

# *Opportunity-driven Immigrant Entrepreneurship*

A comparative case study of immigrant entrepreneurship in the Norwegian-host  
country context

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## **Abstract**

**Background:** Previous researches have largely treated immigrant entrepreneurs as a homogeneous group (necessity entrepreneurs). However, current empirical research explores the heterogeneity of immigrant entrepreneurs based on either specific country of origin or technological entrepreneurs; but there is a lack of investigation of immigrant entrepreneurs based on their host country's integration level.

**Aim:** This study aims to identify the opportunity immigrant entrepreneurs in the Norwegian-host country context.

**Method:** The research design of this thesis is a comparative-multiple case study. Quota sampling and semi-structured interview methods were adopted for this study.

**Findings:** This research reinforces the understanding of opportunity immigrant entrepreneurship by using integration level of immigrant's in the host country. The study demonstrates that immigrants who enter self-employment after being highly integrated within the host country asserted themselves as opportunity entrepreneurs.

**Implications/limitations:** This paper addresses gaps in the field of opportunity immigrant entrepreneurship literature in the host country context. Moreover, further research with a larger sample is needed to increase the validity of the findings.

**Originality/value:** Traditional research on immigrant entrepreneurship is limited to necessity entrepreneurship. However, this research provides the evidence of the existence of opportunity immigrant entrepreneurs in the host country context, which is currently lacking.

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## Abbreviations

B2B = Business-to-Business

B2C = Business-to-Customer

FSC = Fellow of Science

GEM = Global Entrepreneurship Monitor

IEs = Immigrant entrepreneurs

MBA = Master of Business Administration

NEs = Necessity entrepreneurs

ODIEs = Opportunity-driven immigrant entrepreneurs

OECD = Organization for Economic Co-operation and Development

OEs = Opportunity entrepreneurs

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# 1. Introduction

## 1.1 Background

Entrepreneurship is a fundamental part of a country's economic and non-economic development. From an economic perspective, entrepreneurial activity is defined as wealth creation, with consequences on a country's economic development (Acs, 2006; Bratu, Cornescu, & Druica, 2009) and non-economic contribution through empowerment of women (Sathiabama, 2010). New firm creation results in more employment opportunities, increases the dynamics of society, elevates the competition and productivity, and thus better economic growth for the country (Acs, 2006). The result is higher levels of entrepreneurial activity which leads to higher levels of economic development in both developed and developing countries (Matlay, 2006).

Based on the above notion, the Global Entrepreneurship Monitor (GEM) project initiates the cross-country analysis of entrepreneurial activities towards the economic development across both developed and developing countries. According to the Global Entrepreneurship Monitor (GEM-2001), entrepreneurs are classified into two different categories. The first one is opportunity entrepreneurs (OEs) and the other is necessity entrepreneurs (NEs). Each category of entrepreneurs has a different impact on a country's economic development (Reynolds, Bygrave, Autio & Hay, 2002).

NEs are defined as entrepreneurs whose lack of traditional employment opportunity necessitates their business venture. Conversely, opportunity entrepreneurship is more based on the rejection of traditional employment for a high pay-off opportunity. Thus, OEs enter the entrepreneurial activities willingly (i.e. higher reward opportunities) whereas NEs have no alternative employment options and they must be entrepreneurial for survival reasons. Moreover, OEs have more choices for employment, though they still choose entrepreneurship because of their perception of a newly identified and unexploited profitable opportunity, which differs significantly from NEs in terms of their economic growth and development objectives (Acs, 2006). Furthermore, Acs also concludes from the data gathered by the GEM report 2004, that economic development within these countries varies significantly by necessity and opportunity entrepreneurs. Consequently, in the future the ratio between opportunity and necessity entrepreneurs will determine a country's economic developmental indicators.



According to the GEM-2002 report, NEs are prevalent in developing countries and OEs are dominant in mostly developed countries. Thus, policies and the business environment for entrepreneurship also vary from country to country as necessity-opportunity entrepreneurs also vary countrywide. Less developed countries focus more on small sized sectors to strengthen small firms, while developed countries set their sights on highly significant value added, new innovations, technology and services commercialization projects (Bratu et al., 2009). Considering these issues, entrepreneurial policies will focus more attention towards the OEs in the developed countries because of their high economic contribution to the society.

Globalization significantly increases the number of migrants worldwide, especially towards developed countries. Over the past 3 decades, international immigration has significantly increased towards the traditional immigrant receiving countries such as Australia, Canada, USA and Europe (Massey et al., 1993; Stalker, 2000). During the last decade, international migration has caused significant growth in immigrant populations from other parts of the world in Europe (Kogan, 2007). In the 1970s and 1980s international migration was primarily dominated in Europe by asylum seekers and refugees (Zaiceva & Zimmermann, 2008). The unemployment rate for immigrants is highest among asylum seekers and refugees within Europe. Since the 1980's immigrant unemployment rates in Europe have been on the rise leaving the past 3 decades with the highest unemployment rates in recent history (Lorant, 2005). Consequently, immigrant self-employment patterns have come to greater prominence in Europe.

Despite significantly higher number of immigrant entrepreneurs, much of the research has been treating immigrant entrepreneurs (IEs) as a homogenous group (Chrysostome, 2010). Until recently, little research has been done on immigrant entrepreneurship as heterogeneous groups – necessity and opportunity entrepreneurs. Chrysostome (2010) suggested that immigrant entrepreneurs are not necessarily a homogeneous group of necessity entrepreneurs; many of them enter business activities because of high monetary returns. Consequently, this research will fill the gap of immigrant entrepreneurship in the host country context, namely, as a heterogeneous group and focus on opportunity-driven immigrant entrepreneurship. The goal of this study is to provide policy makers with a deeper insight in to the IEs population through the lens of opportunity-driven immigrant entrepreneurs (ODIEs) in order to better understand the interplay of this diverse group of business owners, public policy, and economic development.

## 1.2 Research gap

Immigrant entrepreneurs play a significant role in the development of the host country on both economic and non-economic levels. For example, Korean immigrants in Los Angeles are over-represented in entrepreneurship activities that create both economic and non-economic development (Light & Bonacich, 1988). Skilled Asian immigrants as entrepreneurs, and indirectly as facilitators of trade in Silicon Valley, create significant amount of economic and non-economic activity roughly estimated to be \$26.8 billion in sales and 58,282 in newly created job in the USA (Saxenian, 2002). Another study, published in 2007 about skilled immigrant entrepreneurs in the USA technology sectors, asserted that between 1995 and 2005 USA immigrants founded business with \$-52 billion in sales and roughly 450,000 jobs in (Wadhwa, Saxenian, Rissing, & Gereffi, 2007). The authors also found the evidence that roughly 25.3% of all newly founded technology firms had at least one immigrant as the main founder, and Indian immigrants were the dominant immigrant population compared with other immigrants. This result clearly indicates that immigrants from developing countries have made significant contributions toward the US economy. In Germany, self-employed immigrants earn forty percent more income than paid employed immigrants. Compared to their native counterparts, immigrants also earn seven percent more than natives who are self-employed (Constant & Zimmermann, 2006). These findings also indicate the significant economic development immigrant entrepreneurs bring to Germany.

Another case shows that, new Japanese immigrant entrepreneurs in the USA are more successful in creating high wage jobs for their employees. This creation of high wage jobs is a result of previous training and career experiences that provide the basis for Japanese immigrants to create successful businesses (Hosler, 2000 cited in Min & Bozorgmer, 2003). However, these groups of IEs are not likely traditional opportunity immigrant entrepreneurs; rather they consist of transnational or international entrepreneurs.

The aforementioned findings show that immigrant entrepreneurs make significant contributions to the job markets and wealth creation in countries that raise their attention to ODIEs.

To my knowledge, most of the research has been done so far about ODIEs as either specific country of origin or technological entrepreneurs. However, if we look at immigrant entrepreneurship, more specifically, ODIEs in the host country context, the research is less

prolific. In strong welfare countries such as Norway, where a large portion of immigrants are asylum seekers, refugees, or unskilled migrants from developing countries, a major hindrance to the integration process is the inability for these immigrants to find employment. For example, in Norway 94% of immigrants are refugees and asylum seekers, who comes primarily from poor countries (Blom & Henriksen, 2009). Such data raises the question: *Are all the IEs necessity entrepreneurs?* This means there are more challenges for immigrant entrepreneurs to get more positive attention from policy makers due to the host country's primary focus, in this arena, will be focused on OEs (Bratu et al., 2009).

Bozorgmehr (1998) asserted that many Iranian immigrant entrepreneurs in the United States are mainly OEs since their reasoning behind self-employment is to take advantage of financially profitable opportunities, development opportunities or higher income. This group of immigrant entrepreneurs has reported better wage-employment experience and higher job satisfaction in comparison to natives. That means entrepreneurs are economically integrated with their host country, the United States in this case.

Further, researchers in Sweden (Hammarstedt, 2004), Canada (Li, 1997), Holland (Rusinovic, 2006), and the USA (Wadhwa et al., 2007) have found that immigrant business performance (or self-employment) is better than the performance of native entrepreneurs (self-employers). Moreover, ethnic minority entrepreneurs are able to promote job creation to their ethnic minority group, therefore contributing to the host country's economic envelopment of certain immigrant groups (Bates & Dunham, 1993). In countries like USA, Canada, and Australia there is almost no gap between the self-employment performance of native and immigrant entrepreneurs (Schuetze & Antecol, 2007). Despite the existence of the ODIEs, most of the literature is limited to second-generation immigrant entrepreneurs as opportunity-driven entrepreneurs (Masurel & Nijkamp, 2004; Rusinovic, 2006; Baycan-Levent, Nijkamp & Sahin, 2009). The assumptions are that second generation immigrants have an education from their host country, have learned the native language and possess the same institutional rights as natives' thus resulting in better employment opportunity (Rusinovic, 2006).

Chiswick (1978) hypothesized that those who have less education or schooling are generally highly motivated to migrate. Therefore, such immigrants from developing countries often have difficulty finding employment in developed countries. Additionally, low wage jobs in developed countries still require a minimum skill set or education, which further complicates low skilled immigrant job prospects (Kloosterman, 2000). Hence, immigrants face high

unemployment rates. This low level of education and weak position in labor markets create situations in which the immigrants with insufficient knowledge work in the periphery of the labor market (Bonacich, 1972). Working on the edge of the labor market, they frequently start facing wage-discrimination in the host country. All these negative aspects create harder conditions for immigrants to survive. As a result, they often resort to pursuing self-employment activities, and are defined as a necessity immigrant entrepreneur (Chrysostome, 2010).

However, not all immigrants enter self-employment or face discrimination early in their life as an immigrant. Those who find employment and choose not to enter self-employment at an early stage can develop their human capital through job experience, better social capital, and improved financial capital; which might be deployed as they transform into OEs at later stages of immigrant life. Thus, there is a clear distinction in the recent and earlier research about immigrant entrepreneurship. More recent research mainly focuses on specific immigrant groups and their country of origin and technological opportunity entrepreneurs, while traditional research mainly emphasizes immigrants as NEs.

### **1.3 Aim of the research**

The main aim of this research is:

- To identify the opportunity-driven immigrant entrepreneurs (ODIEs) in the Norwegian-host country context.

### **1.4 Proposition development**

The international transferability of human capital is generally weak for immigrants because of contextual differences between an immigrant's home and host country, and can result in wage-gap or labor discrimination in the host country (Bauer, Lofstrom, & Zimmermann, 2001). Moreover, during the early stage of immigration, an immigrant has not yet fully integrated into the host country's society. This manifests itself in poor communication or language skills, a lack of understanding of the labor market structure, institutional settings, traditions and culture of the host country. These factors create high discrimination in the job market, thus pushing immigrants towards self-employment (Grand & Szulkin, 2002;

Hammarstedt, 2006). Auster and Aldrich (1984) have pointed out that institutional settings for immigrants are less flexible in EU countries compared with the USA. This creates high discrimination in job sectors especially in the EU.

In Europe, especially in Germany in the 1980s, most of the immigrants were considered to be refugees or asylum seekers. Those groups mostly constituted of unskilled immigrants and faced higher discrimination in labor market due to lack of human capital (Kogan, 2004). In comparison to Germany, strong welfare countries like Norway and Sweden have flexible asylum rules that facilitate asylum seekers and refugees to migrate to these particular countries. Since 1970s the majority of immigrants in Sweden were from developing countries such as Ethiopia, Chili, and Iran. Most of these immigrants have mainly been considered uneducated and unskilled in labor market. Consequently, immigrants are negatively affected by the labor market and have faced labor market discrimination (Ohlsson, Broomé, & Bevelander, 2012). These negative factors pushed many of them to be self-employed.

Language barriers in a host country create inapplicable human capital and high wage discrimination (Bauer et al., 2001). However, longer residency can reduce language barriers among the immigrants significantly. In Sweden, immigrants mainly from non-OECD countries such as refugees and asylum seekers and their family members experience ten to twenty percent lower wages than natives after ten years of residency (Bauer et al., 2001). Therefore, longer residency will positively impact an immigrant's wage, reduce wage discrimination, and leads to better employment opportunities and economic status.

Another finding from Grand and Szulkin (2002) applying equally to both male and female employees, asserted that immigrants who completed upper secondary school in Sweden reduced their wage discrimination significantly. Thus, education achieved in a host country can positively reduce wage-discrimination and improve employment opportunity. That means education attained in a host country's language reduces the barriers for immigrants and increases the probability of integration within the host country through employment and better wages.

According to Zaragoza Declaration (2010), an immigrant's integration is usually measured by four key parameters: active citizenship, employment, education, and social inclusion (Bijl & Verweij, 2012). For immigrants, naturalization or active citizenship is a well-known significant factor for being integrated within the host country (Schindall, 2009).

Naturalization, however, varies from country to county, but in most of the cases it is around 10-12 years of continuous residency in the host country (i.e. Sweizerland-12 year's continuous residency). However, ten years of continuous residency in the Netherlands or Sweden, the UK, and France yielded naturalization rates of nearly eighty percent, sixty-five percent, and fifty percent respectively for first-generation immigrants (Vink, 2013). In Norway, approximately 90 percent of immigrants who emigrate from developing countries are naturalized within 10 years (Bratsberg & Raaum, 2011). Integration or naturalization more specifically, provides immigrants equal right in the host country of residence. Greater financial access from the host country's institutions and educational sectors can facilitate opportunity based immigrant entrepreneurship (Chrysostome, 2010).

Available employment opportunities are considered the most essential determining factor to being integrated with the host country. Better employment opportunity enables immigrants to overcome their economic vulnerability and get higher social and economic integration. Immigrants in Norway have found higher employment opportunities when they have been in the country for between ten to fifteen years (Smestad, 2012).

Longer residence helps immigrants integrate with the new society and thus reduces discrimination in their host country. Education and employment sectors provide various opportunities to immigrants to adjust to the host country's norms. It is really difficult to know the proper time frame for how long it will take to be integrated in host country. However, immigrants who lived in the host country for 12 years or more are considered integrated (Berry, Phinney, Sam, & Vedder, 2006). Aleinikoff and Klusmeyer (2002) further asserted that the required time for immigrant's integration varies around 10 years and is based on country's specific rules. Educational opportunity also provides advantages through access to further education from the host country's institutions, which can be a significant factor exploiting entrepreneurial opportunity. In order to integrate, immigrants need to be familiar with their host country's language, norms, rules, and regulations.

Longer residence in a host country increases the likelihood that immigrants gain human capital, education, better wage, institutional rights, and certainly helps them to integrate in the host country. Thus, immigrants will have better chances of employment in the host country. In such situations, we can assume that naturalized immigrants who enter self-employment might be OEs since they are likely to have other employment options.

Moreover, the discrepancies between natives and immigrants decrease with increased time of residence (Hagelund, 2005). Thus, immigrants will have more employment opportunities resembling those of natives. If this is the case, then immigrants, who enter into entrepreneurial activities after being integrated with the host country, have a greater chance of being OEs rather than NEs. In order to identify the specific group of opportunity-driven immigrant entrepreneurs (ODIEs) in the host country context, I propose the following proposition for my research:

***Immigrant entrepreneurs who perform entrepreneurial activities after being highly integrated within the host country of residence are more likely to be opportunity-driven entrepreneurs.***

Ljungar (2007, cited in Miglāns, 2010) defined three types of integration: personal integration – when the individual integrates personally; economic integration – integrations through better wage and or employment; and societal integration – integration through relationships with local people. According to Miglāns (2010), personal and societal integration requires local language proficiency. Hosseini-Kaladjahi (1997) also referred to economic integration as immigrants having the equivalent economic status and living standards to natives. Moreover, economic integration means immigrants will have job experience in the host country's mainstream labor market and will have similar wage based employment. Societal integration means immigrants experience minimal language barriers, which facilitates personal relationship buildup and results in turn increase in social capital. In this research I have considered immigrants who are highly integrated should have the following identifying factors when they have entered self-employment:

1. Professional employment experiences from the main labor market – good economic integration.
2. Fluency in the local language through education or job that facilitates personal and societal integration – good social capital.
3. A minimum residency period of 10 years or more, which provides institutional rights that includes access to education, financial loan supports or financial betterment in the host country.

In contrast, poorly integrated immigrants are considered to have attributes counter to highly integrated immigrants.

## **1.5 Research questions**

Since motivation leads entrepreneurial activities in the creation of firms and their subsequent performances, consequently to justify the research proposition the following specific questions have to be investigated. The research questions are:

1. What are the motivations behind self-employment?
2. How do they perform the entrepreneurial activities during the gestation period?
3. How profitable is the exploited business opportunity?

## **1.6 Integration policies and situations of immigrants in Norway**

From the last 20 years, the Norwegian government has made policies to create equal opportunity for immigrants. In Norway there are almost 600,000 immigrants out of 5 million people and one of the primary aims of the Norwegian government is to encourage the high participation of immigrants in the job market (Eriksen, 2013). According to the Norwegian government, any kind of discrimination is illegal (Eriksen, 2013). Despite the Norwegian government's efforts, discrimination among the ethnic people in the labor market, education, and housing market clearly exists (Eriksen, 2013). Valenta and Bunar (2010) came to the same conclusion, asserting that despite the strong welfare system in Norway and Sweden, refugee integration through equalizing has not yet succeeded.

In order to integrate immigrants into the society, the Norwegian government has made a compulsory two year introduction program, for the refugees who came after 2004 (Hagelund, 2005). This program includes both educational and financial support in order to integrate with Norwegian society. Currently, first generation immigrants and their children constitute 7.4 percent of total population of which one third are refugee groups of immigrants in Norway (Hagelund, 2005). Olsen (2004) asserted that few refugees are integrated in labor market. Only forty-eight percent of refugees were employed after 1986, whereas seventy percent of the total population was employed (Olsen 2004, cited in Hagelund, 2005). Unemployment creates a low income level among refugees and increases the dependency on social welfare among the refugee groups in Norway (Kirkeberg & Kleven, 2004 cited in Hagelund, 2005).



Thus, it is assumed that immigrants, especially refugee groups, are not financially self-sufficient and are not economically integrated.

Immigrants in Norway often do not learn their host country's language, thus they are the most unemployed groups compared with native population (Hagelund, 2005). The consequence of this situation is that the Norwegian government has introduced a compulsory program for refugees, which consists of mandatory language courses, and assistance in finding a job so as to help them better integrate through employment. Another finding shows that immigrants, especially those seeking asylum, who gain employment within their educational scope, and have learned the language have a better chance to integrate into the society (Valenta & Bunar, 2010). Recognizing these factors, Norway has developed its integration policies for immigrants more specifically targeting economic and anti-discrimination issues since the 1990s.

However, the current situation is not improving since the unemployment rate is three times higher for refugees and others immigrants when compared with native Norwegians and their wages are lower too (Blom & Henriksen, 2009). This result indicates that immigrants in Norway are not economically integrated. Additionally, a large proportion of immigrants in Norway are asylum seekers and refugees – only six percent of immigrants are settled in Norway for either work or study reasons (Blom & Henriksen, 2009). Thus, I assume a majority of immigrants in Norway are not fully integrated into the society.

In the mid-seventies, the Norwegian parliament created the policies to integrate the immigrants. The policies provided grants to buildup infrastructure to assist immigrant groups in several sectors (i.e. education and language courses) in Oslo and the surroundings communities and currently these policies were shifted towards the buildup of human capital and anti-discrimination (Valenta & Bunar, 2010). However, Norway has refrained from adopting quota and selective system policies for reducing discrimination against immigrants on the job market that is common in North American countries. Rather, more emphasis on developing the human capital among immigrants and refugee groups (Valenta & Bunar, 2010).

## 1.7 Limitations of the study

When reading this thesis paper it is necessary to know the limitations as well.

1. This research was limited to 17 weeks.
2. In this research, I had only 4 interviewees for each group. This factor might raise questions about the generalizations in the findings.
3. I used quota sampling method, which creates the limitation of wider generalization of the findings.

## 1.8 Layout of the study

This thesis consists of six chapters. Chapter 1 consists of the introduction, research gap, research proposition, and research questions. Chapter 2 outlines the literature review related to the research topic from the existing literature. Following this, chapter 3 describes the methodology. Chapter 4 presents the results from the empirical study. Chapter 5 discusses the results. Chapter 6 represents the conclusion, implications and direction for further research.

# 2. Literature Review

## 2.1 Entrepreneur and entrepreneurship

Casson (1982) defined “an entrepreneur is someone who specializes in taking judgmental decision about the coordination of scarce resources.” According to this definition an entrepreneur is a person, not an organization or a team. Only individuals have the right to take any decision. An entrepreneur, very often the one who leads the entrepreneurial activities (entrepreneurship), is not a simple subject of study because it is a set of complex dynamics (Bratu et al., 2009). Bratu and co-authors define and classify entrepreneurship into three different parts according to determinants, dynamics and characteristics of entrepreneurs. These are: 1. Occupational definition, 2. Behavioral definition and 3. Outcomes definition

**Occupational definition:** The occupational notion of entrepreneurship looks at an entrepreneur as self-employed or rather small business ownership. Though, some researchers are often strictly defining entrepreneurship as an individual who creates new businesses and employment opportunities for others (Parker, 2009). Based on economic perspectives (i.e. microeconomics, labor, macroeconomic and industrial organization) Parker further

categorized entrepreneurship into three groups: new venture creation, self-employed and small firm creation. New venture creation mainly focuses on macroeconomic prospects and categorized as industrial organization that creates economic development through opportunity recognition. Small firm ownership is more about traditional measurement of entrepreneurship that is commonly known as SME, which measures by firm size and its contribution. Self-employment is a measure of entrepreneurship since individuals can earn through buying and selling the services.

**Behavioral definition:** Bratu et al. (2009) summarized entrepreneurship as behavioral notion based upon the work of Schumpeter, Kirzner and Knight. According to Schumpeter, entrepreneurship qualifies as innovation. An innovator entrepreneur creates new products or finds new uses of old products or services in a new way. Kirzner defines entrepreneurs as individuals alert to new opportunities that brings profit. However, Knight defines entrepreneurs as risk takers since their goal is to make profit despite limited resources.

**Outcomes definition:** It can be measured as economic output. However, not all kind of entrepreneurship brings equal amounts of economic development. Outcome or economic profit is largely affected by the opportunity and necessity of the endeavor. Opportunity entrepreneurship brings positive and significant levels of economic development, whereas necessity entrepreneurship has insignificant impact on the economy (Bratu et al., 2009).

## **2.2 Immigrant and immigrant entrepreneurship**

According to Louse (1998) immigrants are “Individuals, who have relocated across national boundaries, whether temporarily or permanently, whether voluntarily or involuntarily, whether repetitively or on a single occasion and whatever purpose ....” Additionally, the Swedish Agency for Economic and Regional Growth (2012) defined an immigrant as “a person who is born in a foreign country or born in Sweden and that both parents are born in a foreign county” (Strömberg & Bindala, 2013).

Due to international migration, immigrant entrepreneurship is expanding all over the country at both individual and firm levels (Kloosterman & Rath, 2003). In most of the cases immigrants engage in entrepreneurial activities at individual levels referred to as a self-employment. In 2002 Chaganti and Greene summed up the differences among migrant self-

employed people in three groups: ethnic entrepreneurship, immigrant entrepreneurship and minority entrepreneurship. Ethnic entrepreneurship involves a set of connections and regular patterns of interaction among people sharing common national background or migratory experiences (Aldrich & Waldinger, 1990b). Minority entrepreneurs are considered mainly those who show up with a lesser immigrant number with certain groups in the host country or perhaps gender position, for example women entrepreneurs. In most cases minority entrepreneurs follow the ethnic niche market strategy for business surveillance. Parker (2009) integrates minority entrepreneurs with ethnic entrepreneurs and defined it as ethnic minority. In most cases immigrant entrepreneurship and ethnic entrepreneurship have been used interchangeably by other researchers as well (Dalhammar & Brown, 2011; Vinogradov, 2008).

Most of the immigrants are found to engage in entrepreneurial activities with a view to change their economic condition with an underlying reason to take to entrepreneurship as a means of necessity (Aldrich & Waldinger, 1990b). Moreover, Chrysostome and Lin (2010) said that immigrant entrepreneurship is a vital mean for socio-economic process in the host country, whereas immigrant entrepreneur's movements gain attention on both job and wealth creation for the society.

To avoid the complexity, in this thesis I am going to use the common term *immigrant entrepreneurship* as a whole for immigrant, minority and ethnic entrepreneurship. Moreover, I am going to study immigrant entrepreneurs who moved to host country for reasons other than business purposes and yet subsequently engaged in entrepreneurial activities.

### **2.3 Types of opportunity immigrant entrepreneurs**

Chrysostome (2010) classifies ODIEs in four different categories: global immigrant entrepreneurs, traditional or ethnic opportunity entrepreneurs, transnational immigrant entrepreneurs and diasporas entrepreneurs. These four groups of ODIEs are different from one and another mainly because of their business location, economic and societal contributions to the host and home country.

The first group, transnational immigrant entrepreneurs are mainly operating their businesses from two different cross-country perspectives, both their host and home country context.

Consequently, transnational entrepreneurs are now an emerging field of international business (Drori, Honig, & Wright, 2009). Since transnational entrepreneurs are working from two locations, they have superior position in terms of information and networks that help them to exploit better entrepreneurial opportunity. Transnational entrepreneurs maintain relations between two countries either virtually or directly. These relations help to develop their entrepreneurial knowledge and increase the resource maximization, thus transnational immigrant entrepreneurs can adopt various strategies for new business opportunities (Drori et al., 2009). Among all immigrant entrepreneurs in USA, transnational entrepreneurs are the most dominant self-employed entrepreneurs (Kerr & Schlosser, 2010).

The second group consists of the contemporary diasporas entrepreneurs. This is a highly skilled, highly educated, group of competent immigrants who mainly pursue their business in their home country after returning from the host country. They return to their home country because of the favorable policies within the home country as well as between the home and host country. In many cases, there is also high potential market opportunity in the home country, for example, China is an emerging market for entrepreneurs, therefore diaspora entrepreneurs from the United States and other countries have migrated back to their home country, making one of the most significant numbers of diasporas entrepreneurs in China (Lin, 2010b). These contemporary diasporas entrepreneurs are mainly technology based entrepreneurs where they find less competition thus enjoy higher rate of success (Lin, 2010b).

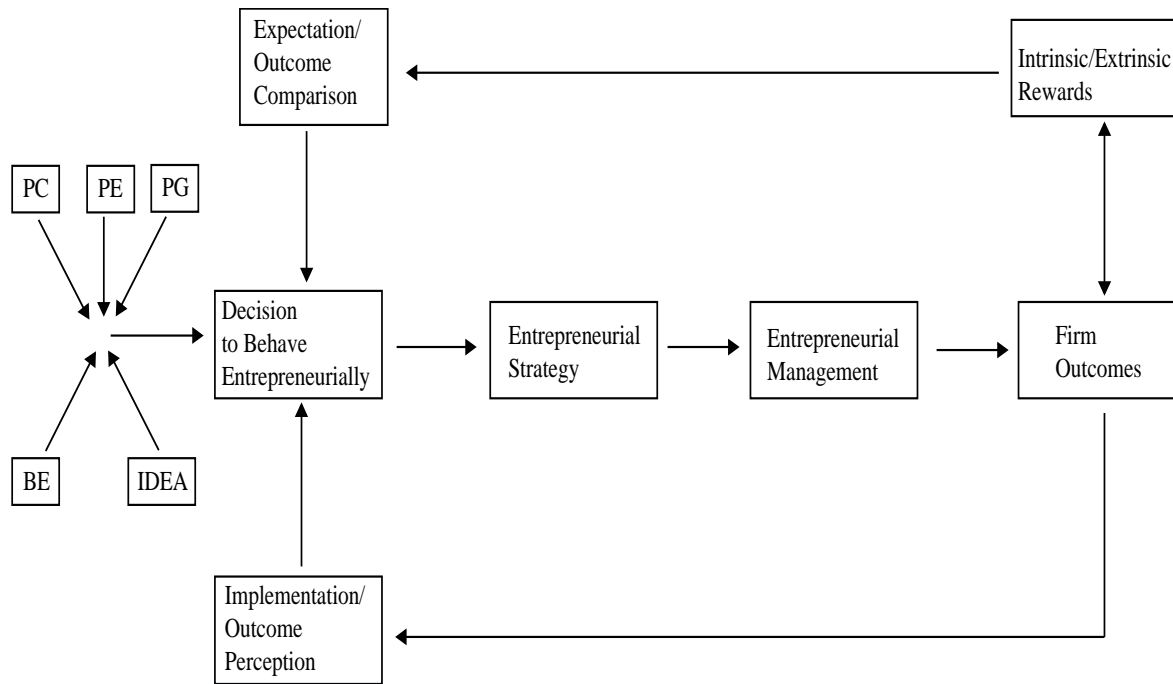
Traditional opportunity immigrant entrepreneurs, however, mainly confined their business only in their host country or country of residence. A country's immigrant' economic and societal contribution is mainly measured by the performance of traditional opportunity entrepreneurial activities. This performance is measured by economic development and job creation to the host country. Starr (2012) told that in the USA, Mexican immigrant entrepreneurs' income is much higher than Asian immigrant entrepreneurs. In Silicon Valley, between 1990s and 2000s, highly skilled Chinese and Indian immigrants were more successful in technology based businesses through creating significant amount of revenue and jobs for the host country (Saxenian, 2002).

The fourth group of immigrant entrepreneurs is international or global immigrant entrepreneurs who are mainly categorized on the basis of the nature of new international ventures. Successful Immigrant entrepreneurs' new international venture depends on the nature and ability of the immigrants. Depending on the individuals, certain migration

experiences will help them to build social network and experience across the countries. Those entrepreneurs who can capture the price and values at the multiple markets can exploit the new international venture globally (Zolin & Schlosser, 2013).

## **2.4 Model of entrepreneurial motivation**

Motivation makes the difference between entrepreneurs and non-entrepreneurs or unsuccessful entrepreneurs (Kuratko, 2009). This is because motivation energizes the actions that impact sustainable entrepreneurial behaviors. Both the firm creation and willingness to continue a newly created venture are related to the entrepreneurial motivation (Kuratko, 2009). The decision to behave entrepreneurially, which leads to new firm creation, is the result of different sets of actions. Kuratko (2009) proposed the entrepreneurial motivation model and asserted that several factors interact towards entrepreneurial motivation. The factors include; personal characteristics, personal environment, business ideas, personal goals, and business environment. According to this model, individuals compare his or her projected outcome with the outcome from the execution of a plan. Moreover, after the new firm forms entrepreneurs can also compare the outcome to his or her expectations in order to justify the decision of more entrepreneurial engagement. Thus the outcome has greatest impact towards the firm's continuation. If the outcome has more value than expected, then the decision to behave entrepreneurially will continue with same opportunity and it could bring more entrepreneurial venture creation as well (Kuratko, 2009). However, if the rewards are lower than expectation, the entrepreneurs' motivation will be diluted and will have an impact on subsequent entrepreneurial venture'- activities as well.



PC = Personal Characteristics  
 PE = Personal Environment  
 PG = Personal Goals  
 BE = Business Environment

**Figure 1: Process model of entrepreneurial motivation (Kuratko, 2009).**

**Personal Characteristics:**

Vecchio (2003) referred to five entrepreneurial characteristics that determine entrepreneurial behavior. Accordingly, the entrepreneurial characteristics are: perception of risk, need for achievement, independence, locus of control, and self-efficacy.

1. Risk-taking propensity: Stewart and Roth (2001) examined the risk taking behaviors between entrepreneurs and managers and confirmed that entrepreneurs exert greater risk taking behavior than managers. They also expressed that risk-taking characteristics vary across the entrepreneurs whose main goal is venture growth and those which mainly concern are about income for their family. Furthermore, perception of the situation is mainly determined by whether an entrepreneur is a risk taker or not. In a loss situation individuals are high risk-averse whereas individuals seek-risk if they find themselves in better or winning position (Kahneman & Tversky, 1979).
2. Need for achievement: Need for achievement is another factor that triggers the desire to accomplish a certain goal. High need for achievement is also co-related with risk

taking behavior. Johnson (1990, cited in Westhead et al., 2011) empirically found that there is a positive relationship between achievement behavior and entrepreneurship activities. Thus, individuals with high achievement motivation also exert high-risk behaviors that result in more entrepreneurial activity.

3. Locus of control: Rotter (1966) proposed locus of control for the first time and categorized it either as internal or external locus of control. The notion, external locus of control refers to when a person is depends more on luck or external factors for their success. In contrast, internal locus of control implies that individuals can change the situation through their own capabilities, hard work and skill (Shapero, 1975).
4. Desire for autonomy: Desire for autonomy is another personal characteristic of self-employed people. In general autonomy is a significant motivational factor for becoming an entrepreneur since autonomy provides freedom, where an entrepreneur's ideas can be implemented freely. Moreover, in the case of nascent entrepreneurial small business, the primary motivation for entrepreneurs is autonomy (Van Gelderen & Jansen, 2006).
5. Self-efficacy: Self-efficacy is the individual's belief in his or her own capabilities, that he or she can do the difficult task and reach to the ultimate goal. In other words, it is a person's own ability to persist or their self-confidence with a task that is necessary to achieve their desires (Shane, Locke, & Collins, 2003). Thus individuals with higher self-efficacy perform better tasks than a person that has lower self-efficacy.

**Personal Environment:** Individuals' personal environment also contributes significantly as motivational factor that leads the entrepreneurial activities. Several individual' environmental factors can be mentioned as personal motives. These include: unemployment, working hour's wage, income level, family tradition etc. Among these factors unemployment is the most causal factor that motivates individuals to start new business. Moreover, job dissatisfaction also influences individuals to enter into self-employment.

**Personal Goals:** In order to achieve personal goal, individuals are found to enter a new business. These goals are travel, attainment of more education, less work hours, less physical work or to find a life partner. Consequently, people engage in self-employment to fulfill these personal desires (Stephenson & Mintzer, 2008).



**Business Environment:** Business environment is another factor that motivates the individuals to start new business. For example, supportive environment is incentive for new business which motivates the individuals to behave entrepreneurially. Ethnic enclave creates most significant business environment for immigrant entrepreneurs in the host country. Immigrants with larger amount of immigrant community can create protected ethnic market that may encourage the immigrants to be self-employed (Aldrich & Waldinger, 1990a).

**Ideas:** An idea is something that creates the basis of where to start a new business. The idea may be to introduce new products or provide customers solution that brings profit. Thus, a new idea is a favorable situation where entrepreneurs find themselves as to make profits. Krueger and Brazeal (1994) asserted that higher optimism is similar to self-efficacy that ultimately increases the probability to identify new opportunity. Individuals with higher efficacy can recognize more opportunities or ideas that ultimately increase the probability to behave entrepreneurially.

## **2.5 Entrepreneurial motivation by necessity and opportunity entrepreneurs**

Entrepreneurial behavior can explain the motivation behind why individuals engage in entrepreneurial activity. Certain personal characteristics play the most significant role to start a new business and inspire business growth (Locke & Baum, 2007). Moreover, entrepreneurial motivation or personal characteristics are also found to energize firm survival (J. Block & Sandner, 2009) and firm development (Williams & Youssef, 2014). Over the last decades, researchers have used several methods in order to explain motivation to start a new business (Bolton & Thompson, 2004; Burns, 2001).

Earlier McClelland (1965) asserted that the need for achievement is the key internal factor that drives individuals towards the entrepreneurial activities. According to Wang, Walker & Redmond (2006) small business ownership motivations are categorized into four groups. These are:

1. Negative motivations
2. Economic motivations
3. Personal recognition motivations
4. Flexible lifestyle motivations

Excluding the negative one, rests are considered as positive motivations. Moreover, several authors indicated numerous negative influential factors for new business venture as-unemployment (Ritsilä & Tervo, 2002), job dissatisfaction (Cromie, 1987); for both male and female entrepreneurs.

Gilad and Levine (1986) differentiated the entrepreneurial motivations into two separate hypotheses, namely push and pull motivational factors. Afterwards, Schjoedt and Shaver (2007) also divided entrepreneurial motivations for new venture creation as a consequence of push or pull factors. Accordingly, entrepreneurs who want to increase their life satisfaction are generally pull motivated and those who start their career because of job dissatisfaction are belong to push motivation. Unfavorable conditions and positive personal achievement characteristics can also be categorized as push and pull motivational factors for new business creation (Amit & Muller, 1995; Kirkwood, 2009).

According to Amit and Muller, push motivated entrepreneurs are not satisfied in their existing positions that leads them towards the entrepreneurial activities while pull motivated entrepreneurs take new business as a consequence of profit seeking opportunities. In the same vein, push factors are associated with external negative factors (unemployment or family pressure) that usually force an individual to become an entrepreneur. Positive factors are associated with positive circumstances such as taking a new profit opportunity that lead people to become entrepreneur (Zali, Faghih, Ghotbi, & Rajaie, 2013). Entrepreneurial push motivations are widely investigated as a risk of unemployment and family pressure where pull motivation is considered as a need for autonomy and social recognition (Verheul, Thurik, Hessels, & van der Zwan, 2010).

In case of immigrant entrepreneurship, motivations have been widely investigated for self-employment and confirmed several push factors, such as survival needs (Chaganti & Greene, 2002), lower economic condition (Aldrich & Waldinger, 1990b), low language proficiency (Clark & Drinkwater, 2000) and pull motivations such as financial success and autonomy (Basu, 1998). In 1987, Bögenhold first attempted to differentiate entrepreneurs in two different groups; one is economic needs, hence defined as NEs, whereas the other group is OEs, who have driven by a desire for self-realization (Williams & Youssef, 2014).

Moreover, in the case of women entrepreneurship several factors are grouped as push and pull factors depending on motivational characteristics (Humbert & Drew, 2010). The major pull motivational factors include rejecting stereotypical feminine identities, ambition to be a successful entrepreneur and also the search for challenges. On the other hand the main push factor for women is the last resort for survival (Humbert & Drew, 2010).

These two motivational factors push and pull are quite similar to necessity-push and opportunity-pull factors. Both necessity and opportunity entrepreneurs are influenced by the factors called push or negative factors for NEs whereas opportunity entrepreneurship is affected by pull or positive factors as written in recent papers (Uhlener & Thurik, 2007). According to the Global Entrepreneurship Monitor (GEM) 2002 report all GEM countries' entrepreneurship activities have been categorized into two broad groups like - NEs and OEs followed by aforementioned motivational concepts (Reynolds et al., 2002).

Finally, the concept of push and pull factors have replaced the necessity and opportunity entrepreneurial motivations that are used for new business creation and as a basis for decision-making for entrepreneurs (Zali et al., 2013). Based on the GEM-2001 report, necessity entrepreneurship is focused primarily on needs; whereas opportunity entrepreneurship is mainly operating based on voluntary engagement or unique market opportunity (Reynolds et al., 2002).

Based on above literature review it can be said that entrepreneurial motivations are similar for most individuals, immigrants and women entrepreneurs; but some discriminating factors also exists (language barrier and labor market discrimination) for immigrant entrepreneurs only.

The following table represents the major motivating factors regarding to pull (necessity) and push (opportunity) entrepreneurs.

**Table 1: Major motivating factors for pull and push entrepreneurs**

Pull-Opportunity Entrepreneur	Push-Necessity Entrepreneur
Market opportunity	Unemployment
High economic profit	Lower education
Social recognition	Language barrier
Personal development	Dissatisfying labor market
Independence and autonomy	Family pressure

Rejecting stereotypical feminine identities	Lower income
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When employed individuals come across a better opportunity they may quit their job in order to prepare for self-employment. This time is referred as unemployment period. It can also be like that unemployed individuals may enter self-employment due to perceived opportunity. When individuals are unemployed they may have time to search for a better opportunity. But this situation employs push motivational factors. In contrast, employed individuals also can be NEs because of future unemployment threats. This condition as an employed individuals enter self-employment because of no other option, though currently having jobs. Consequently, employment situation for both necessity and opportunity entrepreneurs has not explored properly (Iandoli & Raffa, 2007). During qualitative interviews careful in-depth analysis will be adopted to get properly categorized motivational answer.

## **2.6 Gestation (start-up) activities by necessity and opportunity entrepreneurs**

Rodriguez and Santos (2009) asserted that a firm creation process has mainly two sub stages: the conception stage and gestation stage. The conception stage is similar to the motivation stage. Both push and pull motivations have the impact of subsequent stage called gestation stage (Giacomin, Janssen, & Guyot, 2011). The gestation stage is known for activities that occur during the firm creation. The gestation process might be different for necessity and opportunity entrepreneurs and therefore lead to different success levels. Motivational differences among necessity and opportunity entrepreneurs and different entrepreneurial opportunity costs may result in significant different impact upon the gestation processes of necessity and opportunity entrepreneurs (Giacomin, 2012). Different entrepreneurial costs have subsequent impact on the earning scope as well (Joern & Wagner, 2010). Giacomin and co-authors were the first who differentiated activities during the gestation stage based on push and pull motivated entrepreneurs. The authors made differentiation among necessity and opportunity entrepreneurs based on opportunity costs, extrinsic, as well as intrinsic motivations. Based on low human capital due to negative motivation and low opportunity costs, the authors concluded that NEs are more likely engage with low profitable sectors

where there no market gap exists (Giacomin et al., 2011). Consequently, less gestation actions are generally found in this group of entrepreneurs.

On the other hand, OEs are willing to engage in entrepreneurial activity because they expect more return in contrast to opportunity costs, after starting a new business (Joern & Wagner, 2010). Since OEs have more human capital they can expect more benefits from self-employment. On the other hand, the pursuit of high quality and attractive entrepreneurial opportunity requires more activity in the start-up process in order to succeed.

In terms of opportunity cost, both necessity and opportunity entrepreneurs are totally different from each other. It is significantly notable that NEs have zero opportunity costs because of no other employment scope exists compared with high opportunity costs of OEs (Ho & Wong, 2007). Giacomin et al. (2011) also asserted that OEs are intrinsically motivated and thus found to engage in more difficult work and for high opportunity costs, OEs are found to be more proactive during gestation period in order to succeed the venture. The authors concluded that during gestation period (business concept, market plan, source of finances, strategic plan) OEs are more active rather than NEs. They further indicated that since NEs are found to have less or zero opportunity costs and are also negatively motivated thus NEs are found in low profitable commercial sectors. As a result NEs are less proactive during gestation period (Giacomin et al., 2011).

To summarize the activities during the gestation period, it is clear that opportunity and necessity entrepreneurs are not similar in terms of performed activities (i.e. business plan, evaluation the financial risk, sourcing of finance, identify the risk, market plan) in which OEs are more proactive than NEs (Giacomin et al., 2011).

The period of new firm creation during gestation, is also known as pre-launch, pre-organization or the start-up phase. On average, a new firm's gestation process varies from one year to three years in the case of non-technological firms, whereas technological firms need an average four years before business begins (Carter, Gartner, & Reynolds, 1996). They also mentioned fourteen parameters as start-up activities. However, different authors have been using different indicators during the gestation period such as organizational start-up activities, asked for funding, investing of own money, saving money to invest, hiring employees, renting facilities and preparing plan (Alsos & Kolvereid, 1998; Giacomin et al., 2011; Liao &

Welsch, 2008)) and assessment of customer demand (Choi & Shepherd, 2004). Therefore, activities during gestation period are vast and it is hard to describe all together.

Further, start-up activities can also be categorized into four broad groups (planning activities, activities related to established legitimacy, marketing activities and resource combination) for both technological and non-technological entrepreneurs (Liao & Welsch, 2008). The authors also concerned that building legitimacy is based on new technology-based ventures. Since the study only focus on non-technology based immigrant entrepreneurs, the following three parameters will be observed as important activities during the gestation period for new firm formation:

- A. Business planning activities
- B. Resources transformation activities: human resource, financial resource, physical resource
- C. Marketing activities

## **2.7 Exploited entrepreneurial opportunity by necessity and opportunity entrepreneurs**

Gestation process has significant positive impact towards the firm's development that brings newly created firms' success (Delmar & Shane, 2003). Knowledge about customer demand, management, and greater support from stakeholders has significant impact in exploitation of entrepreneurial opportunity (Choi & Shepherd, 2004). Choi and co-author also pointed that entrepreneurs need time and information, firm resources and capabilities in order to reduce the failure. Thus a firm's gestation activities have the greatest impact upon new business opportunity and its success.

Block and Wagner (2010) argued that a significant difference exists between both groups of entrepreneurs when earnings are calculated compared with opportunity costs. The authors also argued that OEs will have more time because they take entrepreneurship voluntarily and for high opportunity costs, OEs are proactive during the start-up phase therefore well planned advantages provide future success for OEs. In contrast, NEs enter the market as a last resort. If the NEs are unemployed for a longer time, they are found to be accept lower wage opportunities. Consequently, NEs are found in low-earner sectors (Block & Wagner, 2010).

Moreover, Cassar (2006) asserted that high opportunity costs bring higher business growth and more earning scope for OEs.

OEs have more available employment opportunities (Ardagna & Lusardi, 2009; Fossen & Büttner, 2013) thus they can develop better human capital before self-employment (Block & Sandner, 2009; Block & Wagner, 2010). Consequently, OEs consider more outcomes from other alternative opportunities or self-employment (Amit, Muller, & Cockburn, 1995). Hence, OEs are found to exploit more profitable business in terms of income than NEs (Block & Wagner, 2010). When opportunity cost is high, OEs seek more profitable opportunity thus more return can be paid back from other alternative employment benefits (Bhide, 2000).

In this context, the argument is that OEs pursue more profitable opportunities because of high opportunity costs, proper planning typically results in longer survival and therefore more earning scope for OEs. On contrary, for NEs, negative motivation creates lower planning scope and low or zero opportunity cost that leads to less earning scope from exploited opportunities.

Zali and co-authors also asserted that NEs have lower ability that is equivalent to the human capital resulting from push motivation. As consequence for NE's lower endowment of entrepreneurial knowledge, they often have seen negative business growth resulting in lower economic outcomes as well (Zali et al., 2013).

Another empirical study by Vivarelli (2004) has shown that OEs who are monetary motivated can perform better than those whose motivation comes from push motivation. Thus, OEs' pursued opportunities are highly profitable than NEs.

From an economic theoretical angle, entrepreneurship consists of risk taking activities. But risk is associated with the perception of an entrepreneur. According to prospect theory, risk accepting behavior depends on individual's perceived context; therefore competent individuals are more likely to be risk acceptors (Heath & Tversky, 1991). The perceived context suggests that human capital and individual's motivation usually determine a risk taking approach. Since OEs are pull motivated with higher human capital and therefore exhibit risk taking behavior. Conversely, NEs are less likely to be risk takers because no other alternatives are there for survival and thus they cannot take high risk because of fear of failure. OEs generally possess less fear of failure than NEs, accounting for two times less than NEs (Wagner, 2005). In that case most of the NEs are found mainly in less risky and also less

profitable business sectors than OEs. These are some key differences between OEs and NEs in terms of profitable sectors (Reynolds et al., 2002). Moreover, Foti and Vivarelli (1994) pointed that the high profit scope is another significant pull motivational factor that drive to self-employment.

Entrepreneurs are also motivated by locus of control. Internal locus of control asserted that individuals are influenced by skills, affordances and or ability whereas external locus of control is more concerned with external factors such as luck. OEs motivations and activities during gestation period increase the probability of internal locus of control by and NEs' push motivation thus less time is needed to develop skills or ability with lower efforts during gestation period that makes them to rely on external locus of control (Verheul et al., 2010). Consequently, OEs can survive longer time than NEs.

Considering high risk-taking initiatives, entrepreneurs also consider both economic and non-economic benefits while pursuing a new opportunity. Not only economic profit but also other non-pecuniary benefits such as personal satisfaction and autonomy for an upcoming prolonged period of time are considerable when individuals consider self-employment (Benz, 2009; Gimeno, Folta, Cooper, & Woo, 1997; Lange, 2012). Regarding non-pecuniary benefits, OEs often intrinsically motivated. In any case, if OEs feel disappointed with those non-pecuniary benefits then they shift or quit their existing venture and search for a new one that brings more intrinsic benefits. Non-pecuniary benefits are lower in NEs because they enter self-employment as a last option and are not able to consider other non-precautionary benefits (Block & Sandner, 2009).

Human capital increases the performance of the firm significantly (Brüderl, Preisendörfer, & Ziegler, 1992). When OEs look for self-employment they consider their opportunity costs and select the opportunity that will bring a higher outcome from the venture (Cheng, 2014). OEs may take time to develop human or financial capital, business network or partners, therefore creating less liability of newness that contribute to firm growth. On the other hand, NEs are often select a non-promising venture that is already in a mature market (Cooper, Gimeno-Gascon, & Woo, 1994). Consequently, OEs who start a venture bring high growth performance while NEs create a marginal level of venture growth. The low opportunity cost and lower endowments of general and specific human capital, had by NEs, create high risk aversion that results in negative business growth and growth expectation (Zali et al., 2013)



Profitable opportunity can be measured through business growth and growth expectation. Traditional measurement of business growth can be over viewed as output, export, and sales. Moreover, profitable opportunity such as income and sales per employee is also comparable with venture success (Amit & Muller, 1995). However, one may question about how effective measurement of job creation and sales or revenue to the opportunity is profitable in the immigrant entrepreneurship business? In most of the cases, immigrant entrepreneurs employ family members for the sake of reducing taxes and to increase the personal wealth. They also may employ many people by providing low salary. Despite the employment being formally registered, this doesn't assure quality employment or job creation. In the initial stage, an immigrant venture may create high profits because of ethnic protected market; however, the market can become highly matured within a short period of time due to a low entrance barrier. Moreover, because of high opportunity costs OEs create an option to promote prolonged profit, yet they usually don't make profit at the initial stage. That means just to analyze the initial or a certain time period of sales or job creation without considering longer time-span would venture success misjudged.

To become a profitable firm needs to run for a longer period of time in order to assure more sustainable profit and employment opportunity. Innovation provides sustained venture growth-rate and profit. It also provides competitive advantages that likely means more profit from innovation, thus the innovativeness of the venture is viewed as the most potentially biggest determining factor for wealth creation (Ucbasaran, Westhead, & Wright, 2009). New innovative products may include a spin-off, improvement of a former product or something new which meets market demands. Such qualities contribute to the growth of the current firm. Innovativeness of a venture itself will work for business growth. On the other hand, business growth expectations depend on both the entrepreneurs' personal and job satisfaction. Since OEs have high opportunity costs they will expect more job and personal satisfaction from an alternative venture rather than NEs. Both the job and personal satisfaction provide a positive expectation in the long run of business. OEs will see positive growth expectations rather than the negative expectation that are seen by NEs due to push motivation. Thus performance of pursued opportunity will measured by:

1. Business growth: Annual sales number and innovativeness.
2. Business growth expectation: Job and personal satisfaction.

### **3. Research Design**

#### **3.1 Methodological framework**

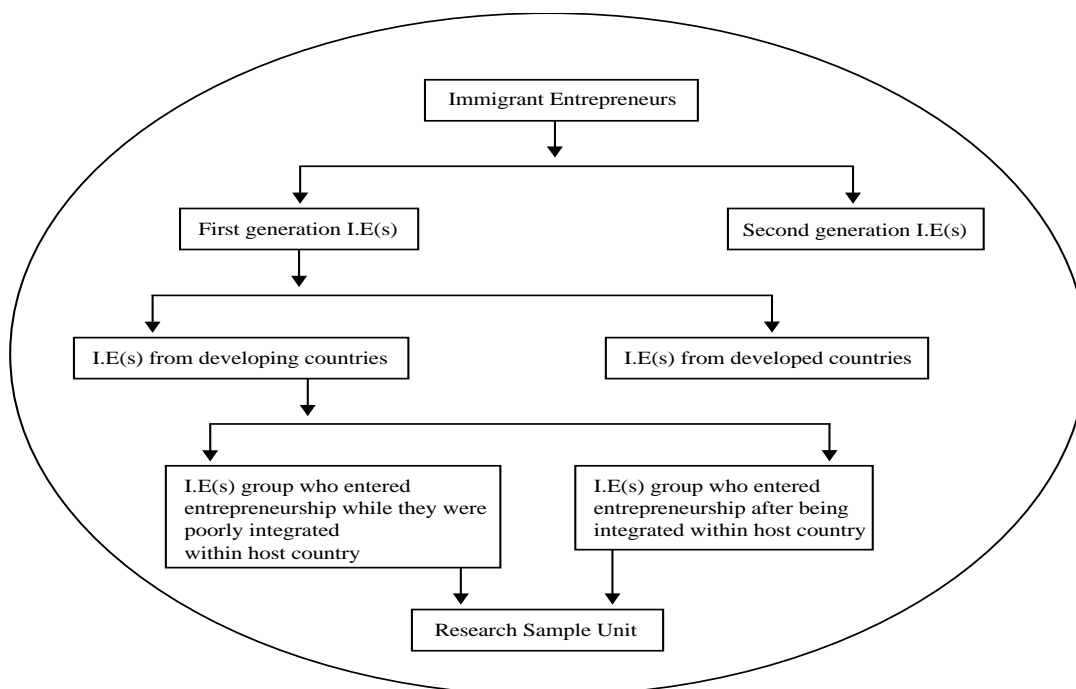
The qualitative research method was followed in this research. The theoretical framework established from the literature is mainly based on the research questions that will answer the research proposition. The case study was divided into two sections. On one side, I studied immigrant entrepreneurs who took to entrepreneurship after being fully integrated within the host country. The other group was immigrants who took entrepreneurship while poorly integrated within host country. Both groups of immigrant entrepreneur's motivation, gestation (start-up) activities and success were investigated in this study, therefore, this research purely exploratory. Considering that the gestation (start-up) period of new firm varies from 1 to 4 years; within this limited time period (17 weeks) it is not possible to follow a longitudinal design. Multiple-comparative case studies have been used in this research and holistic analysis design, primarily with eight cases. Considering that multiple case studies are strong and superior in comparison to a single case study, I used multiple cases to avoid vulnerability of a single case study (Yin, 2009). It is also an advantageous design for the literal replication of the findings.

#### **3.2 Data collection procedures**

Multiple data collection methods will enrich the research quality since every data collection method has its own limitations. Multiple data collection methods like documentation, intervention, archival records, and direct observations are appropriate for case study inquiry (Yin, 2009). The richest data collection method namely semi-structured process was adopted, followed by Yin.

To conduct this study, I have used quota-sampling method based on predetermined characteristics in order to collect the interview samples. To make sure that all the respondents were first generation immigrant entrepreneurs, a snowball sampling strategy was adopted for this research. At first I communicated with an organization, Audit firm, through personal contact and later contacted all other respondents that were suggested by that particular organization. Considering the available time and connections with immigrant entrepreneurs it seemed the above approach was the best way to get the maximum number of respondents.

Immigrant entrepreneurs usually always use co-ethnic people at their business activities because these laborers are cheap and they can work for longer time with low salaries but that is neither legal nor acceptable by law. Moreover, asking about financial profit is again a sensitive issue for immigrant entrepreneurs that sometimes create an unwillingness to give interview of immigrant entrepreneurs. Therefore, I have used snowball strategy to find more interviewees. In this process immigrant entrepreneurs find trust, making this the best approach to get more respondents. My research populations were diverse in nature and belong to first generation immigrant entrepreneurs, second generation immigrant entrepreneurs, immigrant entrepreneurs from both developed and developing countries thus snowball strategy was taken to find the first generation immigrant entrepreneurs. The predetermined characteristic, alternatively quota-sampling method was chosen as sampling technique for this study.



**Figure 2: Process of sample selection and research sample unit**

I have used the following parameters (Table 2) in order to select the respondents. Table 3 and 4 represents distinguishable characteristics of two groups (A, B). By using these parameters (Table 2) I have contacted 29 first generation immigrant entrepreneurs, among them only four fulfill the criteria of being highly integrated in the host country before self-employment. Therefore, this research based on 4 entrepreneurs for each groups.

**Table 2: Immigrant Entrepreneurs’ parameters**

1 <sup>st</sup> Generation Immigrant Entrepreneurs	
<ul style="list-style-type: none"> <li>• Minimum business operating time</li> <li>• Language proficiency at host country by             <ul style="list-style-type: none"> <li>i. Education</li> <li>ii. Profession</li> <li>iii. Others</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Country of origin</li> <li>• Inhabiting period at host country</li> <li>• Skilled job experience at host country</li> </ul>

**Table 3: Respondents (Group A) - Immigrant entrepreneurs group who entered entrepreneurship after being highly integrated within host country**

Interviewees	Origin	Residence Period before self-employment	Business operating time	Skilled job experience	Language proficiency by -		
					Job	Education	Others
Interviewee 1	China	15 years	13 years	Yes	Yes	Yes	
Interviewee 2	Pakistan	16 years	11 years	Yes	Yes	Yes	
Interviewee 3	Bangladesh	19 years	18 years	Yes	Yes	Yes	
Interviewee 4	India	16 years	14 years	Yes	Yes	Yes	

**Table 4: Respondents (Group B) - Immigrant entrepreneurs group who entered business while they were poorly integrated within host country**

Interviewees	Origin	Residence Period before self-employment	Business operating time	Skilled job experience	Language proficiency by -		
					Job	Education	Others

Interviewee 5	Iraq	9 years	6 years	No	No	No	NLPR
Interviewee 6	Bangladesh	6 years	1.5years**	No	No	No	NLPR
Interviewee 7	Sri Lanka	7 years	13 years	No	No	No	NLPR
Interviewee 8	Sri Lanka	4 years	15 years	No	No	No	NLPR

NLPR: Norwegian language for permanent residency

Statistically 72 percent of newly founded immigrant business dies within 4 years of operation in Norway (Vinogradov, 2008). Therefore, in order to measure whether the venture is going to be profitable or not, all the business ownership considered here lasted for 4 years or more. However, only one firm lasted for 1.5 years because the entrepreneur sold his company after that time.

### 3.3 Unit analysis

A unit is a particular subject that is analyzed during the research (Yin 2009). A unit is the main source of data information. In this research, the unit was first generation immigrant entrepreneurs from developing countries; immigrant entrepreneurs who take entrepreneurship after being highly integrated within the host country and another group who take entrepreneurship while poorly integrated within host country. It is also noted in this research that first generation immigrants were considered those who were born aboard along with their parents (Vinogradov, 2008). First generation immigrant entrepreneurs are referred here as immigrants who came in Norway and subsequently engaged in business activities. In both cases, particularly the founder of the company was considered to be interviewed. If the company revealed as family business then the first founder was selected for interviews because of his decision making responsibility. Moreover, all the respondents were taken as non-technology based immigrant entrepreneurs.

### 3.4 Interview

Face-to-face and semi-structured interview methods have been chosen for this study due to the flexibility of the interview (Yin, 2009). A face-to-face interview presents the opportunity to record the conversation, thus ensuring the highest probability for accurate information (Wilson, 2010). Most of the cases follow up questions were used to get more information from the interviewees. For example, when asked ‘what was the main reason to start your

company?’ The answer may be like ‘unemployment’. A follow up question may be like ‘how long have you been unemployed?’

### **3.5 Data analysis**

Based on Wilson (2010) recommendations qualitative data analysis mainly follows these subcategories:

1. Transcribing the data;
2. Reviewing and identifying the themes or patterns;
3. Explaining the findings;
4. Report writing.

All the individual cases were transcribed separately and described in a single case study by using their start-up motivation, their activity performance during the process of firm creation and also by the performance of the businesses. The inquiry transcripts were further divided into several structural sub-categories based on research questions. Analytical themes across the narrative data were used to answer the research questions. In addition, a cross-case analysis has conducted between these two groups of entrepreneurs for a comparative analysis. In order to validate the data that was acquired from respondents (employee’s number, financial profit) were analyzed from the business registration databases (information that is available for public trade), following Yin. Some quantitative data has been used but not any statistical analysis.

### **3.6 Analysis method**

The analysis method adopted in this research was deductive. According to Wilson (2010) deductive methodological categories first comes from existing theory. Conversely, inductive analytical process develops the categories from the collected data. A deductive method requires less time whereas an inductive process needs more time and data samples. I have chosen predetermined categories before carrying out primary and secondary data.

#### **The research categories:**

Depending on research questions I have formulated the following categorization in order to

analyze the interview transcripts.

**Table 5: Categories for interpreting findings**

Categories	Indicators	Theory
Entrepreneurial motivation	Push-negative factor Pull-positive factor	Various
Gestation (start-up ) activities	Business planning activities Human resource activities Financial resource activities Physical resource activities Marketing activities	Various
Entrepreneurial success	Business growth 1. Profit 2. Innovativeness Business growth expectation 1. Job satisfaction 2. Personal satisfaction	Various

### **3.7 Anonymity, Validity and Reliability**

This research follows the recommendations given by Wilson (2010) and Yin (2009) to increase the validity and reliability of the research.

#### **Anonymity**

While conducting interviews I promised to keep the unit identities anonymous. Because the research sample unit (first generation immigrant entrepreneurs) is sensitive in nature and always unwilling to share their experiences (i.e. true motivation, entrepreneurial profit). As I wanted to get as many respondents as possible, I made it clear not to publish their information to anyone.

#### **Reliability**

*Using multiple sources of evidence* - In this research I have used different sources of literature from the field of first generation immigrant entrepreneurship in the context of necessity and

opportunity entrepreneurs. My respondents were from different countries and I have used three different research questions to increase the validity of my findings.

*Creating a case study data base* - After conducting the interviews all the recorded information was transcribed and developed into a case study database for further categorization. Moreover, repeated phone calls and face-to-face questioning has done in order to get missing data.

*Maintaining a chain of evidence* - I have tried to maintain a chain of evidence throughout the analysis of this research. Based on the literature review I have developed research proposition. In order to justify the research proposition I have formulated the research questions from existing theories. Finally, in answering the research questions I used both primary and secondary data to support my research proposition.

### **Validity**

I have used Wilson (2010) and Yin's (2009) recommendations in order to improve the research validity.

1. I have used multiple sources of data and defined research questions clearly.
2. I made a precise co-relation among the research questions and categories.
3. I clearly informed the research participants about research questions and categories.

## **4. Results**

### **4.1 Case presentation**

**Interviewee 1 (Case 1):** Entrepreneur 1 is a 47 year old woman. She came to Norway in 1986 and completed a bachelor degree with specialization in management. She did a one year intensive language course in order to complete her degree. She has a specialization in Chinese, Norwegian, and English language. She worked in a restaurant during her studies. After finishing her study she continued her job as a manager of Chinese restaurant and owns a business a Sushi and Asian food restaurant in 2001.

**Interviewee 2 (Case 2):** Entrepreneur 2, who is living in Oslo for more than 27 years. He studied up to FSC (Fellow of Science) from Pakistan. Then whole family shifted in Norway in 1987. In Norway he studied IT and Marketing. He also earned a MBA degree with a specialization of organization and leadership. He had several years of working experience in



airline ticket sales and tourism until starting his own company (a travel agency) in the year 2003.

**Interviewee 3 (Case 3):** Entrepreneur 3 came in Norway in 1975 to study Social Economics. But after a while he quit this course and started Financial Economics a topic which offered more job opportunities. He also had Norwegian language course too. He started his carrier as a chartered accountant and he left his job as senior audit officer at Deloitte. Later in 1994 he started his own audit company.

**Interviewee 4 (Case 4):** Entrepreneur 4 did his graduation from India in mechanical engineering and had two years working experience as a purchase officer. In 1984 he moved Norway to study engineering. After completion of his degree he began work at an oil company in Norway but quit after 2 years and joined a cloth and leather company in Norway. After 9 years of work he started his own company accounting and bookkeeping in 2000.

**Interviewee 5 (Case 5):** Entrepreneur 5 is 55 years old who migrant from Iraq and has been living in Norway since 1999. He came here as an asylum seeker. He completed his higher secondary school from Iraq. He worked for several years in different fields such as cleaning work at pizza shop and night security guard. When his status (asylum-seeker) was granted, his family also moved in Norway. With a family to support, he became more conscious of attaining higher earnings. He brought a grocery shop in 2008.

**Interviewee 6 (Case 6):** Entrepreneur 6 living in Norway since 2007. He came from a tribal region in Bangladesh. He completed his college education in his home country and came to Norway as an asylum seeker. Here he worked at a Chinese restaurant for a couple of years and became the owner of a restaurant in 2013.

**Interviewee 7 (Case 7):** Entrepreneur 7 came from Sri Lanka as an asylum seeker in 1994 and he is 57 years old now. He completed primary education back in his country. He had five years of experiences as a cleaner at Oslo commune and 2 more years of part time work in a shop. His health issues forced him to be self-employed in the year 2001. His business consists of wholesale of electronics and telecommunication equipment.

**Interviewee 8 (Case 8):** Entrepreneur 8 also came from Sri Lanka as an asylum in 1995. He came because of political turmoil between tamil people and the government. He is 61 years

old and living in Norway more than 20 years. He had a cleaning job for 4 years before starting his own cafe and restaurant in 1999.

**Table 6: The interviewees and their companies based on entrepreneurial opportunities**

Interviewees	Opportunities	Company's annual sales ( NOK )	Number of employees
Interviewee 1	Sushi and Asian Food	12 million	26
Interviewee 2	Travel agency	109 million	6
Interviewee 3	Audit firm	4.8 million	5
Interviewee 4	Accounting and bookkeeping	5.6 million	6
Interviewee 5	Grocery shop	Sold at 0.5 million*	None
Interviewee 6	Indian restaurant	Sold at 0.4 million *	None
Interviewee 7	Wholesale of electronics and telecommunication equipment	0.37 million	None
Interviewee 8	Cafe and restaurant	0.3 million **	None

Sources: All data have taken from Proff business finder from Norwegian database, 2013

\*Some cases represent the company's sold prices since the annual sales data wasn't available

\*\* In that case the entrepreneurs' opinion was the only source of information of annual sales price since the data wasn't publicly available

## 4.2 Analysis

Based on research questions, relevant answers were taken to interpret. In this part the main objective is to answer the research questions that will ultimately deny or prove the research

proposition. I will interpret the motivation in the first part, activity patterns during gestation period in second part, and I will discuss entrepreneurial growth and future growth expectation for each of group of immigrant entrepreneur (A and B) in third part.

#### **4.2.1 What are the motivations behind self-employment?**

##### **Group A (Immigrant entrepreneurs who entered business after being highly integrated within host country)**

All four interviewees had their professional working experiences in the host country. 3 out of 4 entrepreneurs started the businesses that were similar of their professional background. 1 of 4 interviewees only shifted from his educational background (chemical engineering) and involved in the accounting and bookkeeping business sector.

3 of 4 immigrant entrepreneurs engaged in entrepreneurial thinking when they were doing their previous job. Only one interviewee underwent few months of unemployment though the entrepreneur had opportunity to join his fathers' shop with a lucrative salary. Respondent 2 stated that:

*"I could join my fathers' business. My father had a grocery shop and it was more than standard salary."*

3 of 4 interviewees had the secure job when they engaged entrepreneurial activities. Entrepreneur 1 was a manager of a big Chinese restaurant for more than 12 years. Entrepreneur 3 had several years of working experience as chartered accountant before setting up his own government authorized audit company (first ever Asian owned of its kind). Entrepreneur 4 had also the same professional experience, though he had a professional job within oil industry and later cloth and leather industry.

All the immigrant entrepreneurs of group A quit their lucrative (in terms of financial and secure) in their jobs because they were motivated to earn more money for betterment of their life. 2 of 4 interviewees' primary motivation were to make money from their companies. Respondent 1 highlights that:

*"I took risk because I wanted to make money."*

Case 4, entrepreneur was purely motivated for monetary desire. He had a job in his home country and he came to Norway for study purpose. He had a good job in Oil Company but

quit it and joined another job in leather and clothing company with a higher salary. Entrepreneur 4 explained that:

*“I wanted to be a businessman only for money. I shifted three different jobs to earn more money but I realized only business can make more money than other paid employees.”*

*“I am a chemical engineer; but I am doing my business in accounting and bookkeeping because here I can make more money than other paid chemical engineer employees.”*

Entrepreneur 3 had an education in Financial Economics and worked at least 12 years in both big and small companies in Norway. He earned sufficient money from his job but entered business because more earning opportunity compared to his job at that time. This entrepreneur narrated that:

*“I was expecting company’s share at the end of my carrier life. But when I saw that 2 of my seniors got retirement without getting anything, I was little disappointed though I was fully satisfied with my job. I worked there as a senior audit officer.”*

More explanation asserted by the entrepreneur 3:

*“It was 1990s, I noticed lots of immigrant shops in Oslo and I knew one thing that in Norway at that time there was a lacking of skilled chartered accountant. I realized that there was a big market opportunity for a chartered accountant because all limited companies must have to audit their firm. Lots of immigrants were engaged in grocery shop, taxi driver, pub, and restaurant business on that time.”*

Respondent 2 was different from the others. He was unemployed around nine months. His motivation was different from others’ (i.e. monetary needs). He wanted something different. This entrepreneur replied that:

*“I already had social status in Norway. I could join my fathers’ shop but I wanted to make something my own because I have a status. Then I realized I can try the sector belonging to Air ticket industry.”*

**Group B (Immigrant entrepreneurs who entered business while they were poorly integrated with the host country)**

This group of immigrant entrepreneurs had limited job opportunity in Norway. None of the interviewees had a strong basis for available an alternative job when they entered self-employment. Entrepreneur 7 replied as:

*“No good job was there for me. Even, if I got any job, I was unable to do for my physical health. Without education it was impossible for me to find a good salaried job.”*

Entrepreneur 5 and 8 had part-time job while case 6 the entrepreneur was unemployed before self-employed. Entrepreneur 8 explained that:

*“I had 3-4 hours cleaning job when I decided to start my own shop. I also did part-time newspaper delivery and restaurant cleaning job. I don’t think I had available good job rather cleaning or restaurant job that was low paid.”*

1 of 4 interviewee stated that unemployment was the main cause to start their own business. Entrepreneur 6 did not want to make money; rather he wanted to not lose his savings. Since it wasn’t easy to earn and save money by doing physical work. Entrepreneur 6 highlights that:

*“My only working experience was in a restaurant as a cleaner. I was there almost three years. Then I lost my job and I was unemployed. Later I got another job as a cleaner and at that job I worked for two years. Again, I lost that job because, student labor was cheaper and there were many people applying. Then I was unemployed for 5 months. It was hard for me because we were expecting our first baby and I was losing my savings.”*

2 of 4 interviewees entered self-employment because of family needs or low income. Entrepreneur 5 had a big family with four kids. His income wasn’t sufficient for his family expenses. So, he decided to enter into the business sector. Information from interviewee 5:

*“When my paper was granted I bring my family in Norway. Before that I did cleaning job. But, it wasn’t economically sufficient for my family as I had four kids and wife. It’s a big family and I need more income. Cleaning job wasn’t sufficient for my family.”*

Entrepreneur 8 also had a similar reason for his self-employment. He narrates that:

*“I had 3-4 hours part time cleaning job. But I need to earn more money for my family. I was the only earning member in my family. Restaurant job don’t pay much salary but they wants more work for longer hours. Cleaning job does not require much physical pressure but the*

*working hours are also short. So I decided to have my own shop whereas my wife can work with me as well.”*

Interviewee 7 mentioned that his limited job opportunity was due to illness. Health issues were the main reason behind his self-employment. According to him:

*“I quit my previous cleaning job because I was sick [.....]. I was unable to do much more physical work because of my back pain. That was main reason to buy this shop.”*

#### **4.2.2 How did they perform the entrepreneurial activities during the gestation (start-up) period?**

To analyze this research question I have asked several questions from business analysis activities, resource assembly activities (human resources, financial resource and physical resource activity) and marketing activities that belong to the part of start-up activities.

##### **Group A (Immigrant entrepreneurs who entered business after being highly integrated within host country)**

All the 4 entrepreneurs had clear concept about their business ideas before starting their company. All interviewees informed why and how they were going to make money with that pursued opportunity. Entrepreneur 4 and 2 stated:

*“Small firms are unable to do accounting of their own company. It’s always expensive to have a full time accountant for small and medium company. In Oslo lots of immigrants are doing self-employment and having accountant is not practical among immigrant entrepreneurs. They need to rely on outsourcing, unless the company is too big in terms of profit. Even if they have accountant but they are not well competence and the company need accounting again that is also expensive for firm. So, most of them are dependent on outsourcing.”*

*“[...] there was a big market gap in air travel industry. And I am the only one Pakistani and south Asian who started B2B level in the air travel agency [.....] most of the immigrants couldn't afford doing B2B level. They generally do B2C. So I chose to start B2B.”*

Interviewee 1 expressed her market opportunity as:

*“Norwegian people are health conscious and Sushi food is healthy food. Very few had this food items. So there was a less competition.”*

Again entrepreneur 1 stated that:

*“[.....]. So that I will have maximum number of customers during summer and winter season. What most of the restaurants make mistake that is initially they chose small place. Later they fail to expand it. But I took high risk by renting big space initially and I got the results just after 2-3 months and started making profit till now.”*

Entrepreneur 3 also had a clear business idea (market opportunity) before built his company.

Entrepreneur 3 explains:

*“Norwegian government has changed the laws in 1976 that all limited companies, irrespective of their size, and revenue must have to audit their firm. [.....]. But there was a gap of skilled chartered accountant for almost 20-25 years. [.....]. In 1990s there were lots of immigrant shops in Oslo that was a big opportunity for me.”*

4 of 4 entrepreneurs analyzed their opportunity before starting their companies. Every one analyzed both risks and market opportunity.

Entrepreneur 1 explained that:

*“When I started my own company that time there wasn't any Sushi restaurant in this place in 2001 or neither any kind of restaurant.”*

Interviewee 2 explained that:

*“B2B Company needs a lot of guarantee money. For that reasons, most of immigrant entrepreneurs cannot afford that money and because of high risk they do only B2C.”*

Interviewee 3 was sure about his opportunity and confirmed that:

*“When I chose my own company as a chartered accountant, I find myself as the first Asian chartered accountant in Norway and I think I am the only one and first Asian who is doing chartered accountancy firm.”*

2 of 4 interviewees refined and adjusted their original business plan during the gestation period. Respondent 3 planned initially to start only auditing firm but later he refined it and

emerged with both an accounting and auditing service firm. Entrepreneur 1 had only sushi restaurant ideas earlier. But during gestation period she got feedback from her father and finally come up with an Asian foods and sushi restaurant concept. Entrepreneur 1 highlighted that:

*“I had only Sushi food idea and my father accepted the idea and he also suggested having Asian foods as well.”*

When asked about human resources planning everyone (4 of 4) described clearly their activities about hiring or developing human resources. One interviewee (case 1) explained:

*“When I planned to have my own restaurant, every year I went my home country during vacation. That time I used to find very good cooker for my new restaurant. I also kept connection with few chefs for summer time, if my restaurant goes too busy.”*

Interviewee 3 was more active about planning of human resources. He took around 2 years to build up his human resources. He taught his wife about inputting data for two years so that she could work as an office employee.

*“Before started this company, I taught my wife about accountancy works as if she could work with me. I also hired one person on that time with a good salary.”*

4 of 4 interviewees conducted a strong financial resources assembly during their start-up phase. 2 of 4 had a plan of saving money for business purposes. Everyone invested their own money whereas 2 of 4 interviewees asked for external founding.

Entrepreneur 2 stated:

*“If I could sell 4-6 tickets daily I would survive initially. That time my wife also took part-time job at care center to support our family.”*

Entrepreneur 3 also took to a similar plan. He planned that if his wife could work as a paid employee with his company then the money will remain as their own and be saved for future expenses. He was conscious about hiring an extra employee who could essentially dilute their earnings, so he concluded it would be better to engage his wife in the business. Initially he hired one employee and his wife.

Entrepreneur 1 and 3 saved money to start their firm. Interviewee number 1 confirmed that:



*“I spent almost 4 years to manage the money [.....].”*

Entrepreneur 3 stated that:

*“In 1990, I realized to create my own company. So, I managed to make some savings from my salary and I started my company in 1994.”*

Entrepreneur 2 and 1 asked for external money along with their savings. Entrepreneur 1 asked money from her father because of high rent of place and employee costs. Interviewee 2 asked money from his sister and father because he needed lots of guarantee money (large deposit). He expressed that:

*“I need to convince them because I need some guarantee money and I had only 35 thousands at that time.”*

Physical resource activity such as location selection was carefully investigated by all interviewees. Everyone was much more concerned about that matter before started their company. Entrepreneur 1 highlighted that:

*“It was almost 4 years I spent to manage [.....] and location. I chose just in front of cinema hall so that I can get maximum number of customers. I did not consider the cost of rent but wanted the right place. I chose the place where I have larger amount of space in both indoor and outdoor area.”*

Another interviewee (case 4), put it like this as:

*“Of course, office should be at the center of the city; here all the immigrants business is located. Though it was highly costly but I chose it. If I go the corner of the city for cheap price how I will get customers.”*

Entrepreneur 2 was also planned well when choosing the right place. He did not want to setup his office at a business center, airport or others commercial areas but his choice was to stay close to his customers. He narrated that:

*“From my previous work I have learnt that having office at distant areas is not good for small companies. Customers don't satisfy if they find it at Gardemon, again it is expensive too for other small business owners (B2C). I wanted to setup my office at near city, close with my clients.”*

Marketing strategy was also researched in this group of entrepreneurs. 3 of 4 interviewees had strong marketing or promotion about their products or services during start-up phase. Two interviewees explained that:

From interviewee number 2:

*“When I started my company, I start calling the customers those I knew from my previous work place. I got the entire customers initially by phone calling.”*

Entrepreneur 3 said that when he decided to have his own company after getting his license for. He tried to inform all of his friends about his firm. His company’s promotion strategy was:

*“Initially, I informed all of my friends (both the business owners and my friends) that if they come my company and if they submit their paper between March and April, my company will do it within 3 weeks.”*

Interviewee 4, case (4) just did it at initial phase. He explained:

*“I just informed those persons whom I helped (accounting, business help) previously when I was doing my regular job that I am going to start my own company as accounting and bookkeeping. After that I didn't went to the customer. Customers find me because they need that service.”*

The time between the first events that initiate the formation of new firm and the first commercial sales this time period referred as the gestation (start-up) period. 4 of 4 interviewees had considerable time during that period. 2 of 4 interviewees took almost 4 years whereas entrepreneur 4 took almost 3 years; and exceptionally entrepreneur 2 took only 9 months as a gestation period.

### **Group B (Immigrant entrepreneurs who entered business while they were poorly integrated within the host country)**

None of the entrepreneurs were able to analyze or define strongly about how the business will make money or give long-term potential return. None of them had clear concept about their business ideas before starting their company. All entrepreneurs’ answers were very weak about their knowledge of customer needs or market demand. They selected their business

because out of reasons of survival. 2 out of 4 interviewees took self-employment within a short notice.

Entrepreneur 7 analyzed:

*“My friend told that he is willing to sell his shop; if I want I can buy. I took his offer immediately; even I did not discussed with my wife. I saw that the shop has a regular income that was best for me without doing any particular thing. The shop had a profit of about 20 thousands NOK over the renting cost. So, it was best for me.”*

Entrepreneur 5 also bought a shop just after observing it for only 6-7 days. His business idea wasn't about real customer needs instead it was a situational demand. He narrated that:

*“I brought this shop because there were only one shop around that remained closed on weekends so I could sell all Sunday, Saturday (late night) and other days also especially at early morning and late night.”*

Entrepreneur 8 had also the same poor businesses concept. According to him he built the first Sri Lankan cafe but it failed to attract Sri Lankan customers as it was not due to its lack of specialty items and properly prepared Sri Lankan coffee. Even, he could not differentiate his cafe from other regular cafe shop. He narrated that :

*“There wasn't any Sri Lankan cafe or restaurant on that time. So I chose to do it.”*

Entrepreneur 6, who bought a shop that was far from his house. When he was unemployed he bought it by visiting several time in summer. There were few sales at the shop and the buying price was reasonable for him. He noticed there were no other Indian shops around. He was not well informed about the future risk. He narrated that:

*“It was my mistake; I did not look details, who are my customers. And of course, I did not think about winter time.”*

None of the interviewees researched the opportunity deeply. Everyone entered business within a very shorter time period. Participant 5 and 6 visited their particular shops only a few times. Only respondent number 8 had few months to prepare for business but he did not perform any significant activities because he had limited liquidity. So he entered into cafe shop with almost no equipment. None of the respondents analyzed any risk of failure. Neither did they neither refined nor adjusted their original opportunity.

None of them had any plan to save money before starting their own company. Every one used their own money. No one asked for money from external institutes or other people.

4 out of 4 interviewees recruited their family members in place of employees. However, human resources practice is not evident among this group of entrepreneurs. Neither they had any business degree or skill nor did they take part in any exclusive business courses or start-up work shop. Even for case 8, his wife worked in the shop as a cook without any working experience. Entrepreneur 7 also did the same, his wife worked as a sales representative without having knowledge in English.

In case of selecting location, this group's consideration was totally different from that of group A interviewees. Group B all the interviewees looked for place with the cheapest rent.

Interviewee 6 stated that:

*“It was cheap; I could buy that shop with my savings.”*

This group could not answer about marketing strategy either in the start-up phase or after the firm's formation. They were not concerned about this. Gestation period wasn't sufficient for this group. They didn't give much time to organize their firms.

#### **4.2.3 How profitable is the exploited business opportunity?**

##### **Group A (Immigrant entrepreneurs who entered business after being highly integrated within host country)**

This group has exploited business opportunity in a purely innovative way. 3 out of 4 interviewees confirmed that their venture was due to unmet customer needs. Only one interviewee (entrepreneur 4) entered business, which wasn't purely in the early industry life cycle. But his venture was with first Indian immigrants and the market was unmet customers need with few competitors. Entrepreneur 1 chose Sushi and Asian food business that was an early industry business in Oslo at that time. She had larger indoor and outdoor space that enabled her to make the restaurant open both in the summer and winter seasons. The space also allowed corporate bookings, which provided her an advantage over smaller restaurants. In that sense her business was most innovative.

Interviewee number 2 is in air ticket industry at level B2B. While other immigrants were handling B2C level, he was the first immigrant entrepreneur in Oslo to conduct business at such innovative level. So, market demand was high for the B2B level. This entrepreneur took that opportunity and became the first B2B entrepreneur of south Asia.

Interviewee number 3 was the pioneer on his audit venture. He narrated that:

*“I am the first Asian chartered accountant in Norway and my firm is also first Asian auditing company.”*

The fourth interviewee number (case 4) was professionally an engineer. But he found much opportunity in a different tract that was accounting and bookkeeping industry. According to him there are only 6-7 immigrants involved in this industry but none of them are Indian immigrants. Every firm has limited number of customers and capacity thus the competition remains balanced in these industry. He found a huge market in Oslo since lots of Indian and other immigrants live here.

In summary all the interviewees’ perceptions were purely innovative either as a first mover or in the early industry cycle or in meeting unmet customer needs.

Job and personal satisfaction from self-employment leads long term continuation of venture hence expected more profit. All of them were highly satisfied in both their job and personally satisfaction.

Entrepreneur 3 highlighted that:

*“By doing this business I get everything. I have now social recognition, money, flexibility everything. Now I have one employee who manages all in my absence.”*

*“Now I am the honorary counselor of Bangladesh in Norway.”*

*“One of my sons is studying MBA in USA.”*

Entrepreneur 4 was satisfied as he got everything. He started another business in the UAE from the profit he received from the existing business. He got much more salary from his own company. He narrated that:

*“Now I don’t need to come my office every day. I have 12 employees in my office.”*

*“I have another business in UAE.”*

Interviewee number 1 said she is totally satisfied comparing her previous job. Her daughter is studying at most prestigious university in UK. According to her, it wouldn't have been possible without her own company. Every year the entrepreneur visits several countries on vacation. She uses the bus to reach her restaurant that is at 5-7 minutes away from her house. So, whenever she needs she can make quick visits from home to work. She expanded her business and is now the owner of another 2 restaurants.

Interviewee 2 defined his satisfaction as:

*“After starting my own company, I bought my own house, my car.”*

*“Day by day I am expending my own business.”*

*“I travel all over the world.”*

**Group B (Immigrant entrepreneurs who entered business while they were poorly integrated within host country)**

4 of 4 interviewees could not answer properly about how their ventures were innovative. Everyone in group B said that there was nothing new that would make people come to buy their product or services. All the interviewees' selected business sector was mature and full of competitors. Entrepreneurs 5's business mainly depended when the other shops would be closed (Sunday, and other days after 11 Pm). Entrepreneur 6 sold his shop because during winter there was no business; no sales at all. However, entrepreneur 7 survived a few years by selling international calling cards and internet services among immigrants. But now the most immigrants have opportunity to use internet in home and through mobile. Now his business went down day by day. He said that:

*“Day by day my profit is going down. One day I have to close my shop.”*

None of the interviewees in that group answered that they are both job and personally satisfied about their venture. Two interviewees sold their business. While another two were worried about future business. Their thinking was more close to discontinuation of the business. Interviewee 5 said:

*“I have to open my shop from morning 7 am to late night at 12.30 am. That is too long duration.”*

*“From last year the student house authority started renovating one big family apartment and for that reason no family customer are living there. From last year sales was almost nothing. During winter time people don’t come early morning or late night”.*

Interviewee number 7 said that:

*“People don’t come to my shop to call abroad. Most the immigrants can use their mobile phone to call home country.”*

*“Every day in a month I have to open my shop from 7 am to 11 pm. Now-a-days I need rest but I have to work every day.”*

Interviewee 8 said that:

*“I did not take any vacation in last year.”*

*“That shop is just for survival, not for making any money.”*

### **4.3 Cross-Case analysis**

In the next section a cross-case study comparing the two groups will be carried out. Each individual case will be compared to one another within the group and then with the opposite group based on every research questions. In this cross-case analysis, summaries are taken from the previous results.

Group A	Motivation	Group B	Motivation
Entrepreneur 1	High economic profit / Pull motivation	Entrepreneur 5	Family needs / Push motivation
Entrepreneur 2	Social status / Pull motivation	Entrepreneur 6	Unemployment / Push motivation
Entrepreneur 3	Market opportunity / Pull motivation	Entrepreneur 7	Health issue / Push motivation
Entrepreneur 4	High economic profit / Pull motivation	Entrepreneur 8	Family needs / Push motivation

Group A	Available Job Opportunity	Group B	Available Job Opportunity
Entrepreneur 1	Highly available	Entrepreneur 5	Limited and Non-professional
Entrepreneur 2	Available	Entrepreneur 6	Limited and Non-professional
Entrepreneur 3	Highly available	Entrepreneur 7	Limited and Non-professional
Entrepreneur 4	Highly available	Entrepreneur 8	Limited and Non-professional

### Gestation ( Start-up) Activities

#### Business Planning Activities

	Clearly defined market opportunity	Data collection for market analysis	Refined and adjusted business plan
<b>A</b>	Entrepreneur 1	✓	✓
	Entrepreneur 2	✓	✗
	Entrepreneur 3	✓	✓
	Entrepreneur 4	✓	✗
<b>B</b>	Entrepreneur 5	Poorly defined	✗
	Entrepreneur 6	✗	✗
	Entrepreneur 7	✗	✗
	Entrepreneur 8	Poorly defined	✗

#### Financial Planning Activities

	Saving money to invest	Invested own money	Asked others for money
<b>A</b>	Entrepreneur 1	✓	✓
	Entrepreneur 2	✗	✓
	Entrepreneur 3	✓	✓
	Entrepreneur 4	✓	✗
<b>B</b>	Entrepreneur 5	✗	✓
	Entrepreneur 6	✗	✓
	Entrepreneur 7	✗	✓
	Entrepreneur 8	✗	✓



**Human Resource Activities**

		Hired employees	Taken business degree / start up workshop
<b>A</b>	Entrepreneur 1	✓	✗
	Entrepreneur 2	✓	✗
	Entrepreneur 3	✓	✗
	Entrepreneur 4	✓	✓
<b>B</b>	Entrepreneur 5	✗	✗
	Entrepreneur 6	✗	✗
	Entrepreneur 7	✗	✗
	Entrepreneur 8	✗	✗

**Physical Resource Activity ( Location )**

		Customer / Business oriented	Primary concern for cheap rent
<b>A</b>	Entrepreneur 1	✓	✗
	Entrepreneur 2	✓	✗
	Entrepreneur 3	✓	✗
	Entrepreneur 4	✓	✗
<b>B</b>	Entrepreneur 5	✗	✓
	Entrepreneur 6	✗	✓
	Entrepreneur 7	✗	✓
	Entrepreneur 8	✗	✓

Group A	Marketing Activity	Group B	Marketing Activity
Entrepreneur 1	✗	Entrepreneur 5	✗
Entrepreneur 2	✓	Entrepreneur 6	✗
Entrepreneur 3	✓	Entrepreneur 7	✗
Entrepreneur 4	✓	Entrepreneur 8	✗

**Exploited Business Opportunity**

		<b>Growth</b>		<b>Future growth expectation</b>	
		Annual sales (million NOK)	Innovativeness	Job satisfaction	Personal satisfaction
<b>A</b>	Entrepreneur 1	12	Early industry life cycle	✓	✓
	Entrepreneur 2	109	First mover / unmet customer needs	✓	✓
	Entrepreneur 3	4.8	First mover / unmet customer needs	✓	✓
	Entrepreneur 4	5.6	Unmet customer needs	✓	✓
<b>B</b>	Entrepreneur 5	0.5 (sold )	No customer needs	✗	✗
	Entrepreneur 6	0.4 (sold )	No customer needs	✗	✗
	Entrepreneur 7	0.37	No customer needs	✗	✗
	Entrepreneur 8	0.3	First mover & no customer needs	✗	✗

## **5. Discussion**

### **5.1 Motivation of entrepreneurs**

Early in their migratory life all the entrepreneurs of group A had employment opportunities in the host country. Better integration (longer residence, professional employment experiences, language expertise) provided them financial betterment, social and business capital in the host country which facilitated them to enter into self-employment. Entrepreneurs who entered business after being highly integrated in the host country had positive motivations. All the respondents had secure available job opportunity as a paid employee therefore their motivations belonged to pull factors.

Since everyone had professional working experiences they were able to built significant human capital. This job experience provided superior human capital, increased the job security and future employment prospects. This professional working experience again increased the economic and non-economic rewards from the paid employment. In that stage they entered self-employment that clearly leads to better market opportunity or other positive motivation than secure the job that confirmed themselves as pull-opportunity entrepreneurs.

Education and work experience from the host country that fulfill the labor market requirements that enable immigrants as paid employment in the host country; it also reduce the likelihood of becoming self-employed (Kanas, Van Tubergen & Van der Lippe, 2009) which means integration through education and professional work experiences from the host country directs them for becoming paid-employee. Consequently, professional work experience will lowers the chances of being unemployed for longer period of time or low income status. That means these immigrant entrepreneurs will be pull motivated by having higher employment opportunity and strong financial status.

My findings confirmed the previous research by Borjas (1986) who indicates that immigrants who reside in United States for 10-15 years (or longer) help them to earn more than natives. That research can significantly support ideas about who enters self-employment after integration into a host country by way of prolonged residency and increased earning level. Reversely, it reduces the factor of lower income (push motivation).

Bozorgmehr (1998) in his empirical research finds that Iranian immigrants are OEs and they were predominantly fluent in the host country language. They also had education from the

host country. Integration through language and education influences the immigrants to become OEs.

It is always difficult for immigrants to transfer the knowledge from their home country to the host country due to the contextual differences that is most prominent at migration period, since migrants are not familiar with the host country's systems. Those immigrants who don't have work experiences and educations from the host country are found to be low qualified and experience difficulties transferring their knowledge. Therefore, they find themselves in the labor market with the disadvantages of less work experience in the host country. Since all the entrepreneurs in group B entered the self-employment with poor integration level (less education, less working experiences, poor language proficiency or short residence period), it shown that their motivations were influenced by unemployment, low income or health issues or family needs. So, at early stage of immigration life those who enter into self-employment (less integration) asserted the probability of being push motivated entrepreneurs.

A previous empirical study by North (2003, cited in Maritz, 2004) who took 26 samples of immigrants from Asian counties those entered into business within two years of their migration period showed that all the immigrants from Asian countries started their business because of unemployment or underemployment. All the interviewees mentioned that they could not find a job because of host country knowledge scarcity. These results support my finding that without integration (or low residency period) at the host country, self-employed immigrants will be push motivated as NEs. Moreover, Hammarstedt (2004) showed that immigrants who entered business within five years of residency in the host country were unlikely to be different than those who enter after a longer residence. The author also asserted that low migration time period creates lower probability to be a self-employed immigrant. The study also mentioned that new immigrants don't have sufficient market and customer demand knowledge and less capability to mobilize their resources. These findings however reversely informs us that those who enter self-employment before proper integration having less time to develop human capital or social capital that lead knowledge gap about market or customers, and less time means less preparation about resources mobilization that could be highly forced into self-employment without having any capabilities to be self-employed.

## **5.2 Gestation (start-up) activities of entrepreneurs**

During gestation period all the entrepreneurs of group A showed that they had enough time to prepare themselves for self-employment. As we can see in the result section, group A had a significant time period before starting their own company comparing to group B. This time period is the most significant phase for entrepreneurs because it determines the ventures' outcome. This time period provides the entrepreneurs' opportunity for planning; essentially more time assures better planning activities.

These results also admit the previous findings of necessity and opportunity entrepreneurs by Giacomini et al. (2011) where the authors shown that OEs perform more activeness during business planning or market research.

In financial planning activities, none of the push-motivated entrepreneurs of group B did any planning to save money for business purposes. They only used their own savings. This group primarily depends on personal wealth. A poor level of integration asserted that they weren't economically integrated either in the host country or having strong social capital here thus limiting their financial preparations. As we can see from the cross case analysis, group A had three entrepreneurs who preplanned to save money for business purposes. Better integration helped them to arrange the proper financial basis.

In terms of human capital development, pull motivated entrepreneurs had a clear pattern about skilled employee hiring. From the cross case table we can see that push motivated entrepreneurs had neither any business degree nor participated any business workshop. They didn't even hire any skilled employees.

Again there is a clear difference exists in between these two groups of entrepreneurs while selecting an appropriate business location. Push motivated entrepreneurs select locations on defensive basis as they chose it mainly due to cheapest rent. Poor integration in the host country creates low economic strength and social capital that made a barrier to them to borrow money from other sources. In contrast, pull motivated entrepreneurs' primary target is about to provide better services or gets more customers by a convenient location that might be expensive. As we can see from results, pull motivated entrepreneurs spent more time thinking about a perfect location despite higher costs.

Data from the cross-case study shows that only group A primarily engaged in marketing activities. All entrepreneurs did extensive marketing through social networks (i.e. co-ethnic friends, business owners, strong and weak ties). By contrast all the entrepreneurs from group B had little to no marketing activity.

In summary, pull motivated entrepreneurs had comparatively better start-up activities than push motivated entrepreneurs.

### **5.3 Exploited business opportunity of entrepreneurs**

For group A, all the entrepreneurs' perceived opportunity was unmet market needs through early industry life cycle. They have chosen the market that was in at early stage thus uncompetitive and pursued the most unique market opportunities. These results are supported by previous empirical findings where OEs pursued unique market opportunity (Reynolds et al., 2002). In group B, the entire entrepreneurs' business or market opportunity were highly segmented or niche market that requires very low start-up capital and the venture was possible to run on a self-funded basis. Group B neither innovate any new ideas nor provide new services in existing sectors whereas their operating opportunities were full of competitors. They could not develop any demand towards customers that must bring them to take their offers. On the other hand, all the pull motivated entrepreneurs ( group A) discovered the unmet market needs through first mover in the industry cycle or an uncompetitive market that provide them high innovativeness in the respective industry.

Sivadas and Dwyer (2000) confirmed that a lack of financial capital put constraint on the small firm to capitalize the most innovative business opportunities. Push motivated entrepreneurs entered into self-employment without being fully integrated which means they did not have sufficient financial capital to adopt innovative opportunity.

More innovativeness means positive growth of a venture. Innovativeness propels the business growth, more growth brings more profit. The cross-case table (exploited business opportunity section) shows group A had a significant amount of annual sales (million) and group B entrepreneurs' profit wasn't significant.

The above mentioned cross-case table confirms the findings of Arias et al. (2004, cited in Irastorza, 2010) that entrepreneurial motivations impact upon subsequent business

performance (survival and growth) whereas opportunity immigrant entrepreneur's business success (earning) was better than necessity immigrant entrepreneurs. Joern and Wagner (2010) confirmed that NEs engage in the low-income sector. Moreover, Maritz (2004) confirmed that NEs select low start-up cost, products or services that are not new and there for unlikely to make a substantial amount of profit.

Future business growth can be expected if the venture runs for a longer time. Both personal and job satisfaction can lead the business for a longer period of time. All the pull-motivated entrepreneurs were highly satisfied and wanted to continue their venture for a longer time where two entrepreneurs from push-motivated group already sold their venture because of their dissatisfaction and the other two were unsatisfied by their job yet they still wanted to continue since the business is their last resort of survival.

## **6. Conclusion**

When we look at the interviewees of group A, all of them had the pull motivational factor to start their own company. Everyone had available job opportunities when they started their own company. All the interviewees demonstrated that they used pre-planned financial activities by saving money to start a business or they borrowed from others. All of them had human resource practices as hiring skilled employees before finally launching their company. Everyone had a business or business related degree before starting their own company.

There is clear evidence that all the interviewees had searched actively for a better location for future long term success. They weren't concerned with cost but rather focused on location strategy.

All of them had significant annual income that was sufficient for personal wealth development. They pursued the opportunities were of unmet customer needs in either early industry life cycle or uncompetitive markets. High personal and job satisfaction exists for all the entrepreneurs.

When looking at the interviewees of group B, none of these entrepreneurs had pull motivational factors or mixed motivational factors. The entire entrepreneurs in that group had push-negative factors behind the self-employment.

All the entrepreneurs could not properly demonstrate how their business ideas would make money. None of them did any research about market opportunity, collection of any risk-based data or business changes related to risk.

All the entrepreneurs in that group used their own money to start their company. Since they hadn't any plan for business so they didn't save money to start a business. No entrepreneurs in that group used or asked for external funding.

None of them used any resource planning activities. Neither had they done any start-up workshop nor business degree. The most outstanding information is that all push motivated entrepreneurs used a defensive approach when they select the location that was cheap.

All entrepreneurs had to work more working hours to get a minimum income. All the opportunities pursued by the entrepreneurs were in mature markets, respectively their operational sectors. They offered nothings new to the customers. Consequently, all the entrepreneurs are unhappy to run their business. Two entrepreneurs wanted to continue though they are not satisfied. None of them were economically successful.

The research proposition of this study stated,

***Immigrant entrepreneurs who perform entrepreneurial activities after being highly integrated within the host country of residence are more likely to be opportunity-driven entrepreneurs.***

Using the three proposed dimensions of entrepreneurial motivation, gestation (start-up) activities and outcome from exploited opportunity, this research used a comparative case study in order to make absolute and relative comparisons between two groups of immigrant entrepreneurs. Considering absolute measurement for entrepreneurial motivation, relative measurement of gestation activities and outcomes of pursued opportunity, the research proposition cannot be rejected.

## **6.1 Theoretical contributions**

This thesis contributes to our understanding about immigrant entrepreneurship in the context of opportunity entrepreneurs. In Norway, there is no single systemic analysis yet been done according to opportunity-necessity entrepreneurs concerning the immigrants those who come

from developing countries. Consequently, there is also a lack of research on impact of necessity-opportunity immigrant entrepreneurship in host country' perspective. Most of the theory regarding immigrant entrepreneurship doesn't determine the immigrants' integration level and they fail to give a clear picture of opportunity-driven immigrant entrepreneurship and its contribution to the society. In this regard, this research will contribute opportunity driven immigrant entrepreneurship theory in the host country context, based on integration level.

## **6.2 Policy implications**

In order to improve the policies towards the immigrant entrepreneurship the study required a systematic analysis and clear understanding the phenomena. Firstly, Immigrant entrepreneurship has been seen as a tool for host country integration of immigrants (Miglāns, 2010) that means immigrants who enter self-employment at early stage of their life, there is a probability that some of them might become OEs eventually. Thus, today's NEs can become future' OEs. Secondly, globalization will enhance the immigration of most skilled peoples towards the developed countries. Better human capital will increase professional employment status and the first steps of integration into the host country. Therefore, current and future policy makers can look insight of ODIEs in the host country context to develop new supporting policies. Future Policies such as training, financial support, and technical support can be developed based on the immigrant entrepreneur's host country integration level. It should not be equal policies for immigrant entrepreneurs as if they are a heterogeneous group. Different supporting policies should be developed for immigrant entrepreneurship as these differences impact the NEs and OEs respectively.

## **6.3 Future research**

- Future researchers can survey immigrant entrepreneurs who entered business after being partly integrated in the host country. When I searched for my research sample I found lots of immigrants entered self-employment as partly integrated with the host



country. By investigating of partly integrated immigrant entrepreneurs, we will be able to identify the starting level of OEs.

- Possible future research can be longitudinal study about the gestation (start-up) activities of both NEs and OEs among immigrants. We could be able to find out at what level both groups of entrepreneurs need the policy supports.
- A larger sample can be taken in order to justify the research proposition. It will be more interesting if a cross-country investigation could be possible.
- How effective it will be if we say necessity immigrant entrepreneurs are “Working poor.” Considering that necessity immigrant entrepreneurs work longer time but earn less money. Thus, necessity immigrant entrepreneurs as a research topic “Working poor” could be another future topic.
- A longitudinal study can be taken as if necessity immigrant entrepreneurs can transform towards the opportunity immigrant entrepreneurs?
- Researchers might focus on the differences of gestation (start-up) activities pattern between NEs and OEs among immigrants from developing countries, developed countries and also between first and second generation immigrant entrepreneurs.

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## **Appendix**

### **Interview questions**

#### A. General questions

1. What is your name and where are you from?
2. How long have you been living in Norway?
3. Who founded this company?
4. When did you found this company?

#### B. Motivation

1. When did you come to Norway and why?
2. What was your occupation before self-employment? How many years of work experience do you have from your home country?
3. Did you get any full-time or part-time work experience in Norway? If yes, how many years and where?
4. Did you have any difficulties from host country? If yes, how?
5. Why did you leave your previous employment or job? And what was your occupation before self-employment? How satisfied were you with the previous employment?
6. What was the main reason to start your company?
7. Is this your only firm you want to do? What kind of business interest do you have?
8. What available jobs existed for you when you chose self-employment? Where do you think you can find a job? Are there available jobs you think would be satisfying both economically and non-economically for you?

### **C. Gestation activities during the firm creation**

1. When did you come to decide to have your own company and what was your occupation at that time?
2. How novelty was your ideas to make money? Was that service or product unique? Does it serve real customer needs? If yes how?
3. How well business competences do you had when you chose self-employment? How well informed were you about that particular business?
4. How much time did you spend to think of this business? Did you discuss your ideas with others?
5. Did you use any business plan for that? If yes what and how did your business plan?
6. How did you make the decision about self-employment? What information did you gather for your new business and how? Was that information enough to reduce the business failure? What sorts of knowledge encouraged you to set-up business?
7. What strategies did you followed to set-up your business? Were there any specific strategies that you followed to survive for a longer time period?
8. Did you plan any specific strategy for product, price, distribution, channel, promotion strategy, or customer service strategy during establishing own company?
9. How and from when did you plan to finance your business for early stages and what about if the firm needed more money at any developmental stage?
10. How did you manage start-up financial capital? From own savings or from others financial institutions?
11. From when and how did you plan to recruit your employees? Did you take any business degree or start-up workshop for business purpose?
12. What you considered when choosing the location? Did you get any extra facilities to set up your business in that place?

### **D. Entrepreneurial success**

1. How many employees do you have? Is there any family members working your



- company? Are they paid? What was the annual profit (Secondary Data)?
2. How do you describe the business is profitable to you? Are you satisfied with this business?
  3. Do you have any plan to extend your business? If yes, how do you want? Do you have enough money from profit to expand your business?
  4. How do your businesses differ from others? Are there any specific advantages that your business would make money for long term?
  5. How do you protect your business from other competitors? Why others cannot take your business scope? Is the market mature?
  6. How do you define yourself as satisfied? How secure do you feel being self-employed? Do you get flexibility? If yes how?
  7. To what extent you satisfied as a founder or role of this company? How can your differentiates this self-employment and other employment?
  8. How often do you take vacation compared with other employed? How socially satisfied are you being self-employed?