chase & Tansik, 1983). Due to the amicable tie that they were able to establish with their customers, the relationship even goes beyond the ordinary employee-customer relationship. Their *Cordiality of service* fosters not only customer satisfaction and consequently customer retention, but also leads the customers to engage in supporting the entrepreneurs actively.

"They come here to eat regularly, and they really like my restaurant and me, so they also give me advice. For example, they tell me that I should do more marketing, or I should do this or that. There are a lot of nice customers who help me. If I encounter difficulties, they voluntarily help me." (Entrepreneur E)

All these observations show that the entrepreneurs place great importance on building a close and cordial relationship with their customers, which again leads to customers expressing their goodwill towards the entrepreneurs through active support in different ways.

Impact on embeddedness

The findings suggest that the identified cultural values significantly influence the social interactions of ethnic entrepreneurs. Thus, in light of our third research question, we further investigated the impact of these cultural values on the entrepreneurs' embeddedness. This research project identified five types of networks with which the entrepreneurs maintain regular contact: family, ethnic community, customers, business network and lastly, public and institutional authorities. The following patterns could be observed:

1) Starting with their decision to found a business, the nascent Vietnamese entrepreneurs in the observed cases utilized all their available networks to gain as much knowledge, information, and experience as possible. They particularly used their network at their current work, as well as their ethnic network for this purpose. Furthermore, they got in contact with as many different people as possible to gather information, especially regarding the experience of already established entrepreneurs.

2) During the stage of venture establishment, they only relied on the country of residence's (COR) institutions and their strong ties. In this stage, they kept their interactions with the ethnic community to a minimum. This behavior is due to their *Assertiveness in front of the community* as outlined earlier. Missing information or knowledge during the entrepreneurial process is drawn from the public agencies of the COR, which are responsible for the registration of businesses. The observed entrepreneurs did not feel uncomfortable asking these agencies for assistance, as they do not belong to the ethnic community but are the first point of contact for business foundation.
3) After the business foundation is completed, the respective entrepreneurs maintain a good relationship with the actors in their business network as casual business relations for obtaining news and for keeping in touch with the business scene. Once the business is running, the most important network is their customer base. The customers provide the entrepreneurs with essential information about trends; they give advice on developing the business and share their valuable experience. As for the shop owner (Entrepreneur C), his business network represents the most critical network as other entrepreneurs provide him with useful information. The role of the ethnic community stays relatively unimportant as the observed entrepreneurs stay in touch only because of kinship ties, but do not concern the community with any business matters. Another striking observation is that the interviewees do not draw on ethnic suppliers but rather choose to accept the offer of German wholesalers. By doing so, they intentionally sever the connection to the ethnic community on their supply side, which again minimizes their dependency on the ethnic community.

These findings are unique in so far that they contradict the prevailing literature on ethnic entrepreneurship. Scholars have widely suggested that the ethnic network plays a significant role in immigrant entrepreneurship (Brüderl & Preisendörfer, 1998). Ethnic entrepreneurs usually draw on their community for resources in the form of money, staff, and information as they are easier to obtain within the network than from outside of their ethnic community (Aldrich & Waldinger, 1990). Conversely, we could observe a nearly opposite attitude towards the ethnic network in the case of our interviewees. They do not prioritize the ethnic network regarding business support.

On the contrary, they even tried to avoid involving the members of the ethnic community with their business as much as possible. Previous scholars already discovered that the Vietnamese diaspora is characterized by a high level of involvement in the ethnic community (Zhou & Bankston III, 1994). Members of the community are strongly linked to each other and are always aware of everything that happens within the community. Members of the community are well-observed, since "the community is watchful and ever-

vigilant" (Nash, 1992 in Zhou & Bankston III, 1994, p. 831). Due to this fact, the Vietnamese entrepreneurs are not able to move freely within the community, since all actions are "constantly judged and observed by others under a 'Vietnamese microscope'" (Nash, 1992 in Zhou & Bankston III, 1994). Under these circumstances, as soon as the entrepreneurs ask for help from other community members, the entire ethnic community is aware of it, which again sheds a bad light on the entrepreneurs.

This observed phenomenon can be linked to the concepts of under- and over-embeddedness, where the level of embeddedness is not well-balanced and might even lead to hindrances for business activities (Schnell & Sofer, 2002). Over-embeddedness characterizes firms that are highly embedded in their local community and operate under the influence of kinship structures so that the resulting commitment impedes them from participating in new or inter-ethnic markets. As the above investigated Arab entrepreneurs received the intensive support of their family and ethnic community; they felt obliged and indebted to their relatives. This particular feeling again hindered them from taking their chances of changing their business location and expanding their business (Schnell & Sofer, 2002). The interviewees tried to avoid these obligations and potential obstacles of being over-embedded in their ethnic community by keeping them out of their business as far as possible. They only activate the ethnic network for gathering information in the planning phase and they make use of support from institutional authorities rather than an ethnic network for business matters.

This observation offers a novel insight: that it is essential to consider the time dimension during the course of business development when investigating the embeddedness of ethnic entrepreneurs. Embeddedness and, consequently, social capital "should thus be treated as 'a process,' rather than a concrete object that facilitates access to the benefits and resources (Fernández-Kelly, 1995 cited in Zhou & Bankston III, 1994) that best suit to the goals of specific immigrant groups" (Zhou & Bankston III, 1994, p. 825). Due to their value priorities, the entrepreneurs actively influence this process by extending and minimizing their interactions with specific networks during the whole entrepreneurial process, starting from the time when they decided to become self-employed. In all cases, it becomes visible that they have actively regulated their embeddedness by drawing upon different networks at different stages of their venture. By doing so, they try to dodge ethnic obligations, but at the same time accept a loss of potential resource. Overall, the observed entrepreneurs try to rely on the ethnic community as little as possible. Instead, they seek to either make it on their own with their family or to get support from COR institutions and business networks. Barrett et al. (2002), who investigated immigrant enterprises in Britain, also argued that

there could be a "relocation from ethnic to external mainstream resources" (Barrett, Jones, McEvoy, & McGoldrick, 2002, p. 25), which indicates shifting embeddedness. Given these points, the explicit cultural values, which arose from the diaspora situation of the entrepreneurs, were one of the main reasons for the phenomenon of the entrepreneurs' shifting embeddedness.

DISCUSSION AND CONCLUSION

Research contributions and practical implications

This study contributes to the current state of research in a threefold manner. First, it identifies four distinctive cultural values that have a diverse impact on Vietnamese ethnic entrepreneurs: *Family involvement*, *Cautiousness in entrepreneurial decision-making*, *Assertiveness in front of the community* and *Cordiality of service*. These values become visible in interactions with different groups of people: family, the ethnic community and customers.

Literature has already shown that family and the ethnic community are crucial networks for diaspora entrepreneurs (Aldrich & Waldinger, 1990; Chaganti & Greene, 2002). However, this study revealed that the ethnic community is not necessarily the most important type of network for ethnic entrepreneurs. Vietnamese ethnic entrepreneurs in our case studies value the network with customers as the most important information source for their business. In other words, this study sheds light on the role of customers as a unique source for the social capital of ethnic entrepreneurs. This finding calls for the necessity to have a more holistic view of their embeddedness by including the group of customers to their overall network. This opens a new possible stream of research, expanding the present field of research concerning the embeddedness of ethnic entrepreneurs. In order to investigate other cultural values in the context of ethnic entrepreneurship, it would be beneficial to have a closer look at the three most important stakeholder dimensions that have been detected in this study.

Secondly, the findings of this paper extend the literature on ethnic entrepreneurship by investigating unique relationships between cultural values and entrepreneurial activities. The case studies revealed, for instance, a tricky relationship between cultural values and family business involvement, in that, Vietnamese entrepreneurs value collaborative activities as a family, and therefore encourage their family members to contribute to their business. The fact that family members are somehow involved in business is more important than the effect of their support on their business. These findings

open a new discussion regarding family involvement in ethnic business, as the previous literature predominantly looked at family involvement as a cost reduction mechanism for ethnic entrepreneurs (Aldrich & Waldinger, 1990). Another counterintuitive finding is the impact of their cultural values on their embeddedness and usage of network resources. We observed the behavior of ethnic entrepreneurs who avoid using ethnic capital due to their community values. This finding added a novel aspect to academic discussions over how and when ethnic entrepreneurs use their ethnic capital (Brüderl & Preisendörfer, 1998; Chaganti, & Greene, 2002).

Thirdly, this paper makes a conceptual bridge between embeddedness and cultural values. While the previous literature has not explicitly connected these concepts, our research shows that cultural values influence the behavior and decisions of ethnic entrepreneurs, which affects the balance of dual embeddedness in host-country and ethnic institutions. This finding extends the current understanding of embeddedness in the context of ethnic entrepreneurs by shedding light on the impact of entrepreneurs' cultural values.

Limitations

Despite the various contributions, this study has some limitations. Due to the intangible nature of values, investigation of this topic requires researchers to have a sharp observation and critical reflection skills, as they need to rely on the statements of the entrepreneurs as well as their own observations. We encountered some obstacles during this investigation, as the interviewees were sometimes hesitant to talk openly about the ethnic community while having the interview recorded. However, they were willing to talk freely after the recording stopped. Another challenge is the differentiation between cultural values and personal values since the boundaries are often blurred. Due to time restrictions, the number of case studies used in the study was limited to five. It is therefore recommended to do the research with an even greater number of samples, including different industry sectors and knowledge-intensive ventures at best, in order to cover a wider entrepreneurial sample group. A larger sample could also ensure the quality and validity of criteria regarding the identified values and their impact.

Future outlook

As every diaspora is unique in its own way (Khayati Dahlstedt, 2015; Werbner, 2002), it is especially interesting to investigate entrepreneurs of other diaspora groups regarding their cultural value patterns. It might be interesting to compare the value concepts of different diaspora groups, for instance, other

major immigrant communities in Germany, and derive practical implications for entrepreneurial issues. To enable easier comparison, it is reasonable to develop an analytical framework beforehand that can be adapted to different diaspora groups in a flexible way.

It is also notable that "immigrant cultural orientations are not only rooted in the social structure of the immigrant community but are also responsive to the social environment surrounding the community" (Zhou & Bankston III, 1994: 841). The statement implies that cultural values are not entirely persistent, but that they do respond to the society of the country of residence. This assumption needs further investigation with a greater number of samples as well as observations over a longer period of time.

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Abstrakt

Podczas gdy kultura odgrywa kluczową rolę w przedsiębiorczości etnicznej, istniejące badania oferują ograniczone zrozumienie tego aspektu. Niniejszy artykuł bada wpływ wartości kulturowych na wietnamskich przedsiębiorców etnicznych w Niemczech. Przeprowadziliśmy pięć studiów przypadku z wietnamskimi przedsiębiorcami etnicznymi. Na ich podstawie zidentyfikowaliśmy cztery różne typy wartości kulturowych, które mają decydujący wpływ na działalność przedsiębiorców wietnamskich w Niemczech: i) zaangażowanie rodziny, ii) ostrożność w podejmowaniu decyzji biznesowych, iii) asertywność w społeczności i iv) uprzejmość obsługi. Badanie oferuje wstępny wgląd w rolę wartości kulturowych w procesach podejmowania decyzji przedsiębiorczych przez przedsiębiorców etnicznych i uznaje wzajemny wpływ między wartościami kulturowymi a równowagą osadzenia.

Słowa kluczowe: *wartości kulturowe, przedsiębiorczość etniczna, przedsiębiorcy etniczni, osadzenie, wietnamscy przedsiębiorcy etniczni*

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Think non-ethnic, but act ethnic: Perspectives from South Asian entrepreneurs

Mark McPherson[1]

Abstract

Literature pertaining to ethnic entrepreneurship assumes that religious-cultural and generational factors espouse the intention and ability of the entrepreneur towards business development. And by way of business growth and development, such entrepreneurs should breakout from their local ethnic customer base to service a wider non-ethnic customer base. In reality, many ethnic entrepreneurs lack the resources, the motivation, the ability and/or intention to do this. Consequently, the development and success of the business become hampered. To this end, working within a context of ethnic entrepreneurship, the aim of this paper is to examine the notion that entrepreneurial intention, ability and opportunity inform business growth, development and how the entrepreneur defines the success thereof. Addressing this, 48 semi-structured interviews and 11 comparative case studies were conducted with first- and second-generation South Asian Sikh, Hindu and Pakistani Muslim entrepreneurs within Greater London. A phenomenological paradigm was adopted, with key-words-in-context used to analyze data. Findings note there is no evidence of genuine breakout. Instead, what defines business development and growth is three approaches: (i) content to remain, (ii) forced to remain, and (iii) struggling to adjust. Hindered are attempts to increase the customer and market base beyond that of local clients. Additionally, differences and success between the two generations are reflective of sectorial location, intention, ability and skill-sets, rather than generational or cultural influences. Essentially, the paper presents an alternative view of how entrepreneurial intention, ability and opportunity facilitate or inhibit small business growth and success. However, given the sample-frame and, socio-economic environment within Greater London, findings may not be generalizable. In conclusion, debate pertaining to ethnic entrepreneurship needs to be re-examined; because placing emphasis on culture, religion, ethnicity and generation may be misleading researchers as to the true nature of business requirements, problems and support for ethnic entrepreneurs.

Keywords: *ethnic entrepreneurs, breakout, motivation, intention*

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INTRODUCTION

The term 'think non-ethnic, but act ethnic' was coined by a London-based Sikh second-generation entrepreneur. Here, the entrepreneur was illustrating the point that many ethnic businesses like to think they are operating similarly to mainstream UK businesses. However, in reality, they act and display certain cultural nuances that define them as an ethnic business. For example, selling ethnic products/services to ethnic customers/markets, and using ethnic community networks from which to draw finance, labor, resources, et cetera (Ram, 1997; Ram, Ford, & Hillin, 1997; Ram & Jones, 2008). Essentially, literature notes that the objectives of the firm tend to be synonymous with those of the owner, and entrepreneurial characteristics and behavior are displayed in the managerial practices employed in running the business. This applies particularly to family-owned small businesses (Glancey, Greig, & Pettigrew, 1998; Korunka, Frank, Lueger, & Mugler, 2003). As Covin, Green and Slevin (2006); Glancey et al. (1998) point out, these factors and influences can be seen not only through the entrepreneurs' personal attributes and orientation which determine his/her motivation, objectives, learning process, and strategic decision-making; but they determine the firm's eventual performance also. Therefore, the whole process hitherto is mediated through the market/environment in which the entrepreneur operates, and the managerial practices that s/he employs.

When this conceptual distinction is considered within an ethnic small business context (the terms ethnic entrepreneur, ethnic small business, or ethnic minority firms will not be rehearsed here as all are well documented), it helps determine entrepreneurial intent on one level and, motivation and aspirations of the ethnic entrepreneur on another level (Binks & Vale, 1990; Landstrom, 1998; Morris, Pitt, & Berthon, 1996). Extending this point further, there is an assumption within ethnic small business literature that religious-cultural and generational factors espouse the intention and ability of the entrepreneur towards business development, particularly within traditional industry sectors such as clothes/grocery shops, restaurants and the like. Moreover, ethnic minority firms should, by way of a mechanism for growth and development, breakout from their local ethnic base to service mainstream markets (Ram & Jones, 2008). In reality many of these ethnic firms service either local ethnic clients or a mix of local ethnic and local non-ethnic clients. In addition, many of these firms lack the resources or necessary support, or are too internally focused, inflexible or fearful of change to move beyond a certain stage of the business life cycle (Barn & McPherson, 2001; Curran & Blackburn, 1993; Dahles, 2010; McPherson, 2010; Ram, 1997; Ram, Ford, & Hillin, 1997; Ram & Jones, 2008). Despite this, literature notes the emergence

of a new breed of second-generation South-Asian entrepreneurs with a new way of thinking (Discussion Paper and Evaluation Report, 1997). For example, these entrepreneurs are seen to be moving away from traditional clothing and food retailing sectors with their very long hours and low pay, into the services and professions with their emphasis on quick returns and prestige (Barrett, Jones, McEvoy, & McGoldrick, 2002; Discussion Paper and Evaluation Report, 1997; McCarthy, 2002; McPherson, 2004; Ram, 1999; Ram & Cater, 2001; Smallbone, Bertotti, & Ekanem, 2003; Tann, 1998). Even within the usually strong confines of an ethnic family business, there appears to be a noticeable shift in attitudes. Again such entrepreneurs are willing to risk some form of retribution by employing workers from outside the family or co-ethnic group (Chell & Baines, 2000).

With the above firmly in mind, working from a generational South Asian perspective and within the respondents own frame of reference, the aim of this paper is to examine the notion that entrepreneurial intention, ability and opportunity inform business growth, development and how the entrepreneur defines the success thereof. Thus, the paper offers insight into the implications of the respondents' goals and aspirations and how these reflect business success, growth or otherwise, and management practices (Arcand 2012; Gratton, 1994; McPherson, 2007, 2008; Priporas & Vangelinos 2008; Wind 1981). In essence, the outcome of this approach will contribute to our understanding in terms of how entrepreneurial 'intention, ability and opportunity' is considered within business growth or factors that may inhibit growth. And, whether as a collective, these factors manifest into breakout and eventual convergence with the mainstream business population or not. The paper begins with a review of literature in terms of entrepreneurial intention, ability, and opportunity, growth and inhibitors. Customer and market proximity thesis, namely, the four hypothetical market spaces of customer ethnicity and customer proximity follow this and ends the review. Next, the research strategy is explained, along with an overview of the respondents. Findings compare first and second generation male South Asian respondents (Sikhs, Hindus and Pakistani Muslims) in relation to the key concepts under discussion. Discussion and Conclusions bring the paper to a close.

LITERATURE REVIEW

Literature notes that an entrepreneur's personal attributes determine his/her motivation and objectives, and this, in turn, determines the firm's performance (Glancey et al., 1998). Consequently, the objectives of SMEs and micro businesses tend to be synonymous with those of the owner. Whereas,

entrepreneurial characteristics and behavior, are displayed in the managerial practices employed in running a firm (Glancey et al., 1998). As a case-in-point, Mavondo, Chimhanzi and Stewart (2005) stress that coordinating HRM practices (recruitment/selection, appraisal, development, rewards, and strategy) and Marketing Strategy can be instrumental in achieving organizational goals, business effectiveness and efficiency, adaptability, and profitability (Chimhanzi & Morgan, 2005).

Exploring this notion further, Sadler-Smith, Hampson, Chaston and Badger (2003) suggest that there is in existence some form of the three-way relationship between entrepreneurial style, managerial behavior, and firm type. Namely, how entrepreneurs or small business managers in different kinds of firms behave - utilizing competences and key areas of business performance - in order to manage their type of firm (high growth versus low growth). This view is coupled with the fact that individual differences in personality style do have a significant impact on overall management behavior (Sadler-Smith et al., 2003). By this it is meant, much of the previous literature considers the terms *entrepreneur* and *business owner* or *owner-manager* equivalent and interchangeable (Binks & Vale, 1990; Chell & Haworth, 1992; Glancey, 1998; Hatten & Coulter, 1997; Landstrom, 1998; Morris et al., 1996). Equally, some authors emphasize entrepreneurial distinctiveness with reference to strategic decision-making activities (Hatten & Coulter, 1997; Poon, Ainuddin, & Junit, 2006). Entrepreneurs, therefore, are distinguished by their aptitude to innovate, to make strategic decisions regarding the allocation of scarce resources, to create firms with the potential to achieve not only some form of competitive edge but also to generate high levels of profit and growth. Such activities are reflected in the type of venture created, and their small size and focused strategies allow their structures to remain simple so their leaders can retain tight control and maneuver flexibility (Hatten & Coulter, 1997; Poon et al., 2006).

Not all business owners, entrepreneurs or owner-managers are aggressive or visionary. By-and-large, many settle down to pursue survival strategies in small local niches, for example, corner shops, local restaurants, the town's bakery and, regional wholesalers (Barrett, Jones, & McEvoy, 2001; Deakins, 1996). Thus, small business managers or owners perform routine tasks and often display little ambition to expand their business (Deakins, 1996; Glancey, 1998; Glancey et al., 1998; Mintzberg & Quinn, 1992; Morris et al., 1996). Typically, they are more personally and family orientated and managed, than professionally orientated; and may be characterized as low-risk/low-return enterprises principally concerned with generating a lifestyle for the owner (Deakins, 1996; Glancey, 1998; Mintzberg & Quinn, 1992).

Interestingly, Jones and Ram (2013) point to the need to understand the rising conflicts of interest along generational lines. As the authors go onto suggest, these issues are to some extent 'glossed over' or 'omitted' altogether. Therefore, this raises the question, what do we truly know about the generational impact on the motivation and intentions of the entrepreneur to influence the collective abilities of the business, as well as, the positive and/or negative translation of opportunities? In an attempt to address this question, literature notes that a number of different approaches to business development adopted by Chinese, Afro-Caribbean, and South Asian business entrepreneurs were evident. And although these businesses and groups appear similar in terms of a 'low order value and local market' mentality, debate still remains 'migrant' focused.

Contrary to this, there is a small but growing acknowledgment of an emergence of a new breed of highly educated, highly motivated, well-qualified British-born South Asians - mainly Indians (Carter et al., 2015; Ram & Jones, 2008). Again, studies indicate that these entrepreneurs seem disinclined to replicate the trajectory of the first generation espoused by low order retail/catering/wholesale. Instead, they use their intense human capital and knowledge and expertise which collectively, accounts for more than money to establish themselves within certain sectors of the New Economy (Ram & Jones, 2008).

Growth and inhibiting factors

Literature offers an interesting dichotomy in that, to understand the overall management, and business development adopted by entrepreneurs, it is necessary to *'examine the need relationship between the goals of the entrepreneur and the objectives of the organization* (Chaston & Mangles, 2002).' Jarvise (2015); Morrison, Breen and Ali (2003) support this view with the suggestion that entrepreneurial 'intention, ability and opportunity' should be considered within the notion of either growth or factors that may inhibit growth. Therefore, the motivations and intentions of entrepreneurs, and the way they interpret their economic and social worlds is pivotal in the orientation of the business. This in itself impacts on the collective abilities of the business and the positive and/or negative translation of opportunities (Morrison et al., 2003). Kirkley (2016) identifies four specific values that are believed to be critical to the motivation of entrepreneurial behavior and goal setting. Here, Kirkley suggests independence, creativity, ambition and daring are consistent with that attributed to self-determinism, self-efficacy and the identity of participants associated with entrepreneurship.

Wickham (2004) joins the debate by arguing that from an entrepreneurial perspective, it is the possibility of success that drives and motivates an individual to enter entrepreneurship (the pull of business opportunities as opposed to the push theory). As such, Wickham (2004) suggests success can best be understood in terms of four interacting aspects: (i) the performance of the venture, (ii) the people who have expectations from the said venture, (iii) the nature of those expectations, and (iv) the actual outcomes relative to expectations. Although these four aspects are important to our understanding of entrepreneurial motivation, some authors emphasize that success is multifaceted so making it a difficult concept to define (Rogoff, Lee, & Suh, 2004; Walker & Brown, 2004; Wickham, 2004). As a result, any measure of success should include (i) hard indicators such as: financial/sales performance, employee numbers et cetera, and/or (ii) soft qualitative criteria, for instance, personal level experience/lifestyle and social/self-development (Rogoff et al., 2004; Walker & Brown, 2004; Wickham, 2004).

Despite financial and non-financial criteria being used to judge success, it is the latter that are deemed more important than wealth creation (Walker & Brown, 2004). The assumption that all entrepreneurs want or need to grow their businesses has to be challenged, as some non-financial criteria to measure business success beyond that of a conventional economic paradigm for growth, are increasingly recognised (McCann, Leon-Guerrero, & Haley, 2001; Morrison et al., 2003; Walker & Brown, 2004). Thus, many small businesses have little interest in growth or financial gain, and wealth creation is not always a primary goal or motivator (Morrison et al., 2003; Walker & Brown 2004). To illustrate the point, McCann et al. (2001) draw upon the Miles and Snow (1978) typology (defender, prospector, analyzer and reactor) in their study of 231 family firms in the USA. In this regard, McCann et al. (2001) found that goal setting and building an effective management and employee team in the first instance, with long-term profitability a secondary consideration, were themselves indicators of success. Short-term profitability and individual wealth creation were placed 12th and 16th respectively in their list of 16 individual/family and business goals. Similarly, Ejidenberg (2016), concluded that neither entrepreneurial motivation nor entrepreneurial orientation has a significant effect on the development of personal wealth creation.

Essentially, an entrepreneur's judgment relative to growth is subject to how closely his/her intentions, ability and opportunities are aligned to their objective-setting possibilities (Morrison et al., 2003). In this context, according to Deakins, Ishaq, Smallbone, Whittam and Wyper (2005); Morrison et al. (2003) aims and objectives vis-à-vis success factors are a convergence of:

- owner-manager/entrepreneurial ambitions, intentions and competencies;
- actions and ability of 'principal players';
- internal organizational factors;
- satisfactory performance and business direction;
- region-specific resources and infrastructure;
- market conditions/trading sectors;
- competition;
- government interventions;
- external relationships and network configuration.

Customer and market proximity

Strategies adopted by ethnic minority businesses to access particular customer markets have a tendency to focus on one of four areas: (i) ethnic niche marketing - the supply of goods and services within their own communities, (ii) occupation of markets left by the indigenous population, (iii) acting as an intermediary, or finally [with very few firms ever achieving what Ram and Jones (2008) describe as 'ultimate breakout' market – entirely mainstream custom confined neither by locality or ethnic membership] (iv) the supply of ethnic products/services to indigenous markets (Aldrich, Jones, & McEvoy, 1984; Basi & Johnson, 1996; Basu. 1995; Deakins, 1996; de Vries, 2012; Dhaliwal & Amin, 1995; Liao, 1992; Ram, 1997, 1997a; Ram & Hillin, 1994; Ram & Jones, 1998; Ram & Jones, 2008; Ward, 1987; Ward & Jenkins, 1984).

Certainly with regards to point (iv), Curran and Blackburn (1993); Ram, Ford and Hillin (1997) have shown that *breakout*, in the context of ethnic minority firms, is more than simply servicing white markets as opposed to a reliance upon co-ethnic markets (de Vries, 2012). As such, Barn and McPherson (2001); Ram et al. (1997) offer four firm types that display varying degrees of breakout, namely, (i) staying put or (ii) forced to remain: reliance upon co-ethnic customers, located in areas unlikely to grow, susceptible to considerable competition, Little opportunity to differentiate services, owners not capable of securing growth, but would like to; (iii) Struggling to adjust: prospects for business development brighter, opportunities contingent upon internal adjustments, reluctance of owners to cede control-succession issues; finally an option generally overlooked within ethnic small firms literature is the notion of (iv) Content to remain, owners not wanting change, retirement without stress, and no succession issues. In essence, these key characteristics and business types (which focus on established enterprises) allow one to understand both the nature of different firms, and where dependency is reliant on a co-ethnic market and breakout represents specified criteria.

However, by incorporating the customer ethnicity/customer proximity (location of business in relation to the firm's customer base) dichotomy faced by very many ethnic entrepreneurs. Such notions add to the debate espoused by Jones, Barrett and McEvoy (1999), whereby the authors argue that whilst the *market* is a decisive component of opportunity structure, the *customer* is pivotal (de Vries, 2012; Todorovic & Ma, 2008). Jones et al. (1999) elaborate on their interpretation of the customer and market by presenting a cross-classification of customer ethnicity and customer proximity. This interpretation results in four hypothetical market spaces: (i) Local ethnic activity, type, size and performance is constrained by localism as well as ethnicity, (ii) Local non-ethnic (middleman niche): relatively easy to enter, constrained to low order sectors by neighborhood effects, however, firms are subjected to racism and customer shrinkage, (iii) ethnic non-local: a high-level market containing ethnic minority firms. For instance, high order retail outlets, self-employed professionals, accountants, etc. Such firms continue to sell mainly to their own co-ethnics but over a much wider geographical area. The ethnic network is retained but without the neighborhood constraints. Finally, is (iv) non-ethnic, non-local: here activity is unbounded on all sides and represents a genuinely mainstream market (Jones et al., 1999).

To summarize, throughout the discussion thus far it is suggested that consideration needs to be given to the fact ethnic minority businesses differ sharply from their mainstream counterparts due to some of the following features, as noted by Iyer and Shapiro (1999):

- Identity: ethnic identity provides much of the social and business fabric of the ethnic community;
- Processes: ethnic entrepreneurs rely on surrogate modes of venture capital generation and ethnic supply sources to achieve strong horizontal cooperation among businesses that reflect ethnic cohesion, community solidarity and informal networks;
- Competitive stance: ethnic businesses compete on the basis of lowering prices, building long-term relationships with consumers and by keeping turnover high;
- Structure: decisions relating to business entry and location are based on prior experience of the community;
- Workforce: they employ co-ethnic employees to promote prosperity and collective values within the community;
- Role models: they fuel entrepreneurial ambitions and activity, and extend a helping hand to fellow ethnic members in terms of offering training and knowledge resources.

To this end, the paper aims to examine the notion that entrepreneurial intention, ability and opportunity inform business growth, development and how the entrepreneur defines the success thereof. To achieve this aim the paper addresses two research questions: To what extent does intention, ability, motivation, and business aspirations of the respondent impact on: (i) business practices and success, as defined by the respondent? (ii) the customer and market proximity thesis by way of business growth and development? These questions will allow an appreciation of the sentiment to 'think non-ethnic but act ethnic.'

RESEARCH METHODOLOGY

The research design used in this paper (which is part of a wider study) did not concern itself with testing theory, but generating/building theory (through exploratory research) from data. This approach was adopted in order to produce insight and enhance an understanding of ethnic entrepreneurship from a first and second-generation perspective (Priporas & Polmenidis, 2008; Priporas & Vangelinos, 2008). Consequently, the investigation was conducted within a phenomenological paradigm to help achieve its stated aim (as noted earlier). Given the acceptance that reality is socially constructed rather than objectively determined (Remenyi, 1995); working within such a paradigm allowed much more complicated situations to be examined. As such, the chosen methodology presented an opportunity to appreciate, understand and explain the different constructs and meanings each informant placed on his particular experience (Hussey & Hussey, 1997; Malholtra, 1996; Remenyi, 1995; Scott & Rosa, 1997).

To conduct the investigation, in-depth semi-structured interviews (with accompanying prompts) and case comparative study methods (semi-structured interviews, observer-as-participant and documentary evidence) were considered appropriate tools to use (Priporas & Polmenidis, 2008; Priporas, Vassiliadis, & Stylos, 2012). Such tools were developed (questions and the interview schedule), tested and re-assessed before being used. In addition, various documents had been developed and used in order to record and cross-reference many aspects of the world under investigation. Each interview, on average, lasted 90–120 minutes, with two interviews lasting 3 hours 30 minutes. In addition to the interview process, the study selected 11 businesses to make up the multiple (comparative) case-study stage of the research (Yin, 1989) – see Table 1 below.

In terms of the sample size, informants were selected from a variety of industrial sectors situated within the Greater London area. In total 48 entrepreneurs (representing 33 firms) were interviewed. Informants consisted

of 10 first- and 38 second-generation Sikh, Hindu and Pakistani Muslim entrepreneurs from both family and non-family owned businesses. Interviewing all 48 informants was deemed necessary and considered a safety mechanism should the case study phase fail to materialize due to its aspect of 'voluntary selection.' Within the context of a family business (FB), there was a need to understand whether the 'father figure' and/or 'family' informed business practices adopted by the said second-generation entrepreneurs. This notion was also explored with second-generation informants from non-family business (NFB) backgrounds in order to establish whether the lack of influence from both family and father had a detrimental effect on business practices and success.

For the purposes of comparison and discussion, two key groups of second-generation informant were identified and used (as noted in Table 1). Thus: (i) 19 informants involved within the family-owned business (FB), and working alongside the founder (father), and (ii) 19 informants from a non-family business (NFB) background and managing a business established by himself and/or with a business partner. Parents of these particular informants were not involved with self-employment and instead worked in mainstream employment or otherwise. This aspect was considered important as people with successfully self-employed parents have to their advantage access to financial resources and skills directly relevant to starting a business (Rosa, 1993). To complement the interview process, the study selected 11 businesses (see Table 2 below) to make up the multiple comparative case study stage. This provided the author with an opportunity to be embedded within these firms. Duration within each case-firm ranged from 7 to 20 months (approximately 10 months full-time equivalent). All cases were conducted within the work location of each informant. Given the nature of the study, access to various informants was negotiated via a combination of purposive sampling, snowballing sampling, referrals and/or some form of exchange process – see Table 1.

Background of the interviewees

With regards to the first-generation (*n = 10*), informants identified themselves as male Sikh, Hindu or Pakistani Muslim, approximately 50 years of age or above and residing within the UK. Due to certain push factors (such as labor market obstacles and lack of employment opportunities, discrimination and the like) informants had established the family business within the UK and maintained direct control over the said business. Age of businesses ranged from 8 years to 40 years. As expected informants operated within low order catering and retailing, and all employed immediate and extended family members. This employment situation was consistent with existing ethnic family business literature.

Additionally, the study interviewed Sikh, Hindu and Pakistani Muslim second-generation male entrepreneurs (*n = 38*), aged between 20–40 years old and who were either born in or moved to the UK.

Table 1. Semi-structure interviews and comparative case-study phases

	1st Generation			**2nd Generation**			**Total**
	Sikh	Pakistani Muslim	Hindu	Sikh	Pakistani Muslim	Hindu	
Semi-Structured Interview Phase							
Family	4	4	2	9	8	2	29
Non-family	-	-	-	9	8	2	19
Total	***4***	***4***	***2***	***18***	***16***	***4***	***48***
Comparative Case-Study Phase							
Family	1	2	1	1	1	-	6
Non-family	-	-	-	2	2	1	5
Total	***1***	***2***	***1***	***3***	***3***	***1***	***11***

Informants born overseas were included as migration occurred before the age of 12 years (Andall, 2002; Chan & Lin Pang, 1998; Janjuha & Dickson, 1998, 1998a; Portes, Fernandez-Kelly, & Haller, 2005; Portes & Rumbaut, 2005; Waldinger & Feliciano, 2004). The second-generation (*n = 38*) were found operating businesses across a number of sectors. For instance, low order catering and retailing (CTNs, clothes, specialist outlets – computers sales, electrical goods/services), professional services (employment agencies and business and management consultancies), and IT/High Technical Services.

To explore the aspirations, goals, entrepreneurial intent, motivation, et cetera of the respondents, findings are organized around four categories identified by CEEDR, (2000), namely: (i) business growth, (ii) stability, (iii) survival, and (iv) exit/managing for retirement. In addition, working within the parameters appertaining to firm size, levels of informality/formality as well as strategic fit, businesses were arranged by sector, then separated into two key headings (as alluded to above): *traditional firms* - consisting of retail/wholesale, catering, building suppliers and so forth; or *emergent firms* (developed out of knowledge and technical advancement/the new economy) **-** consisting of IT technical services, communications, professional services, et cetera. The inclusion of culture, religion and identity notes that the paper sought to provide insight into the extent to which these inform business practices on a personal and professional level (Bacon & Hoque, 2005; Brush & Monolova, 2002; CEEDR, 2000; Edelman, Brush, & Monolova,

2002; Harney & Dundon, 2006; Kotey & Slade, 2005; Marlow, 1992; Ram & Holiday, 1993; Ram & Smallbone, 2001; Ram, Smallbone, Deakins, Baldock, Fletcher, & Jones, 2002).

Data analysis

In terms of the various methods used for managing and analyzing qualitative data, Ryan and Bernard (2000) distinguish between two traditions, the linguistic tradition, which treats texts as an object of analysis itself, and the sociological tradition, which treats text as a window into the human experience. This paper acknowledges the useful contribution to research linguistic tradition provides. However, the focus of this discussion, is on sociological tradition, specifically, written text. Thus, Ryan and Barnard (2000) state that there are two kinds of written texts, (a) words or phrases generated by techniques for systematic elicitation, and (b) free-flowing texts such as narratives, discourse, and responses to open-ended interview questions. Consequently, it is with the latter part (b) that this paper is concerned, and the technique used for analyzing such data gathered from the field research is keywords in context (KWIC).

KWIC, as Ryan and Barnard (2000) highlight, finds all the places in a text where a particular word or phrase appears and prints it out in the context of some number of words before and after it. At the heart of this technique is coding - tags or labels for assigning units of meaning to the descriptive or inferential information compiled during the study (Miles & Huberman 1994). Therefore, codes were attached to 'chunks' of the text of varying sizes (in this instance whole sentences) in order to connect or un-connect keywords or phrases within specific settings/context (Miles & Huberman 1994; Malholtra, 1996) see appendix one - key themes and constructs).

In essence, as far as this paper is concerned, data gleaned from *content analysis* involved the analysis of: (i) the taped semi-structured interviews, (ii) written field notes, (iii) observations, (iv) critical incidents, and (v) documentary evidence and archival records (paper and electronic) held by the respondent under investigation (each had its own particular proforma to record evidence). Consequently, to identify salient features such as decision-making and management ability, the paper used an analytical procedure termed *pattern-matching logic* (Yin 1994; Saunders, Lewis, & Thornhill, 2000). Essentially, this involved the process of establishing links by comparing and contrasting issues 'found within the data' with that of theoretical propositions set out in this paper (see appendix one – key themes and constructs). Therefore, this approach to analysis proved fruitful on two levels. On the first level, pattern-matching analysis highlighted similarities

and differences between those within the research frame. On the second level, as suggested earlier, the procedure helped discover commonality and difference within emergent themes.

FINDINGS

Findings for this current paper suggest that the notion of 'think non-ethnic but act ethnic' is prevalent throughout the study. The rationale for this statement is found in the way respondents translate personal and organizational goals into management practices, and how such practices are then conducted - so leading to failure by respondents to connect functions and actions. Moreover, findings indicate that aims and objectives set by the various respondents and their realization reflect whether the firm is traditional or emergent; and such aims and objectives, along with business sector, inform the mind-set of the respondent towards his respective business, and how best to manage that business. Exploring this line of inquiry the following became evident.

Business aspirations of the respondents

First-generation entrepreneurs are situated within low-order retail/wholesale and catering sectors. A majority of second-generation ethnic entrepreneurs are located in new dynamic emergent firms that rely more on class (knowledge, skills, education, et cetera) than ethnic resources to operate. Moreover, such firms do not require additional capital at start-up and are less labor-intensive than businesses established by their first-generation counterparts (Chan & Lin Pang, 1998; Peters, 2002; Rogoff et al., 2004; Wickham, 2004). Therefore, sector location may be just one aspect that determines entrepreneurial aspirations and business behavior (Ram et al., 2002). Exploring this notion, respondents were asked what they thought their aspirations for their particular business were likely to be in short to medium term (within the next five years). The reason behind this line of questioning was to ascertain the drive, impetus and energy of the respondent to make the business success (as defined by respondents).

Evidence suggests that there is very little difference between both generations with regards to their hopes and aspirations (business growth, stability, managing for retirement/exit or survival (CEEDR, 2000). Other than one second-generation respondent who expressed a desire to sell his business in order to be involved more with personal religious/Islamic pursuits. Beyond this, there was no evidence of religion or ethnicity having an impact on the overall aims and objective setting. When responses to questions were

categorized and analyzed in relation to the four main occupational areas in which respondents are located, a series of distinctive characteristics emerged.

(i) Growth

Twenty-two of the 48 respondents had aspirations for growth, included were second-generation respondents from emergent firms and a small number of first- and second-generation from traditional firms. Essentially, findings note that growth is very much reflective of the sectors in which these firms operate. Consequently, for the majority of respondents, the aims and objectives expressed appear to be underpinned by optimism about future growth prospects and, motivation towards remaining within entrepreneurship.

The first-generation

Respondents claim their objectives over the next 3-4 years are to embark on a series of planned outlet/restaurant openings, whilst increasing capacity within the short term. The medium-term approach, although requiring some form of capital outlay, appears to suit first-generation respondents given: (a) the longevity of their particular businesses and, (b) their declaration that they have no intention of moving out of their current business sector. This attitude is put down to the fact that although literature suggests the industry is at saturation point, respondents believe growth is still obtainable via new related business areas such as corporate hospitality, 'one-stop shop Asian catering services' and the like. In addition, respondents intend to capitalize on their current situation, as this affords them time to raise necessary funds via short-term increases in capacity before making the switch to formal methods of obtaining money. This approach sits with findings highlighted by Deakins et al. (2005), whereby they noticed that even in traditional sectors entrepreneurs were able to achieve growth via a number of niches and related diversification strategies.

The second generation

Second-generation respondents from traditional firms declared similar ambitions, namely short-to-medium term capacity/product portfolio building. Those from emergent firms claim they are not risk-averse, but they do appear to adopt a more cautious approach to business development. Thus, respondents feel such aims and objectives are achievable within the medium term (2–5 years) as opposed to rushing head-on into short-termism (2–18 months). Respondents appear to reserve short-term aims for the day-to-day development of the business and its supporting infrastructure.

When second-generation respondents from emergent firms are compared with their first- and second-generation counterparts from traditional firms, findings note they are not capital intensive and do not require considerable amounts of investment. Instead, they require the acquisition of knowledge and skills as the pre-requisite for growth. This situation reflects (see Table 2) their indicated aims and objectives, namely, skill-sets of the respondents, age of the respondent and his respective business, and business set-up and the market conditions in which the respondent operates.

Table 2. Aims and objectives for growth

Growth	*S/T 2–18 months	*MT 2–5 years	Traditional 1st & 2nd Gen	Emergent 2nd Gen
Main characteristics				
To improve and increase the business – capacity and volume	✓		✓	
To open additional outlets		✓	✓	✓
To locate within new geographical areas		✓	✓	
To target mainstream businesses		✓		✓
To diversify current product/service provision		✓	✓	✓
To expand current product/service provision		✓		✓
To build/expand current customer portfolio		✓		✓
To enter new business sectors		✓		✓
To build the brand		✓	✓	✓
To build a business infrastructure	✓		✓	✓
To become a specialist business		✓	✓	✓
To become financially independent		✓	✓	✓
To exploit future growth in emergent e-markets		✓	✓	✓
To become an international organization		✓	✓	✓
To increase revenue		✓	✓	✓
To increase workforce		✓	✓	✓

Note: 22 respondents, n = 48; * = Short and medium term.

(ii) Stability

Eight of the 48 respondents point to a number of changes, including increased competition, lower consumer spending and the impact of government legislation, taking place within their particular sectors that appear to have

a detrimental effect on their business. Of these eight, only four are *"optimistic about the future"* and believe they have the ability *"to turn things (the business) around."* Despite this level of optimism, all eight respondents went on to indicate that they had no aspirations beyond maintaining some form of stability for the firm in the short-term (2–18 months). Behind this notion, respondents felt that growth within such volatile business environments would be highly unlikely at present. On further exploration of this attitude, what emerged was very little difference in terms of aims and objectives between all eight respondents (see Table 3). This theme, common to all, is based more on sector (emergent or traditional) than generation or ethnicity. Consequently, all eight respondents appear to channel efforts towards day-to-day operations of the business. Thus, concentrating on short-term cost saving/rationalization strategies/risk-free goals than anything else. Such an approach, as respondents suggest, affords them the stability needed without incurring additional costs.

Table 3. Aims and objectives for stability

Stability	*ST 2–18 months	*MT 2–5 years	Traditional 1st & 2nd Gen	Emergent 2nd Gen
Main characteristics				
To increase average spend	✓		✓	✓
To reduce the workforce – cost savings	✓		✓	
To harvest current market	✓		✓	✓
To give the business a 'face lift'	✓			✓
To increase product range	✓		✓	✓
To rationalize current service offering		✓	✓	

Note: 8 respondents, n = 48; * = Short and medium term.

(iii) Survival

Six first- and second-generation respondents dominated by retail and catering indicate growth is no longer a viable option due to the markets being saturated (see Table 4). For these respondents, the need for business survival by staving off the threat of competition and circumventing certain legal restrictions (changes in retail and catering legal requirements, non-compliance with labor laws, et cetera) appears to be the main priority and practice, certainly for the short-term. The situation faced by these particular respondents reinforces the notion wherein entrepreneurs are *"trapped"* in locations and markets that experience low consumer spending, as well as, yielding a low propensity

to grow (Curran & Blackburn, 1993; Ram & Smallbone, 2001, 2003; Ram et al., 2002). As Gartner and Bhat (2000) note, there is a correlation between location/markets and ethnicity of the business owner. Moreover, such factors are key influences on the owner's expectation of the firm's performance and future growth, not to mention his ability to remain motivated.

Table 4. Aims and objectives for survival

Survive	*ST 2–18 months	*MT 2–5 years	Traditional 1st & 2nd Gen	Emergent 2nd Gen
Main characteristics				
To wait and see, then react	✓		✓	✓
To stay one step ahead of competitors	✓		✓	
To keep the business afloat	✓		✓	
To survive the best one can and for as long as one can	✓		✓	✓

Note: 6 respondents, n = 48; * = Short and medium term.

(iv) Exit Strategies

Similar to the conditions noted immediately above, a very small number of first- and second-generation respondents from retail and catering are considering exit strategies which involve them seeing out the remaining days of the business. Here respondents indicate that such exit strategies entail selling off/leasing the business as a going concern, or allowing the business to come to its natural end without plans for a revival. Table 5 highlights various exit strategies considered by respondents.

Defining success

Taking the sections above a step further, the paper wished to establish what indicators all respondents used to define success. The rationale for this is that, although a number of respondents considered growth to be a viable option, there were just as many respondents who felt trapped in locations and markets with a low propensity for growth. Given this, the paper explored the impact such aspiration would have on the owner's expectation of the firm's performance and his ability to remain motivated. As a result, three key indicators emerged from the data findings: financial, business and personal (Table 6).

In essence, a number of first- and second-generation respondents from retail/wholesale and catering (stability, survival and exit) suggest that over the years their aims and objectives have not been realized. As evidence

goes onto a note, this lack of realization is due to rising business costs, labor shortages, and increased competition.

Table 5. Strategies for exit

Exit	*ST 2–18 months	*MT 2–5 years	Traditional 1st & 2nd Gen	Emergent 2nd Gen
Main Characteristics				
A willingness to retire	✓		✓	
To prepare business for succession	✓		✓	
To sell the business as a viable going concern		✓		✓
To sell the business due to a loss of personal interest and commitment in the business		✓		✓
Would like to run own business		✓		✓
Would like precedence given to personal situation (change in family situation)	✓			
Would like to pursue personal goals	✓			

Note: 5 respondents, n = 48;* = Short and medium term.

Therefore, respondents have resigned themselves to the current situation by using management practices that reflect short-term business and personal success indicators. As one first-generation Pakistani respondent remarked:

"It has not worked out to exactly what I wanted it to as basically after thirteen years I should have at least thirteen brasseries, but I have only one."

In terms of motivation, a number of contrasting situations are found. For instance, second-generation respondents who appeared to be working within a family business are the least motivated and are keen to get out of the family business rather than commit to it being a success. This is in contrast to a number of first- and second-generation respondents, whereby greater emphasis is placed on long-term business and personal security via moderate, planned and sustainable business growth. This reassures respondents that they are to meet if not exceed any financial obligations (payment of debts, providing a home for the family). Despite many second-generation respondents from emergent firms who view profitability in the medium to long-term to be a measure of luxury, many appear to gravitate towards factors reflecting business and financial success at the expense of personal success. Once again, this reflects the motivation and reasons for entering entrepreneurship.

Table 6. Success indicators

Indicators	1st Gen	Traditional 2nd Gen	Emergent 2nd Gen
Financial			
Ability to meet cost Paying bills/debts Paying employee wages	✓	✓	
Increase in turnover compared with previous year(s)	✓		✓
Cash generation		✓	✓
Being paid by customer/client			✓
Achieving projected funding			✓
Break-even		✓	✓
Gross profits		✓	✓
Revenue-generation		✓	✓
Turning a percentage of initial enquiries into sales			✓
Business			
Ability to sustain the business/volume of business	✓		✓
Achieving growth – increase in the business compared with previous year(s)/continued growth/obtaining new business	✓	✓	✓
Maintaining/increasing the flow of orders/outflow of goods		✓	✓
Ability to deliver/speed of delivery /reduce turnaround time			✓
Increased awareness of the business/offering			✓
Completion of business deals/number of contracts			✓
Achieving brand-recognition			✓
Through market awareness in certain target sectors - achieving sales at the required price			✓
The response of the purchaser post day 1 and 6 months on			✓
Through the number of customer/client enquiries			✓
An increase in the number and quality of customers	✓		✓
Retention of customers			✓
Achieving customer satisfaction		✓	✓
Obtaining positive feedback from various stakeholders/customers			✓
Personal			
Ability to purchase/maintain a house	✓		
Ability to purchase/maintain a car	✓		
Ability to earn a decent wage	✓		✓
Ability to maintain a place of work	✓		✓
Ability to maintain a work–life balance (hours of work 9– 5:30 pm)	✓		
Ability to meet expenses, mortgage payments and additional family expenditure	✓	✓	
Keeping head above water		✓	

Note: All respondents, n = 48.

Impacted on the customer/market proximity

The first-generation consider organic growth, such as expanding the premises or business offering beyond current limits, has helped gain access/entry to new customers/markets. Consequently, rather than spend time, money and resources marketing the business, these respondents differentiate themselves via expansion initiatives and related diversification strategies. An example of this is a one-stop Asian catering (or retail services) aimed at the corporate hospitality markets – mainly mainstream local non-South Asian businesses or customers.

Whereas the second-generation (particularly from emergent firms), opt for a more open approach to business, coupled with some form of technological and knowledge/expertise/skills advantage. In addition, 29 second-generation respondents (*n* = 48) highlight that their own prior experience and that of any respective colleagues is influential in anticipating demand for products/services. However, gaps are exposed within the business process. As such a majority of respondents fail to adequately connect business practices with actions, which in turn has impacted on customer/market proximity. Evidence from all respondents pertaining to business/marketing practices is as follows:

(i) Traditional sectors

This sector is dominated by the entire first-, and a number of second-generation, respondents from retail/wholesale and catering businesses and, a small number of second-generation from professional services. Here respondents display characteristics similar to one another in that they prefer not to have *'depth, but breath of product range.'* Respondents opt to offer customers a choice that is reflective of the *'latest trends, styles and tastes. '*

Moreover, respondents put the development and importance of such an attitude down to lessons from past experience, namely, (i) people whom they know within the industry and/or (ii) having experienced some form of crisis due to stock surplus/shortage. As there is a reluctance to stray too far from the core business and incur any additional costs, the build-up of respective product/service portfolios has been slow, cautious and tentative. Thus, respondents are unlikely at this stage to diversify the product/service offering. Exploring the impact of this slow, cautious and tentative approach on customer and market proximity, two features became evident, namely, *(i) staying put/forced to remain*, and *(ii) content to remain*.

Forced to Remain - local ethnic and local non-ethnic

With ethnicity seen as an inhibitor, there is evidence to suggest a large number of first- and second-generation respondents from traditional sectors are forced to remain/staying put within saturated local ethnic and non-ethnic markets, servicing a mix of local ethnic and non-ethnic clients. In this instance, respondents espouse some form of local mixed clientele (co-ethnic/non-ethnic base) whilst at the same time providing a standard product/service offering. Moreover, such customers look for speed of service delivery, a good product range, and a safe and entertaining (in the case of restaurants) environment. Although these respondents warm to the idea of growing the business, they point to the fact there are a number of internal and external barriers that impede business growth. To illustrate this, 14 respondents point to a lack of effective business infrastructure, low-profit margin/mark-up, a lack of help from the government, and sectoral and competitive pressures. Equally, respondents appear to experience low-profit margins/mark-up and display a heavy reliance on local co-ethnic customers. For instance, from a human resource management (HRM) perspective, respondents (i) do not have a supporting (HRM) infrastructure/strategy, (ii) experience high staff turnover, (iii) rely on informal means of recruitment (via the local co-ethnic community), and (iv) offer very little by way of employee rewards/incentives/personal development/appraisals and training.

With regards to marketing and sectoral pressures, respondents offer no more than a standardized product/service, with little opportunity for differentiation or customization of the product/service offering. For example, respondents within catering suggest that there is very little done in the way of customizing the product offering to cater for non-Asian tastes. The reason stems from a fear of alienating co-ethnic customers. Therefore, only a standard product is offered with slight additions to the menu – as an example. Within retail and wholesale, a number of second-generation respondents state they supply ethnic-specific goods/products (Indian and Pakistani ladieswear, menswear and childrenswear) to local co-ethnic consumers and, in most cases, respondents feel they are victims of familial, cultural and sectoral circumstances. For example:

- intense local competition;
- saturated Indian clothing market generally;
- a lack of product/service differentiation;
- pressure on margins at both ends:
- the supplier side – particularly overseas suppliers who want to charge ‘extra’ to UK-based businesses;

- the customer side – customers, especially where an 'aunty ji' (an affectionate term for a mother figure) will always 'barter' whether prices are clearly indicated or not, or regardless as to the size of the order placed;
- the feeling that they (respondents) are 'forced to remain' within this market – a 'comfort zone strategy' developed over-time and maintained more so by their respective fathers.

Despite the above, first- and second-generation respondents stated that they understand the requirements of their particular customers and endeavor to meet their needs in the best way possible.

Content to remain - local ethnic and local non-ethnic

A number of first- and second-generation respondents advocate that they are quite *'content to remain'* within their respective sectors without venturing too far down the route of *'genuine breakout.'* The reason for the development of a mixed client base (local ethnic and local non-ethnic customers) stems from the fact that consumers have become more informed and receptive towards all things Asian: cuisine, products, services, and businesses. Therefore, in an effort to remain competitive and differentiate themselves from other co-ethnic businesses, respondents emulate what they perceive to be 'practices' associated with mainstream businesses. Namely, customizing or modernizing product/service offering to reflect the changing needs of their customers, whilst retaining the *'ethnic feel'* for the product/service. In terms of business infrastructure, these respondents (a) have better-developed systems, policies and procedures to support the business, (b) are more likely to recruit based on skills-set and, (c) wish to be considered a fair employer by offering incentives and standard employment packages. However, respondents still bow to cultural obligation by recruiting from within the community and marketing to local ethnic customers.

(ii) Emergent sectors

Findings suggest second-generation respondents, although struggling to adjust, are behind a number of so-called e/Alliances and e/Network enabled Enterprises (virtual companies), professional services and high-tech firms. Respondents here prefer a more *"enhanced product portfolio"* that emphasizes (a) speed of delivery, (b) flexibility of offering/service package, (c) greater consumer choice and (d) products/services built around particular segments/customers. As one 2nd generation Sikh respondent claims:

"We have been described as boutique, bespoke [IT services] builders and we create what generally has not been seen in the market place and that gives us our competitive edge."

Equally, respondents show a willingness to diversify their particular product/service range beyond that of the core business, thus certain *"cash cow"* products/services are areas from which additional investment is sought for new product/service development, and/or for new market opportunities qualify the approach used by respondents. In addition, respondents are quick to point to their *"corporate background/corporate experience,"* as past experience is used as a point of reference. Such usage forms a basis from which knowledge and understanding, in terms of portfolio offering, is sought; and reflects the type of web-based companies and communities being set-up. Respondents believe the interest of clients/customers is central to any offering as they are able to provide particular *"bespoke services or turnkey projects"* that are of importance to the client/customer. Therefore, it is essential for the respondent to develop a *"community of a sizable force." "As many as you can get who want to work on, talk, share or understand a particular project, topic area or idea (Sikh 2nd generation respondent)."*

Although the networking/resource mobilization and marketing approach noted above have to be commended. On further exploration, the impact of the above on customer and market proximity finds contradictions in that respondents are *struggling to adjust* within their particular markets.

(iii) Struggling to Adjust - local and non-local co-ethnic/non-ethnic

Findings note that 14 second-generation respondents operate within a Business-to-Business environment, of which seven respondents combine this with Business-to-Consumer markets also. What is striking about these 14 respondents is that the customer base for at least five respondents transcends the UK to include international boundaries also, thus giving the impression of 'genuine breakout.' However, access to appropriate levels of finance, labor, expertise and the internal business infrastructure used to support breakout inhibits the respondent as he struggles to adjust. Therefore, respondents appear to be caught between breakout and adjustment. One respondent stated that they *'do not have the resources, capacity or the transparency in business operations'* to develop international growth beyond any level that they experience currently. This statement is supported by the fact that the majority of respondents have a portfolio mix (the ratio of the UK and International clients) which is anywhere between 60% and 80% in favor of a UK client base. As one 2nd generation, Hindu respondent remarked:

"Although I have some international clients, most of my business relies upon the 80% Asian small retailers dispersed through London and the South East. It is not because they're Asian or it is easier in the UK, but because I don't have a workable system in place. I have to rely on others to help network."

As another 2nd generation Sikh respondent retorted:

"We want to be strategic, we talk about building a solid business for the long term, we think non-ethnic, but then at the end of the day we act ethnic."

Common to respondents is that they state no one particular ethnic group dominates their consumer mix. Therefore, respondents have a client base that reflects co-ethnic and non-ethnic – local and non-local customers. To support this, respondents have customized their product and service offering, where emphasis on *'client relationship building'* and *'quality of the offering'* is the means by which marketing is communicated. Equally, a minority of respondents, in an attempt to further enhance their 'corporate professionalism' and prove the effectiveness of their particular 'networks,' are more than willing to invest in so-called *'heavyweights.'* These heavyweights are experienced managers, directors and the like (irrespective of ethnicity) who are in a position to help conduct research, develop ideas and suggest alternatives. Respondents stand by such an approach highlighted above, even if this relationship building takes time.

In summary, the paper highlighted a point of departure between respondents within traditional and emergent sectors which, rather than driven by generational factors, is very much influenced by: sector, prior knowledge of customers, customer/market proximity, resources, type of business and business lifecycle, aspirations for the business and, finally, prior experience of the respondent. In a small number of instances, however, there is evidence of religious and/or cultural nuances permeating within traditional firms, but again not particular to either generation or respondent group. The following section will link the discussion thus far back to the research questions set.

DISCUSSION AND CONCLUSION

The aim of this paper was to examine the notion that entrepreneurial intention, ability and opportunity inform business growth, development and how the entrepreneur defines the success thereof. To achieve this aim two research questions were addressed: To what extent does intention, ability, motivation, and business aspirations of the respondent impact on (i) business practices and success, as defined by the respondent? (ii) the customer and

market proximity thesis by way of business growth and development? These questions allowed an appreciation of the sentiment to 'think non-ethnic but act ethnic.' In essence, the following became evident:

With regard to research question one: *impact of intention, ability, motivation and business aspiration – on business practices and success, as defined by the respondent:* this paper argued that whether the respondent was operating within an emergent (Professional Services, and/or IT Tech Services) or traditional business sector (Retail/Wholesale, Catering), motivation and goal setting (aims and objectives), and business aspirations were based on sectoral factors. Thus, in terms of entrepreneurial motivation vis-à-vis goal setting, it was found the higher the level of entrepreneurial motivation, the greater the likelihood of business *growth or stability.* Equally, the propensity towards *survival or exit* appeared to be indicative of entrepreneurial apathy and sectoral factors - a downturn in trading conditions, saturated markets, and a reduction in consumer spending, et cetera. Exploring these notions further, the findings noted that, in terms of growth (traditional and emergent firms), a number of first-generation respondents appear to balance medium-term growth through business investment and related diversification, with noticeable short-term increases in capacity. This was achieved despite operating within saturated markets whilst indicating a desire to remain therein. Essentially, such aims appear to be capital-intensive or investment driven. In terms of personal motivation, all respondents placed greater emphasis on long-term business and personal security, namely their ability to meet, if not exceed, any financial obligations (such as payments of business and personal debts, providing a home for the family, et cetera). With regard to the second-generation, here respondents recognize a need to grow the business, and as such view the acquisition of knowledge and skills as the pre-requisite for growth in the medium-term (Javalgi & Grossman 2015), whereas short-term growth is reserved for day-to-day business operations. With regard to personal motivation, respondents gravitate towards factors reflecting business and financial success (turnover, growth, et cetera) as opposed to personal success (such as buying a house or car – considered a later luxury). Certainly, these findings sit with discussion noted by Fisher, Maritz and Lobo (2014); Taormina and Kin-Mei Lao (2007), whereby the authors suggest that entrepreneurial success is the presence of both personal and macro-level variables. In terms of business stability (traditional and emergent firms), both first- and second-generation respondents share similar attitudes in that they channel efforts into day-to-day operations of the business. This adopted approach concentrates on short-term cost saving/risk-free goals, more than anything else. It is done despite the fact these particular respondents remain upbeat about the future but feel growth at present is highly unlikely.

For traditional firms, dominated by retail and catering, both first- and second-generation respondents share a similar situation. Thus, the impact on demand for goods and services is reflected within the aims and objectives set for the business, namely, business survival or exit. The reason for this is that respondents are trapped in locations and saturated markets that yield a low propensity to grow, as well as low consumer spending - a realization that growth is no longer a viable option. Consequently, evidence suggests respondents adopt business aspirations that focus on the need for business survival. Moreover, survival in this instance involves respondents staving off the threat of increased competition and circumventing certain legal restrictions, for example, non-compliance with labor laws. Whereas, a small number of first- and second-generation respondents, again from retail and catering, espouse aims and objectives that revolve around them wanting to see out the remaining days of the business, with no desire to grow or continue the business.

When research question two: *impact of intention, ability, motivation and business aspiration – on customer and market proximity thesis by way of business growth and development:* was addressed, it was similar to a situation found by Soydas and Aleti, (2015) in their study of Turkish immigrant entrepreneurs in Melbourne. This current paper noted the first-generation consider organic growth, such as expanding the premises or business offering beyond current limits, helped gain access/entry to new local customers/markets. Consequently, rather than spend time, money and resources marketing the business, these respondents differentiate themselves via expansion initiatives and related diversification strategies. An example of this is a one-stop Asian catering (or retail services) aimed at the corporate hospitality markets – mainly mainstream local non-South Asian businesses or customers. Whereas the second-generation (particularly from emergent firms), prefer to opt for a more open approach to business, coupled with some form of technological and knowledge/expertise/skills advantage. In terms of a breakout, three approaches were identified. The first, *Content to remain*, finds first- and second-generation respondents from traditional low order catering and retail/wholesale firms develop a mixed client base of local ethnic and local non-ethnic customers. Such customers are informed and receptive towards Asian products and services. Therefore, they reflect the customized or modernized product/service offering espoused by these respondents. These respondents are able to respond to the changing needs of their customers, whilst retaining the 'ethnic feel' for the product/service. Respondents espouse a business infrastructure that appears to support such business operations/activities.

The second approach, *Forced to remain,* notes first- and second-generation respondents from traditional firms are forced to remain within their particular saturated market sectors (local ethnic and non-ethnic), thus offering a standardized product/service. Here, respondents display signs of wanting to move out of such competitive markets or to customize product/services offering, but they have neither the business infrastructure/processes nor the energy for fear of alienating co-ethnic customers. Finally, *Struggling to adjust,* as findings suggest, a small number of second-generation respondents from IT/High Technical Services and Professional Services that have developed customer bases (local and non-local co-ethnic/non-ethnic) that transcend UK boundaries toward more international networked markets/customers, thereby exploiting links to parental home country and diaspora (Jones & Ram 2012). These particular findings sit with commentary espoused by Hessels, van Gelderen and Thurik (2008), who suggest that countries with a higher incidence of increase-wealth-motivated entrepreneurs tend to have a higher prevalence of high-job-growth and export-oriented entrepreneurship. However, although these respondents have a mixed client base and offer customized products/services, they do not have the resources, infrastructure, or capacity in business operations to achieve genuine breakout or grow beyond a certain point (Deakins et al., 2005). To compensate, respondents see the use of their particular 'corporate professionalism' as key to effective networking and business development.

Pulling together both questions, this paper is one of a very limited number of studies that adds to debate pertaining to entrepreneurial intention, ability and opportunity, and the impact thereof on both business practices, and the customer proximity thesis. Consequently, although there is evidence to support the fact that respondents think non-ethnic but act ethnic, achieving genuine breakout still remains a difficult goal to obtain irrespective of respondent or business type. This is due in part to business and sectoral constraints, rather than cultural or religious influences. Certainly, findings within this paper are a far cry for those presented by Dyer and Ross (2000). Here the authors found that from their sample of 33 ethnic entrepreneurs in Canada, a large percentage were very much negative and ambivalent towards co-ethnic customers; citing such customers as being resentful of success, more demanding, unforgiving, and believed the [ethnic] business should serve only the ethnic community from whence it came. In stark contrast to this, some respondents were pro-actively and positively engaged in preferential treatment of their co-ethnic customers, citing strong co-ethnic community ties as a prime motivator. Dyer and Ross (2000) bemoaned the fact that the ever-present cultural and community nuances were strong factors that impacted on business practices and entrepreneurial motivation,

et cetera. Only 20 percent of their sample explicitly noted success could not depend on co-ethnic clients alone. Therefore, to engage with a wider market, it was deemed necessary to make the business attractive to all clients by de-emphasizing all ethnic aspects of the business, so as to resemble a non-ethnic business in its entirety.

This paper is not without is limitations, for instance, the study found that, given the opportunity structures and social and economic environment within the Greater London area (the setting in which the respondents of this study find themselves), the findings discussed within may not be as generalizable when compared with other parts of the UK. Acknowledging this, there is a need to replicate a study of this nature on a wider scale or outside of the Greater London area. Conducting a longitudinal study, and developing measures to capture the impact of knowledge and experiential learning on the ethnic entrepreneurial experience, would greatly increase our understanding of second-generation ethnic entrepreneurs. Further studies should be carried out on gender differences, and other embedded/newly arrived ethnic groups.

Before drawing the paper to a close, direction for future research coupled with implications for policy need to be addressed. As such, the paper presented an alternative view as to how entrepreneurial 'intention, ability and opportunity' facilitates or inhibits business growth. And, whether as a collective, these factors manifest into some form of breakout or not. Certainly, this paper subscribes to the view that there needs to be evidence of a measurable correlation between location/markets and ethnicity of the business owner. Such a measure would yield even greater insight into factors that influence the owner's expectation of the firm's performance and future growth. In addition, not all issues raised within the paper are ethnic or generation specific. Thus, debate appertaining to ethnic entrepreneurship needs to be re-examined. By placing an emphasis on 'culture, religion and ethnicity,' this may be misleading researchers as to the true nature of business requirements, problems and support for ethnic [second-generation] entrepreneurs. Moreover, there are still gaps in the literature concerning the motivations and intentions of second- or even third-generation ethnic entrepreneurs, the way they interpret their particular economic and social worlds, and the impact this may have on their ability to manage a business. As Carsrud and Brannback (2011) purport, *"entrepreneurial motivation still needs further study if we are to address the question of - have we learned anything at all about entrepreneurs?*"

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Abstrakt

Literatura dotycząca przedsiębiorczości etnicznej zakłada, że czynniki religijno-kulturowe i pokoleniowe są zgodne z intencją i zdolnością przedsiębiorcy do rozwoju biznesu. W ramach rozwoju biznesu, tacy przedsiębiorcy powinni zerwać z lokalną bazą klientów etnicznych, aby obsługiwać szerszą bazę klientów nieetnicznych. W rzeczywistości wielu przedsiębiorcom etnicznym brakuje zasobów, motywacji, zdolności i/lub intencji do tego. W konsekwencji rozwój i sukces firmy stają się utrudnione. W tym celu, pracując w kontekście przedsiębiorczości etnicznej, celem tego artykułu jest zbadanie poglądu, że zamiary przedsiębiorczości, zdolności i możliwości informują o rozwoju biznesu, rozwoju i sposobie, w jaki przedsiębiorca określa jego sukces. W związku z tym przeprowadzono 48 częściowo strukturalizowanych wywiadów i 11 porównawczych studiów przypadku z południowo-azjatyckimi Sikhami, Hinduistami i pakistańskimi przedsiębiorcami pierwszej i drugiej generacji na terenie Wielkiego Londynu. Przyjęto paradygmat fenomenologiczny, w którym do analizy danych użyto słów kluczowych. Ustalenia wskazują, że nie ma dowodów na prawdziwą eksplozję. Tym, co definiuje rozwój biznesu i wzrost, są trzy podejścia: (i) treść pozostająca, (ii) zmuszony do pozostania, i (iii) walka o dostosowanie. Utrudnione są próby zwiększenia bazy klientów i rynkowej ponad klientów lokalnych. Ponadto różnice i sukcesy między dwoma pokoleniami odzwierciedlają raczej lokalizację sektorową, intencje,

zdolności i umiejętności niż wpływy pokoleniowe lub kulturowe. Zasadniczo artykuł przedstawia alternatywny pogląd na to, w jaki sposób zamiary przedsiębiorczości i możliwości ułatwiają lub hamują rozwój i sukces małych przedsiębiorstw. Jednak biorąc pod uwagę przykładowe ramy i środowisko społeczno-gospodarcze w Wielkim Londynie, wyniki mogą nie być możliwe do uogólnienia. Podsumowując, debata dotycząca przedsiębiorczości etnicznej musi zostać ponownie przeanalizowana; ponieważ położenie nacisku na kulturę, religię, pochodzenie etniczne i pokolenie może wprowadzać w błąd badaczy co do prawdziwego charakteru wymagań biznesowych, problemów i wsparcia dla przedsiębiorców etnicznych.
Słowa kluczowe: *przedsiębiorcy etniczni, przełom, motywacja, intencje, Azja Południowa*

Biographical note

Mark McPherson teaches on the Undergraduate and Postgraduate Marketing Degree programmes, and the on-line Executive MBA programmes at Middlesex University. His teaching interests are within Strategic Marketing and Planning, Branding, Guerrilla Marketing, and Leadership and Followership. Mark is actively involved in academic research where his specialisms are ethnic small businesses, marketing to ethnic minority groups, and Islamic Marketing. He has presented at various marketing, small business and doctoral conferences at home and overseas. In addition to teaching and research, Mark consults for a number of clients from the ethnic small business community, who operate within the UK and/or international markets.