Factors influencing ethnic minority entrepreneur’s decision in starting up: Some evidence from Aberdeen, Scotland.

ABSTRACT

The purpose of this paper is to investigate the factors that influence ethnic entrepreneurs decision making to start a new business in Aberdeen, Scotland. By doing so, this paper investigates the motives, drivers and attitudes of ethnic minorities towards entrepreneurship opportunities in Aberdeen, Scotland. Using qualitative data, we explore the motivational factors of 25 ethnic entrepreneurs by conducting in depth face to face interviews with them.

Our results reveal some interesting motivational factors which influence ethnic entrepreneurs decision to dive in and starting up a new venture in Aberdeen, Scotland. Some of these include a positive mind set or attitude, self-efficacy, strong determination, market research knowledge (due diligence), good financial management, and knowing the local business culture along with others.

Key words: Ethnic minority, Entrepreneurship, Business Start-up Influences, Social capital, Social network, Challenges

Paper Type: research paper

1. Introduction

In recent years global business conglomerates, financial institutions and political groups have been showing much interest in the entrepreneurial actions of ethnic minorities (Levie & Hart 2011; Xavier et al. 2012) and the media are constantly highlighting the conditions of this entrepreneurial group (Levie & Hart 2011). Moreover, the importance of ethnic participation in entrepreneurial activities and its role in promoting economic and social development have been widely investigated by various researchers (e.g. Kuratko & Hodgetts, 2004; Timmons & Spinelli, 2004; OECD 2010; Levie & Hart 2011). In addition, Migrant entrepreneurs founded almost 14.5% (1 in 7) of all UK companies and currently 456,073 migrant entrepreneurs are in the UK (Centre for Entrepreneurs 2014). Besides, a report estimates that failure to use the talents of ethnic minorities may cost more than £8 billion per year (Department for Communities and Local Government, 2013). In addition, it is also proven that ethnic minority businesses contribute more than £25 billion to the UK economy and these businesses are highly successful (Department for Communities and Local Government, 2013).

Moreover, a report published by OECD (2010) reveals that immigrants/ethnic minorities have a higher rate of self-employment than the natives in many OECD countries as presented in table 1.
<table>
<thead>
<tr>
<th>Country</th>
<th>Natives (% of population)</th>
<th>Foreign-born (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>16.3 remove % from here</td>
<td>18.8</td>
</tr>
<tr>
<td>Austria</td>
<td>9.3</td>
<td>8.4</td>
</tr>
<tr>
<td>Belgium</td>
<td>12.1</td>
<td>15.5</td>
</tr>
<tr>
<td>Canada</td>
<td>14.5</td>
<td>17.5</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>15.3</td>
<td>19.6</td>
</tr>
<tr>
<td>Denmark</td>
<td>7</td>
<td>9.6</td>
</tr>
<tr>
<td>Finland</td>
<td>9.6%</td>
<td>14.1%</td>
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<tr>
<td>France</td>
<td>8.1%</td>
<td>10.8%</td>
</tr>
<tr>
<td>Germany</td>
<td>10%</td>
<td>9.5%</td>
</tr>
<tr>
<td>Greece</td>
<td>26.4%</td>
<td>10.6%</td>
</tr>
<tr>
<td>Hungary</td>
<td>10.8%</td>
<td>16.4%</td>
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<tr>
<td>Ireland</td>
<td>16.8%</td>
<td>9.3%</td>
</tr>
<tr>
<td>Italy</td>
<td>23.6%</td>
<td>17.5%</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>5.4%</td>
<td>6.5%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>Norway</td>
<td>5.8%</td>
<td>6.9%</td>
</tr>
<tr>
<td>Poland</td>
<td>11.2%</td>
<td>29.2%</td>
</tr>
<tr>
<td>Slovak Republic</td>
<td>12.6%</td>
<td>26.4%</td>
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<tr>
<td>Spain</td>
<td>16%</td>
<td>11.7%</td>
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<tr>
<td>Sweden</td>
<td>8.5%</td>
<td>10%</td>
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<tr>
<td>Switzerland</td>
<td>12.4%</td>
<td>9.15</td>
</tr>
<tr>
<td>Turkey</td>
<td>21.5%</td>
<td>18.2%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>11.9%</td>
<td>13.4%</td>
</tr>
<tr>
<td>United States</td>
<td>9.9%</td>
<td>10.2%</td>
</tr>
</tbody>
</table>

Source: OECD Migration Outlook (2009)

This paper focuses on different immigrant (ethnic minorities) people in starting small businesses in Aberdeen, Scotland and is a pioneer research in the sense that there is no research undertaken on this topic according to our knowledge. Also it should be noted that Aberdeen is a small town (Zillur: find out the population of Aberdeen and what percentage are ethnic minorities of the total population and mention it here) and there are not many ethnic businesses to begin with. Therefore, we take the step to investigate the factors influencing ethnic minorities’ business start-up decisions in Aberdeen. Defining entrepreneurship is a difficult task but according to Timmons and Spinelli (2004 p.47), entrepreneurship is defined as,

“\textit{A way of thinking, reasoning and acting that is opportunity-based, holistic in approach and leadership balanced for the purpose of value creation and capture. Entrepreneurship results in the creation, enhancement, realization and renewal of value not just for the owners but for all participants and stakeholders}”

The above definition emphasizes that an individual generates a business idea based on available opportunities that are integrated in a steady path of success in a scope of high degree of control and administration over it. Further, the foundation of entrepreneurial
success results in overall appraisal of value generated exclusive for the owner/entrepreneur and also for the beneficiaries (Hisrich & Peters 2002). Waldinger et al (1990 p.33) defines ethnic entrepreneurship as:

“a set of connections and regular patterns of interaction among people sharing a common national background or migration experiences”

The above definition illustrates different components of ethnicity rather than entrepreneurship (Greene 1997). However, Valdez (2008) defines ethnic entrepreneurship as a business owned by the ethnic-group members, the migrants or the both. For example, usually the ethnic minority businesses are owned and managed by the particular ethnic family members and these businesses have normally 2-50 employees (Waldinger et al. 1990; Iyer and Shapiro 1999).

2. Business Start-up Influences (Motives, drivers and attitudes)

Through most successful businesses, a driving factor or motivational force acts as the instigating push towards formation of a business or new venture (Johnson, 1990). Many studies have been done over identifying as to why some individuals tend to indulge in entrepreneurial activities and independent behavioral patterns (Manev et al. 2005; Masurel et al. 2002). The overall research into entrepreneurship revealed that individuals take actions when they believe that their efforts will lead them to success and steady returns in the form of value and growth (Olson, Roese and Zanna 1996; Vroom 1964; Gatewood et al. 2002).

Burns (2012) suggests some motives towards entrepreneurial activities. These are need for independence, need for achievement, live with uncertainty, risk takers and locus of control. These influencing factors are also suggested by several researchers. For example, Carter & Jones-Evans (2012) and Stoke & Wilson (2010) but Stoke & Wilson add another influencing factor which is turning previous experience into business. Among these motives locus of control and need for independence are extremely important. According to Shane and Locke et al. (2003 p.267),

“Locus of control is the belief in the extent to which individuals believe that their actions or personal characteristics affect outcomes”

The definition stated above gives an entrepreneur’s faith in his/her decision-making process of setting up a new business with the expectation that the end results will be positive, as they would have control over all of the actions taken. Shapero (1977) and Brockhaus (1982) studies also explained that between entrepreneurs who found their own business and owners who solely managed one were not distinguished and shared common locus of control. For example, if an entrepreneur exercise control over their own environment and ultimately control their own destiny, this entrepreneur has an internal locus of control (Burns
However, if entrepreneur has external locus of control and believe in fate, it can negatively effect on their behaviour (Vries 1985) and they are less likely to take the risk of starting a business (Burns 2012; Vries 1985).

According to McClelland et al. (1953 p.110),

“There need to achieve is basically defined as a need to be successful in competition with some standard of excellence wherein doing as well as or better than someone is a primary concern”

This factor has emerged from the investigative research of McClelland (1961) who argued that need for achievement is a personality trait. However, Sagie and Elizur (1999) described that need for achievement is ‘derived push’ carrying out compelled responsibilities ideally gaining success. McClelland (1961) states that the individuals who possess a higher degree of need for achievement correspondingly indulge in activities that require skills and competencies and moderate levels of risk. It’s a competitive factor in terms of when an entrepreneur compares himself/herself to others and develops an urge to achieve or succeed (McClelland, 1961).

Indeed, all these motives are also applicable to ethnic minority entrepreneurs and it was identified by several researchers. For example, need for achievement (Jayawarnu et al. 2011; Mathew 2008; Shane et al. 2003; Vecchio 2003); need for independence (Jayawarnu et al. 2011; Mathew 2008); and locus of control (Jayawarnu et al. 2011; Mathew 2008; Nair & Pandey 2006; Vecchio 2003). Mathews (2008) states that motives usually implies self-assured movement of an individual in an endeavour to acquire some appreciated result that has some connection to either his physical or mental requirements. He identifies this as an inner theoretical construct (Mathews 2008). Mitchell & Daniels (2003) mention four issues which elucidate this particular conduct: motives focus on factors, individuals, activities; a motive inspires effort (Frese, et al 1996).

Burns (2012) suggests that unemployment, redundancy, not comfortable with job and disagreement with boss are some of the drivers for an individual which trigger entrepreneurial activities. In addition, Burns (2012) and Stokes & Wilson (2010) called these factors as a “push factors” which triggers any individual to engage entrepreneurial activities. On the other hand, independence, achievement/recognition, personal wealth creation and personal development are some of the “pull factors” which drives an individual for setting up a business (Burns 2012; Stokes & Wilson 2010). Levi (2007) states that usually ethnic minority person move to a foreign country for finding a better job or employment reasons but findings a satisfactory job especially in UK is hard. Therefore, unemployment or not having a proper job can drive ethnic minority person to start-up a business and people are being
pushed into entrepreneurship by starting their own small business. Blocked mobility is another reason which means there are not many options to progress in the careers for those who get a job but further progress is being blocked by institutional or systematic discrimination which puts people off and they quit jobs and start their own businesses. There are some other factors which drives ethnic minority people to start-up a business. These are personal achievement (it can be positive or negative); improve social status (Jayawarnu et al. 2011; financial gain (Hessels et al. 2008) and human capital, education (Millan et al. 2013).

It is widely acknowledged that positive attitudes have a significant influence in business start-up process for ethnic entrepreneurs and consequent growth of the business. Burns (2010) identifies some entrepreneurial attitudes which influence business start-up decisions. These are innovative, opportunistic, self-confident, self-motivated, proactive, ability to take greater risks and ability to live with uncertainty. On the other hand Stokes & Wilson (2010) suggest that an entrepreneurs personal attributes are determination, innovation, external focus and team leadership. This research argues that these personal attributes suggested by Stokes & Wilson (2010) and Burns (2012) relate to the ethnic entrepreneurship dimension which is part of the extended interactive model. Besides, the antecedent influences of an entrepreneur are ethnicity, family, gender, education religion, social group, culture and previous employment (Burns 2012). Although a number of characteristics and personality traits can be associated with entrepreneurship (Nair & Pandey 2006). This implies that personality (attitude) is an important precedence of start-up. However, the most important is self-confidence and determination (Major et al. 2006; Zhao et al. 2005).

Edelman et al. (2010) found that after two years of Altinay and Altinay (2008) research, the influence of entrepreneurial past experience and innovative idea in the market had strong impact on the decisions to setting up a business. However an emerging factor in these three studies was common that did not appear in past studies addressed i.e. having social contacts like family, friends and advisors within ethnic communities are considered an important ingredient that helps an ethnic individual to start businesses easily through consulting, sharing responsibilities and tasks towards growth process. In addition, Shapero (1982) states that the roots of ethnic entrepreneurs decisions and motivations to start businesses are deeply related to their social environment (Shapero 1982) as well i.e. family and friends and long running business background (Stokes and Wilson 2010; Stephan and Uhlaner 2010). This implies that the individuals tend to pursue norms established in social groups by replicating business practices (Cialdini and Trost 1998; Fischer 2006; Shteynberg et al. 2009). Solvesik (2013) argues that success in the family run businesses; self-owned and profit-earning factors contribute to the overall entrepreneurial attitude.
For an ethnic entrepreneur to move out from the native country and finding and achieving an opportunity is the primary gate to establishing a business (Shane and Venkatraman 2000). Looking at Casson (2003) and Shane (2000) findings, they concluded that entrepreneurial opportunities are situations where ethnic goods, markets and services can be popularized (introduced) among co-ethnic groups. However Drucker (1985) says that an individual can only exploit such opportunities upon constantly seeking and identifying new business ideas and not waiting for one.

The knowledge factor is where academic skills play a major role in applying management function in the running of a business. Imagination, communication, managerial and functional skills are known to have gained form education (Dobbs and Hamilton, 2007). Deakins and Freel (2009) argue that entrepreneurs who had educational degrees in respective fields of work or unrelated even influenced the overall ability and firms’ growth prospects. However, Stokes and Wilson (2010) imply that there are no concrete evidences on the correlation of education and entrepreneurship, but young individuals at universities are more likely to exploit/recognize opportunities towards an entrepreneurial career (Athayde, 2009). In addition, location is an important factor for ethnic entrepreneur

Location is described by Porter (2000 p.19) as:

“Location affects competitive advantage through its influence on productivity and especially on productivity growth”

The above definition indicates that location is an important element which ensures competitive advantages and it has influence on productivity. Thus, it can be said that location is important element for business start-up and it has great impact on business growth and productivity. According to Glaeser et al. (2009) entrepreneurs choose a location where costs are lower and where there is a better opportunity to increase the net returns on investment. They mention that opening up a new business entrepreneur should also consider the supplier. To illustrate this, Porter (2000) mentions that there are four sources of locational competitive advantages. These are quantity and cost; locally based suppliers; local customer base and local customer needs. Therefore, it can be argued that ethnic minority entrepreneur should consider the above factors before selecting a location for opening up a business.

In addition, a report published by Aberdeen City Council reveals that Aberdeen ranked as a second highest based on the working migrant population in Scotland which is 2.9% (Aberdeen City Council 2013b). It is particularly very challenging for an ethnic minority to find a location for opening up a business (Krieger 2011). He also states that finding right locations and building a large customer base is very important for an ethnic entrepreneur.
Moreover, Ram & Smallbone (2001) mention that location is extremely important for ethnic entrepreneurs. They also mention that the availability of cheap premises and supply of cheap co-ethnic labour are the two main reasons for selecting a particular location. Furthermore, the contribution of social capital and ethnic family settlement enhance the choice of location (Ram & Smallbone 2001). In addition, Aberdeen contributes almost 11.6% of the total Scottish GDP and the GDP growth rate of Aberdeen is higher than any other city in Scotland (Aberdeenshire Council 2013). Moreover, the gross earnings of people in Aberdeen are much higher than any other city in Scotland (Aberdeenshire Council 2013). In addition, the Scottish Parliament is predicted that Scotland economic future heads to Aberdeen (The Scottish Parliament 2014). Therefore, it can be argued that Aberdeen city can be a good location for the ethnic minority to start-up a business. The following table presents a summary of some key factors identified in the literature.

Table 1: Summary of Key Factors influencing Business start-up Decisions

<table>
<thead>
<tr>
<th>Author/s</th>
<th>Key influencing factors for business start up</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burns (2012)</td>
<td>Need for independence, take risks, need for achievement, live with uncertainty, internal locus of control, innovative, opportunistic, self-confident, self-motivated, proactive, visionary, self-employment, immigration, unemployment, economic opportunity, family, gender, education, previous employment, religion, social network, culture, forced redundancy, disagreement with boss, not comfortable with the company, personal achievement, personal development, recognition, personal wealth creation (these can be put in two categories i.e. push and pull factors)</td>
</tr>
<tr>
<td>Solvesik (2013)</td>
<td>Education, monetary reward, desire for independence, state of economy, personality traits, economic environment, family business background, social influence</td>
</tr>
<tr>
<td>Tong, Loy and Kin Tong (2011)</td>
<td>Need for achievement, desire for independence, family business background, Locus of control</td>
</tr>
<tr>
<td>Stoke &amp; Wilson (2010)</td>
<td>Personal traits (Turning work experience into business, financial intensive, locus of control, risk taking, need for achievement), redundancy, unemployment, disagreement with previous employment, pursuing own goals, determination</td>
</tr>
<tr>
<td>Carter &amp; Jones-Evans (2012)</td>
<td>Desire for autonomy (independence), risk taking, need for achievement (self achievement, innovation, planning for future), over-optimism, locus of control</td>
</tr>
<tr>
<td>Jayawarnu et al. (2011)</td>
<td>Desire for achievement, independence, improve social status, personal achievement, economic gain, role model, innovation, create new product, community welfare</td>
</tr>
<tr>
<td>Ilhan-Nas et al. (2011)</td>
<td>Self employment, social networks, gender, human, policy, human capital, trust and solidarity in the ethnic groups, demographic</td>
</tr>
<tr>
<td>Kirkwood (2009)</td>
<td>Desire for independence, monetary reward, desire of control, want to be own boss, desire for challenge, lifestyle, job dissatisfaction</td>
</tr>
<tr>
<td>Hessels, VanGelderen and Thurik (2008)</td>
<td>Monetary reward, economic development, state of economy, desire for independence, past experience, education, family business background</td>
</tr>
<tr>
<td>Freytag &amp; Thunk (2007)</td>
<td>Economic freedom, life expectancy</td>
</tr>
<tr>
<td>Sriram, Mersha and Herron (2007)</td>
<td>Desire for independence, family business background, lifestyle, innovation, personality traits, entrepreneurial skills, Locus of control</td>
</tr>
<tr>
<td>Shane et al. (2003)</td>
<td>Need for achievement, risk taking, tolerance for ambiguity, locus of control, self-efficacy, goal setting</td>
</tr>
<tr>
<td>Vecchio (2003)</td>
<td>Need for achievement, need for autonomy, locus of control, risk taking, self efficacy</td>
</tr>
<tr>
<td>Mathew (2008)</td>
<td>Achievement need, locus of control, innovativeness, problem solving ability, risk taking, coping ability, self-determination, tolerance towards ambiguity</td>
</tr>
<tr>
<td>Nair &amp; Pandey (2006)</td>
<td><em>locus of control and innovativeness</em></td>
</tr>
<tr>
<td>Segal, Borgia and Schoenfel (2006)</td>
<td>Personality traits, financial security, desire for independence, job dissatisfaction, and lifestyle, entrepreneurial skills, Locus of control</td>
</tr>
<tr>
<td>Mitchell (2004)</td>
<td><em>need for independence, Efficiency &amp; adaptability</em></td>
</tr>
</tbody>
</table>

Source: Authors own compilation.
2.1 CONCEPTUAL FRAMEWORK

Conceptual framework is defined by Miles and Huberman (1994 p.18) as:

“Explains either graphically, or in narrative form, the main things to be studied – the key factors, concepts or variables”

Conceptual framework also defined by Business Dictionary (2013) as:

“A theoretical structure of assumptions, principles, and rules that holds together the ideas comprising a broad concept”

The above definitions indicate that conceptual framework consists of the main ideas, concepts or variable holds together in a short form. Therefore, we intend to gather some of the key literature findings together and develop a priori conceptual framework. For this purpose we used the key identified business start-up influencing (motives, drives, attitudes) factors of ethnic entrepreneurs during the business start-up added together in the conceptual framework. However this conceptual framework will be revisited and modified based on the qualitative data findings.
Figure 1: The Conceptual Framework

**MOTIVES**
- Need for independence
- Need for achievement
- Risk Taking
- Comfortable lifestyle
- Financial security
- Satisfaction
- Unemployment
- Redundancy
- Disagreement with boss
- Not comfortable with job
- Experience
- Recognition
- Personal Development
- Personal wealth creation
- Opportunistic
- Innovative
- Self-confident
- Self-believe
- Self-motivation
- Proactive
- Visionary
- Knowledge
- Education
- Religion

**DRIVERS**

**ATTITUDES**
- Basic Requirements
- Experience
- Information & Knowledge
- Resources
- Location
- Opportunistic
- Innovative
- Self-confident
- Self-motivation
- Proactive
- Visionary
- Knowledge
- Education
- Religion

**ENTREPRENEURIAL PROCESS**
- Opportunity Recognition
- Opportunity Evaluation
- Opportunity Exploitation

**OTHERS FACTORS**
- Factors emerging factors from the fieldwork

Source: Authors
3. METHODOLOGY

Due to the nature of the study being of exploratory kind, the use of face to face interviews was considered most important, as the depth in the study is what we seek to achieve. We used interviews as data collection method. Interviews are the systemic way of collecting primary data which explores research issues in-depth (Saunders et al. 2012; Altinay & Paraskevas 2008).

We used semi-structured face-to-face interviews (in-depth) technique to collect the primary data from 25 ethnic entrepreneurs in Aberdeen. Semi-structured face-to-face interviews are linked with understanding and exploring real experience of peoples’ lives (Clarke 2007; Bryman 2012; Saunders et al. 2012). In addition, the semi-structured face-to-face interviews process allows the researcher to ask follow up questions (Kvale 1996). It also allows the researcher to probe, specify and interpret the questions which explore the research issues in-depth (Savage et al. 2005; Bosley et al. 2009; Jones et al. 2010). For example, we may ask questions below to follow up, probe or specify the responses:

“Could you please elaborate more about this point?”

“Ohm...is that so? You lost your job X years before, what did you do that time?”

DiCicco-Bloom and Crabtree (2006) explain that psychological participation of the respondents helps the researcher in interpreting what respondents did and experienced in retrospect of business formation. Also, how face-to-face interviews are flexible to situations, long lasting interviews with good rapport psychologically encourages participants to provide information. Also the opportunity to adapt by every minute of a face-to face interview assists the researcher to project the level of data quality and time of the interview session (DiCicco-Bloom and Crabtree, 2006). Therefore, by using in-depth semi-structured face-to-face interviews we explored the ethnic minority’s business start-up influences regarding entrepreneurial opportunities in Aberdeen, Scotland.

The qualitative interview process involves a significant amount of time and planning (Bogdan & Biklen 2003; de Vaus 2009; Merriam 2009). We followed a procedure in 3 steps. These are (a): planning and pilot testing (three pilot interviews); (b): conducting one actual interview and (c): launch of the full project interviews. The whole process of planning and conducting interviews took over almost one and half month as shown in figure 3 below:
Figure 2: The map of Planning, Pilot testing and Conducting Fieldwork

We are aware that business start-up is a topic that does not receive much attention in Aberdeen and we observed that almost 70% of the small businesses are owned by the ethnic minority entrepreneurs. 25 face to face (in-depth) interviews of ethnic entrepreneurs were conducted. We believed that 25 interviews deemed sufficient for the study as it was based on theoretical saturation. Ball and Cox (2003) state that qualitative sample size should base on data saturation and the data collection process should stop when no new data is generating. Out of 25 interviews only 3 interviews were less than 20 minutes, 5 interviews duration was between 20-30 minutes, 11 interviews were between 30-40 minutes and 6 interviews were over 40 minutes. All the interviews were tape recorded.
<table>
<thead>
<tr>
<th>Respondent</th>
<th>Interview Duration (Min.Sec)</th>
<th>Gender</th>
<th>Age</th>
<th>Educational level</th>
<th>Business Types</th>
<th>Duration of the business</th>
<th>Ethnicity</th>
<th>Time &amp; Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>R-01 PD-Res</td>
<td>17.20</td>
<td>Male</td>
<td>49</td>
<td>BSc (Hons)</td>
<td>Restaurant</td>
<td>16 Years</td>
<td>Bangladeshi</td>
<td>15.30PM, 25/02/2014</td>
</tr>
<tr>
<td>R-02 Kh-Ta.Ke</td>
<td>33.56</td>
<td>Male</td>
<td>55</td>
<td>BA (Hons)</td>
<td>Take away Kebab</td>
<td>4 Years</td>
<td>Algerian</td>
<td>20.00PM, 26/02/2014</td>
</tr>
<tr>
<td>R-03 Ik-Res</td>
<td>42.45</td>
<td>Male</td>
<td>47</td>
<td>BSc (Hons)</td>
<td>Restaurant</td>
<td>5 Months</td>
<td>Algerian</td>
<td>16.00PM, 27/02/2014</td>
</tr>
<tr>
<td>R-04 KA-Con.S</td>
<td>37.19</td>
<td>Male</td>
<td>33</td>
<td>MBA</td>
<td>Convenient store</td>
<td>7 Years</td>
<td>Pakistani</td>
<td>20.30PM, 27/02/2014</td>
</tr>
<tr>
<td>R-05 Mo-Res</td>
<td>23.29</td>
<td>Male</td>
<td>32</td>
<td>MSc</td>
<td>Restaurant</td>
<td>2 Months</td>
<td>Bangladeshi</td>
<td>17.00PM, 02/03/2014</td>
</tr>
<tr>
<td>R-06 OF-Cas.C</td>
<td>39.23</td>
<td>Male</td>
<td>39</td>
<td>BSc, MA</td>
<td>Cash &amp; Carry</td>
<td>13 Years</td>
<td>Sri Lanka</td>
<td>18.00PM, 04/03/2014</td>
</tr>
<tr>
<td>R-07 Ja-Res</td>
<td>43.12</td>
<td>Male</td>
<td>35</td>
<td>MBA</td>
<td>Restaurant</td>
<td>8 Years</td>
<td>Bangladeshi</td>
<td>21.30PM, 06/03/2014</td>
</tr>
<tr>
<td>R-08 Kan-Cas.C</td>
<td>19.56</td>
<td>Male</td>
<td>28</td>
<td>BA (Hons)</td>
<td>Cash &amp; Carry</td>
<td>14 Years</td>
<td>Sri Lanka</td>
<td>14.00PM, 13/03/2014</td>
</tr>
<tr>
<td>R-09 SK-Ta.Ke</td>
<td>36.47</td>
<td>Male</td>
<td>44</td>
<td>MSc</td>
<td>Take away Kebab</td>
<td>2.5 Years</td>
<td>Algerian</td>
<td>23.00PM, 15/03/2014</td>
</tr>
<tr>
<td>R-10 Dh-Con.S</td>
<td>29.27</td>
<td>Male</td>
<td>55</td>
<td>N/A</td>
<td>Convenient store</td>
<td>6 Years</td>
<td>Sri Lanka</td>
<td>20.30PM, 16/03/2014</td>
</tr>
<tr>
<td>R-11 Sha-Ta.I.A</td>
<td>22.59</td>
<td>Female</td>
<td>45</td>
<td>N/A</td>
<td>Tailor alteration</td>
<td>5 Years</td>
<td>Algerian</td>
<td>17.00PM, 18/03/2014</td>
</tr>
<tr>
<td>R-12 TK-Ele.R</td>
<td>29.30</td>
<td>Male</td>
<td>39</td>
<td>BSc eng.</td>
<td>Electronic repair</td>
<td>1.5 Years</td>
<td>Indian</td>
<td>15.30PM, 20/03/2014</td>
</tr>
<tr>
<td>R-13 Ra-Res</td>
<td>41.34</td>
<td>Male</td>
<td>52</td>
<td>BSc (hons)</td>
<td>Restaurant</td>
<td>3.5 Years</td>
<td>Indian</td>
<td>22.00PM, 25/03/2014</td>
</tr>
<tr>
<td>R-14 AK-Ele.R</td>
<td>44.52</td>
<td>Male</td>
<td>35</td>
<td>N/A</td>
<td>Electronic repair</td>
<td>11 months</td>
<td>Indian</td>
<td>17.30PM, 26/03/2014</td>
</tr>
<tr>
<td>R-15 IS-Con.S</td>
<td>37.49</td>
<td>Male</td>
<td>42</td>
<td>N/A</td>
<td>Convenient store</td>
<td>2 Years</td>
<td>Indian</td>
<td>17.00PM, 27/03/2014</td>
</tr>
<tr>
<td>R-16 Khn-Con.S</td>
<td>20.48</td>
<td>Male</td>
<td>41</td>
<td>MSc</td>
<td>Convenient Store</td>
<td>3 Years</td>
<td>Pakistani</td>
<td>16.30PM, 24/02/2014</td>
</tr>
<tr>
<td>R-17 Brah-Res</td>
<td>34.55</td>
<td>Male</td>
<td>52</td>
<td>BA (Accounting)</td>
<td>Restaurant</td>
<td>4 months</td>
<td>Algerian</td>
<td>18.00PM, 25/02/2014</td>
</tr>
<tr>
<td>R-18 MohK-Res</td>
<td>31.07</td>
<td>Male</td>
<td>33</td>
<td>Bachelor’s Degree</td>
<td>Restaurant</td>
<td>3 Years</td>
<td>Indian</td>
<td>17.45PM, 27/02/2014</td>
</tr>
<tr>
<td>R-19 KabD-Res</td>
<td>32.04</td>
<td>Male</td>
<td>51</td>
<td>BA Degree</td>
<td>Restaurant</td>
<td>1.7 Years</td>
<td>Bangladeshi</td>
<td>20.00PM, 03/03/2014</td>
</tr>
<tr>
<td>R-20 Mopha-Ta</td>
<td>36.40</td>
<td>Male</td>
<td>43</td>
<td>MSc</td>
<td>Takeaway</td>
<td>4.8 Years</td>
<td>Moroccan</td>
<td>17.00PM, 05/03/2014</td>
</tr>
<tr>
<td>R-21 Syed-Res</td>
<td>40.58</td>
<td>Male</td>
<td>48</td>
<td>High School</td>
<td>Restaurant</td>
<td>2 Years</td>
<td>Pakistani</td>
<td>18.00PM, 08/03/2014</td>
</tr>
<tr>
<td>R-22 Sch-Cas.C</td>
<td>39.31</td>
<td>Male</td>
<td>34</td>
<td>PG Diploma</td>
<td>Cash and Carry</td>
<td>3 Years</td>
<td>Sri Lanka</td>
<td>16.00PM, 10/03/2014</td>
</tr>
<tr>
<td>R-23 Nari-Res</td>
<td>40.28</td>
<td>Male</td>
<td>55</td>
<td>Bachelors</td>
<td>Restaurant</td>
<td>1 Year</td>
<td>Indian</td>
<td>20.30PM, 12/03/2014</td>
</tr>
<tr>
<td>R-24 Shar-Res</td>
<td>37.12</td>
<td>Male</td>
<td>45</td>
<td>BA</td>
<td>Restaurant</td>
<td>1.5 Years</td>
<td>Indian</td>
<td>21.00PM, 17/03/2014</td>
</tr>
<tr>
<td>R-25 Amr-Ta</td>
<td>17.59</td>
<td>Male</td>
<td>57</td>
<td>BA</td>
<td>Takeaway</td>
<td>1 Year</td>
<td>Bangladeshi</td>
<td>16.30PM, 22/03/2014</td>
</tr>
</tbody>
</table>

**Table 2: Respondent Profile and Interview Details**

**Source:** Field work

Abbreviation of Ethnic minority entrepreneurs business types are as follow:
- **Res:** Restaurant
- **Cas.C:** Cash and Carry
- **Con.S:** Convenient Store
- **Ele.R:** Electronic Repair
- **Ta.Ke:** Take away Kebab

Note: This abbreviation will be used in qualitative data analysis. For example, Respondent 01 (PD-Res), it represents respondent number and represents (Res-Restaurant) what types of business respondent owned.
To analyse the collected primary data, we followed the different stages of the qualitative data analysis procedure suggested by Walker (1985); Easterby-Smith et al. (2012). In the first stage, it is essential to become familiar with the collected data. We listened to each interview several times and transcribed them into a word file. In this way, we became familiar with the data and were able to identify the emerging themes. The second stage involved with coding, conceptualization and ordering the data (Glaser & Strauss 1967; Corbin & Strauss 2008).

A different variant of grounded theory is ‘constant comparison’ that requires continuous comparison between the data to find new themes and patterns (Glaser & Strauss, 1967). Thus, we carried out continuous comparisons in order to generate emerging themes and patterns from collected data.

Strauss & Corbin (1990 p.57) has defined this process as:

“Represents the operations by which data are broken down, conceptualized, and put back together in new ways. It is the central process by which theories are built from data”

The collected primary data from interviews were coded in order to identify the significant issues such as ethnic minorities’ attitudes, motivational factors and drivers for the business start-up process. For this qualitative data analysis, three types of coding were used (Corbin & Strauss 2008). These are open coding, axial coding and selective coding. Open coding involves with the process of examining, comparing, breaking down, categorizing and conceptualizing the data (Strauss & Corbin 1990). They also states that it is simply naming and selecting categories for the data. After the open coding we did axial coding. Dey (1998) states that open coding divides data into categories and concepts whereas axial coding puts all the data together in a new way by making precise connections between categories and its subcategories to understand the research issues (Strauss & Corbin 1990; Corbin Strauss 2008). Selective coding is the integration of categories to produce a theory (Saunders et al. 2012). The categories and codes will further investigate by revisiting the coded statement and extra attention was given to understanding the research issues (Corbin & Strauss 2008).

As we mentioned earlier, all the recorded interviews were transcribed into words and the word file was printed. After that we used line-by-line approach for analysing printed interview transcripts to generate open codes (concepts) and then these open codes placed into each theme (attitudes, motives and drivers). Endacott (2005) and Bernadette et al. (2012) state that line-by-line analysis of interview transcript can generate codes more explicitly. However, Bryman (2012) suggest some issues and steps to consider during the coding process. These issues are coded as soon as possible, read through transcripts, read it again, review your codes, do not worry and keep coding.
Table 3: Few examples of open coding and axial coding process

<table>
<thead>
<tr>
<th>Open coding</th>
<th>Theme 1: Motives</th>
<th>Theme 2: Drivers</th>
<th>Theme 3: Attitudes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Code 03: Independence</td>
<td>Code 04: Pride to have own business</td>
<td>Code 19: Earn more profit</td>
<td>Code 39: Have a plan</td>
</tr>
</tbody>
</table>

Source: Fieldwork
The third step of the coding process the researcher linked all the key themes together.

**Figure 3: Selective Coding**

Source: Fieldwork

4. **Findings and Discussion**

The aim of this section is to identify the factors that influence the ethnic minority entrepreneurs to set-up their own businesses. From the published studies the identified business start-up influencing factors are given below:

1. **Motives (locus of control, need for independence, need for achievement, risk taking, experience, financial security)**
2. **Drivers (unemployment, redundancy, disagreement with boss, not comfortable with previous jobs, recognition, experience, personal development, personal wealth creation)**
3. **Attitudes (opportunistic, innovative, self-confident, self-motivation, proactive, visionary, live with uncertainty)**

4.1 **Motives (Personal Character Traits)**

4.1.1 **Identified factors confirmed by the fieldwork investigation**

From the qualitative data findings, it is evident that there is a very high similarity between the published studies and the fieldwork investigation. However, some factors are more significantly important than others. For example, locus of control, need for achievement and
experience are some of the most influencing factors for ethnic entrepreneurs that enhance business start-up decision.

From the fieldwork investigation, locus of control and need for independence are two of the most influencing confirmed factors among the ethnic entrepreneurs. First of all, most of the ethnic entrepreneurs believe that they need to exercise control over their own lives. They have the desire to become their own boss. For example, respondent 11 (Sha-Tai. A) claims:

“…In my own business, I can basically control myself and there is no director or boss what I do enjoy most”

Respondent 03 (Ib-Res) adds:

“It is being your own boss, nobody tells you to do anything”

In addition, some respondents say that they do not want to take orders from someone and they hate to work for somebody. As respondent 13 (Ra-Res) states:

“You take orders from no one and you run your business the way you want, you serve the customer and earn handsome sum of money in return…”

Respondent 10 (Dh-Cas.C) adds:

“…What I enjoy most is to have no boss over your head. I worked under a few people in the past and I hated it. Now I work for myself and do try not to become the boss to my employees…”

However, past literature suggests that if an entrepreneur has a high external locus of control and believes in fate, he is more likely to maintain control over every aspects of his/her business. Vries (1985) believes that this sort of behaviour reduces the chances of their business growth. As respondent 08 (Kan-Cas.C) claims:

“…as your own boss, you shape your own fate and get rewarded according to your own merit and hard-work….I believe I should control my business myself”

Therefore, it can be concluded that respondent 08 (Kan-Cas.C) is less likely to grow his business. It is confirmed from the fieldwork investigation that he owned two businesses in Aberdeen and he does not want to expand his business anywhere else in Aberdeen. This is because he cannot control all the businesses himself. However, respondent 05 (Mo-Res) claims that working for somebody else helps him to understand more about customer service and to understand the business better. It also boosts his confidence as he claims that:
“If I was not working ….it would be very hard for me to implement those things (idea & customer service) in my business. Working for someone else even gave me more confidence and now I understand the business better” (R-05: Mo-Res)

Moving on to need for independence, which interestingly is a form of motives related to the ‘job dissatisfaction’ factor by fellow respondents. Of those respondents who have answered, the implication has been on the fact as to how the time and effort put into working in a professional job could be diverted and utilised into opening and functioning of a new business. Respondent 16 (Khn-Cas.C) claims:

“Being an employee drawback…..you are not independent from taking your own decisions with regard to any project or anything that is assigned to you at the job”

It can be understood that respondents’ preference to work is rather strongly related to their desire for working independently in their own interest. Ethnic entrepreneurs have the desire to be independent to make their own decisions, to shape their own destiny and to achieve something different for themselves. Although ethnic entrepreneurs have a strong desire for independence this does not mean lack of responsibilities. They are accountable for every decision they make whether it is appropriate or inappropriate. As respondent R 07 (Ja-Res) says:

“Yes, but it does not mean lack of responsibility. You have to be responsible for every small actions, every decision”

The next factor confirmed by the fieldwork investigation is that need for achievement is another significant influencing factor for ethnic entrepreneurs. Not only ethnic entrepreneurs but also every individual has a high desire for achieving something in their life. It can be money, success, fame or respect. Respondent 18 (MohK-Res) claims:

“But overall I always wanted to have my own business and I wanted to see if I can make it or not, that thinking made me actually decide to go into the business and gave me mental push to open a business”

The respondents have claimed that in their decision to start business, the element ‘risk taking ability’ has played an important role in the overall personality because they believe that success does not come to anyone that plays safe every time. The ‘risk taking ability’ seems to show strong affiliation to self-confidence among these respondents as it gives the courage to leap forward and trigger that urge to take risk. Another relevance to this factor identified among the respondents with high levels of ‘risk taking ability’ is that they have a sub-conscious orientation where potential of gaining substantial reward is high if the risk level is high.
When ethnic migrants claimed to have arrived in UK in search for a better future, they seem to arrive with a mindset where they seek to face new challenges. Respondents who confirmed the presence of such factor in their personality had strong motives and intentions of challenging themselves to achieve success as a test to measure their capability and aptitude. According to the following respondent:

R17 (Brah-Res) says:

“After working for more than a decade with a company, I thought I was working hard and I needed a new challenge for myself in life rather than regretting it in the long term that I never tried to do something and those are the main reasons”

R22 (Sab-Cas.C) says:

“I wanted to explore new things and I wanted to challenge myself, it was a fight against me to know what I am capable of doing in life”

Another factor identified as motivation to start business among ethnic minority entrepreneurs is past experience. Majority of the respondents have said that past experience was a reason why the wanted to start a business. The following respondent:

R20 (Syed-Res) says:

“I have worked in uncles’ community stores back home and I am aware of how this business works plus I gained knowledge and saw lots of different thing in my cousins’ shop….stocking and things like food storage were easy for me as did it for a long time before”

R25 (Amr-Ta) says:

“I have a lot of experience in this business because I have done this business in my country which gave me courage to start business here”

Through the analysis process, it can be stated that ethnic migrants are motivated to start a similar business in a foreign country like UK as a result of the same business practices conducted and experienced in their home country. Past experience seems to ease the beginner stress levels and obstacles in business start-up and success as it grows. This factor seems to have a decisive pulling significance towards venture formation.

Moving on, education and knowledge has also brought some light in the investigation as well. From the qualitative data findings, considerable amount of respondents highlighted how their education and knowledge sparked the need to set up business and how knowledge has helped in the same process. Surprisingly many respondents related the need for education and knowledge to success and growth in life in a significant manner. Moreover, some
respondents had certain educational qualifications that relate to business field and it has helped and encouraged them considerably towards starting the business in Aberdeen.

4.1.2 Factors emerging from the fieldwork

Three emerging factors have been identified from the qualitative data findings. First, some respondents claim that faith is one of the reasons they started their own business. They want to create their own fortune as they are working very hard and they believe success will follow. Respondent 07 (Ja-Res) believes:

“I always have faith in myself, if I start something I will do better, I will survive….so I did start my business. Still I am running my own business since 2006…”

In addition, Respondent 10 (Dh-Con.S) believes faith also influences business start-up decision and he claims:

“I have religious faith….sometimes you have to determine your own fate….frankly I was self-motivated, hard worker and I am determined to build my own fate”

Secondly, some ethnic entrepreneurs claim that providing better education for their children is very important. They mention that in business they have more opportunity to earn profit and they want to save some money for their children’s education as it is widely agreed that higher education is very expensive in foreign countries. Respondent 02 (Kh-Ta.Ke) states:

“….having my own business is an opportunity to earn more money. I can send my children to good university as I am earning more profit from my business”

Respondent 06 (OF-Cas.C) declares:

“I want to have my children to get a degree from good university. As you know that sending your children to a good school and a university are getting more expensive than ever. I want to save some money for them as I am making good profit through my business”

Thirdly, some ethnic entrepreneurs believe that earning more money is one of the ways to earn fame and respects from society. This is only possible by establishing successful business. They also believe that community respect them if they have a lot of money. As respondent 04 (KA.Con.S) believes:

“If I look at my father’s life, I see the amount of respect he is getting from the society and employees, it’s unbelievable. I want to be like my father…as a successful businessman I can only be able to get that…”

4.2 Drivers

4.2.1 Identified factors confirmed by the fieldwork investigation

The findings of the qualitative data suggest that personal wealth creation, personal development, experience and not comfortable with previous job are the most influencing factors which need ethnic minorities to engage in entrepreneurial activities. On the other hand, unemployment, redundancy and disagreement with boss are some of the push factors that influence ethnic entrepreneurs to set up entrepreneurial activities.

Monetary reward is understood to be one of the major drivers in entrepreneurship field. The findings of the fieldwork investigation confirmed that personal wealth creation (monetary reward) is the most influencing pull factor which triggers ethnic entrepreneurs to their own venture. Monetary reward as a basic driver in venture start up is quite simply related by ethnic migrants as a basic need to provide food and living to the family and also a step towards healthy lifestyle. It is widely argued that starting a new venture has more to do with providing basic necessities to family and then possibly monetary reward. But monetary reward is inversely used as the medium and remainder from business to provide for the family needs. In addition, it is evident for most ethnic migrants that monetary reward is the primary motive for entrepreneurial business as it emerges as a solution to many problems on a personal and emotional level. The following respondent:

R17 (Brah-Res) S says:

“First reason to start was for financial reasons. Of course in life you have to pay your bills, you have to look after your family and provide for them”

R24 (Shar-Res) says:

“Basically money was the major factor and to have more money and cash flow in my life is important because I am entitled to live in the best way I can and in a comfortable manner”

In addition some respondents believe that entrepreneurial activities help them to create another new venture. They also believe that it helps them to create their own bright future and bring financial security into their lives. For example, respondent 03 (Ib-Res) clams:

“...it’s getting financially secure in future and invests into another business and create new venture. Obviously, this is just a begging, this is the start of my good future, targeting more financial security, to do more venture”

Respondent 11 (Sha-Tai.A) believes that running her own business generates more cash flow for her family and it helps to make her family comfortable. She states that:
“…now we are financially strong...my husband has a job, plus earning from this business helps to maintain my family easily…” (R-11: Sha-Tai.A)

Similarly, personal development is the second most influencing pull factor that motivates ethnic entrepreneurs to pursue venture creation. The evidence from the fieldwork investigation reveals that creating a new venture can be an excellent career option for ethnic minorities in a foreign country. They can develop their personal career and this ensures their personal development. Respondent 07 (Ja-Res) states:

“You are establishing your own career; you are working for your personal establishment without fear”

Respondent 06 (OF-Cas.C) confirms:

“I want to develop my career as an entrepreneur. I am good at what I am doing currently…”

The third factor confirmed by the qualitative data findings is that experience can be one of the most influencing factors for ethnic entrepreneurs to start-up their own business. Some respondents claim that experience makes their business venture successful and without experience they would not have started their businesses. Respondent 01 (PD-Res) claim:

“Before I set up my own business, I had almost 8 years’ experience; I worked in so many restaurants in England and Scotland”

Respondent 03 (Ib-Res) confirms:

“…reason is to take over this restaurant because I was running another restaurant in Aberdeen, which is not far away from here”

From the qualitative data findings, most of the ethnic migrants claimed that they wanted to pursue an entrepreneurial career due to the dissatisfaction they experienced when they had full time jobs. The following respondent:

R 18 (MohK-Res) says:

“There is definitely a reason that I just do not want to work for someone else because you cannot progress/grow and you are just a normal employee for the owner who is not appreciated”.

Some of the respondents have given the picture of employment dissatisfaction from their country of origin where things like salary earnings, healthy living and contribution related to work environment have been recognized. Respondent R22 (Sab- Cas.C) says:
“I wasn’t happy to do the jobs because it was tiring and stressful. I knew that after going back to Sri Lanka I will get full time job instantly but I will not do well because my input will not be appreciated”.

The respondents had developed the urge and need to look for something better due to the unsatisfactory feelings and reward received from their jobs and as a result migrated to UK in search of better opportunities.

Redundancy and unemployment are some of the push factors confirmed by the fieldwork investigation as driving ethnic minorities to engage in entrepreneurial activities. Some respondents claim that they worked hard in a company for so many years but during the economic downturn, they were made redundant. During that time some of the respondents realized that it was not worth working for someone for so many years. The best option was to create something and this may bring the best reward in their life. Respondent 03 (Ib-Res) claims:

“I worked for a company almost 17 years…..I worked hard for the company. You know at the end of the day it happens all the time, I was made redundant. I thought to myself, 17 years really gone down the drain”

Respondent 03 (Ib-Res) also adds that:

“I worked for someone else for 17 years and I lost my job. At the end of the day you get your own salary, nothing else”

Next, some respondents claim that they have no option other than starting their own business. Sometimes it is hard for the ethnic minorities to get a proper job even if they have a good education. Respondent 10 (Dh-Con.S) states:

“I have no job; I have no other options other than doing something for myself”

Respondent 13 (Ra-Res) claims:

“… I was unemployed and I could not find proper job which I am always dreaming of…”

4.2.2 Factors emerging from the fieldwork investigation

The findings of the qualitative data reveal that there are two emerging factors from the fieldwork investigation. Some ethnic entrepreneurs realize that there is a need for providing halal food in the local community and operating an alcohol free restaurant. They have identified the gap in the market and it has driven them to start their business. It is widely agreed that ‘Halal meat’ demand, which is one of the rapidly growing trends in restaurant, takeaway and supermarket businesses owned by ethnic minorities(even the mainstream
superstores such as ASDA etc provide halal food). The demand for the specific meat type has encouraged various businesses to cater for a wider market segment whose religious beliefs are attached to it. Pure ‘Halal’ food restaurants are open to the entire community however ‘Muslim’ communities have a high preference for the respective meat type. Out of the total ethnic minorities present in Aberdeen, a significant number are ‘Muslim’ and countries of origin are mainly from South Asian and North African regions. The following respondent 17 (Brah-Res) Says:

“Regardless of the ethnic minorities that are another potential, it is a market that we are also trying to attract as it is all ‘Halal’ food and ‘Non Alcoholic’ and that has a massive massive potential and I have no doubt that it is going to be very successful”

Respondent 03 (Ib-Res) believes that there are many customers for an alcohol free restaurant and he declares:

“I have decided to operate alcohol free restaurant as there is a massive customers who do not want to go there if they are offering alcohol…..and its halal”

Secondly, respondent 04 (KA-Con.S) claims that he opened a local convenient store because he sells necessity based items. People cannot survive without it and there is a need for all those items in everyday life. This business will not go into recession. He states:

“I was promoted to manager…when I saw account sheet and other things. I thought to myself that it is good business. And these types of business will not go into recession anytime. I agree may be sale will be down but business will never ever close down because they need all those things for their survival”

4.3 Attitudes

4.3.1 Identified factors confirmed by the fieldwork investigation

It is widely acknowledged that personal attitudes of entrepreneurs are the main ingredient for business start-up processes. Entrepreneurial opportunity and how individual entrepreneurs capitalize on the opportunities depends on the entrepreneurs' personal attitudes.

The qualitative data findings confirmed that opportunism, self-confident, being proactive and visionary are the most influencing factors which influence ethnic minorities to set-up a new venture. Moreover, qualitative data findings reveal that ethnic minorities need to look for an opportunity in a foreign country to create a new business. The success of creating a new venture depends on how well ethnic minorities capitalise on the opportunity. For example, respondent 12 (TK-Ele.R) claims:
“I was looking for this kind of opportunity long time back, you need to be opportunistic......opportunistic entrepreneur tend to take the most profitable business decisions…”

Secondly, self-confidence is another important influencing factor that boosts entrepreneurial activities as confirmed by the fieldwork investigation. Some respondents believe that self-confidence makes the business creation process easier and it helps to overcome any challenges they face during that process. Respondent 15 (IS-Con.S) claims:

“If you are confident means you are up for the job, any challenges or barriers in your way, you will overcome it easily”

The third factor confirmed by the fieldwork investigation is being proactive. Ethnic minority entrepreneurs need to be proactive which always helps them to learn local culture and traditions. Ethnic entrepreneurs should have a plan and they need to understand the local community. Respondent 05 (Mo-Res) emphasises this point:

“.Definitely, they should need to understand the local people, community. Wherever you come from, wherever you want to set up business, definitely they need to serve the local people/local area. They need to plan their own idea into the community”

Next, the qualitative data findings reveal that innovation and living with uncertainty are the least influencing factors mentioned by ethnic entrepreneurs. As respondent 07 (Ja-Res) claims:

“I do not innovate, do not bring novelty, whatever I am doing here is done by so many people for so many years, it is nothing new”

Similarly, respondent 04 (KA-Con.S) believes:

There is nothing new; you are not going to innovate anything. But the thing is in other way; in marketing context we are using our own marketing technique, our own selling technique”

It is widely agreed that most ethnic entrepreneurs do not innovate, they utilize the opportunity in a traditional way but they use their own marketing strategies and promotional techniques. Some respondents claim that sometimes they need to live with uncertainty even if they are self-confident, proactive or are self-believers. As respondent 08 (Kan-Cas.C) claims:

“Even if you have done your risk assessment and business viability research, you have to live with uncertainty about the customer response....you never know what response you will get”
4.3.2 Factors emerging from the fieldwork investigation

There are several emerging factors identified by the qualitative data findings that influence ethnic minorities for their business start-up decision which relate to entrepreneurs attitudes. For example, market research ability, money savings attitudes, self-courage and willpower, positive mindset ability to learn local culture and professionalism. It is confirmed from the qualitative data findings that all these personal attitudes are essential to create a new venture and it also helps them to survive in the competitive market place.

Firstly, ethnic entrepreneurs should have market research attitudes. This kind of attitude helps them to select appropriate market venture and they can easily identify the current market trends and gaps. Without market research, ethnic entrepreneurs should not start a business. As respondent 02 (Kh-Ta.Ke) asserts:

“Entrepreneur should have ability to research current trends as it will help you to select appropriate business venture”

Respondent 06 (OF-Cas.C) also states:

“…before you start you should do your market research and it is the most important criteria to set your own business. Without it, I am not sure anybody can survive in Aberdeen. As Aberdeen is a small and very competitive city…”

Secondly, since getting finance from local banks is not easy for ethnic minorities, they should have money saving attitudes. They have to work hard, gather some valuable experience and need to save some money if they want to start a business in a foreign country. Without personal savings they cannot open businesses and it is confirmed from qualitative data findings that personal savings is the main source of business start-up capital. As respondent 10 (Dh-C0n.S) affirms:

“I remember, when I was migrating to this country, I have that vision I will do business, from that day I worked so hard and I started saving money to fulfil my dream”

Respondent 14 (AK-Ele.R) confirms:

“…you know before I started my business I worked hard for a company, I saved some money…I think if migrant people want to start business they should start saving money since it is very hard to get finance from local bank”

Thirdly, self-courage and willpower are another entrepreneurial personal attributes which influence business start-up decision. It can be argued that self-courage and willpower are
strong elements for creating successful business ventures. If an entrepreneur process strong willpower, anything is possible. As respondent 08 (Kan.Cas.C) declares:

“The willpower is I think the most important resource. What you get depends on how badly you want it and how far you are willing to go to achieve it. If one possesses a strong willpower, anything is possible” (this is an excellent quote and it has been reflected in the traits of entrepreneurs i.e. persistency and tenacity)

Respondent 04 (KA-Con.S) confirms:

“I always have self-courage because loss or profit is up to you, if you are earning good completely it is yours. There is no other shareholder, like you are employer; you are earning your own money”

Fourthly, a positive mind-set is significantly important for ethnic entrepreneurs to achieve their own goals and targets. It is argued that an entrepreneur needs to set a strong mind in order to tackle all the challenges faced during the business start-up. Respondent 02 (Kh-Ta.ke) claims:

“I am passionate about my work, and I have a strong mind-set towards achieving my own target”

Fifthly, learning about attitudes is another element which is needed to set up a business in a foreign country. Learning about local culture and traditions enables ethnic entrepreneurs to understand local customers. It enables them to serve the customers in an effective manner. As respondent 09 (SK-Ta.Ke) believes:

“It is very important to learn local culture, what they like and what they don’t. I think it is the most important element to be successful businessman in a foreign country”

Lastly, some respondents believe that ethnic migrant entrepreneurs are not very professional; they take too many short cuts to set up their business. Some of the respondents argue that this is the main reason for unsuccessful business ventures. If they are not professional, they have to close their business or they have to sell their business to somebody else. As respondent 03 (IB-Res) claims:

“You know what I think; you should look at more professionally. Unfortunately, not all migrant or ethnic business is successful. In my honest opinion, they take too many short cuts”

He also adds:

“They try to make money straight away, in business if you want to stay longer make money for the long term, you do not take short cuts” (R-03: IB-Res) patience, persistency and tenacity.
Respondent 13 (Ra-Res) states:

“...to tell you the truth I have seen a lot of people failing at their businesses. They approached it in a very casual manner. They tried to conduct the business as people in my own country do...”

5. DISCUSSION AND CONCLUSIONS

The aim of the research was to examine the factors influencing ethnic minority entrepreneurs in business start-up process in Aberdeen, Scotland. It is clear from the fieldwork investigation that personality traits are the most influencing factors for ethnic minority entrepreneurial activities in a foreign country. It is also confirmed from the published studies that personality traits are the main factors for ethnic entrepreneurial intentions (Burns 2012; Carter & Jones-Evans 2012; Stoke & Wilson 2010; Vecchio 2003) but among all the personality traits, locus of control, need for independence and need for achievement are some of the most influencing factors to create a new business. Most of the ethnic entrepreneurs want to control their life and they want to be independent. Besides, experience, flexibility and comfortable lifestyle are some of the significant factors identified from the fieldwork investigation which influence ethnic entrepreneurial intentions. Moreover, the results of the fieldwork investigation indicate that religion, education and financial security are the least influencing factors for ethnic entrepreneurs but one respondent (06-OF) claims that religion is the most influencing factors for his entrepreneurial activities in a foreign country.

In addition, two emerging factors have been identified from qualitative data analysis. Providing better education for children and earning fame and respect from society are some of the emerging motivational factors for ethnic entrepreneurs to start-up a business. Three respondents mentioned that they started their business to earn more money so that they can send their children to a good university whereas two respondents claimed that earning fame and respect from society is one of the reasons they started their business.

On the other hand, unemployment, redundancy, disagreement and not comfortable with the job are some of the drivers for ethnic entrepreneurs to embrace entrepreneurial activities. The critical review of published studies suggests that these are the push factors for the entrepreneur (Burns 2012; Jayawarnu et al. 2011; Stoke & Wilson 2010; Shane et al. 2003). Some respondents claimed that they could not find a proper job in Scotland which drove them to start their own business. Similarly, the results of qualitative data suggest that experience, personal wealth creation and personal development are most important pull factors that drive ethnic minorities to entrepreneurial activities in a foreign country. At the same time, two emerging factors have been identified from the fieldwork investigation. First
of all, three respondents recognised that there is a demand for providing halal meat in Aberdeen which drove them to start their own cash and carry business. This emerging factor is based on religion. Also one respondent wants to operate an alcohol free restaurant as he identified that there is a massive customer base for this kind of restaurant. Some respondents claimed that they opened this kind of business because these types of businesses will not be hit by the recession. They agreed that sales will be down but they will not close down because of the economic downturn. This is the second emerging factor identified in the fieldwork investigation.

Opportunistic, self-confident, self-motivation and proactive are some of the most important entrepreneurial attitudes which influence ethnic minorities to embrace entrepreneurial intentions. The critical review of published studies suggested similar findings (Burns 2012; Stoke & Wilson 2010; Mathew 2008). Six emerging factors have been identified from the fieldwork investigation. The results of the qualitative data analysis suggest that a money saving attitude is the most important factors that ethnic minorities should have to set-up a business in a foreign country. Since getting finance from local bank is very difficult, therefore ethnic minorities’ need to save enough money in order to start a business in Aberdeen. The second emerging factor identified from the fieldwork investigation is that ethnic minorities need to act professionally. They should not take short cuts to start their own business. Some respondents claimed that if you take a short cut, you could not be successful in the long term. Market research attitude, self-courage and willpower and positive mindset are some of the emerging factors identified from the fieldwork investigation which influences ethnic minorities to start-up a business in a foreign country.

Despite all the influencing factors, the qualitative data findings reveal that experience and knowledge is the most influencing factor which motivates and drives ethnic minorities to start-up a new business. Experience and knowledge are the main resources needed by the ethnic entrepreneurs to set up a business. Several respondents mentioned during the interview that experience provides knowledge which not only motivates them but also drives them to start a business. Moreover, it reduces the risks and dependency on others as well as saves some money.

6. The Contribution of this study

The evolving conceptual framework that derived identified factors from published studies and the emerging factors identified by the fieldwork investigation in Aberdeen, Scotland. There are four important elements of this evolving conceptual model. These are experience, information and knowledge, resources and location. Moreover, this model is based on opportunity structure and this evolving conceptual framework could be used as a guide for future research.
ENTREPRENEURIAL PROCESS

OPPORTUNITY RECOGNITION

OPPORTUNITY EVALUATION

OPPORTUNITY EXPLOITATION

Experience

Information & Knowledge

Resources

Location

Basic Requirements

MOTIVES

DRIVERS

ATTITUDES

OTHERS FACTORS

Figure 5.1: The Evolving Conceptual Framework

LOCUS OF CONTROL

NEED FOR INDEPENDENCE

NEED FOR ACHIEVEMENT

RISK TAKING

COMFORTABLE LIFESTYLE

FINANCIAL SECURITY

SATISFACTION

UNEMPLOYMENT

REDUNDANCY

DISAGREEMENT WITH BOSS

NOT COMFORTABLE WITH JOB

EXPERIENCE

RECOGNITION

PERSONAL DEVELOPMENT

PERSONAL WEALTH CREATION

OPPORTUNISTIC

INNOVATIVE

SELF-CONFIDENT

SELF-BELIEVE

SELF-MOTIVATION

PROACTIVE

VISIONARY

KNOWLEDGE

EDUCATION

RELIGION

MOTIVES

NEED FOR INDEPENDENCE

NEED FOR ACHIEVEMENT

RISK TAKING

COMFORTABLE LIFESTYLE

FINANCIAL SECURITY

SATISFACTION

UNEMPLOYMENT

REDUNDANCY

DISAGREEMENT WITH BOSS

NOT COMFORTABLE WITH JOB

EXPERIENCE

RECOGNITION

PERSONAL DEVELOPMENT

PERSONAL WEALTH CREATION

OPPORTUNISTIC

INNOVATIVE

SELF-CONFIDENT

SELF-BELIEVE

SELF-MOTIVATION

PROACTIVE

VISIONARY

KNOWLEDGE

EDUCATION

RELIGION

DRIVERS

MARKET RESEARCH ATTITUDES

MONEY SAVINGS ATTITUDES

SELF COURAGE AND WILLPOWER

ATTITUDES TO LEARN LOCAL CULTURE

PROFESSIONALISM

POSITIVE MIND SET

EMERGING BUSINESS START-UP INFLUENCES

BETTER EDUCATION FROM CHILDREN

EARN FAME AND RESPECT FROM SOCIETY

HALAL FOOD

ALCOHOL FREE RESTAURANT

MOTIVES

OTHERS FACTORS

Source: Original (author's depiction)
References


CIPD. (2005). *Collecting primary data*. London: Published by the CIPD.


