

Motivation to become entrepreneurs: The case of Indian immigrants to New Zealand

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**A thesis submitted in partial fulfilment of the requirements for the
degree of Master of Business, Unitec New Zealand, 2011**

Declaration

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This Thesis is submitted in partial fulfillment for the requirements for the Unitec degree of **Master of Business, 2011.**

CANDIDATE'S DECLARATION

I confirm that:

- This Thesis represents my own work.
- The contribution of supervisors and others to this work was consistent with the Unitec Regulations and Policies.
- Research for this work has been conducted in accordance with the Unitec Research Ethics Committee Policy and Procedures, and has fulfilled any requirements set for this project by the Unitec Research Ethics Committee.

Research Ethics Committee Approval Number: 2009.1036

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ABBREVIATIONS

P1: Participant 1

P2: Participant 2

P3: Participant 3

P4: Participant 4

P5: Participant 5

P6: Participant 6

P7: Participant 7

P8: Participant 8

P9: Participant 9

P10: Participant 10

P11: Participant 11

Abstract

The thesis examines the factors motivating Indian immigrants to strive to become entrepreneurs in New Zealand. It reveals several issues behind their desire to succeed in this endeavour.

For the purpose of its research, this study defines an entrepreneur as someone who has a registered business and employs at least one employee. Using this definition, and informed by National census data showing 17.4% of Indians in the labour force were self-employed, it designs its research around in-depth interviews with 11 Indian migrant entrepreneurs in Auckland, New Zealand. The participants were chosen through a purposive sampling method. Qualitative analysis was done with the help of Nvivo data management software.

The study discovered that the interviewees were motivated by several factors such as: money; seeing a gap in the market and wanting to fill it; the need for a change; to make a living; to get more flexibility with their time; lowered job satisfaction as an employee; and lowered access to good jobs. Most of the motivating factors experienced by these Indian immigrant entrepreneurs are similar to entrepreneurs in general and are both positive and negative.

The small sample used is a potential limitation for the research and therefore the qualitative method used may have general disadvantages to it. In a qualitative research, every effort is made to reflect each participant's viewpoint but ultimately the researcher's interpretation of what was important to the participants shapes the thesis.

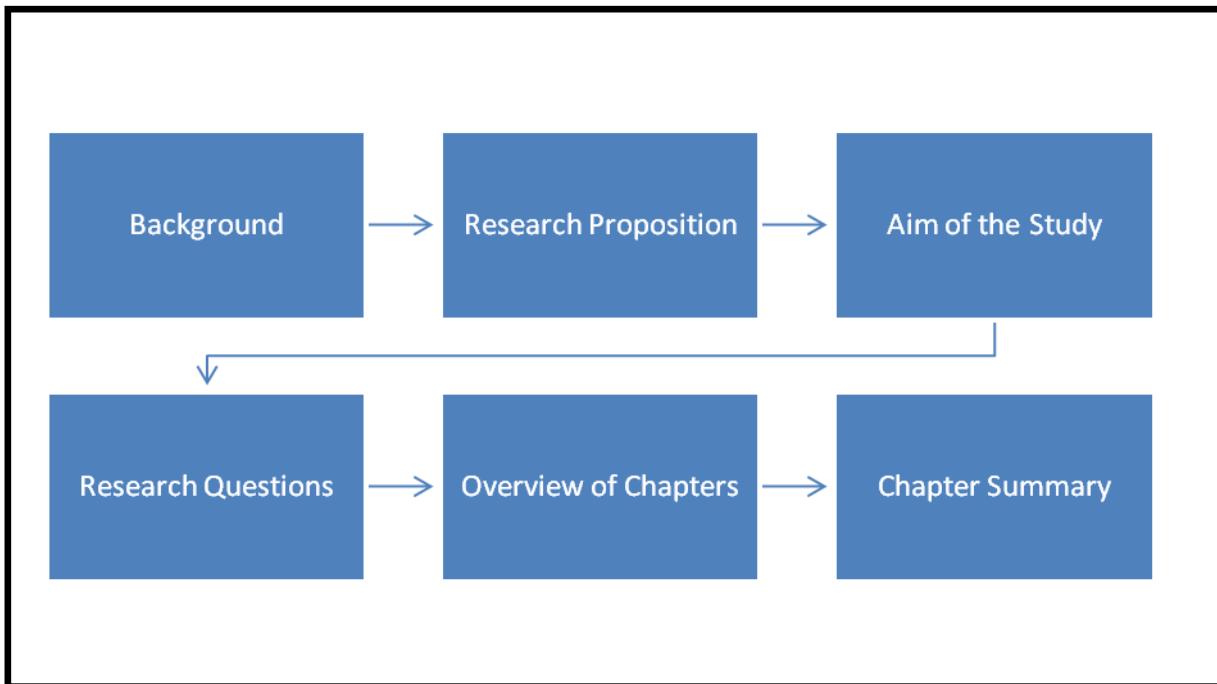
New Zealand lacks documented research on two aspects of entrepreneurship in this

country. Firstly, it lacks research evidence about the general immigrant entrepreneurship here; secondly it lacks research evidence about the motivations of immigrant entrepreneurs. This thesis is the first research on Indian immigrants' motivations for entrepreneurship in New Zealand and will provide useful information to policymakers, the Immigration Department, and researchers in the field of immigrant entrepreneurship in New Zealand. The nature of immigrant entrepreneurship is emerging and this document's conclusion requires further research and testing. Six suggestions for future research are made:

1. both qualitative and quantitative research methods can be used in the study of entrepreneurship in this country;
2. research can be done to identify the most important motivations by quantifying the individual motivations;
3. a comparative study can be done to check the differences between the motivations revealed in this study to the motivations of the general population of entrepreneurs;
4. research can be done on the effect of gender issues on immigrant entrepreneurship motivation;
5. research can be done on the growth opportunities of businesses owned by immigrant entrepreneurs;
6. Research can be done on the effect of gender issues on immigrant entrepreneurship motivation.

1. CHAPTER ONE: INTRODUCTION

Figure 1: Structure of Chapter One



1.1 Background

New Zealand attracts immigrants from all over the world. In 2006, the last official census count, 23% of the people living in New Zealand, or 879,543 people, were born overseas (Department of Labour, 2008). Most of the migrants are concentrated in the Auckland region. Thirty-seven percent of the people (i.e. more than a third of Auckland residents) were born overseas (Statistics New Zealand, 2009). There was an increase of 68.2% in this nation's Indian population between 2001 at the last official census count in 2006 (Statistics New Zealand, 2006). The Indian population

at that time was 104,583, second only to Chinese among Asian ethnic groups (Statistics New Zealand, 2006). Many Indian migrants run businesses, especially in retail, grocery and fast food. While research has been carried out on the economic, social and environmental impact of immigration (Singer, 1997; Poot & Cochrane, 2004), little attention has been given to the phenomenon of immigrant entrepreneurship in New Zealand.

Immigrant businesses are changing the face of Auckland. Many new migrants come to New Zealand, and more specifically to Auckland, and pursue entrepreneurship. This study's primary aim is to account for the factors that motivate Indian immigrants to pursue entrepreneurship in Auckland. Given that the 2006 national census data shows 17.4% of Indians in the total labour force were self-employed (Statistics New Zealand, 2006), the focus is on the motivations held by people in this category to become self-employed.

1.2 Research Proposition

This study proposes to gain insight into the factors which motivate Indian immigrants to become entrepreneurs. However, definitions of entrepreneurship differ widely (Praag, 1999). For instance, Schumpeter (1949) defined entrepreneurs as people who were able to change a new idea into successful innovative ventures. Yet, Gartner (1985) sees it as the creation of new businesses, while Kirzner (1979) defines it as people who are looking out for new opportunities. This is a problem in entrepreneurship studies and it should be noted that because of this weakness, direct comparability between studies becomes difficult (Carland, Hoy & Carland, 1988). McCarthy and Nicholls-Nixon (2001) argued that researchers should clearly state the definition being used in their study. In the light of this statement, this study therefore defines an entrepreneur as a person who has a registered business and employs at least one person. The Literature review chapter of this thesis sets forth the rationale for choosing this definition.

There has been ample research on immigrant entrepreneurs in countries such as the USA, Canada, Great Britain and Australia (Basu, 2004). For the New Zealand context however, only limited research has been done on immigrant entrepreneurship. Research has been done on labour market disadvantages faced by immigrants in New Zealand by scholars like Butcher, Spoonley and Trlin (2006), but immigrant entrepreneurship research has been limited. This study breaks new ground by researching the motivations of Indian immigrants to become self-employed in New Zealand. It utilises the main established theories on immigrant entrepreneurship as well as empirical research evidence of this phenomenon. The main theories of immigrant entrepreneurship are: ethnic enclave theory, middleman minority theory, labour disadvantage theory, cultural theory and opportunity structure. These are reviewed in chapter two. This study focuses on people from India who have been admitted under the skilled migrant category since 2001 (Immigration New Zealand, 2007), and have been self-employed for more than two years in the city of Auckland.

This research will provide useful information to policymakers, the Immigration Department and researchers in the field of immigrant entrepreneurship in New Zealand. Social policymakers will gain a deeper understanding of the reasons why Indian immigrants in New Zealand choose self-employment. The immigration department can use the results to determine whether the skilled migrants who are venturing into entrepreneurship are doing so because of lack of skilled jobs in the labour market or for other motivational reasons. The outcome of the study will be significant in confirming whether or not the theories of immigrant entrepreneurship that have been tested in other countries can be applied to New Zealand society as well. It will also provide empirical results as to the factors motivating entrepreneurship among Indian immigrants in Auckland.

New Zealand's future prosperity depends on how its skilled labour force is utilised. Entrepreneurship is considered to be an important positive factor for economic growth because of opportunities for innovation and optimum use of skills (Dejardin, 2000). If skilled migrants are attracted to self-employment for positive reasons, then this will have a positive impact on the New Zealand economy and society. The factors motivating skilled migrants to become entrepreneurs will provide important insights into the reasons why these migrants venture into self-employment. This study will make it possible to ascertain whether or not the migrants had positive or negative reasons for going into self-employment.

1.3 Aim of the Study

The aim of the study is to determine the factors which motivate Indian immigrants to become self-employed in the city of Auckland. In order to achieve this aim, the following lines of inquiry were pursued:

- The experiences these immigrants have had in the labour market.
- The intentions of these immigrants after migration, regarding self-employment.
- Whether or not their skills and experiences helped them in their business ventures.

1.4 Research Questions

The research has one main question. The objective is addressed through three supporting sub-questions.

The main question guiding the research is as follows:

What are the motivating factors for Indian immigrants to become self-employed in New Zealand?

Sub-questions are as follows:

- What experiences do these immigrants have with the labour market?
- Did they come to NZ with the intent of opening a business or were they pushed to become self-employed because they had no other option left?
- Did their skills and experiences help them in entrepreneurship?

1.5 Overview of Chapters

This thesis is divided into six chapters.

Chapter one provides the introduction to the study. It covers the description of the study and justifies its aim and proposition. The chapter also provides the details of migration from India to New Zealand. It closes with the main research question and sub questions that fulfill the study's objectives.

Chapter two presents the literature review on immigrant entrepreneurship. It rationalises the definition of entrepreneurship chosen in this study and looks at the

literature on migration. It reviews the conceptual theories developed on immigrant entrepreneurship and looks at entrepreneurship motivation research. This chapter also highlights the limitation of research in New Zealand on the topic.

Chapter three presents the research methodology adopted and the rationale behind it. It elaborates on the data collection and qualitative data analysis method used. Ethical issues and steps taken to minimise the issues are discussed.

Chapter four presents the findings of the study. These findings have been presented with the help of tables, figures and verbatim quotes of the participants interviewed.

Chapter five is the discussion chapter and contains an in-depth discussion of the findings from Chapter four. Relevant reference to the literature is made throughout the discussion.

Chapter six concludes the thesis with the research question and sub-questions answered separately. It includes the limitation of the study and areas for further research plus a closing statement.

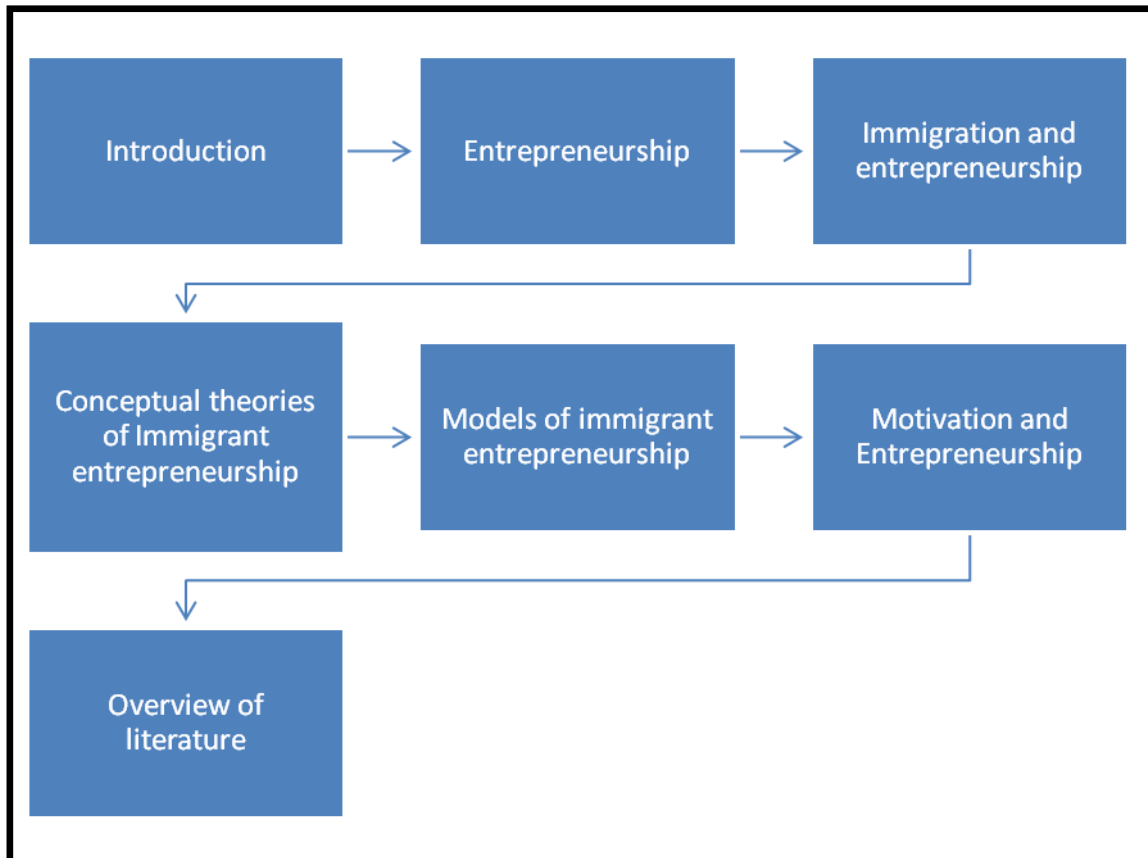
1.6 Chapter Summary

In summary, chapter one has presented the framework the study follows and outlines what readers can expect in the thesis. It has also summarised the background of the research. The main research question and sub-questions have been presented and the overview of the chapters in the thesis is mentioned.

The following chapter provides the review of literature on immigrant entrepreneurship and highlights the theories on motivation and entrepreneurship, and on immigrant entrepreneurship. It also reviews empirical research on immigrant entrepreneurship.

2. CHAPTER TWO: THE LITERATURE REVIEW

Figure 2: Structure of Chapter Two



2.1 Introduction

The structure of the chapter is presented in Figure 2. This chapter will start by discussing entrepreneurship using the existing literature in the field. General motivation to become an entrepreneur is discussed. Empirical research from articles in academic peer-reviewed journals has been investigated, but published books on entrepreneurship in general and immigrant entrepreneurship in particular has also been studied.

The literature review first presents the topic of entrepreneurship, and then goes on to discuss immigration and entrepreneurship. Conceptual theories and models developed on the subject of immigrant entrepreneurship are explored. Lastly, the review looks at the literature on motivations for entrepreneurship, looking at both empirical research and theories developed under the topic of entrepreneurship motivation.

2.2 Entrepreneurship

This section looks at the history of definition used for entrepreneurship and gives a rationale for the definition used in this thesis. Then it looks at the role of an entrepreneur, from the perspective of economic and empirical theory.

2.2.1 Defining an entrepreneur

Entrepreneurship has meant different things to different people over the last eight hundred years since “entreprendre” was in use in the twelfth century. In the fifteenth century the corresponding noun developed (Long, 1983). Also from the fifteenth century, the related English term of adventurer or undertaker was used (Hoselitz, 1951). However, some suggest that as a field of research, entrepreneurship is relatively new. Not until the late 1980s, was it labelled as a field of study in an era when it was moving to establish itself as a field in its own right (Ireland & Van Aucken, 1987).

The first formal theory of entrepreneurship was introduced in 1725 (Cantillon, 1964). (The translated version is dated 1964. Cantillon’s original work is Circa 1700). Cantillon defined an entrepreneur as anyone who was self-employed and was not working for wages (Long, 1983). Then, in the twentieth century, the Cantillon views were revisited through the works of two economists, Von Thunen and Joseph Schumpeter (Vries, 2007). This was known as German-Austrian tradition and this

school of thought differentiated between entrepreneurship and business. Von Thunen developed a theory and introduced 'risk' and 'uncertainty' into the entrepreneur's definition (De Vries, 2007). Schumpeter introduced the concept of innovation to his theories of entrepreneurship and stated that only extraordinary people possess the ability to be entrepreneurs and they bring about extraordinary events (Schumpeter, 1949). Later, under Chicago tradition, Knight saw entrepreneurs as people who were willing to take risks, and bear uncertainty to get a reward (Deakins, 1999). In recent years, theories have focused on the financial sphere of entrepreneurial activities. Kirzner saw entrepreneurs as people aware of opportunities that can generate profit (De Vries, 2007).

With the evolution of business administration since the seventeenth century, scholars have not been able to reach an agreement on the definition of entrepreneurship (Wartman, 1987). Bygrave and Hofer (1991) stated that entrepreneurs were people who recognised opportunities and created new business organisations. Others have viewed entrepreneurs as individuals who are critical to increasing a firm's productivity and help it recover from an economic slump (Drucker, 1985; Liu, 2002). Entrepreneurship has also been described as a main reason for innovation (Drucker, 2002). Hisrich and Peters (2002) state that all the diverse theories about entrepreneurship agree it embraces a kind of behaviour that includes acceptance of risk and failure; organising the social and economic procedures; and initiative-taking. Chen, Weng and Hsu (2010) also state that scholars have viewed entrepreneurs as people who create new business, take risks and achieve goals. Kirkwood (2001) did a study on 308 business founders and simplified the definition by defining entrepreneurs as 'anyone who has founded his or her own business.' This, it can be argued, is a broad, simple definition but it encompasses the fundamental concept of entrepreneurship.

The history of the definitions of entrepreneur from the economics perspectives is discussed in detail by Long (1983). Table 1 summarises the definitional attributes discovered by him. Long (1983) located three key themes in his analysis of definitional attributes. They are: risk/uncertainty; managerial capabilities; and innovation.

Table 1- Summary of definitions of entrepreneurs

Richard Cantillon (circa 1730)	Entrepreneur defined as self employed person.
Jean- Baptiste Say (circa 1810)	Managerial talents required to be a successful entrepreneur.
Alfred Marshall (circa 1890)	The abilities of an entrepreneur are different yet complementary to the abilities of manager.
Joseph Schumpeter (circa 1910)	Entrepreneurship is the finding and promoting of new combinations of productive factors.
Frank Knight (circa 1920)	The essential aspect of entrepreneurship is the courage to bear uncertainty.
Edith Penrose (circa 1960)	Entrepreneurial capacities and managerial capacities are distinguishable. The essential aspect of entrepreneurship is identifying and exploiting opportunities to expand smaller enterprises.
Harvey Leibensten (circa 1970)	Entrepreneurial activity is aimed at reducing organisational inefficiency and reversing organisational entropy.
Israel Kirzner (circa 1975)	The fundamental function of an entrepreneur is to identify market arbitrage opportunities.

Source: Long (1983)

Risk-taking is often placed as a key concept when examining definitions of entrepreneurs (Long, 1983). However, Schumpeter (1934) argues that risk-taking is not necessarily entrepreneurship, as it is related to ownership rather than entrepreneurship. Risk-taking with respect to entrepreneurship is defined as “taking

the chance of incurring damage or loss of some kind (physical, psychological, or economics)” (Belcourt, 1987, p. 201). Knight (1921) suggests that risk relates to recurring situations that can be estimated. Alternatively, uncertainty as opposed to risk is immeasurable (Knight, 1921). Uncertainty relates to situations that have no precedent and no possibility of outcomes being estimated. Cantillon proposed that uncertainty was the factor that differentiated an entrepreneur from an employee (Long, 1983). Knight (1921) also found uncertainty a fundamental concept of entrepreneurship. Founding a new business appears to meet this definition of risk and uncertainty. In this view anyone who starts a business is an entrepreneur (Gartner, 1985).

Long's (1983) second category of definitions of entrepreneurship relates to management capabilities. The capability of someone to become an entrepreneur and also be an employee of an organisation is a debated topic in the literature. Early propositions by Knight (1921) and Penrose (1968) argue that a manager and an entrepreneur differ and that a manager cannot become an entrepreneur unless there is a liability of error on part of the manager (Long, 1983). Schumpeter (1934) was actually the first to talk about the difference between an entrepreneur and a manager, a discussion which gathered momentum with the beginning of the professionalisation of middle management in the United States (Long, 1983). Kirzner (1979) also makes a distinction between an entrepreneur and a manager, theorising that the entrepreneur's task is to find profit opportunity and, once the awareness of the opportunity is gained, the task can be handed over to a professional manager (Long, 1983). Casson (1990) proposes an alternative view where an entrepreneur is someone who makes judgemental decisions and solves problems. With this definition, Casson makes no differentiation between a manager and an entrepreneur.

Long's (1983) third category is related to innovation. Innovation is defined as “the first commercial transaction involving a new product, process, system or device” (Freeman, 1982, p.7). In this sense an invention is not an innovation until it is

commercialised (Freeman, 1982; Schumpeter, 1934). Schumpeter (1934) views an entrepreneur as different from a manager because they carry out new combinations of production forces. He noted five new combinations as: developing new products or services; new methods of production; identifying new markets; new sources of supply or a new organisational form. Since then, many other researchers have embraced the idea that an entrepreneur engages in creative and innovative behaviour (Gartner, 1990; Drucker, 1985). The opposing view is that innovation need not be included in the definition as the entrepreneurial activity is innovative in itself (Shapiro, 1984). All these three themes offer various ways of looking at entrepreneurship. The brief historical review of definitions presented here shows that the debate around what defines an entrepreneur continues.

2.2.2 Defining an entrepreneur for this thesis

As the field of entrepreneurship is growing, the problems of defining the term are becoming more visible (Carland et al., 1988). The controversies surrounding the definitions make the task of defining an entrepreneur critical. This chapter is an appropriate place to re-state the definition presented in chapter one. However, it is important to explain the rationale behind the definition chosen for this research, because, as Simpson (1991) notes, this is a failing in many prior studies.

The definition of an entrepreneur used in this thesis has been established after reviewing the entrepreneurship literature. This section states the conditions that must be met in order for someone to be considered an entrepreneur, and then presents the definition of an entrepreneur.

The definition of an entrepreneur for the purpose of this thesis has two necessary conditions that must be met. The first requirement is that the person must be a business founder. This is a common definition used in other entrepreneurship research (Hamilton, 1987; Brockhaus, 1988; Shane, Kolvereid & Westhead, 1991). Founding one's own business for the purpose of profit consists of a certain amount of

risk-taking and uncertainty, which is greater than that involved in an established business venture. This distinction is supported by Gartner (1990), who finds purchasing an existing business to be one of the lowest scoring factors when considering definitions of an entrepreneur. Entrepreneurs in this research can be co-owners as it is a mistake to assume that there can only be one entrepreneur per firm (Casson, 1990). Casson's (1990) argument is strengthened by a United Kingdom study which shows that 61% of businesses are owned by two or more owners (Rosa et al., 1994).

The second component in the definition of an entrepreneur is that of employing others. The requirement distinguishes the sole-trader or the self-employed (without employees) from an entrepreneur. The employment of others also increases the degree of risk an entrepreneur must take. People who do not fulfil both of these conditions (the founding behaviour and employment of others) are assumed not to be entrepreneurs as defined here. People who have inherited their business, or were self employed (employing no-one else) or sole traders are outside the scope of this definition. Thus for the purpose of this thesis, entrepreneurship and entrepreneur are defined as:

Entrepreneurship – The creation of a new business (for profit)

Entrepreneur – A person or a group of people who create a new business (for profit) employing at least one other paid employee.

2.2.3 Role of an entrepreneur

The role of the entrepreneur can be seen from the perspective of two important theories: economic theory and empirical theory (Raposo, Do Paco & Ferreira, 2008).

In the economic theory the emphasis is given on the function of the entrepreneur rather than the individual and more interest is shown in the macroeconomic meaning of the entrepreneur (Kirzner, 1983). In the history of economic theory Herbert and Link identified 11 roles for the entrepreneur as follows (Davidsson & Wiklund, 1999):

- the person who undertakes risk associated with uncertainty;
- the person who supplies the financial capital;
- innovator;
- decision maker;
- industrial leader;
- manager;
- organiser of economic resources;
- business owner;
- contractor;
- referee;
- locator of resources

Baumol (1983) differentiates two roles of entrepreneurs. They are:

- 1).** the person who creates, organises and operates the start-up firm, which can be innovative or not;
- 2).** the person who transforms ideas and inventions in an economically viable way, even if the person did not create the business.

In empirical theory the term “entrepreneur” has been associated with the start of the new business and sometimes also with innovation as an additional criteria (Veciana, 1988). In this theory, the entrepreneur is the individual person who creates the business, puts it to work and makes it survive. Veciana (1988) states that this definition is the starting point for a new focus on the study of entrepreneurs which

helps to investigate the process of business creation. This theory has a simple paradigm because it focuses on the individual who attempts to form the business (Raposo, Do Paco & Ferreira, 2008). McClelland (1961) did an empirical study on the hypothesis that the motivation to achievement is a conditional factor for economic development. A society that has a higher level of motivation will have a higher number of active entrepreneurs (McClelland, 1961). According to McClelland (1961) an entrepreneur has characteristics as follows:

- original and innovative;
- takes individual responsibility;
- plans on long term basis;
- is aware of the results of his acts; and
- is a moderate risk avoider.

Entrepreneurship research has tried to identify traits of successful entrepreneurs or characteristics of their successful ventures (Politis, 2008). Focus shifted in the 1990's to a view of entrepreneurship as an activity that continues the learning process (Politis, 2008). In this perspective, having a stable trait or characteristic is not exclusive to, nor does it comprise, entrepreneurship. Instead, entrepreneurship is regarded as an ability which builds up overtime during the working life of enterprising individuals (Minitti & Bygrave, 2001; Politis, 2005). One of the considerations has focused on the role of an entrepreneur's previous career experiences. It is these experiences that build the entrepreneurial process of opportunity recognition to the level of opportunity exploitation (Politis, 2008). One source of experience that has been highlighted in the literature has been previous business start up experience (Ronstadt, 1988; Westhead & Wright, 1998; Ucbasaran, Westhead & Wright, 2006). It is seen that individuals who have had experience in doing business before, have developed the problem solving skills and mindset of an entrepreneur that increase a person's ability to identify and exploit opportunities (Shane, 2000; Ucbasaran, Westhead, Wright & Binks, 2003).

Vinogradov and Kolvereid (2007) carried out a study that correlates the level of education attained in the country of origin with the self-employment rate among first generation immigrants to Norway. This work demonstrates that educational achievement has a positive effect on self-employment among immigrants. In New Zealand, skilled migrants are allowed into this country on the basis of their skills and education through a points system (Immigration New Zealand, 2007). On the basis of this study we could argue that education and skills have had a positive effect on the decision by Indian migrants to New Zealand to enter self-employment. In yet another work, Constant, Yochanan and Zimmermann (2007) studied Turkish entrepreneurs in Germany and found that education did not play an important role in the choice of self-employment and the earnings of the entrepreneurs.

The next section will discuss the motivation of migration and entrepreneurship pursued post-migration.

2.3 Immigration and Entrepreneurship

This section looks at the literature on reasons for migration and entrepreneurship pursued after migration, known as “immigrant entrepreneurship”.

2.3.1 Motivation for Migration

Every country is affected by migration as a place of origin, transit, destination or a combination of these (United Nations, 2009). Two hundred million people, that is 3% of the world’s population, live outside the country of their birth (United Nations, 2009). Migration involves movement of people, sometimes whole groups, from one region or country to another with the intention of settling permanently in a new location (Collier & Dollar, 2002). Migration is as old as human evolution, and in the past it was slow and a gradual process and took centuries or more to establish a

significant population in a region or country, and the populations had homogeneous characteristics of race, religion, culture or language (Collier & Dollar, 2002).

The effect of an international move on careers has not been well researched (Agullo & Egawa, 2009). Skilled labour migration is only a fraction of the migration flow, but this is the segment which has a faster growth rate (Peiperl & Jonsen, 2007). The highly skilled face fewer migration restrictions, as countries try to attract them in order to remain competitive (OECD, 2007). New Zealand also has an immigration policy where it gives Permanent Residency to migrants with skills that match the skills required (Immigration New Zealand, 2010a).

Millington (1994) states that migration, both within the country and outside the country, is attempted for one or more of the following reasons :

- increase lifetime earnings
- to access better housing condition
- to enjoy better climate/environment
- to access better school standards
- to access better social networks

The "Indian Diaspora" (total number of Indians and people of Indian origin living outside India) is estimated to be approximately 20 million according to the Government of India (Lal, 2006 p.10). Up till 1947, Indians living abroad were mostly merchants or indentured servants (Agullo & Egawa, 2009). Since then, most Indian migrant flows have followed economic opportunities, especially to English speaking countries and the Middle East (Agullo & Egawa, 2009). The emergence of world-class Indian IT companies since the early 1990s, has seen international flows of skilled workers from India (Dahlman & Utz, 2005). Skilled workers in all industries have flowed into New Zealand also, a phenomenon which has reshaped the Indian

community in this country (Pio, 2005). Recent Indian skilled migrants tend to be from urban areas, and have different reasons for migration, one among them being better quality of life (Pio, 2005), rather than escaping droughts or famines which was the case for early Indian settlement to this country (Zodgekar, 1980). The recent trend of Indian migrants are from cities like Mumbai, Pune, Hyderabad, Delhi and Chennai (Pio, 2005).

2.3.2 Immigrant Entrepreneurship

Many advanced economies, especially the larger cities, have acquired a cosmopolitan outlook in the closing decades of the twentieth century (Kloosterman & Rath, 2004). Japan in Asia, Canada and the United States in North America, Australia and New Zealand in Oceania, and European countries are considered advanced economies or developed regions according to United Nations groupings (United Nations, 2010). The demographic of the cities in these countries have also changed with significant flows of migration from distant places in the second half of the twentieth century (Kloosterman & Rath, 2004). Many of these immigrants have introduced their own native exotic products and started businesses in the country of settlement, thus becoming self-employed.

Most immigrants leave their home to search for a better life for themselves and their children (Singh & Denoble, 2004). In past decades, these immigrants were viewed as workers and immigration was seen as cheap low-skilled labour (Singh & Denoble, 2004). Some find employment in the general labour market, depending on the education and language skills, or in the ethnic labour market (Portes, Guarnizo & Haller, 2002). Another subgroup of immigrants turns to a life of government subsidy or turns to the underground economy (Portes et al., 2002). Others pursue self-employment and follow a path of entrepreneurship to economic mobility. Watson, Keasey and Baker (2000) argue that, by starting a business, they create their own job, which helps them avoid the barriers they may face in looking for a job in the

labour market. The barriers could be a lack of education, or perceived lack of educational qualification; insufficient access to relevant social networks where identification and pursuit of vacancies is facilitated; or discrimination by local employers. Self-employment does not mean that all these barriers disappear, for example, banks may still discriminate against immigrants for business loans. But entrepreneurs are less vulnerable (Watson et al., 2000).

Immigrant entrepreneurship is an important research topic from many perspectives, but it has taken time for this view to become widespread (Kloosterman & Rath, 2004). The interest now is in the growth of the phenomenon of immigrant entrepreneurship itself. This rise was first observed in the United States, and later in the United Kingdom (Kloosterman & Rath, 2004). This pattern is reflected in a series of research pieces. The first publications appeared in North America in the 1970s, and then in the United Kingdom (Kloosterman & Rath, 2004).

Immigrants do not generally move to the mainstream open market for self-employment (Singh & Denoble, 2004). Waldinger, Aldrich and Ward (1990) argue that, if immigrants move into a mainstream market, it is in one of the four niches:

- Under-served markets that corporations have abandoned;
- Business sectors that have low economies of scale;
- The market for exotic food; and
- Segmentation market targeting immigrant customers.

Most immigrant entrepreneurs participate in the ethnic closed market which is characterized by import and export of, or retail shops for, ethnic products (Butler & Green, 1997). Researchers have reported that businesses started by immigrant entrepreneurs are smaller and produce lower levels of revenue (Butler & Greene, 1997). It is also highlighted that these entrepreneurial ventures are of less value than wage employment (Bates, 1999). In contrast, a study done on immigrant

entrepreneurs from various backgrounds like Hispanic, Korean, non-Hispanic White, Middle Eastern and South Asian entrepreneurs in the United States, revealed that the reason for becoming self-employed was to improve their economic condition (Raijman & Tienda, 1996).

The next section will discuss the conceptual theories developed on immigrant entrepreneurship.

2.4 Conceptual theories of immigrant entrepreneurship

In this section of the thesis, the theoretical framework of the study of ethnic entrepreneurship is examined. The thesis looks at the literature of social, anthropological and labour economics and how it has contributed to the development of theoretical frameworks describing the effect of ethnicity and race on entrepreneurship (Volery, 2007). Firstly, ethnic enclave theory and middleman minority theory are discussed (Volery, 2007). Next, the thesis focuses on labour disadvantage theory and on cultural theory with the perspective being on the sociological point of view. Finally, the section discusses the Opportunity Structure theory which has been developed from a Socio-economic context (Volery, 2007).

2.4.1 Ethnic enclave theory

Opportunity for a new immigrant can be found in locations where there are already businesses set up by the same ethnic group. This has been theorised as 'ethnic enclave theory' (Altinay, 2008). The term "ethnic enclave" refers to locations where immigrants are employed by business owners of the same ethnicity (Lee, 2003). The enclave theory concentrates on geographically self-contained ethnic communities within a metropolitan area (Butler & Greene, 1997). Ethnic enclaves of entrepreneurs have three prerequisites: entrepreneurial skills, capital, and the supply of ethnic

labour (Lee, 2003). In this context, classic examples were found in Chinatowns in major U.S. cities; the Korean community in L.A.; and the Cuban community in Miami (Lee, 2003).

Wilson and Portes (1980) first published the ethnic enclave theory in 1980 in an article on Cuban 'immigrant enclave' in Miami in the United States. They did a longitudinal survey of newly arrived Cuban migrants and their labour market experiences. Wilson and Portes found that a large percentage of migrants went to work for co-ethnics. They observed that the new migrants learnt the tools of the trade working with the same ethnic employer and later set up their own businesses. Their study found that from 1973 to 1979, the self-employment rate of Cubans rose from 8% to 21% and all the self-employed had been employed by another Cuban three years before. The migrants who were still employees in 1979 were getting a better return than Cubans working in non-ethnic firms in the secondary sector (Waldinger et al., 1990). Sanders and Nee (1987) did a comparative study on Chinese and Cuban workers who resided in the enclave and other locations, and found that the immigrant minority workers outside the ethnic enclave received higher returns on human capital.

Also, Zhou and Logan (1989) did a study on ethnic labour market advantages in the context of Chinese immigrants in New York City. They found that immigrant workers in ethnic enclaves had more chances of increasing their earnings, which is in contrast with the findings of Sanders and Nee (1987). Nee, Sanders and Sernau (1994) stated that Asian immigrants in the greater Los Angeles area preferred to work outside the enclave, where wages were considered higher and work rules fairer. They were critical of the workers' plight in ethnic enclaves, acknowledging that limited opportunity for self-employment is the only benefit of enclave participation. Portes and Jensen (1992) defended their position that the enclave economy offered a possible avenue for upward mobility of both the self-employed and the workers. They found that the networks of small enterprises offered employment comparable to

the mainstream economy and also created opportunities for entrepreneurship that were absent elsewhere (Porters & Jensen, 1992).

2.4.2 Middleman minority theory

One theoretical approach is the 'middleman minority theory' (Min & Bozorgmehr, 2003). This refers to the role a minority group has played in becoming a middleman between the immigrant market and suppliers of the dominant group (Bonacich, 1987; Min & Bozorgmehr, 2003). Most 'middleman minorities' live in a society where distinct boundaries exist between people of different races and socioeconomic backgrounds (Mckee, 2003). Typically Jews, Indians, Chinese, Arabs and Koreans are examples of middleman minorities, as their overrepresentation in self-employment is a result of having customers outside their limited ethnic markets (De Rajiman, 1996).

Among economic explanations, middleman minority theory is an important explanation for immigrant entrepreneurship (Volery, 2007). Immigrant businesses sprout up in association with the expansion and growth of immigrant communities. The examples of businesses given by Volery (2007) are: travel agents; garment shops; fast foods; and specialized grocery shops. Immigrant businesses catering to the immigrant population will only be started and stay afloat if two conditions are met, according to this theory. Firstly, there must be enough customers for the products sold by these businesses, and secondly, the immigrant businesspeople should have the intention of permanently remaining in the host country, bringing their families along too. Otherwise, the immigrant community may be too small to generate demand for the products, and investments for the business may not be available if money has to be sent home to family and relatives, thereby having a negative effect on start-up capital. This phenomenon was discovered in the first decade of the last century in a study comparing Italian and Jewish immigrants to New York (Waldinger

et al., 1990). Italian immigrants were found to be lacking in new investments because they had families and relatives to support back in Italy. New Zealand has a relatively large Indian migrant population, and the skilled migration category does allow the immediate family of the principal applicant to migrate (Immigration New Zealand, 2007). This theory could be applied to Indian immigrant businesses in Auckland.

Min and Bozormehr's (2003) work states that research done in the United States since the 1970s found that Korean immigrants had a concentration of retail businesses in low-income African-American and Latino neighbourhoods. One of the reasons given was that due to low spending capacity and high crime rate, mainstream businesses were reluctant to set up in these neighbourhoods, thus creating a niche. In this context, the Korean businesses were classic examples of middleman theory, where they bridged the majority white suppliers with minority customers, even though they did not share a heritage (Min & Bozormehr, 2003). In the United States, the minority communities of Blacks and Hispanics are important markets for middleman minority groups like Koreans, Arabs, Indians and Chinese who have opened up businesses in these localities (De Raijman, 1996).

2.4.3 Labour disadvantage theory

Labour disadvantage theory, also called 'blocked mobility theory', is where immigrants face disadvantages in the primary labour markets, compared to the native-born people (Min & Bozormehr, 2003). The theory suggests that immigrants have significant disadvantages that handicap them on arrival, but this fact also guides their behaviour (Valenzuela, 2000). The disadvantages could be language barriers, racial discrimination, unrecognized education credentials, exclusion from referral networks, undocumented status and little-to-no work experience (Valenzuela, 2000). According to this theory, there is no other option for some immigrants but to become self-employed for their economic survival. This theory does not see

entrepreneurship as a sign of success but simply an alternative to unemployment (Volery, 2007). This theory is similar to the push motivating factor as discussed later in the chapter but more inclined towards immigrants. This becomes a push-motivating factor where a person becomes unemployed or fears unemployment, and thus self-employment becomes the only option (Panayiotopoulos, 2008). Entrepreneurship becomes the only alternative means for economic advancement for marginalized groups (Hiebert, 2002). From this perspective, the theory supplies the answer to the question, “Why do immigrants turn to self-employment?” (Min & Bozorgmehr, 2003).

This theory is developed and emphasised mainly in European research as Min and Bozorgmehr (2003) argue that immigrants have encountered more discrimination in European countries than in the United States. De Raijman (1996) states that minority groups like African-Americans and Mexican-Americans in the United States are underrepresented in self-employment, which could serve as a counter-argument to the labour disadvantage theory of self-employment.

De Raijman (1996) did a study on paths to entrepreneurship among immigrant groups through surveys and interviews. The study explored and tested the “blocked mobility” hypothesis. The results show that Korean and Middle Eastern/South Asian immigrants had chosen entrepreneurship to overcome labour market disadvantages such as lack of language proficiency and unrecognizable foreign degrees. Koreans were 12 times and Middle Easterners and South Asians were 24 times more likely to report blocked mobility as a reason to choose self-employment compared to white merchants (De Raijman, 1996). In the same study, Hispanics who also lacked English language proficiency did not mention disadvantages in the U.S. labour market as the main reason. A similar study was done by Le and Miller (2000) called Population and Housing which found that labour market experience was an important factor for choosing self-employment. This contrasts with other studies on

labour disadvantage theory, particularly those concerned with the English language. According to this study, immigrants who were proficient in English and one other language had more chances of becoming self-employed. Second generation immigrants were also participants in this study, which may explain the positive effect of English language proficiency in choosing self-employment in Australia, based on data in the 1981 and 1991 Australian Census.

Research done in New Zealand has found discrimination faced by immigrants while looking for a job (Butcher, Spoonley & Trlin, 2006). Migrants have faced racism in the New Zealand society, which is a hindrance to obtaining jobs for which they may be qualified. Butcher, Spoonley and Trlin (2006) argue that the most recent research on immigrant entrepreneurship downplays the role of racial exclusion from markets while noting the other disadvantages. Gendall, Spoonley and Trlin (2007) carried out a study to explore the attitude of New Zealanders to immigrants and immigration, and one of the findings was that New Zealanders recognised the value of immigrants to the New Zealand economy in terms of filling skills shortages. This positive perception may be the result of the new migration policy of skilled migration since 2000 and also media coverage of skills shortage in New Zealand (Gendall, Spoonley & Trlin, 2007). The above findings are consistent with the study done by North (2007) wherein New Zealand employers had a positive view of migrant employees and 28.7% thought that they worked harder than other employees. In the same study, employers also mentioned that before employing migrants they were strongly influenced by New Zealand work experience (33.7% of employers mentioning this) and New Zealand qualifications (27.4% of employees mentioning this). This can act as a barrier to employment for new migrants coming into New Zealand when they don't have local work experience or qualifications.

Labour disadvantage theory can be applicable to New Zealand migrants where discrimination in the labour market compels migrants to become self-employed.

However, not every minority group has a high level of self-employment in New Zealand. For example, according to Appendix 5, Chinese and Indian minorities in New Zealand have a high percentage of self-employment, while the Filipino and Somali minorities have a low level of self-employment. It will be interesting to see in this study how much importance labour market disadvantage plays for the Indian immigrant entrepreneur who migrated into New Zealand through the skilled migration category.

2.4.4 Cultural Theory

Cultural theory developed out of the field of Sociology (Volery, 2007). Cultural theory suggests that ethnic and immigrant groups have culturally determined features such as commitment to hard work; living in austerity; membership in a strong ethnic community; accepting risk; accepting social value patterns; and orientation towards self-employment (Masurel, Nijkamp & Vindigni, 2004). These features provide an ethnic resource that facilitates and encourages entrepreneurship and supports the immigrant entrepreneur (Fregetto, 2004). Jones, McEvoy and McGoldrick (2002) state that ethnic people only become aware of the advantages of their own culture after arriving in the new environment. The authors mention that whether an individual is English, Albanian or Mongolian, the act of migrating to a new society with different customs and language heightens awareness of one's own culture and identity. Waldinger et al. (1990) argues that the differences in ethnic resources can explain the different rates of self-employment between equally disadvantaged ethnic groups.

Cultural aspects are popular for explaining the tendency of Asian people to become self-employed (Volery, 2007). Research done by Leung (2002) on the Chinese catering trade in Britain concurs that Chinese are advantaged because of their cultural values and family structures that contribute to successful entrepreneurship. The strong presence of Chinese people in the catering sector in the UK has led

many to believe that certain traits of Chinese culture are an important factor determining their participation in specific economic sectors (Leung, 2002). Other studies have, however, argued that these assumptions do not consider other critical aspects of this phenomenon, such as employment alternatives, immigration policies, market conditions and availability of capital (Leung, 2002). The study has emphasised that cultural theory is not as useful as one might think in explaining immigrant entrepreneurship, because it only focuses on cultural aspects and ignores other political-economic factors (Leung, 2002). A similar stance is taken by Okonta and Pandya (2007), who did a study on the poor entrepreneurial performance of African Caribbean people in the United Kingdom. The study showed that entrepreneurial attributes are not dependent on ethnicity, but on individuality and are influenced by other conditions, such as the political and socioeconomic environment, and also resources and personal qualities, including character. Jones et al. (2002) have mentioned that the superior work ethics of some cultures are open for discussion, giving the example that the long working hours recorded by Asian business owners are because of an in-built work ethic. But they point out that these ethics may, on the other hand, just be a result of the nature of those business sectors into which that ethnic group is clustered.

In the New Zealand context, earlier migrants from Asia were concentrated in certain trades; for example, the Chinese in vegetable markets and Indians in local dairy shops (corner shops) (Pio, 2007). It would be of interest to observe whether the pattern displayed by more recent migrants to New Zealand under the Skilled Migrant category (Immigration New Zealand, 2007), many of whom are used to a professional global environment, coming as they do from cosmopolitan cities such as Mumbai and Shanghai, shows a similar concentration and specificity of the economic sector.

2.4.5 Opportunity structure

As most of the theories do not distinguish between different immigrant groups in different situations, a synthetic thesis called an “opportunity structure” has been developed (Fernandez & Kim, 1998). Ethnic resources such as family members, relatives and friends can provide an opportunity structure for a new migrant (Fernandez & Kim, 1998). Resources like property, money to invest and human capital provide an opportunity structure for immigrant entrepreneurship (Fernandez & Kim, 1998; Min & Bozorgmehr, 2003). An opportunity structure is also made up of “market conditions, access to ownership, job market conditions, and legal and institutional framework” (Volery, 2007, p.34).

Opportunities arise from developments of new ethnic communities. These communities can have specific needs only the co-ethnic can satisfy. The greater the cultural differences between the ethnic group and the host country, the greater the need for ethnic products and the larger the potential for a niche market. Opportunities can be limited no matter how big the niche market is (Volery, 2007). For instance, there can be high entry barriers to immigrants wanting to enter the open market which is occupied by local entrepreneurs. Yet, markets with low economies of scale do offer opportunities for an immigrant, such as in the taxi industry. Kloosterman and Rath (2001) also mention that immigrant entrepreneurs not only take advantage of this opportunity structure but also can create their own opportunity through innovative ideas that may not previously have existed. This could be, in a very modest way, akin to “introducing Indian foods to the white population” (p.185).

The next section will discuss the models developed in an attempt to explain the phenomenon of immigrant entrepreneurship as a whole. Conceptual theories, such as opportunity structure and cultural theory, have been integrated into the model.

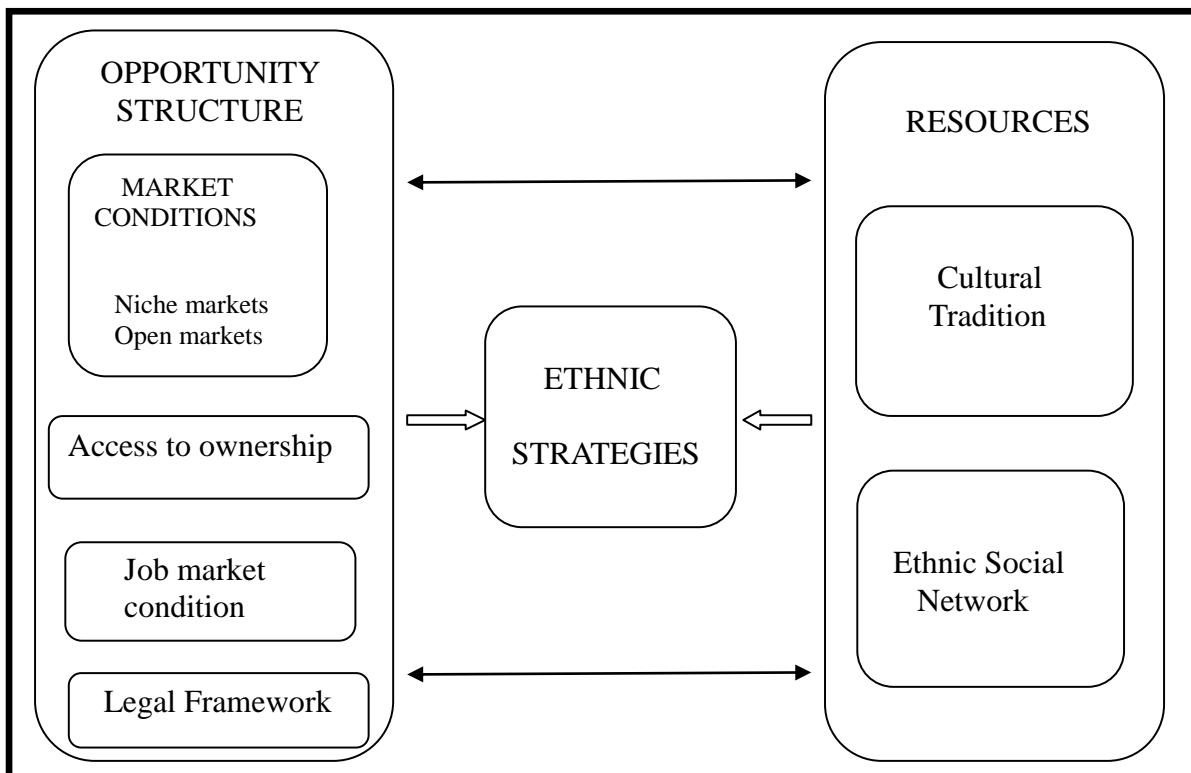
2.5 Models for immigrant entrepreneurship

The above theories have been integrated into models to explain the phenomenon of immigrant entrepreneurship. Two commonly used models will be discussed in this section (Volery, 2007): the interactive model and the mixed embeddedness model.

2.5.1 Interactive model

Waldinger et al. (1990) conceptualized the interactive model. The model suggests that the growth of ethnic business cannot be traced back to particular characteristics said to be responsible for the entrepreneurial venture. The ethnic business depends on the interaction between opportunity structures and group resources (Volery, 2007).

Figure 3. Interactive model of ethnic entrepreneurship development; adapted from Putz (2003) and Waldinger, Aldrich and Ward (1990)



The opportunity structures highlighted in the interactive model, include market conditions, access to ownership, job market conditions and legal and institutional frameworks (Volery, 2007). Group resources are resources shared by the immigrants and ethnic people of the same origin (Volery, 2007). Volery (2007) states that opportunities for new migrants develop from new ethnic communities. The ethnic community can have specific needs that only co-ethnics are capable of satisfying. The greater the differences between the ethnic group and the host country the greater the need for ethnic goods, which results in a bigger market for such goods. However, the niche ethnic market can never be big enough, and the opportunities it offers will always be limited (Volery, 2007). Access to the open market is important, yet this may typically be occupied by local entrepreneurs and have high entry barriers of a financial or knowledge nature. Fortunately for the migrant entrepreneurs, not all industries have unattainable knowhow. Markets with low economies of scale like the taxi industry may have opportunities that immigrants can successfully undertake (Agrawal & Chavan, 1997). And markets that are abandoned by the locals because of insufficient returns or demanding working conditions can also provide new opportunities for migrants (Volery, 2007).

Putz (2003) states that group resources are the resources provided by the cultural traditions and social networks. Cultural tradition assumes that self-employment in certain groups is the result of specific cultural inclinations. Volery (2007) argues that the importance of cultural traditions should be considered carefully and should not be emphasized excessively. The significance of the ethnic network and family is undisputed, and can play a critical role in the success of ethnic businesses, not to mention compensating for disadvantages faced by foreigners in a new environment.

Opportunity structures of the host country and ethnic resources continuously interact, as shown in Figure 3 above, where some aspects of opportunity structures can be influenced and improved by ethnic resources like a strong ethnic network (Volery, 2007). This interaction between the two may be a determining factor in ethnic entrepreneurship (Volery, 2007). Indians are the second largest migrant group in

New Zealand after the Chinese (Pio, 2007) and often enjoy solid ethnic resources, such as a close-knit network. The interaction of the cultural resources and opportunity provided by the New Zealand environment will be an important factor in the entrepreneurship choices of Indian migrants.

It should be noted that the interactive model has been criticized by various researchers since its publication. Light and Rosenstein (1995) highlighted a number of methodological flaws and stated that attention was not given to gender issues. Bonacich (1993) and Rath (2002) disapproved of the model's approach to economic and regulatory factors which, they asserted, was very "narrow and static" and made the assumption that immigrant entrepreneurs act differently to mainstream entrepreneurs.

2.5.2 The mixed embeddedness model

The concept of this model is a further development of opportunity structures and ethnic resources (Volery, 2007). The previous interactive model explains immigrant business growth through the integration of ethnic resources and opportunity structures (Waldinger et al., 1990). The model suggests that the structural system of the local economy and legal-institutional factors have a strong influence on the creation and existence of the small business economy in general (Volery, 2007). The influence of these factors on immigrants' access to the world of small business is even greater (Razin, 2002).

The mixed embeddedness model takes into account the characteristics of the supply of immigrant entrepreneurs, the opportunity structure and the institutions that mediate between aspiring entrepreneurs and openings to start a business (Kloosterman & Rath, 2004). Volery (2007) states that the mixed embeddedness model is based on three assumptions:

- high barriers of entry or regulations should not block opportunities;
- opportunity must be recognized through the eyes of a prospective entrepreneur as one that will provide adequate return;
- the entrepreneur should be able to grasp the opportunity in a tangible way.

This model views the rise of immigrant entrepreneurship as an intersection of two frameworks (Peters, 2002). One is the socio-cultural framework and the other is the institutional one (Kloosterman, Leun & Rath, 1999). Collins (2002) states that this model is still in the experimental phase and the phenomenon has only been validated in a few descriptive case studies. These include case studies on Islamic butchers in the Netherlands (Kloosterman, Leun & Rath, 1999) and on Chinese catering business in Germany (Leung, 2002).

The next section will discuss the motivating factors for entrepreneurship and push and pull theory developed under entrepreneurship motivation.

2.6 Motivation and Entrepreneurship

Personality and motivation have an influence on the likelihood of exploiting entrepreneurial opportunity (Shane, 2003). People with certain characteristics of these traits tend to act differently in similar situations. Successful entrepreneurs have: the ability to take risks; a knowledge of the market; an innovative nature; marketing skills; business management skills; and the ability to co-operate (Shane, 2003). Theories that are applied to the study of entrepreneurship are McClelland's (1961) "theory of the need to achieve" and Rotter's (1966) "locus of control theory". According to McClelland's theory, individuals with a high need to achieve are those who like to solve their own problems, set targets and meet those targets, and it is these who are going to be successful entrepreneurs. The theory states that individuals who have a strong need to achieve become entrepreneurs and succeed better than others. Immigrants are thought to have a high need for achievement after

migrating to a new country, and are more likely to become entrepreneurs, according to this theory (Maritz, 2004).

According to Rotter (1966), an individual's locus of control can be internal or external. Internal control refers to control over one's own life, where the results of one's actions are dependent on the characteristics of the individual's behaviour. External control refers to the thinking process that focuses on the actions of other people, luck, fate or chance. Entrepreneurs usually have internal control expectations whereby they are willing to learn and motivate themselves instead of blaming others for their results. Immigrants who have migrated to a new country show the characteristics of internal control necessary for entrepreneurship (Maritz, 2004).

Robichaud, McGraw and Roger (2001) have studied North American entrepreneurs and have grouped motivational factors into four categories.

- Extrinsic rewards – motivation is for economic reasons
- Independence/ autonomy
- Intrinsic rewards – motivation is for self-fulfilment and growth and
- Family security.

Wang, Walker and Redmond (2006) did a study on motivations of small business owners in Western Australia, and put 17 motivational factors into four groups.

- Personal development motivations
- Financial motivations
- Motivations related to work and family, and
- Flexible lifestyle motivations

Kirkwood (2009) did a similar study on entrepreneurs in New Zealand and mentions

that there are four key drivers of entrepreneurial motivation. The first is the desire to be independent. This is cited as the number one motivating factor for many people in becoming entrepreneurs (Alstete, 2003; Cassar, 2007). The second is monetary gain. People are not always motivated by money (DeMartino & Barbato, 2003) but it is found to be an important motivational factor for entrepreneurship (Alstete, 2003). The third relates to issues around work, issues such as unemployment, redundancy and lack of job prospects (Dobrev & Barnett, 2005). The fourth key driver involves family-related factors such as a desire for work-family balance (Kirkwood, 2009). The factors that relate to issues in work and family are mostly considered as push factors, while factors like achieving independence and monetary gain are pull factors (Kirkwood, 2009), which are discussed in the subsequent sections.

2.6.1 Motivating factors

The main motivating factors for which empirical results are available are discussed in the following section. Six factors appear most frequently in the literature regarding motivation for entrepreneurship. They are independence; money; work-related factors; family-related factors; the need for challenge; and opportunity. Factors like independence and money are straightforward, but for other factors like family-related motivators and the need for challenge, the differences between the various studies are pointed out.

2.6.1.1 Independence

Independence and autonomy are seen to be primary motivating factors in becoming a business owner or an entrepreneur (Hamilton, 1987; Dubini, 1988; Vivarelli, 1991; Harrison & Hart, 1992; McDowell, 1995). Being motivated by the desire for independence is also an important motivating factor for studies of immigrant entrepreneurship. Khosravi (1999) did a study on Iranian small businesses in Stockholm, and found that well-educated, middle-class Iranians after migration were attracted to self-employment. One of the motivating factors was independence.

Independence has been found to be a factor both in developing countries such as Turkey (Hisrich & Ozturk, 1999) and developed countries like the United Kingdom (Mallon & Cohen, 2001) and Canada (Lee-Gosselin & Grise, 1990).

2.6.1.2 Money

Money has been found to be an important motivating factor for entrepreneurship (Watson, Woodliff, Newby & McDowell, 2000). It accompanies other motivating factors such as independence and work-related aspects (Kirkwood & Walton, 2010). Research done on the reasons why people work, however, has found that money is not the only factor (Vroom, 1995). Factors like interaction in the society and the worker's social status are also important (Vroom, 1995).

However, money is found to be an important motivating factor in studies of immigrant entrepreneurship (Lofstrom, 2002). Lofstrom did research in the United States on the labour market assimilation of self-employed immigrants from 1980-1990. Self-employed immigrants were found to be doing better than wage/salary earner immigrants. It was revealed that a wage-earning immigrant's lifetime earnings were not on par with a wage-earning native's salary. This study highlights a financial incentive of immigrants to become self-employed. Yet another study done by Li (1997) on self-employment of visible minority immigrants and white immigrants in secondary and tertiary industries of Canada, with data from the 1991 Census supplied by Statistics Canada, found that self-employment offered higher economic returns for all immigrants. Li (1997) suggests that visible minority immigrants entered self-employment for higher economic returns, along with work-related issues, and white immigrants entered self-employment for economic advantage, but did not suffer the same negative experiences in the labour market that visible minority immigrants suffered.

2.6.1.3 Work related factors

Studies of entrepreneurship have found that work-related factors like job dissatisfaction are an important factor motivating people to start a business (Cromie, 1987; Marlow, 1997; DeMartino & Barbato, 2003). At an individual level it could be factors like job dissatisfaction or instability in a job that motivate people to leave employment and become entrepreneurs (Borooah, Collins, Hart & MacNabb, 1997). The next level involves career and employment issues such as wanting career flexibility (DeMartino & Barbato, 2003); being unhappy with one's career (Marlow, 1997), having difficulty finding employment; and redundancy (Borooah et al., 1997; Marlow, 1997).

Studies on immigrant entrepreneurship have also found that job dissatisfaction and underemployment are among the factors motivating entrepreneurship (De Raijman, 1996; Agrawal & Chavan, 1997). Bauder (2008) did a study on attitudes towards entrepreneurship through a survey of 509 Vancouver residents living in three neighbourhoods. Predominantly Chinese immigrants lived in one of these neighbourhoods, South Asians in another, and non-immigrants in the third. The study emphasised that individuals who are more dissatisfied with their current jobs can be forced into opening a business for economic survival.

2.6.1.4 Family related factors

Family-related factors are seen to be among the important motivating factors for entrepreneurship (Shane, Kolvereid & Westhead, 1991; Still & Soutar, 2001). Many studies have focused on the demographic nature of the family like birth order and social class of family (Belcourt, 1987). One factor that is important in business ownership is family background. The chances of owning a business increase if there is a family background in business ownership (Aldrich & Cliff, 2003), for example, parents owning a business (Kirkwood, 2009). Kirkwood (2009) also highlights that

the impact of this influence has not been researched fully. Immigrant entrepreneurs are also motivated by family-related factors for entrepreneurship. Agrawal and Chavan (1997) did a questionnaire study on 105 ethnic entrepreneurs in Sydney, and found that different ethnic groups had various reasons for self-employment. Lebanese respondents in this study mentioned that family background was an important motivator to go into business, as their uncles, fathers or brothers were already in business and they helped them.

Family-related factors like childrearing have also been observed to influence entrepreneurship motivation, especially on women entrepreneurs. It could be related either to delaying having children (Breen, Calvert & Oliver, 1995) or starting a business in order to obtain more flexibility in childrearing (Caputo & Dolinsky, 1998). In contrast, a study done by Schindehutte, Morris and Brennans (2001) reports that businesses owned by women have a minimal disruption to family life. Similar findings are highlighted in the comparative study on American and South African women entrepreneurs (Schindehutte, Morris & Brennans, 2003).

2.6.1.5 Achievement/ Need for Challenge

Entrepreneurs have a higher need for achievement than does the general population and this makes them behave in a certain way (McClelland, 1961). Entrepreneurs also have a desire for challenge which has been highlighted in studies done on motivation for becoming entrepreneurs (Buttner & Moore, 1997; Marlow, 1997).

2.6.1.6 Opportunity

The literature on motivation indicates that the final category of factors motivating entrepreneurship is that of seeing opportunities in the market (Kim, 1996). Identifying gaps in the market (McGregor & Tweed, 2000) and taking advantage of one's skills

(Borooah et al.,1997) are related factors that are mentioned in the literature. For instance, a study conducted by Shinnar and Young (2008) on foreign-born Hispanic entrepreneurs in the Las Vegas metropolitan area revealed that one of the main motivating factors to become entrepreneurs for the participants was taking advantage of their skills in the market. They also wanted to start a business because they saw an opportunity to exploit a commercial situation.

2.6.2 Push and Pull theory

In research on entrepreneurial motivation, a distinction is made between “pull” and “push” factors or positive and negative motivation (Scase & Goffee, 1989; Storey, 1994). Gilad and Levine (1986) proposed the “push” theory and the “pull” theory. Pull factors suggest positive motivations like a desire to be independent, have control over one’s future and increased social status, as well as the possibility of leveraging personal skills and abilities (Morrison, 2001; Cassar, 2007). Push factors suggest negative experiences like the inability to find a job in the mainstream sector, underemployment, facing discrimination in the labour market, underpayment and the possibility of redundancy (Basu & Goswami, 1999; Morrison, 2001; Dobrev & Barnett, 2005).

2.6.2.1 Pull factors

Research shows that individuals become entrepreneurs essentially due to pull factors rather than push factors (Shinnar & Young, 2008). Segal, Borgia and Schoenfeld (2005) argue that it is hard to find a direct relationship between external forces and entrepreneurial activities. They state that theories of motivation have progressed from fixed content-oriented theories to constantly changing process-oriented theories. Process-oriented theories explain “how the behaviour is initiated, directed, sustained and stopped” (p.43). Job displacement may be an event that initiates entrepreneurship but the displaced worker will not pursue this career unless

there is a process-oriented connection. The external forces may provide a contributing factor to the environment for entrepreneurship, but the displaced worker is quite likely to choose another career option. The studies on entrepreneurship motivation in recent years have been process-oriented models focusing on attitudes and beliefs and the predictions of intentions and behaviours (Segal, Borgia & Schoenfeld, 2005).

Human effort, especially the effort involved in becoming self-employed, is the result of a cognitive process. Humans think about possible future outcomes, decide on the most desirable one, and are likely to pursue these outcomes and it is not reasonable to expect people to pursue outcomes that they perceive to be undesirable or unviable (Segal, Borgia & Schoenfeld, 2005). According to the cognitive process, people will have thought of the positive outcome of entrepreneurship before pursuing it. This contradicts the push motivational factor to pursue entrepreneurship where individuals have no choice and are forced into entrepreneurship. This is consistent with the observation that individuals have more of a pull factor than a push factor in pursuing entrepreneurship (Shinnar & Young, 2008). Shane, Kolvereid and Westhead (1991) did a study on motivations to become self-employed in New Zealand. The major reason to become an entrepreneur was related to pull factors (“To control my own time”; “To have greater flexibility for my personal and family life”; “To have considerable freedom to adapt my own approach to work”). A similar study was done by Baker (1995) on reasons to become entrepreneurs. This study divided the motivation into push and pull factors. The pull factors were similar to the above studies, and business opportunity was added to the list. Of note is the fact that out of 2.4 million adult New Zealanders, 11.5% are classified as opportunity entrepreneurs (Frederick, 2004). It would be interesting to see whether the immigrant subsample in this study had a higher percentage of opportunity entrepreneurs.

2.6.2.2 Push factors

Many studies on entrepreneurship motivation have found push factors to be an important motivating factor. Kirkwood (2009) did a study and found that push factors were more prevalent than pull factors. Four important push factors in the study were found to be the following: not being satisfied with the job; the changing world of work; motivations regarding family; and help from the employer. Job dissatisfaction ranged from specific bad experiences, dissatisfaction with the organizational culture and office politics. Many times employers assisted in starting the business. One example of this was seen in the situation of an individual's work being "outsourced", which was a driving force to start a business. This push factor from the employer is not necessarily a negative implication. This factor is a new significant finding, which has not appeared in studies of entrepreneurship. With regard to the motivational factors regarding family, these were mostly related to children and being able to spend more time and earn more money to provide for the children.

A study done by Benzing and Chu (2009) on the motivations of urban small business owners in Africa found that monetary gain is the main reason to venture into entrepreneurship. Benzing and Chu (2009) have classified this as a negative push factor, unlike the above studies where monetary gain is classified as a positive pull factor. The study argues that because of low income and a weak job market in developing countries, individuals are pushed into entrepreneurship to increase income and create job stability (Benzing & Chu, 2009).

Willson (2005) suggests that entrepreneurs are more likely to emerge from those groups in society that are most marginalised, discriminated against, and looked down upon. This corresponds with what is called the social marginality theory put forward by Stanworth and Curran (1976), which suggests that "the perceived incongruity between an individual's prodigious personal attributes and the position they hold in society might propel them to be entrepreneurial" (p.3). Hagen (1962) mentions that when the behaviour of a group is not accepted or the group faces

discrimination, then a “psychological disequilibrium” takes place. This could compel a person into enterprising behaviour to make up for this imbalance. He proposed that a disadvantaged person is more likely to start a new project than other individuals. Storey (1994) did a study in the United States and came to mixed conclusions. He found that members of Asian minorities were more likely to start a new venture compared to West Indian and Caribbean minorities who had a less than average tendency towards new business start-up. Of course, these theories do not account for all entrepreneurs, but it is an interesting hypothesis to think that disadvantaged persons would be more likely to start a new venture than other people (Frederick & Foley, 2006).

Immigrants coming into New Zealand have faced barriers like discrimination in getting a job, lack of information regarding employment, and language barriers (Butcher, Spoonley & Trlin, 2006). These immigrant entrepreneurs can be classified as being disadvantaged entrepreneurs. The above problems faced by immigrants are similar to push factors, and this factor can be an important motivator to become an entrepreneur (Kirkwood, 2009). Pio (2007) did a study on work experiences of migrant Indian women and their reasons for entering entrepreneurship. The data used in this study was collected over a period of five years, with semi-structured interviews of 45 Indian women. The reasons for entrepreneurship highlighted included negative experiences in the labour market with unemployment and underemployment, which in turn led to negative self-esteem. By becoming self-employed, the interviewees revealed they could regain their self-esteem and enjoy better economic gains. This study does highlight the push factors for the migrant Indian women to become entrepreneurs. A similar study was done by Butcher, Spoonley and Trlin (2006) on discrimination faced by immigrants and refugees in New Zealand. Many migrants did find themselves underemployed, and sometimes unemployed because of lack of recognition of overseas qualifications and work experience, and lack of English language. Migrants with good English language skills also found themselves facing discrimination in the labour market because of their different accent.

2.6.2.3 Push and Pull factors

Research done on entrepreneurship motivation has seen both push and pull factors to be important motivating factors for any individual to open a business (Kirkwood, 2009). It is seen in the case of immigrant entrepreneurship research as well. A study done by Nwankwo (2005) on Black African entrepreneurs in the UK found both push and pull factors, with 23% of them mentioning pull factors and 35% push factors, as a motivation for them to enter into business. This finding is consistent with the reasons for becoming entrepreneurs, which can be both positive and negative (Kirkwood, 2009). However, in contrast to these results, Wahlbeck's (2007) study on Turkish immigrant entrepreneurs in Finland found that most of them were pushed into entrepreneurship because of strong barriers to the Finnish labour market for immigrants.

Bates (1999) did a study on Asian Immigrant-owned businesses and compared Korean/Chinese immigrants and Indians/Filipinos in order to discover differences in motivations and factors for choosing self-employment. According to the findings, Indians and Filipinos with class resources and English fluency were "pulled" into self-employment, while Korean/Chinese entrepreneurs were pushed into self-employment due to lack of language proficiency. This study is consistent with studies done by Shinnar and Young (2008) that many immigrants have positive motivations to go into entrepreneurship. It is also consistent with the findings of De Raijman (1996) where Hispanic self-employed did not cite negative experiences in the U.S. labour market as the main reason for going into self-employment.

A study done by Agrawal and Chavan (1997) found that different ethnic groups had various reasons for self-employment, including both push and pull factors. The main reasons were "arrival circumstances, settlement, education, financial status, family background, job market, knowledge of English, past experience, no job satisfaction,

retrenchment, independence, bad job conditions, discrimination, better opportunities and opportunities for better financial benefits” (p 10). In this study immigrants from different ethnicity had different reasons for going into entrepreneurship. For example, Lebanese respondents in this study mentioned that family background was an important motivator. Spanish and Polish migrants mentioned the lack of English language and non-recognition of their qualifications had made them choose self-employment to survive, which emphasises the push factor. In contrast, Cambodian respondents mentioned the ability to earn more money with self-employment which is classified as a “pull factor” as the main motivating factor. This study highlights that different migrants may have different reasons for going into entrepreneurship in the same host country, consistent with the aforementioned study by Nwankwo (2005).

2.7 Overview of Literature

The review of literature on the motivations of immigrant entrepreneurship has shown that the general motivational theory for entrepreneurship is also applicable to immigrant entrepreneurship.

Entrepreneurship theory in history has been discussed, along with multiple definitions of an entrepreneur. Conceptual theories developed on immigrant entrepreneurship show that the situation immigrants face in the host country can have an effect on their motivational factors for self-employment. Models discussed from the theories have also shown that the interplay of the different theories has an effect on the entrepreneurship potential of the immigrant. Conceptual theories and the models created have been critiqued in the review.

Motivational factors have been discussed and critiqued. The main motivational factors as seen from the review are independence, money, work-related factors, family-related factors, need for challenge and opportunity. The push and pull theory

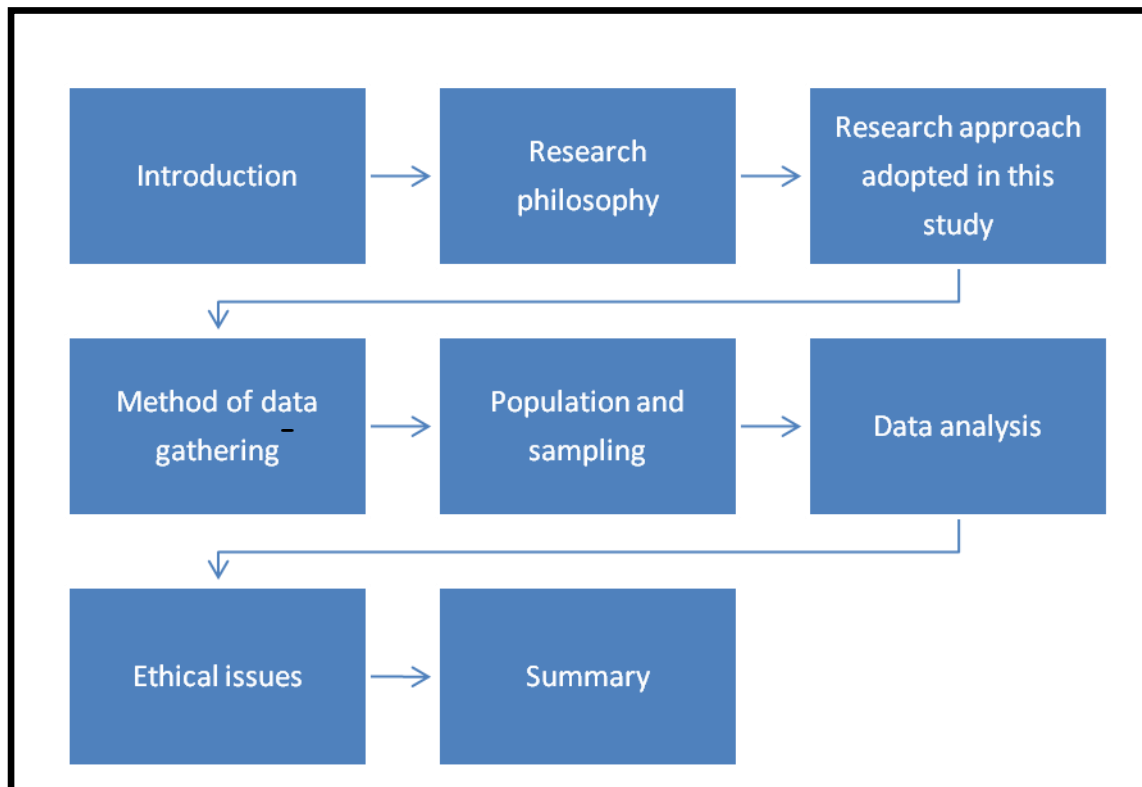
of motivation on entrepreneurship has been highlighted. From the review it is seen both push and pull factors influence the decision for self-employment. The review also highlighted that people with certain skills and experiences are more inclined towards entrepreneurship.

There has been minimum research done on motivation of immigrants to become self-employed in New Zealand. Research is done on discrimination faced by immigrants in the labour market, but studies related to the phenomenon of immigrant entrepreneurship and especially the reasons for entrepreneurship are lacking. The review looked at research on the labour market experiences of migrants in New Zealand which will help us relate to the “Labour disadvantage theory” and understand the phenomenon of immigrant entrepreneurship in the New Zealand context.

This study therefore focuses on exploring the motivational factors of Indian migrants in the Auckland region of New Zealand. By understanding the experiences these migrants have had in the labour market and researching people’s motives and intentions of becoming entrepreneurs before migrating, a conclusion can be reached about the motivations for Indian immigrants to become entrepreneurs in Auckland. Researching the migrant’s previous skills and experiences will also reveal conclusions that dovetail with the literature on the positive correlation between work and business experiences, and entrepreneurship. This is achieved by using a distinctive paradigm in relation to research methodology, which is the focus of the next chapter.

3. CHAPTER THREE: RESEARCH METHODOLOGY AND DESIGN

Figure 4 - Structure of Chapter three



3.1 Introduction

The chapter structure is presented in Figure 4. The purpose of this chapter is to describe the methodology used to examine the motivation of Indian migrants to become entrepreneurs.

The first section will discuss the two main research paradigms and the rationale for choosing the one used in this study. The population and sample will be chosen with the research objective in mind. Methods of data gathering and procedure used to analyse data are presented along with the computer software packages used to help in the analysis process. This chapter concludes with an evaluation of any ethical implications of this research.

3.2 Research Philosophy

Easterby-Smith, Thorpe and Lowe (1993) state the importance of the philosophical issues that otherwise could compromise the quality of management research in the research approach undertaken. Gunaratne (2008) explains three reasons for understanding the philosophical issues: (1) to determine a research design that will be effective for the study; (2) for clarification of the research design; (3) to determine and create designs to which the researcher has not previously been exposed.

Here are several different definitions of paradigm and these are important to address considering the use of paradigm in this study. Collis and Hussey (2003) define paradigm as “the progress of scientific practice based on people’s philosophies and assumptions about the world and the nature of knowledge” (p.17). Lincoln and Guba (1985) state that a paradigm “holds a worldview that defines for its holder the nature of the world, the individual’s place in it, and the range of possible relationships to that world and its parts” (p107). Saunders, Lewis and Thornhill (2009) state that the concept of paradigm is often used in social sciences, and can lead to confusion because it has several meanings. Saunders, Lewis and Thornhill (2009) define it as “a way of examining social phenomena from which particular understandings of these phenomena can be gained and explanations attempted” (p. 605) It is therefore necessary to determine the appropriate paradigm of inquiry before conducting a

research on a phenomenon along with appropriate methodology, and the method for gathering data (Saunders et al.).

Table 2 – Positivist and Phenomenological Paradigm

	Positivist Paradigm	Phenomenological Paradigm
Data Collection	Large sample used Reliability is high Validity is low Data is specific	Small sample used Reliability is low Validity is high Data are subjective
Role of Researcher	Detached and objective	Researcher is part of what is observed
Research Approach	Formulates hypothesis and tests them Data is expressed numerically Reports presented in abstract language Questionnaire and cross sectional studies	Focused on meaning Minimum numerals are reported Reports presented in descriptive language Focus groups, interviews and case studies used

Sources: Easterby-Smith, Thorpe and Lowe (1991) and Collis and Hussey(2003)

3.3 Research Paradigms

Kuhn (1962) was responsible for popularising the term paradigm, which he described as a collection of beliefs shared by scientists, a set of agreements about how problems are to be understood. According to Kuhn (1962), paradigms are essential to scientific inquiry, for "no natural history can be interpreted in the absence of at least some implicit body of intertwined theoretical and methodological belief that permits selection, evaluation, and criticism"(p.52). There are two dominant research paradigms: positivistic and phenomenological as seen in Table 2 (Collis & Hussey, 2003). These two paradigms are seen by purists as absolute and distinct. It has been suggested that they contain an amount of crossover (Collis & Hussey, 2003). In the following discussion of the two paradigms, the focus is directed towards their fit with the aims and objectives of this research so as to provide sound data that can be interpreted with validity and credibility.

Phenomenological paradigm

Phenomenology is a science of phenomena (Collis & Hussey, 2003). Allen (1990) describes phenomenon as "a fact or occurrence that appears or is perceived, especially one of which the cause is in question" (p. 893). The phenomenological paradigm is interested in understanding human behaviour from the research participant's own frame of reference (Collis & Hussey, 2003). The phenomenological approach advises that there is no single reality, and subscribes to mainly qualitative research methods with a view to understanding and interpreting the research area (Carson, Gilmore, Perry & Gronhaug, 2001). The researcher assumes that the world is what people perceive it to be and reality is socially constructed (Cavana, Delahaye & Sekaran, 2001). This method understands the human condition in a real life context and examines how humans experience their worlds (Guba & Lincoln, 1998). Denzin and Lincoln (1998) argue that "this means that qualitative researchers study

things in their natural settings, attempting to make sense of, or interpret, phenomena in terms of the meanings people bring to them” (p.24). In this paradigm, reality is what people perceive it to be, in terms of their internal ideas, feelings and motivations. This approach to research is generally associated with a small sample population and lends itself to the interview process where the observer seeks a high level of detail (Collis & Hussey, 2003). Phenomenology is also known as interpretivism and qualitative (Collis & Hussey, 2003). For the purpose of this research the term ‘qualitative’ will be used.

Qualitative research can be open to researcher bias, as frequently the researcher is the ‘research tool and consequently interprets data subjectively through their own eyes (Creswell, 2005). This methodology is used when there is a need for description, interpretation, and evaluation so as to reveal the nature of events and gain new insight about phenomena (Collis & Hussey, 2003), and when there is need for understanding of how things happen and are linked (Creswell, 2003). The research aim within this paradigm is to “understand the subjective experience of individuals” (Burrell & Morgan, 1979, p.253) and describe the “point of view of the actors directly involved in a social process” (Burrell & Morgan, 1979, p. 227).

Positivistic paradigm

Literature tends to associate positivism to the analysis of large amounts of numerical data that scientifically deal with social facts detached from value and attached to the doctrine of mathematical proof (Collis & Hussey, 2003). The positivist studies emphasise measurement and analysis of relationships between variables in a structured and controlled environment (Guba & Lincoln, 1998). Research that reflects the philosophy of positivism is likely to adopt the philosophical stance of a natural scientist (Saunders et al., 2009). They prefer “working with an observable social reality and that the end product of such research can be law-like

generalizations similar to those produced by the physical and natural scientists” (Remenyi, Williams, Money & Swartz, 1998. p 32). The researcher is likely to use existing theory and develop hypotheses which are tested and confirmed or refuted, which leads to further development of theory which is tested in future research (Saunders et al.). This view is supported by Walliman’s (2005) suggestion of the want for objective causal explanation as opposed to the desire for subjective understanding as prescribed by qualitative research.

Positivistic research, also referred to as quantitative, is said to be objectively measurable, detached, devoid of researcher bias, and lending itself to statistical analysis (Saunders et al.,2009). It is said that the key weaknesses of quantitative research are that statistical data may not be quite what it superficially appears to be, in that it does not account for social meaning and interaction, subjectivity, and individual values and perception (Collis & Hussey, 2003). This methodology traditionally affords itself to research questionnaires with the purpose of hypothesis confirmation or disconfirmation (Collis & Hussey, 2003).

3.4 Research Approach

Studies have been conducted on entrepreneurial motivations based on a positivist paradigm (Kirkwood & Campbell-Hunt, 2007) and observed from a psychological perspective (Segal, Borgia & Schoenfeld, 2005). The research methods are more concerned with hypothesis and theory testing and focused on quantitative methods (Shane, Kolvereid & Westhead, 1991). The motives for becoming entrepreneurs are, however, complex and a checklist approach cannot “capture the complexity of the decision process” (Stevenson, 1990, p.442). These concerns make the phenomenological paradigm more attractive and better suited to understanding a complex phenomenon (Kirkwood, 2009). Qualitative approaches are widely used and research is often conducted using the phenomenological paradigm (Perren &

Ram, 2004). Such a paradigm is more suited to understanding the motivation to become an entrepreneur in this study, which is consistent with other studies that have been done on entrepreneurship motivation (Kirkwood, 2009).

The qualitative approach is a widely accepted method for studying social phenomena (Marshall & Rossman, 1999). Qualitative researchers use a language of cases and concepts, examine social processes and cases in their social context, and look at interpretations or the creation of meaning in specific settings (Miles & Huberman, 1994; Neuman, 2003). The literature in anthropology and sociology suggests that fieldwork is a useful term for describing qualitative research methodology (Tolich & Davidson, 1999). This is a combination of observation and unstructured interviewing of people in the research setting. In fact, qualitative interviewing is considered to be flexible, interactive and dynamic (Tolich & Davidson, 1999). Cavana et al. (2001) state that an interview is an active channel for “exploring the rich and complex body of information possessed by an individual” (p.150) and must operate on three levels:

- the content level where the interviewer listens and records the information provided by the interviewee.
- the process level where the interviewee uses the skills of rephrasing and uses probing questioning techniques to get more information out of the interviewee.
- the executive level where the interviewer needs to be aware of the time spent, and how much time is left for the interview. The interviewer also needs to be sensitive towards the energy level of the interviewee and make judgements as to when to move the interview forward.

Bryman (2009) states that a semi-structured interview is a form of qualitative interview where the questions are in a form of an interview schedule but the sequence of questions can be changed. This means that the interview is not highly

structured with close-ended questions nor is it unstructured, where the interviewee can talk freely about whatever comes up (Polit & Hunglar, 1995). It offers topics and questions to the interviewee and is designed to draw out the interviewee's ideas and opinions on the topic of interest (Bryman, 2009). Saunders et al. (2009) also state that when it is necessary to understand the reasons for the decision taken by the participants or in understanding the reasons for participants' attitudes and opinions, the researcher is likely to conduct qualitative interviews. Besides this, the semi-structured interview is likely to get desired results for the study. Indeed, the qualities involved in the decision to become an entrepreneur lend themselves to interviews which allow for the "full expression of the interrelationships between the many variables that can impact on one person's ultimate decision to start a business" (Stevenson, 1990, p. 442). Therefore, a qualitative research method was used to gain insights into the choice of Indian immigrants to become entrepreneurs in Auckland.

3.5 Population and Sample

A sampling method is a process of selecting the sample from a population in order to obtain information regarding a phenomenon in a way that represents the population of interest (Brink, 1996). But there are no institutions like a business association for Indian immigrants in Auckland city, so it was difficult to locate the focus sector for this study. This study is on Indian migrants who fell under the skilled migrant category of Immigration in New Zealand and are self-employed, so standard probability-sampling methods would not succeed in locating this section of the Indian population. Grinnell and Unrau (2005) state that, in these cases, the researcher employs non-probability methods like quota sampling, purposive sampling, and snowball sampling. Quota sampling is where a selection is made to represent sub-populations. Purposive sampling is used when the selection is done on the basis of knowledge of the research problem that helps in deciding to select participants in the sample (Grinnell

& Unrau, 2005). Snowball sampling is where the researcher is helped by the respondents to identify the population under study (Grinnell & Unrau, 2005).

Purposive sampling was adopted in this study because it allowed the researcher to use his judgment in selecting participants who were best able to answer the research questions and meet the research objective (Saunders et al., 2009). Purposive sampling is also known as judgmental sampling because “the judgment of the investigator is more important than the obtaining of the probability sample” (Sarantakos, 1998, p.152). Minichiello, Aroni, Timewell and Alexander (1995) state that the aim of purposive sampling is not to obtain a representative sample but to distinguish purposive cases representing specific types of a given phenomenon. It is designed to pick up a small number of cases that will help obtain the most information about a particular phenomenon (Teddlie & Yu, 2007). Minichiello et al. (1995) add that “informants are representative in a colloquial sense because they illuminate important aspects of people’s ideas and experiences which have general applicability to understanding the social phenomenon under investigation” (p. 168).

Saunders et al. (2009) state that in non-probability sampling techniques, there are no rules to choose a sample size. Sample size is dependent on the research question and objective. This is especially true for the collection of qualitative data using interviews. Validity, understanding and insights gained from the data will be more dependent on data collection and analysis skills than the sample size (Patton, 2002). Kvale and Flick (2008) suggest, “Interview as many subjects as necessary to find out what you need to know” (p.44). Saunders et al. also recommend conducting a number of interviews suitable to ensure that ‘data saturation’ is reached. In a typical interview study, there tends to be between 15 and 25 interviews (Kvale & Flick, 2008). This number is due to the combination of time and resources available for the investigation and also the law of diminishing returns (Kvale & Flick, 2008). Guest, Bunce and Johnson (2006) also emphasise that to understand a homogeneous group, 12 in-depth interviews should be sufficient. Taking into consideration the time and resources available to the researcher, this study wanted to look at 15 in-depth

interviews.

The interview format was written in English. The researcher is only fluent in English and Hindi. India has 22 official regional languages (The Constitution of India, 2007) and many Indian migrants speak languages other than Hindi like Gujarati, Bengali or Punjabi and may not be able to converse in Hindi. English is one of the official languages of India, and the self-employed Indian migrant can speak it (The Constitution of India, 2007). People who cannot speak English were not considered for the research because translation of all different regional languages was not possible due to time and resource constraints.

3.6 Method of Data Gathering

The primary data was collected by semi-structured face-to-face interviews with the entrepreneurs themselves. The researcher wanted to interview 15 participants at the outset of the data collection procedure. Similar answers and themes started coming up after the ninth interview; hence the researcher did a total of 11 interviews for this research. The rest of the selected participants were informed over the telephone that the interview quota was reached and the participation in the interview was not needed anymore. Each interview was for 45 minutes to one hour long and was held in the business premise.

Participants were recruited using the researcher's network of contacts within the Indian community and also contacts with the wider non-Indian migrants and native born New Zealanders. The researcher has been living in Auckland for the past seven years and is an active member of the Indian Association. He has also been involved with many Indian events held in Auckland. The researcher contacted his entire network in Auckland, explaining his research objective and the requirements of the participation. The entrepreneurs who were recommended from this network were

contacted.

The procedure of contacting the fifteen participants involved a number of steps. Firstly, a set of documents were posted to the potential participants. This included the information sheet, a consent form, the semi-structured questions and a free return post envelope. The aim of the letter was to allow them to pre-formulate rough verbal responses before the actual interview. Participants were contacted by the researcher by telephone after seven days to determine their interest. The researcher took this opportunity to double check the participant's migration and business details to confirm their eligibility for this study. Three of the participants did not have time. Twelve of them agreed to participate in this research and were asked to send the signed consent form to the researcher as soon as possible. The researcher had to find three more potential participants from the contacts in the Indian community. The researcher asked the selected participants to refer other entrepreneurs they may know, who may meet the requirements. The same procedure of posting the relevant documents was followed with the three participants selected from the referrals. Upon receiving their consent form, the researcher contacted each participant again by telephone to confirm the interview dates and venue. All the participants wanted to be interviewed in their business premises.

In a face-to-face interview, the researcher can accommodate questions as necessary and clear doubts that may arise (Cavana et al., 2001). Face-to-face interviews can ensure that responses are properly understood by repeating the questions. Non-verbal body language can also be picked up from the respondents. (This is not possible through telephone or online interviews.) However, a major drawback of the face-to-face interview is that respondents might feel uncertain of the anonymity of their responses (Cavana et al., 2001). To minimize this uncertainty, the participation information sheet and the consent form had a clear explanation of the respondent's anonymity and the researcher explained it verbally to participants who asked for

clarification. Polit and Hunglar (1995) argue that the semi-structured method will offer the researcher flexibility in gathering information from the participants. Semi-structured interviews provide the opportunity to probe answers when the researcher wants the interviewee to give an explanation or wants to build on the responses (Saunders et al., 2009).

The pattern of the interview was based on the Cavana et al. (2001) strategy of development and execution through four steps:

- Entrance time investment - where a rapport was established with the interviewee by the researcher explaining the study context and confirming anonymity. Six steps were followed starting with the step called 'ritual' where common greeting took place. The second step, known as 'pass time', was where an observation or question about health ("How are you today?") or weather ("It's warm today") was asked and a literal reply was not expected. The third step, named 'reason', was where the objective of the research project was explained. The fourth, named 'rule', where the confidentiality of the information, information use and purpose of audio taping was explained. The fifth, ('preview') was where the interviewee was informed on the number of questions asked and also the amount of time that would be taken up. The sixth, titled, 'activity no. 1', was where initial first questions were asked and the interviewee started to get into the rapport zone.
- Activity number 2- where the interview took place and was recorded on audiotape. The participants were asked probing questions, and answers were clarified when necessary.
- Intimacy - where the interviewee was given the chance to give their account on their own terms. The interview progressed deeper into the rapport zone

where the interviewee was comfortable disclosing inner feelings and emotions.

- Exit time investment - where questions or final comments were encouraged from participants and the interview concluded with common courtesy.

Each interviewee was identified with a unique source code ensuring the anonymity of participants. Audio taped interviews were most feasible, as note-taking combined with asking questions and listening to responses can be a complex process (Creswell, 2005). The interview was audio taped with the consent of the participants.

3.7 Data Analysis

Data analysis is the systematic organisation and synthesis of the research data (Polit & Hungler, 1995). It also involves categorising, ordering, manipulating and summarising the data and describing it in meaningful terms (Brink, 1996). In this study, the researcher has considered general analytical procedure to deal with qualitative data. Miles and Huberman (1994) define general analytical procedure as three linked processes: data reduction; data display; and conclusion drawing. In data reduction, the data is summarised, coded and broken down into themes and categories. In data display, the reduced data is displayed in a visual form to show the implication of the data. And in conclusion drawing, the graphic representation of the displayed data is interpreted and meaning derived from it.

The researcher transcribed the taped interviews into a text file format, with each interview placed in a separate document. The documents were properly referenced with the time and participant code, and then carefully evaluated, line by line, for meaning (Miles & Huberman, 1994). The data was then put into different categories

according to similar themes (Miles and Huberman, 1994). It was analysed using thematic content analysis focusing on investigating recurring answers in the data obtained (Miles and Huberman, 1994). Thematic content analysis is a process of identifying recurring themes from the gathered data through assigning them into categories (called nodes in Nvivo, as explained later) and then grouping them afterwards (Collis & Hussey, 2003). Themes were chosen according to recurring answers for the questions provided.

The data collection and the analysis have the significance of data overload if undertaken manually (Richards, 2000). The software package Nvivo was used for data management (Richards, 2000). Nvivo is a software package to aid qualitative data analysis designed by QSR international. Its full title is NUD.IST Vivo. In this research, where Nvivo is referred to, it is to the first version of the software. Nvivo software is recognized for its use in qualitative research (Lonkila, 1995).

Barry (1998) argues that using Computer assisted qualitative data analysis (CAQDAS) could serve to distance the researcher from the data, encourage quantitative analysis of qualitative data, and create a similar pattern in methods of qualitative analysis. However, supporters of CAQDAS argue that it serves to facilitate an accurate and transparent data analysis process while also providing a quick and simple way of counting who said what and when, which in turn provides a reliable, general picture of the data (Richards & Richards, 1994; Morison & Moir, 1998).

Using software in the data analysis process has been thought by some to add rigour to qualitative research (Richards & Richards, 1994). One way in which such accuracy could be achieved is by using the search facility in Nvivo which is seen by the product designers as one of its main assets facilitating interrogation of the data.

This is true when the data is searched in terms of attributes¹, for example, questioning how many entrepreneurs are motivated by money. Clearly, carrying out such a search electronically will yield more reliable results than doing it manually simply because human error is ruled out.

Often among qualitative researchers there are two camps; those who feel that software is central to the analysis process and those who feel that it is unimportant (Richards & Richards, 1994). If the data set is relatively small it would be possible to use only manual methods, although the researcher would risk human error in searching for simple information on the whole data set. In their study of qualitative researchers who had used data analysis software, Smith and Hesse-Biber (1996) found that they used it mainly as an organising tool. Qualitative data analysis software is designed to carry out administrative tasks of organising the data more efficiently and should therefore be used to the full on this basis. For example, it is easier and quicker to code text on screen than it would be to manually cut and paste different pieces of text relevant to a single code onto pieces of paper and then store these in a file. It is easier to organise the data using software in this situation.

This researcher used Nvivo software to organise the data. (It is possible to import documents directly from a word processing package into the Nvivo software and code these documents easily on screen.) Using the software, transcripts were coded according to themes. In Nvivo, coding can be done in a relatively simple and useful way. It has both a code and retrieve component and a system of nodes and trees (Richards & Richards, 1994). Coding stripes can be made visible in the margins of documents so that the researcher can see, at a glance, which codes have been used where. In addition, it is possible to write memos about particular aspects of documents and link these to relevant pieces of text in different documents.

¹ An attribute is a particular characteristic of the data, for example, years of business experience or years of employment of participants. The researcher can create attributes for any documents in Nvivo.

All coding was entered in the Nvivo computer software, which was readied with the appropriate recording and grouping structure before the data collection.

3.8 Ethical issues

Research cannot ignore ethics (Tolich & Davidson, 1999), but it is even more important in qualitative research that involves interviewing people (Fontana & Frey, 1994). To avoid problems and difficulties in the research process, awareness of ethical issues is important. Unitec New Zealand's Ethics Committee (UREC) approved this study for the time period from the 01 December 2009 to the 01 December 2010. The ethics application number is 2009.1036. The researcher completed UREC application (Form A). The documents attached to the ethics application form included a participant information sheet (Appendix 3), consent form (Appendix 2) and interview structure (Appendix 1). The application for ethics approval consisted of completing Form A that included the full details of the research, specifying who the researcher was, the aim of the study, data collection method and place, and how the data was to be stored.

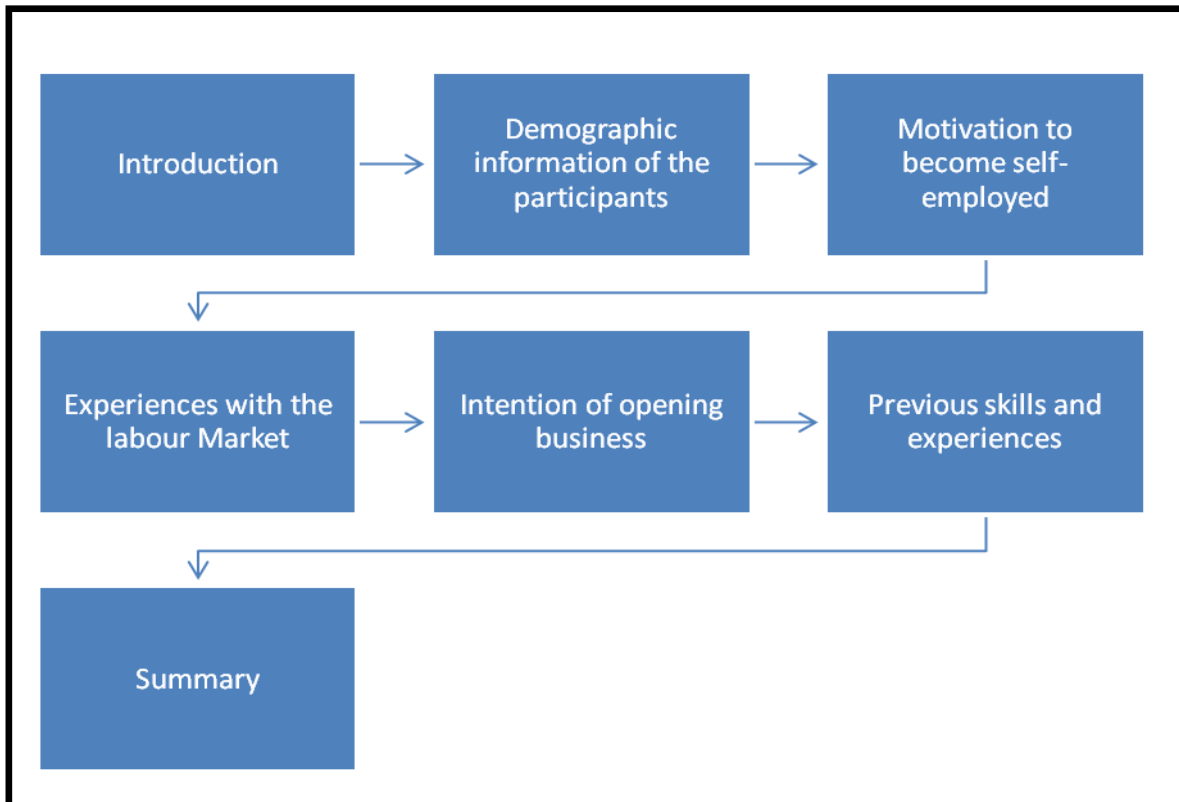
Participation in the interview of this study was voluntary. No participant's name was mentioned in the research results from the interviews. The data was stored as a soft copy in a CD, in a secured lock, in the researcher's supervisor's office. Participants were also ensured that the results of the interview would only be used for this particular study. And no incentive, monetary or otherwise was offered to the participants. Also, in consideration to any concern participants may have had, the information and consent sheet had the contact details of the researcher and research supervisor so that the interviewee had the option to opt out of the study within two weeks of their interview. No issues arose and no comments were made by any participants in that given time.

3.9 Summary

This chapter discussed the different research methodologies and provided the rationale for the research method chosen for this study. It discussed how a qualitative research method was chosen, keeping in mind the aim of the research. The research method chosen for the qualitative research involved semi-structured in-depth interviews with each of the entrepreneurs taking part in the survey. The interviews were recorded and transcribed. General analytical procedure for qualitative data was used. The analysis of the data was undertaken using NVivo software. In the next chapter the results from the data collection are presented in detail. They are then discussed in the following chapters.

4. CHAPTER FOUR: RESULTS

Figure 5: Structure of Chapter Four



4.1 Introduction

This chapter will present the results of the analysis performed on the 11 semi-structured interviews. “Data Reduction” on the qualitative research was performed, wherein the data was summarised, coded and broken down into themes (Miles & Huberman, 1994) using the Nvivo software for data management. This chapter will display the reduced data in a visual form to reveal the implications of the data (Miles & Huberman, 1994). Major themes have been identified that will help in answering the research questions. The chapter is divided into four sections.

- The first section will highlight the themes for the main motivation for Indian immigrants to become self- employed in New Zealand.
- The second section will highlight the themes on experiences these immigrants have with the labour market.
- The third section will highlight the themes on the third research question, on intention of opening a business and other options.
- The last section will highlight the themes on previous skills and experiences that have helped the participants in their self-employment.

4.1.1 Research Process

The researcher planned to interview at least 15 entrepreneurs at the outset of the study. Purposive sampling was adopted in this study, as the researcher could select participants that were best suited to meet the research objectives. Entrepreneurs were difficult to recruit for interviews, as many entrepreneurs declined to participate because of time constraints. Data was collected by semi-structured face-to-face interviews with the entrepreneurs. All the interviews were done on the business premises, with prior appointment.

4.1.2 Interviews

In February 2010, the researcher conducted 11 semi-structured interviews. After five interviews, the researcher started the coding process where major themes were identified, focusing on the research question. After nine interviews, no new themes were showing up. The researcher did two more interviews and did not identify new themes. Hence, in total, 11 interviews were conducted. The researcher used the Nvivo software for data management and help in coding and singling out the recurring themes from the interview transcripts.

4.2 Demographic information of the participants

Notes on the demographic of the participants are useful before presenting the findings. They are as per Table 3 (see page 65).

Table 3 – Participant’s demographic information.

Participants	Product/ Service	Gender	Year of migrating to New Zealand	Year Business founded	Job prior to migration	Job held in New Zealand prior to self-employment
<i>Participant 1 (P1)</i>	South Indian grocery and products shop	Male	2002	2004	Mechanical Engineer	Call centre
<i>Participant 2 (P2)</i>	Local Dairy Shop	Female	2003	2005	Chartered Accountant	Unemployed
<i>Participant 3 (P3)</i>	Liquor Shop	Male	2004	2005	Project Manager	Engineer
<i>Participant 4 (P4)</i>	South Indian video store	Male	2000	2004	Marketing Manager	Cleaner
<i>Participant 5 (P5)</i>	Taxi Business	Male	2002	2005	Student	Fast food attendant
<i>Participant 6 (P6)</i>	Importer of office furniture	Male	2002	2005	Accountant	Call centre
<i>Participant 7 (P7)</i>	Indian grocery store	Male	2004	2004	Self-employed	Retail salesperson
<i>Participant 8 (P8)</i>	Local Dairy shop	Male	2002	2003	Self-employed	Gas Station attendant
<i>Participant 9 (P9)</i>	Beauty Parlour	Female	2005	2005	Customer Relations Manager	Market research call centre
<i>Participant 10 (P10)</i>	Indian Grocery store	Male	2002	2004	Self-employed	Manager
<i>Participant 11 (P11)</i>	Indian Takeaway	Male	2000	2002	Marketing manager	Gas station attendant

As seen from Table 3, participants opened businesses mainly as shop owners, except for two participants. Only two participants were female, and the rest were all male. Five participants opened businesses that mostly cater to the Indian population in Auckland. Eight participants were employed prior to migration and three participants were running their own business in India. After migration, ten participants were in paid employment in New Zealand before going into self-employment. For all participants, the industry they have become self-employed in New Zealand, is not related to the industry they were previously working or in business in.

The next section will present the findings on the primary motivations to become self-employed for the participants.

4.3 Motivation to become self-employed

Table 4 - Primary motivators for each participant.

Motivations	Money	Flexibility	Gap in the market	Make a living	Need Change	Negative experience in the labour market
Participants						
P1	✓	✓	✓		✓	✓
P2	✓	✓	✓			✓
P3	✓		✓	✓	✓	
P4	✓	✓	✓			✓
P5	✓	✓	✓	✓		✓
P6					✓	✓
P7	✓		✓			✓
P8						✓
P9	✓	✓				✓
P10	✓		✓			✓
P11	✓		✓			✓
Total	9	5	8	2	3	10

The entrepreneurs in this study were motivated by more than one factor to start their business as per Table 4. It revolved around six main themes. As shown in Table 4, three or four motivations were apparent in most of the 11 cases. They are as follows:

- Money
- Flexibility
- Gap in the market
- Make a living
- Needed Change
- Negative experience in the labour market

The motivation mentioned by the highest number of people per Table 4 is “negative experiences in the labour market” followed sequentially by “money” and “gap in the market”. The following sections present the verbatim quotes from the participants for the main motivations. Chapter five will discuss these findings.

4.3.1 Money

Monetary gain was one of the major motivations for nine entrepreneurs. None of the participants who mentioned monetary gain as one of the reasons, however, stated that this was the most important reason, except for participant 2. All the other participants stated that money was only important to a certain extent, and they had other motivational factors. Participant 5 highlights this well in the following transcript.

“I thought I could earn more money in business rather than working, but even earning same amount of money would be fine, as long as I was working less hours”.

For other participants also, monetary gain was less important and they had other motivational factors to become entrepreneurs.

4.3.2 Flexibility

Five participants mentioned flexibility as one of the reasons for becoming an entrepreneur. Four participants mentioned that they wanted flexibility with their hours (such as having flexible time to start work and closing time/spending more time with family) which they could get from being self-employed. Participant 4 wanted to have flexible working hours that suited him and having his own business could help him get that. The transcript below highlights this.

“if I am a employee, I have to be on time for everything, If I work over 40 hours, I don’t get paid because I am in monthly package, whereas in my business, I can work for 7 hours otherwise I can work for 2 hours”.

One participant needed more flexibility to visit India, which he thought he could not get often from being employed. The transcript below highlights this.

“If I had got into a job, whenever I wanted to go back to India, I would have to ask for leave, and that would also be for a limited time like 2 weeks, 3 week or at most for a month. Being self employed, I can go anytime and as long as I want to”.

4.3.3 Gap in the market

Eight participants mentioned that they saw a gap in the market and started the business for that reason. For one participant, this was the main reason to start the business. Participant 1 had seen the market opportunity, and wanted to capitalise on it. This was the main reason to go into business as stated in the transcript.

“In those days they were no provisional store for South Indian community in Auckland. There were many random Indian grocery businesses. This was the main motivation to start the business”.

Participants who mentioned this, are classic cases of entrepreneurs seeing market gaps. They saw these gaps as an opportunity to start a business. All eight participants had seen an opportunity and had a positive outlook, where they believed that they could succeed in business. The following selected transcript from participant 7 and participant 11 highlights this.

“I surveyed the market and found that there is some potential here and not many complications to start a business. There is lot of scope here. So after doing some survey, I thought I can start business here which should give me good returns in business as per my efforts”.

“I knew that Indian population and other people would come and buy this food as there is only one big expensive restaurant providing this in posh locality. I knew that with competitive price, I could get a market share”.

4.3.4 Make a living

Two participants stated that making a living was their main reason to get into business. They did not want to make huge profits, but earn an average income to have a decent life in New Zealand. These entrepreneurs' reason for opening the business was to earn an average income, and they were not profit-driven. The following transcript of participant 5 highlights this.

“As long as I earn enough to make a living and can afford to spend time with my family, feed them well, and don't have to think twice to buy reasonable things, I think that's success for”.

The above participant wanted to operate a business that just had to make enough money to support their family and lifestyle.

4.3.5 Needed change

Three participants mentioned that they needed a change from their jobs, which was one of the reasons to start a business. Participants were not unhappy with the jobs they were doing. They wanted to do something different in their life. The following transcript from participant three highlights this.

“I wanted to experience being self-employed in NZ. I have never been self-employed in NZ before so it’s a change. It’s a totally different line in what I have been doing all my life”.

Participant 1 stated that he was happy with the job but need for change was one of the reasons to start the business. The transcript highlights this.

“Yes, I had a job and was quite happy with that, after that I thought I will need a change, that’s why I opened this shop with one of my partners”.

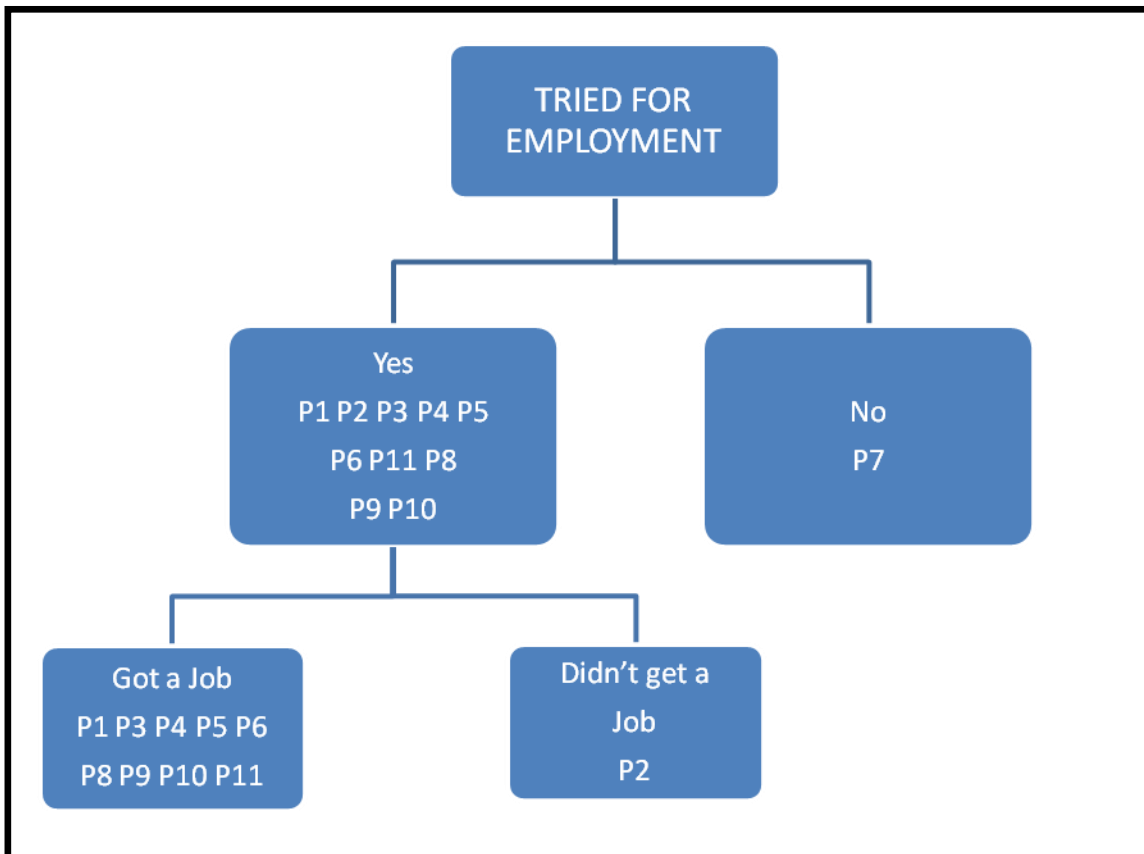
4.3.6 Negative experiences in the labour market

Ten participants had negative experiences on the New Zealand labour market, either while applying for a job, or during the job. This is the highest motivational factor to pursue entrepreneurship for the participants in this study as shown in Figure 6 above. Four participants found it hard to get jobs in New Zealand, and eight participants stated that they were not satisfied with their jobs. The next section shows the experiences of the participants in the labour market.

4.4 Experiences in the Labour Market

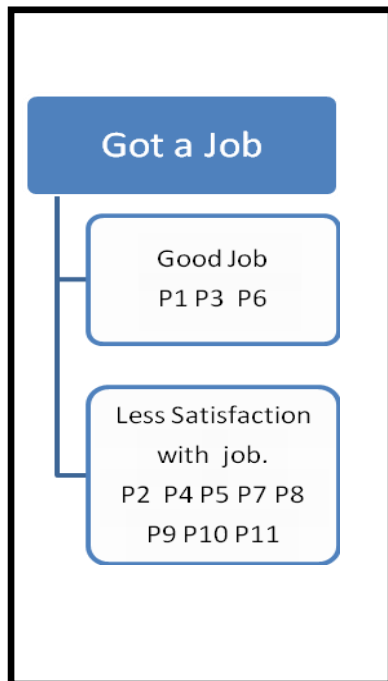
This section shows the experiences these entrepreneurs had on the New Zealand labour market before starting the business.

Figure 6: Tried for Employment



As per Figure 7, ten participants had the desire to work in New Zealand after migration and had tried to get into paid employment. Only one participant had prior plans of starting a business before migrating. Nine participants got jobs in the New Zealand labour market and only one participant could not find any job prior to starting a business.

Figure 7: Job Satisfaction



As per Figure 7 above, not all participants were satisfied with the jobs. Only three participants stated that they had a good job and eight participants were not satisfied with the jobs they had found.

Five major themes have been identified for this section from the interviews held. They are as follows:

- Hard to find job
- Less satisfaction in job
- Good job
- Racism
- Accent issues

The verbatim quotes below highlight the experiences of the participants with the labour market.

4.4.1 Hard to find a job

Four participants said that they found it very hard to find a job in the labour market. All four participants stated that lack of New Zealand experience was a barrier in getting a job. Participant 1 stated that if nobody would give him a job, then he would not be able to get the New Zealand work experience. Participant 2's qualifications were approved by the New Zealand qualification authority. She went to the job market to look for work, but nonetheless she found it hard to get a job in her field. The transcript below from participant 2 is a classic example of hardship faced in the New Zealand labour market.

“When I first started to look for jobs, it was hard to get jobs in New Zealand labour market. Everybody wanted New Zealand experience and local qualifications. I have studied from India and New Zealand qualification authority has approved my qualifications and certificates. When I actually went into the job market here, the employers did not recognise the qualification”.

Participants had all tried to get a job and many did not get a job in the field they were qualified for. The excerpt from Participant 9 states this well.

“I wanted to work as a customer care executive, because I have already worked in India as a customer care executive, but I didn't get a chance here. They needed New Zealand experience for jobs and to get the experience, you have to get a job first, which you don't get at all”

4.4.2 Less satisfaction in job

Eight participants mentioned that the jobs they were doing did not give them any satisfaction. One main reason for feeling unsatisfied with the job was because participants could not find a job in their relevant field and had to take up unskilled jobs for survival. Participant 6 sums this up well in the transcript.

“Through my first few contacts in New Zealand, I was advised to get any kind of job to get New Zealand experience and then to look for good jobs. Within two weeks I started job in Mc Donald’s, which I got through an Indian friend I made here. Then I started to look for other good jobs. I didn’t like doing Mc Donald’s jobs as I felt very embarrassed to mop the floors and do manual work near other people”.

Participant 9 and participant 11 felt that the jobs they were doing were stagnating their growth prospects. They felt that they were not learning anything new and didn’t see any growth in their career. Participant nine who was working in a call centre felt that she was made to work like a “Robot” and was doing the same things every day. She felt that there was nothing new or interesting in the job. Similar feelings were conveyed by participant 11 who felt stagnant in the job. The transcript from participant 11 below highlights this.

“I was not learning anything new, and my skills were getting stagnated. I was doing the same limited things everyday and nothing new to learn”.

4.4.3 Good job

In contrast to the above theme, three participants stated that they were satisfied with their jobs. Participant 1 was happy in the workplace, as he thought he was working for a reputed company. Participant 3 had secured a job related to his educational skills and were satisfied with it. Participant 6 had a similar feeling after getting a job

with a reputed finance company. Participant 6 worked in the finance company for three years and felt stagnant in the job. Hence this participant was counted in the “less satisfaction in job” section as well.

4.4.4 Racism

Five participants spoke about racism in New Zealand. Three participants mentioned that they had faced some form of racism in New Zealand. Two participants mentioned that they had not faced any discrimination in New Zealand either in work or business. Participants 4 and 9 felt that they had faced racism in their workplace. Participant 4 stated that racism was present in the New Zealand society which was usually not spoken outright in front of an individual. It was a more subtle form of racism. The transcript of participant 9 highlights this well.

“I faced some racism; you can say racist people at work. I don’t know what’s in their mind but couple of kiwi ladies made me feel like they have racist feelings towards you. They were rude to Asians but very polite to others”.

Participant 2 had faced racism while operating the business. In contrast to this, participant 5 and participant 10 said that they had never faced any discrimination in the workplace or in New Zealand society. Participant 10 thought people were down to earth and really good in New Zealand society.

4.4.5 Accent Issues

Five participants mentioned issues they faced with their English accent in the job or while applying for jobs. Participant 1 had found it hard understanding the kiwi accent in his first job, especially over the phone. Participant 4 and participant 5 had similar problems for the first three to four months in understanding the New Zealand accent. The transcript of participant five highlights this well.

“Language was certainly a big problem, I could speak English at that time but it was very hard with the Indian accent, and I didn’t understand what kiwis said, and they didn’t understand what I said. That was a big problem”.

4.5 Intention of opening business

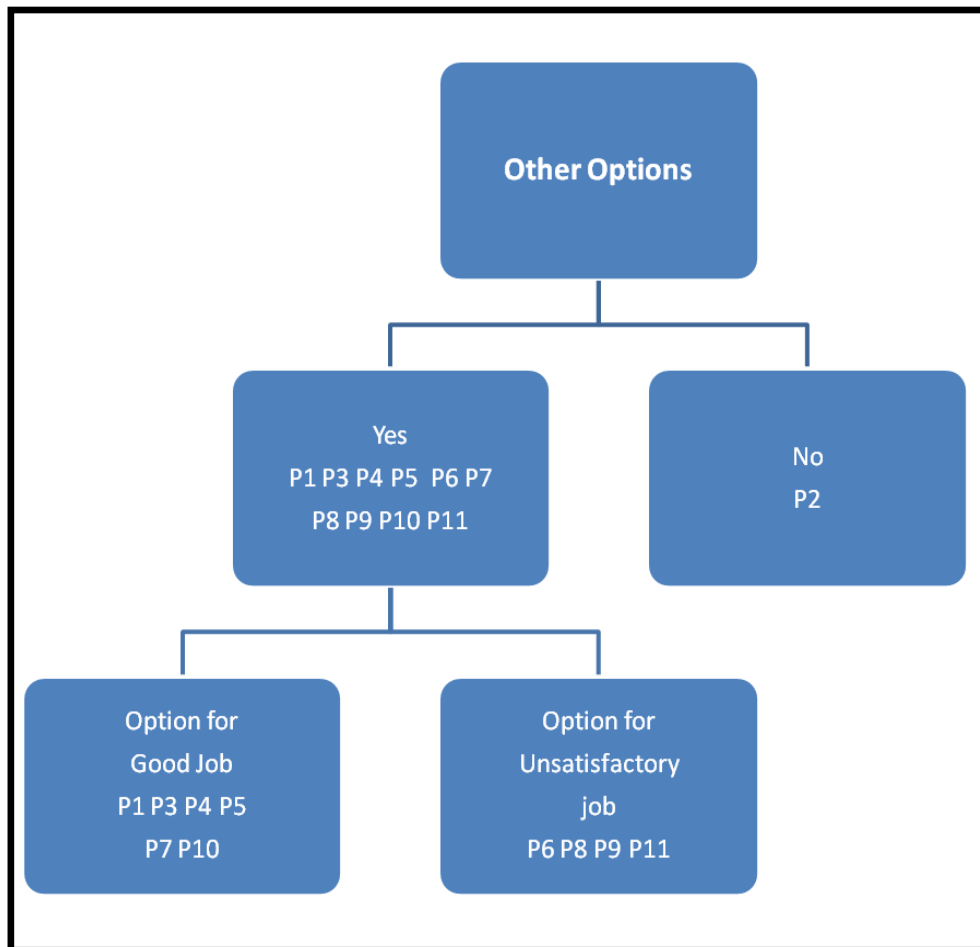
This section shows the intention the participants had to open a business prior to migration. Four major themes have been identified for this section from the interviews held. They are as follows:

- Other options
- Business experience
- Business structure
- Good experience with business

4.5.1 Other options

Ten participants stated that they had options other than self-employment as shown in Figure 9 (see over page). Six participants said that they could get good jobs and four participants said that they could get jobs, but only as unskilled labour.

Figure 8: Other Options



Participant 5 thought he had more job options after his short experience working in a fast food chain. Participant 7 and participant 10 were very positive about the New Zealand labour market and thought any hardworking person in any field had ample opportunities to find a good job. The transcript from participant ten highlights this positive feeling towards the labour market well.

“I could have easily got jobs. I had many job offers. My son advised me to take up my own business. Back in India I had my own business. But I don't like to sit and work. I worked for a telecommunication company from UK. I was a marketing agent

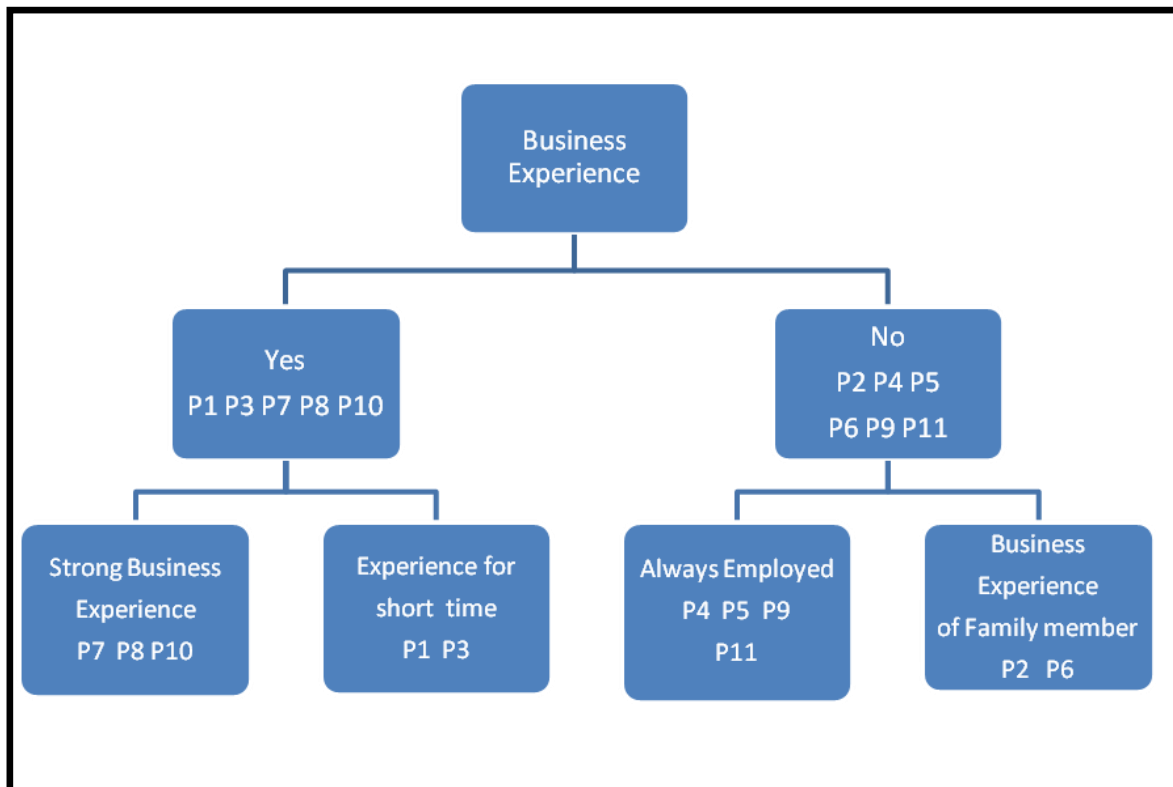
for whole of New Zealand before opening this business. But then having your own business makes a positive difference”.

In contrast to the above participants, four of the participants mentioned that they could only get jobs which were unsatisfactory. Participant 6 thought that he could only get unskilled jobs or a job working as a call centre agent. He did not see much growth in these jobs and thought self-employment was a much better option. Another three participants also had similar experiences and could only get jobs as unskilled labour. The transcript from participant 11 highlights this.

“I only got experience in New Zealand labour market in Gas station and it was hard for me to get a good jobs, I could get other jobs but in similar unskilled industries”.

4.5.2 Business experience

Figure 9: Business Experience.



Five participants had prior business experience and six participants had no business experience before migrating, as shown in Figure 9. Three participants (P7, P8 and P10) mentioned that they had strong business experience prior to migrating. Participants 8 and 10 had particularly strong business experience in India. Participant 8 had owned a factory since 1990 and participant 10 had business experience in several industries like tours and travels, transportation and computer hardware. Two participants (P1 and P3) stated that they had business experience for a short time. Participant 3 ran an engineering company on a part-time basis prior to migration. Two of the participants (P2 and P6) knew someone close to them who had business experience before, such as husband or parents, and four participants (P4, P5, P9 and P11) had always been employed and didn't have any close family members who owned a business. Participant 6 in particular had watched his parents run several businesses over many years. His transcript highlights this.

“No I didn't have any experience of entrepreneurship before coming to New Zealand. But my parents back in India have been involved in many entrepreneurial ventures over the years. I have seen them doing that and also helped them in many ways. But individually I never had any experience running my own business”.

4.5.3 Business structure

Nine participants mentioned that they found the process of opening a business in New Zealand very easy. In particular, participants found the procedure of registering and opening the business very easy. Participant 2 thought that government departments were very helpful and availability of required information was easy. Participant 5 had similar feelings, and found the online registration procedure specifically helpful. Participant ten thought that selling a business was easy in New Zealand and had no social stigma, which he found particularly attractive. The transcript highlights this.

“It's not like our county where, if you sell a business, people think you have gone

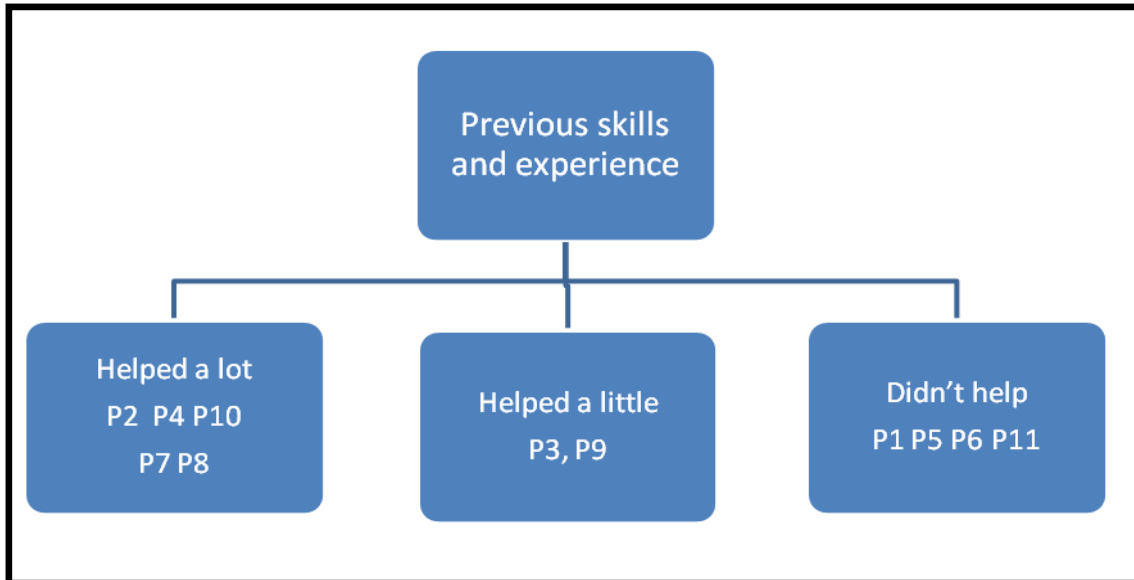
bankrupt. Here buying and selling business is itself a business. In a way, that gave me confidence to do my own business”.

4.5.4 Good experience with business

Three participants mentioned that they had good experience with business compared to the experience they had with jobs in New Zealand. Participant 1 thought that he was getting more satisfaction running his own business and he could interact with more people. Participants 2 and 9 had a similar feeling. Participant 2 was particularly satisfied with the money he was earning in business, and also had more time to spend with his family. Participant 9 had a similar feeling about running a business from home, which gave her more time to spend with her family.

4.6 Previous skills and experiences

Figure 10: Previous skills and experience



As shown in Figure 10, five participants mentioned that previous skills and experience helped them a lot; two mentioned that it had helped them a little and four participants said that their previous skills and experience had not helped them. Overall, seven participants were helped in some way by their previous skills and experience. Participants 7, 8 and 10 had previous experience of business ownership, which they thought helped them in entrepreneurship ventures in New Zealand. Participant 2 and participant 4 had worked in a chartered accountancy firm and marketing firm in India respectively. They stated that the experience they had in dealing with business customers in their jobs had helped them to set up business in New Zealand. Both these participants had opened businesses in a totally different industry.

Participants 3 and 9, who mentioned that their previous skills and experience had helped them a little, worked in multinational companies as a professional. Participant 3 thought that working as a professional may have increased his logical thought

processes and he could see the big picture in business. Participant 9 also thought that the experience of dealing with customers professionally was helping her in the present business. The following transcript from participant nine highlights this.

“It only helped a little because I have been working all my life in a multinational company in an administrative role first in India and then in a call centre here as an agent. My business is in completely different line. In a way, while working in New Zealand in a call centre my customer service skills has become more professional, so you can say that way it has helped me, while dealing with my customers now”.

Three out of four participants, who mentioned that their previous skills and experience didn't help them, had never had any prior business experience. Only participant 1 had business experience for a few years and he thought that it didn't help him a lot as he had opened a business in a completely different industry. The following transcript from participant one highlights this.

“My previous business in India was in computer hardware, it didn't help me much because we have opened a new business in a completely different industry, but slowly we are learning about this industry”.

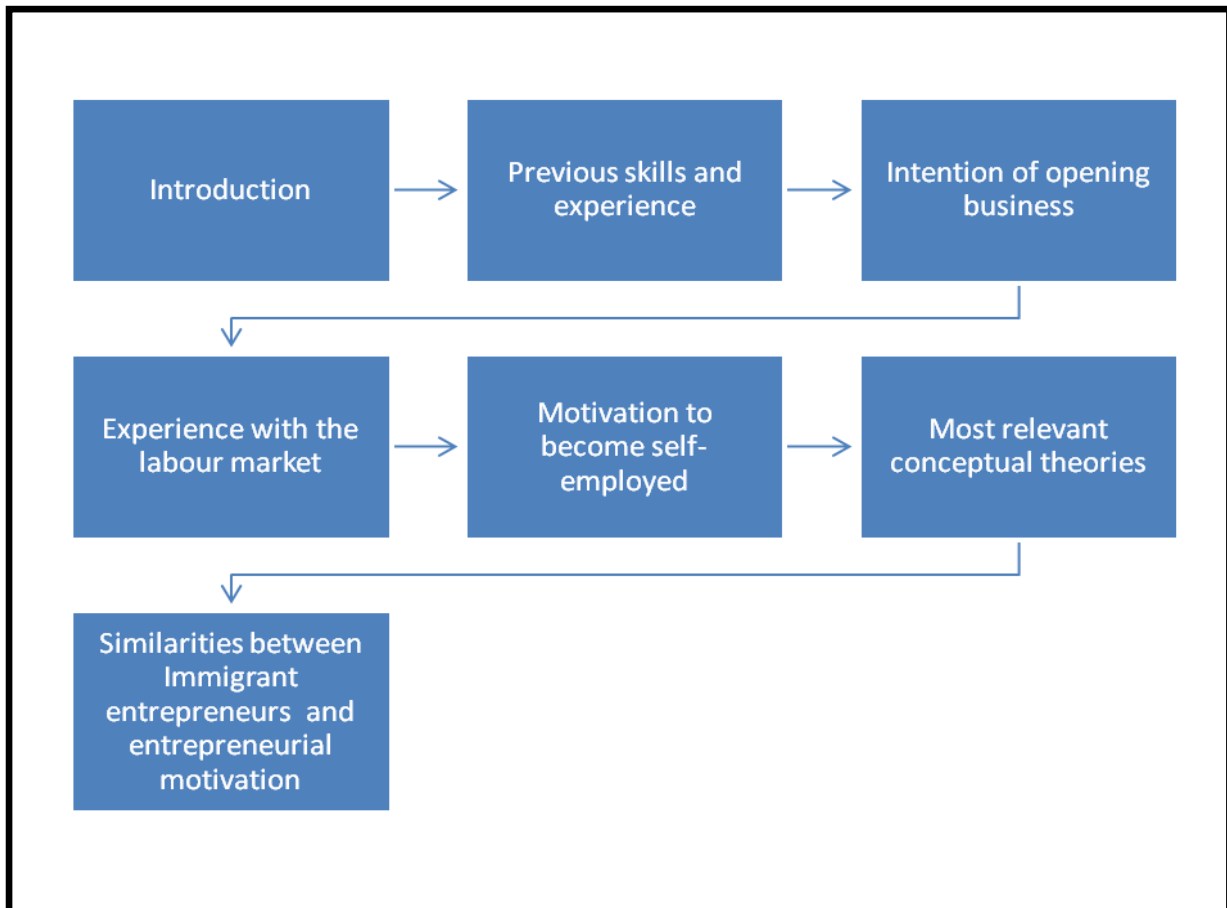
4.7 Summary

This chapter presented the findings of the research based on the data collected from interviews. The chapter described the “data display” part of the qualitative research method (Miles & Huberman, 1994). The findings have been presented with the help of verbatim quotes, figures and tables under relevant themes. Taking into consideration the main research question and research objective, the chapter was divided into four sections. They were: “motivation to become self-employed”; “experiences with the labour market”; “intention of opening a business”; and “previous skills and experience”.

The next chapter is the final part of qualitative research and does “conclusion drawing” where the graphic representation of the displayed data is interpreted and meaning is derived (Miles & Huberman, 1994). The next chapter will focus on discussing and interpreting these findings.

5. CHAPTER FIVE: DISCUSSION

Figure 11: Structure of Chapter Five



5.1 Introduction

This chapter focuses on discussing the key findings of the research. The results are highlighted and compared with the literature where relevant. The discussion primarily presents the motivation for Indian immigrants to become entrepreneurs in Auckland, and highlights the main motivational factors for entrepreneurship. It also discusses whether the participants were pushed or pulled into entrepreneurship. It also looks at the labour market experience of these entrepreneurs. A conclusion, which is a

discussion of the limitations of this research and direction for further research, is presented in the chapter after this one.

The aim of this research project was to investigate the factors that motivate Indian immigrants to become self-employed in New Zealand. The original research question and sub questions were as follows.

What are the motivating factors for Indian immigrants to become self-employed in New Zealand?

Sub-questions

- What experiences do these immigrants have with the labour market?
- Did they come to NZ with the intent of opening a business or were they pushed to become self-employed because they had no other option left?
- Did their skills and experiences help them in entrepreneurship?

The next section of the chapter will answer each research question with regards to the findings of the interview and compared with the literature. As per Figure 12, firstly, skills and experiences of the participants are discussed, then the intention of the participants to become self-employed during migration. The experiences these participants had in the labour market are also investigated. Following that, the study presents a discussion of the main motivations held by these participants for becoming entrepreneurs. Conceptual theories that are most relevant to this research are also investigated. The motivational factors for Indian immigrants in this research are compared with general entrepreneurship motivation as described in the literature. Finally, the chapter is summarised. Later on, in a following chapter, the conclusion is presented.

5.2 Previous skills and experience

This section discusses whether or not the prior skills and experience of the participants helped them in their entrepreneurship in Auckland. It is seen that individuals who have had the experience of doing business before had developed the problem-solving skills and mindset of an entrepreneur and these increase a person's ability to identify and exploit opportunities (Shane, 2000; Ucbasaran et al., 2003).

Five participants mentioned that their previous skills and experience helped them a lot. Two participants mentioned that their experience helped them a little and four stated that it did not help them at all. In this study, five participants mentioned that they had previous business skills and that these helped them in entrepreneurship in New Zealand. All five participants had done business in a different industry in India, but the general business skills helped them in their ventures here. This is consistent with the literature where previous experience in business is seen to have a positive relation with self-employment of immigrants (Politis, 2008).

Participants 2 and 9 had never done any business in India, but they thought that their past work experience had helped them in some way. Participant 2 thought that previously working as a professional had taught him to think things through logically, which ultimately helped him in his business; and participant 9 stated that working in a customer service job in New Zealand had helped her learn new customer service skills which she was using in her business while dealing with customers. This is consistent with the literature where previous management and sales experiences have been found to have a positive correlation with the financial success of the entrepreneurship venture and opportunity recognition (Politis & Gabrielsson, 2005)

In contrast to the above participants, four other participants mentioned that their previous skills were of no use in entrepreneurship in New Zealand. Three of them were working in a different industry, and said that they had to learn everything from

scratch for the business, and one participant said that he had done business for a short time in India before migrating, but mentioned that because it was in a different industry, that experience had not helped him in his entrepreneurship venture in New Zealand. Three of these participants (P1, P6 and P11) had worked respectively as a mechanical engineer, an accountant and a marketing manager prior to migrating and the industry they had opened business in was as a retail Indian grocery; Indian takeaway; and taxi business respectively. Their prior job experience as professionals and the industry they had opened business in, were not related. Hence these participants felt that their previous experience did not help them in entrepreneurship in New Zealand. The literature states that previous career experience helps individuals get knowledge about useful contacts, suppliers and markets which help them spot and exploit the entrepreneurial opportunity (Shepherd, Douglas & Shanley, 2000). Since the participants had migrated to a different country, the contacts they had built up during their working life in India may not have come to any use in New Zealand.

5.3 Intention of opening a business

This section will discuss the participant's intention of opening a business in New Zealand prior to migration. Ten participants mentioned that they had no prior intention of opening a business before migrating. They had looked for jobs in the labour market and were working in skilled and unskilled jobs. One participant had a brother who was already self-employed in New Zealand, and he had decided to open a business before migrating. This same participant mentioned that he thought he could find a job easily in New Zealand, but nonetheless had already planned to open a business when he arrived.

The main themes identified from the interview data are other options, business experience, business structure and good experience with business, which are discussed below.

5.3.1 Other options

Ten participants mentioned that they had options other than self-employment. Only one participant thought that they had no other option, and self-employment was the only option. Out of the ten participants, seven participants had options for jobs related with their skills and three participants thought they could only get unskilled jobs or jobs that did not match their qualifications and skills. Seven participants of this research do not come under labour disadvantage theory which states that immigrants turn to self-employment because they have no options for getting a job in the labour market (Min & Bozorgmehr, 2003). In this research, ten participants out of eleven mentioned that they had an option to get a job if they wanted to. Seven of them stated that they would have been able to get a skilled job and only three mentioned that they had options for jobs that did not match their skill level, or an unskilled job.

Seven participants had other reasons for going into self-employment, such as monetary gain, family-related reasons and independence. Lack of jobs in the labour market was not among the reasons. For another four participants, job dissatisfaction did in fact play a role in them choosing to go into self-employment, and for one participant, fear of unemployment played a role in becoming self-employed. This is consistent with the literature, where employment or the possibility of unemployment acts as a push factor to go into self-employment (Basu & Goswami, 1999; Morrison, 2001; Dobrev & Barnett, 2005).

5.3.2 Business experience

Five participants had business experience prior to migration, and seven participants had never had any business experience. Three of the participants had a great deal of business experience and two participants had only limited business experience. The literature states that individuals who have had business experience develop a mindset for entrepreneurship and problem-solving abilities that help them identify

and exploit future opportunities (Shane, 2000; Ucbasaran et al., 2003).

Two of the participants who had never had any business experience had a close family member who had himself had business experience in India. Participant 2 and 6 stated that their husband and family respectively had done business in India, and they gained confidence from that and had learnt a lot over the years by observing them. This is consistent with the entrepreneurship literature, where entrepreneurship of a family member, especially a parent, has a positive influence on the likelihood of entrepreneurship for the individual (Kirkwood, 2005).

5.3.3 Business structure

Nine participants mentioned that opening a business in New Zealand was very easy. They found the processes of registering the business and obtaining GST numbers were easy and convenient in New Zealand. This is consistent with New Zealand's favourable position in lists of countries ranked by their ease of doing business. New Zealand ranks number two in doing business out of 183 countries (Doing business, 2010). Within one day an entrepreneur can launch a business in New Zealand (Doing business, 2010). This is highlighted by the participants who stated that they could register the business within a day.

Participants mentioned that the Government was helpful and relevant information was easily accessible. Compared to other countries, the participants mentioned that they found the procedures very easy. Participant 10 stated that he found it very comforting that he could buy and sell a business and there would be no social stigma here as there is in India, where people felt that you only sell a business when you become bankrupt. The literature mentions that the structural system of the local economy and legal-institutional factors have a strong influence on the creation and existence of the small business economy in general (Volery, 2007). The influence of these factors on an immigrant's access to small business is quite significant (Razin, 2002).

Business structure plays an important role in the participant's decision to become self-employed in New Zealand. This is explained in the mixed embeddedness model on immigrant entrepreneurship in chapter two. Immigrant entrepreneurship is determined by interaction between the characteristics of the immigrant entrepreneur, opportunity structure and institutions that mediate between aspiring entrepreneurs and openings to starting a business (Kloosterman & Rath, 2004). Participants in this study have found the institutes very helpful in starting a business, and this played a positive role in the decision to become entrepreneurs.

5.3.4 Good experience with business

Three participants mentioned that they had good experience with business compared to experiences with the job market. Participant 1 mentioned that he got more satisfaction and more opportunities to interact with more people. Participant 2 was satisfied with the money she was earning from her entrepreneurship venture and participant 9 was happy to get more time to spend with her family. All of the three participants had felt stagnation and boredom in their jobs. All the three participants were working as professionals with large companies before migrating. In New Zealand, they had opened businesses in different fields to the ones they occupied in India. This is consistent with the literature where professional migrants have been satisfied and have had good experience by becoming entrepreneurs (Lofstrom, 2002; Shinnar & Young, 2008) even though the entrepreneurship is in a different industry to their prior industry work experience.

5.4 Experiences in the labour market

Ten participants had looked for jobs in the New Zealand labour market. Only one participant had come with the prior intention of opening a business before migrating. Nine out of them got a job and one participant never got a job. Only three participants stated that they got a good job and the remaining six were not satisfied with their jobs. Six key themes that have emerged from an analysis of the Nvivo

nodes that refer to the labour market are discussed below.

5.4.1 Hard to find a job

Four participants mentioned that they found it very hard to get a job in the labour market. They said the main barrier was lack of New Zealand experience. Participants wondered how they would acquire New Zealand experience if nobody here gave them a job. This is consistent with the literature where immigrants have faced problems in getting jobs due to lack of recognition of their previous experience and qualifications (Valenzuela, 2000). A study done by Butcher, Spoonley and Trlin (2006) in New Zealand found that immigrants have faced barriers in the labour market due to lack of recognition of overseas experience. A study done by North (2007) highlights the fact that employers in New Zealand preferred candidates with New Zealand experience and qualifications. Migrants coming in with overseas work experience and qualifications sometimes have negative experiences in the labour market with employers' hiring attitudes. New Zealand has a small population, and its future prosperity will depend on how it uses its skilled human capital. Utilising the skills of the migrants will be a critical factor in the future prosperity of New Zealand. This becomes all the more significant considering that nearly 25% of the people living in New Zealand are born overseas (Department of Labour, 2008).

5.4.2 Less satisfaction with job

Eight participants mentioned that they were not satisfied with their jobs, as they had taken up jobs for survival which were not related to their field. This is one of the important factors motivating business start-up for the participants in this research. Participant 6 started with a job in a fast food chain and used to feel shy working there. He got a job in a bank contact centre which was related to his qualification, but after working there for three years, felt stagnant and unsatisfied with the job. Participant 9 had similar feelings where she thought that she was not learning anything new in her job and felt lack of personal growth there.

Motivation to start a business due to lack of job satisfaction is considered to be a push motivating factor and is often an important factor in determining an entrepreneurial career (Winn, 2004; Dobrev & Barnett, 2005). The particular reasons for job dissatisfaction offered by the participants in the research, such as lack of growth potential or monotonous work, are similar to those given in other works that have researched entrepreneurship motivation (Cromie, 1987; Marlow, 1997; DeMartino & Barbato, 2003). This motivation does not fall under any of the immigrant entrepreneurship theories however, but rather under the general push and pull theory of entrepreneurship motivation, where lack of job satisfaction is classified as a push motivator for entrepreneurship.

5.4.3 Good Job

In contrast to the above theme, few participants had good experiences in the labour market. Three participants mentioned that they had found good jobs in New Zealand which they were satisfied with. The motivating factor for these participants to become entrepreneurs was not related to their jobs. Participants 1 and 3 found good jobs related to their skills and participant 6 also mentioned that he got a good job. Participant 6 worked in the same company for three years and over time the same “good job” turned into a “stagnant job” for this particular participant. For him, the work related reason was still one of the motivating factors. This theme is consistent with the literature, where immigrants pursue self-employment even though they may be working at good jobs in the host country (Shinnar & Young, 2008). Other factors could be the reason for self employment like monetary gain or independence.

5.4.4 Racism

Five participants spoke about racism. Two of them had faced it in their workplace and one in the operation of their business. The literature states that discrimination by the employers and in the work place acts as a push factor for immigrants to turn to entrepreneurship (Kloosterman & Rath, 2004). Research done in New Zealand

highlights that migrants have faced discrimination especially in looking for jobs in the New Zealand labour market (Butcher, Spoonley & Trlin, 2006). Participants 4 and 9 stated that they felt a subtle form of racism in New Zealand while working, and that had added to the dissatisfaction with the workplace, ultimately becoming one of the motivating factors to become entrepreneurs. Only two participants stated this, so racism in the workplace is not a major reason for job dissatisfaction in this research.

In contrast to the above participants, two out of the five participants said that they had never faced any form of racism at work in New Zealand. They thought that New Zealanders were friendly and helpful and they had a positive perception of New Zealand society. Remaining participants who were not satisfied with their jobs did not speak about facing any racism in the New Zealand workplace or society. The Human Rights Act 1993 and New Zealand Bill of Rights Act 1990 prohibit discrimination in the workplace according to race, ethnic or national origin in New Zealand (Human Rights Commission, 2010). This may be one reason the majority of participants in this research did not face any racism in the workplace. However, there were other reasons for job dissatisfaction, such as monotony, boredom or lack of growth potential.

5.4.5 Accent issues

Five participants had faced problems with the English accent while looking for jobs or in the job. All the participants could speak English but with an Indian accent. Butcher, Spoonley and Trlin (2006) did a study on immigrants' experience in the labour market, where they have found that even with good language skills, migrants have faced discrimination in the labour market because of their different accent. After migration, participants found it hard to understand the New Zealand accent. Participant 1 mentions that he could not understand Kiwi women's accents, especially over the phone in his workplace. Participant 5 stated that when he went to apply for jobs, the employers thought that he would not be able to converse with the customers, and this was a barrier to him as far as getting a job was concerned. All

the other four participants, except for participant 1, managed to understand the New Zealand accent after spending some time in New Zealand. All the above participants still speak English with an Indian accent.

5.5 Motivation to become self-employed

In the results chapter, it is seen that six primary motivating factors were found in the drive to become entrepreneurs. They are: money, flexibility, gap in the market, needed a change, making a living, and negative experiences in the job market. They are discussed below.

5.5.1 Money

Monetary gain is found to be an important motivator to becoming an entrepreneur (Alstete, 2003), which is evident from the results. However, it is not the only motivating factor. Nine participants mentioned that money was one of the motivating factors to become self-employed. And all the above participants except participant 2 stated that money was not the most important factor. This is consistent with the literature which states that people are not always motivated by money alone to start a business and money is not always the most important factor (DeMartino & Barbato, 2003). Other factors like independence and work related factors are often more important than monetary factors (Kirkwood, 2009). Studies that have found money to be a motivating factor are widespread in the literature (Hamilton, 1987; Dubini, 1988; Scheinberg & MacMillan, 1988; Vivarelli, 1991; McDowell, 1995).

Monetary gain is considered to be a pull factor in the literature (Kirkwood, 2009), which is a positive sign as most of the businesses opened by entrepreneurs with pull factors tend to be successful (Kirkwood & Walton, 2010). All the participants who mentioned that monetary gain was one of the factors to get into business were actually earning more than what they used to earn when employed by other people.

This is consistent with the study done by Lofstrom (2002) in the United States, where immigrants who were self-employed had higher lifetime earnings compared to immigrants who were employed by others.

5.5.2 Flexibility

Flexibility is considered to be a pull factor for entrepreneurship (Carter, Gartner, Shaver & Gatewood, 2003). Five participants mentioned flexibility as one of the reasons to become self-employed. Four participants mentioned that they could get flexibility with their time with self-employment, and one participant wanted flexibility of vacations to visit India. Participants 4 and 9 were particularly attracted to the flexibility they could obtain with opening and closing times in their businesses. This is consistent with the wider entrepreneurship literature that mentions flexibility as an important factor in choosing self-employment (DeMartino & Barbato, 2003).

5.5.3 Gap in the market

Eight participants mentioned that they saw a gap in the market, and this was one of the reasons for becoming self-employed. Seeing a gap in the market is an important factor that appears in the literature on motivation to become an entrepreneur or business owner (Hisrich & Brush, 1986; Lee-Gosselin & Grise, 1990; Kirkwood & Walton, 2010). For participant 1, this was the main reason to open the business. He stated that he had seen many grocery stores catering to Indian business, but none had particular South Indian products. He saw an opportunity to cater to this niche market in Auckland and opened a South Indian grocery store. He had realised a personal need that was not met in the market and this motivated him to start the business.

None of the participants had prior experience of the industry in which they started the business. Their work experience had been totally unrelated and the gap in the market was identified through the awareness of the New Zealand market. Participant

10 and participant 7 had studied the market and done a survey before starting the business. Participant 4 had opened an Indian video store in a suburb which he thought was like a “little India” and had seen a market opportunity for his products. Participant 4's example is a classic case of ethnic enclave theory where opportunities are created for the niche market to serve the customers of same ethnic background (Altinay, 2008). These findings reflect the existing studies on immigrant entrepreneurship, where entrepreneurs take advantage of market imperfections and opportunities available (Kirkwood & Walton, 2010). Seeing a gap in the market is a pull motivation factor, as entrepreneurs wanted to exploit the opportunity present in the market (Hakim, 1989). Participants in this research did not open their businesses in the industry they had prior experience in, and this is consistent with the findings of other studies on entrepreneurs (Terjersen, 2005).

5.5.4 Make a living

Two participants mentioned that they were motivated to become self-employed in order to make a living. They were not hugely profit-driven, but wanted to cover their costs and earn an average income. The business had to make enough money to support their family and lifestyle. In the literature, entrepreneurs have been motivated by this factor when entrepreneurship is the only option for them (McGregor & Tweed, 2000; Benzing & Chu, 2009). Interestingly, in this research, both participant 3 and participant 5 mentioned that they had options other than self-employment. Participant 3 wanted to be comfortable and pay off his bills, and participant five wanted to earn enough to feed his family and not have to think twice before purchasing reasonably-priced things. This motivational factor may reflect their reason for migrating in the first place, which was to live a more relaxed lifestyle in New Zealand. New Zealand promotes itself to potential migrants as a laid-back destination with a good quality of life (Immigration New Zealand, 2010b). Many recent migrants from India have been attracted to the quality of life in New Zealand, which they perceive to be less stressful compared to cities in India (Pio, 2005). This may be one reason to want just enough money from self-employment to have a

comfortable life and not have to be quite as profit-driven.

5.5.5 Needed Change

Two participants mentioned that they needed a change from their jobs, and this was one of the motivating factors for going into self-employment. Participant 1 was happy with his job, but wanted a change, and participant 3 wanted to experience being self-employed in New Zealand. None of these participants were unhappy with their present jobs, but felt that they needed a change from them. Needed change is not mentioned as one of the motivational factors for entrepreneurship in the literature but a 'need for challenge' is one of the factors (Buttner & Moore, 1997; Marlow, 1997). One of the reasons the two participants wanted change was to have a more challenging work environment, which they thought entrepreneurship could fulfill.

5.5.6 Negative experiences in the labour market

Negative experiences in the labour market were an important motivating factor for the participants in this research. Four participants mentioned that they found it hard to get a job in the New Zealand labour market after arrival. Most of them faced barriers in terms of lack of New Zealand experience, or lack of recognition of their qualifications. Many described the classic chicken-egg problem of being unable to get the first job because they lacked the New Zealand experience, which in turn was a barrier to getting a job. Eventually three participants got jobs, but these jobs were not commensurate with their skills.

Ten of the participants were not happy with their jobs in New Zealand. They felt that they were stagnating with no prospects for growth or they had taken up jobs in the unskilled labour market to survive here. Participant one felt bored with the jobs and felt that being self-employed would give him more opportunity to interact with more people. One reason for this participant mentioning "boredom" on the job could be

because his job was not related to the skill set on which basis he had migrated to New Zealand.

A study done by North (2007) in New Zealand found that employers gave a lot of importance to New Zealand work experience and New Zealand qualifications in employing migrants. A similar study done by Butcher, Spoonley and Trlin (2006) found that migrants faced discrimination in the labour market due to lack of recognition for overseas experience and sometimes overseas qualifications. This is also consistent with the Labour market disadvantage theory of immigrant entrepreneurship as explained in chapter two. The participants in this study did face similar experiences as mentioned in the above studies, and this was one of the important motivating factors to become entrepreneur.

5.6 Most relevant conceptual theories

This section will discuss those conceptual theories on immigrant entrepreneurship (described in chapter two) that are most relevant to the participants in this study.

The most relevant conceptual theories are: the ethnic enclave theory; middleman minority theory; labour disadvantage theory; cultural theory; and opportunity structure. The participants had faced hardship getting jobs in the New Zealand labour market, and the jobs they had procured were not satisfactory. Six participants had opened businesses whose customers were mostly Indians and South Asians. The theories that are most relevant in this study are labour disadvantage theory and ethnic enclave theory.

Labour disadvantage theory is where immigrants face disadvantages in the labour market compared to the native-born population (Min & Bozorgmehr, 2003). Ten participants had faced problems either in getting a job in New Zealand or getting a job, related with their skills base. Lack of New Zealand experience and qualifications

had acted as a barrier in the labour market for the participants. They thought that self-employment would be a better option than being employed in unsatisfactory jobs. This theory sees entrepreneurship as an alternative to employment and not a sign of success (Volery, 2007).

Ethnic enclave theory states that opportunities for an ethnic minority are found in locations where businesses are already set up by the same ethnic group (Altinay, 2008). Five of the participants had opened businesses whose majority customers were Indians and three of them had opened businesses in locations that had a concentration of other Indian businesses. All five of these participants were employing other Indian immigrants in the business. This is a classic case of ethnic enclave theory, where the participants had entrepreneurial skills, capital and a supply of ethnic labour which is a prerequisite for ethnic enclaves (Lee, 2003).

5.7 Similarities between immigrant entrepreneurs and general entrepreneur's motivation

This section compares and contrasts the existing research on the motivations of entrepreneurs in general with the motivations found in this research for Indian immigrants. Table 5 (see over page) illustrates this.

Table 5 - Comparison of motivations with general entrepreneurship literature²

<i>Motivations</i>	<i>Prior entrepreneurship studies</i>	<i>Immigrant entrepreneurs in this research</i>
Money	Wealth generation (Demartino & Barbato, 2003)	More money than employment
Gap in the market	Recognising opportunity (Hakim,1989)	Seeing a niche opportunity Observing a gap in market
Flexibility	Desire for independence and autonomy (Carter et al., 2003; DeMartino & Barbato,2003)	Flexibility with time Flexibility with vacations (for visiting India)
Make a living	Only option for income (McGregor & Tweed, 2000; Benzing & Chu, 2009)	Earn enough to provide for family
Need change		Do something different from regular job
Negative experience in the labour market	Job and career dissatisfaction (DeMartino & Barbato, 2003) Difficulty finding employment (Hakim, 1989)	Hard to find job Job dissatisfaction

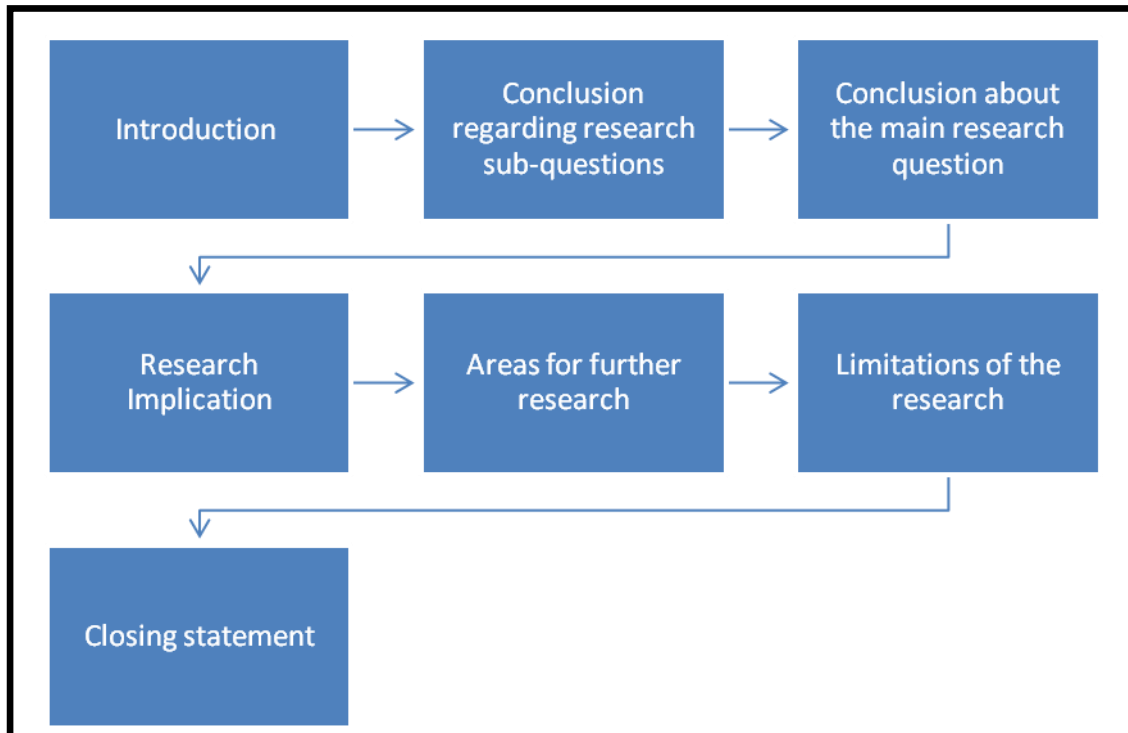
²The idea for this table was gained from Cato, Arthur, Keenoy and Smith (2008) comparison of associative entrepreneurs and concepts around entrepreneurship.

It can be ascertained from Table 5 that the motivational factors for Indian immigrants in this study bear similarities to the general entrepreneurship research except for “needed change”, which is not mentioned in the literature. One motivational factor in the literature has been the need for a challenge (Hakim, 1989; Marlow, 1997; Still & Soutar, 2001) which could be considered similar to need for change. Neither of the participants in this research who mentioned needing change as one of their motivating factors mentioned a need for challenge.

The main motivational factors for the Indian immigrants in this research are similar to the general motivational factors mentioned in the literature. Both push and pull factors have been the reasons for entrepreneurship, which is similar to other motivational studies. Indian migrants in this study also fit into two conceptual theories of immigrant entrepreneurship: labour disadvantage theory and ethnic enclave theory.

6. CHAPTER SIX: CONCLUSION

Figure 12: Structure of Chapter Six



6.1 Introduction

This chapter is the concluding chapter for the research on the motivations of Indian immigrants to become entrepreneurs in Auckland. The main research question is:

What are the motivating factors for Indian immigrants to become self-employed in New Zealand?

Three sub-questions emerged from the main research question:

- What experiences did these immigrants have with the labour market?
- Did they come to NZ with the intent of opening a business or were they pushed to become self-employed because they had no other option left?
- Did their skills and experiences help them in entrepreneurship?

This chapter treats each research question individually. It then attempts to answer the main research question based on the conclusions of the sub-questions. As shown in Figure 12, the research implication is highlighted and six suggestions for future research are made. The chapter concludes with the limitation of the research and a closing statement.

6.2 Conclusion regarding the research sub-questions

The following section will conclude the three research sub-questions that will help in answering the main research question in the next section.

6.2.1 Research sub-question one

Research sub-question one looked into the experiences of the Indian immigrants in the New Zealand labour market and asked, *“What experiences have these immigrants had with the labour market?”*

It is clear from the general entrepreneurship literature that work-related issues are an important motivational factor for becoming self-employed (Cromie, 1987; Marlow, 1997; DeMartino & Barbato, 2003). Dissatisfaction with work and generally with one’s career can motivate an individual to become an entrepreneur (Kirkwood & Walton, 2010). Specifically, from the immigrant entrepreneurship literature, a theory called 'labour disadvantage theory' has been developed which states that immigrants find it hard to get jobs in the

labour market or often are underemployed, and that becomes a motivating factor for entrepreneurship (Min & Bozorgmehr, 2003). In the entrepreneurship literature, this theory is considered to be a push factor (Volery, 2007).

The results of this study's research reveal that the participants found it hard to secure employment in the New Zealand labour market due to their lack of New Zealand work experience and the lack of recognition of overseas experience by employers in New Zealand. Because of this, many were forced to settle for unskilled jobs. The fact that they were working jobs unrelated to their education created dissatisfaction among many participants. Two participants also mentioned that they had faced racism in the workplace, which had added to the dissatisfaction level in the workplace. Five participants had also faced problems with the New Zealand accent while looking for work or while at work. Negative experiences in the workplace and the general labour market were an important motivator for Indian immigrants in this study to become self-employed in New Zealand.

Three participants mentioned that they had found good jobs in the New Zealand labour market but had other reasons to go into self-employment. The majority of the participants in this research had faced problems in getting skilled jobs in the labour market, and many had to take up jobs that were not related to their skills, or unskilled jobs. The participants in this research were most inclined to fall under the "labour disadvantage theory" of immigrant entrepreneurship.

6.2.2 Research sub-question two

Research sub-question two looked at whether there had been a pre-existing intention to open a business prior to migration, or conversely, whether the immigrants found that they had no other option and were necessity

entrepreneurs. The question asked was, “*Did they come to NZ with the intent of opening a business or were they pushed to become self-employed because they had no other option left?* ”.

Ten participants had no intentions or plans of opening a business in New Zealand prior to migrating. The majority of the participants mentioned that they had options other than self-employment in New Zealand for earning a living. Many of them had not been completely shut out of the labour market, but nonetheless had not had positive experiences with it. Participants were doing both skilled and unskilled jobs prior to self-employment. New Zealand's unemployment rate is one of the lowest in the world at 6% (Statistics New Zealand, 2010) and between 2002 and 2005 in particular (the majority of the participants founded businesses between this period), unemployment was averaging only 4.48% (International Monetary Fund, 2009). This pre-recession high availability of positions could be the reason why these immigrants had considered that they had job options in the labour market prior to self-employment.

Four participants already had prior business experience before migrating to New Zealand, and that helped them in starting a new venture here. Individuals with business experience tend to develop a knack for identifying and taking advantage of opportunities (Shane, 2000; Politis, 2008), and this did indeed help the participants in New Zealand. Two of them who never had any business experience, had a close family member (parents and husband) who had run businesses. The fact of having close family members who are entrepreneurs positively motivates individuals to do the same (Kirkwood, 2005).

Most of the participants also mentioned that they found the procedures of opening a business in New Zealand very easy compared to India. New Zealand ranks number two out of 183 countries in doing business, according

to a recent survey (Doing business, 2010). The structural system of the local economy plays an important role in the creation and existence of the small business economy (Volery, 2007), and the influence of these factors on immigrants' access to small business is even greater (Razin, 2002). The New Zealand system has played a positive role in encouraging Indian immigrants to open businesses here.

6.2.3 Research sub-question three

Research sub-question three looked at prior skills and experience that had helped the participants in this study to launch themselves into entrepreneurship in New Zealand, and asked "*Did their skills and experiences help them in entrepreneurship?*"

Entrepreneurship is not considered as having a fixed characteristic or trait; rather, it evolves over time with the individual's working life (Minitti & Bygrave, 2001; Politis, 2005). One source of experience highlighted in the literature has been business start-up experience (Westhead & Wright, 1998; Ucbasaran, Westhead & Wright, 2006). Three participants had prior business experience which helped them in entrepreneurship in New Zealand. Participants who had been previously employed were also helped in entrepreneurship in New Zealand, as they had developed specific work skills that were transferable to self-employment, such as marketing, customer service, logical thinking and accounting. Prior skills and experience were not, however, helpful for three participants in this research, as their previous work and present business were in completely different industries and environments. Participants who mentioned that their previous experience helped them a lot in the present business had business experience prior to migrating. Business experience prior to migration is helpful for entrepreneurship. Also, experience and skills gained in previous employment, can help migrants for entrepreneurship.

6.3 Conclusion about the main research question

The three sub-questions were carefully developed to answer the main research question: “*What are the motivating factors for Indian immigrants to become self-employed in New Zealand?*” Each sub-question addressed an element that could have an effect on the factors that motivate Indian immigrants to become self-employed.

The majority of the participants in this study did not have any prior intention of opening a business before migrating. They had tried for employment in the New Zealand labour market and had secured themselves jobs. Many had found it very hard to land skilled jobs however, and had to take up unskilled jobs to survive. A few participants had had business experience prior to migrating and a few had seen close family members operate a business. This experience helped them in becoming self-employed in New Zealand.

Most of the participants had found work in the New Zealand labour market, so they were not unemployed, but only a few of them had procured positions appropriate for their skill set and level. Others had to take up unskilled jobs to survive. Ninety percent of the participants declared they were not impressed with the labour market. Negative experiences were one of the motivating factors to become entrepreneurs. Many participants had business experience and worked in industries or positions that helped them with entrepreneurship in terms of problem-solving skills and recognising opportunities.

Participants stated that they had other options besides self-employment in New Zealand, so there were also positive motivating factors that pulled them into entrepreneurship. Participants thought that they could earn more money by being self-employed, which was an important motivating factor in the research. Only two participants simply wanted to earn at a sufficient level to get by. For these two, making a living was a more important motivating factor

than accruing wealth. Seeing a gap in the market was another motivating factor. Flexibility with time and taking vacations was also an important factor. A few participants needed a change from the regular job, which was one of the factors for going into self-employment.

It can be seen from the above factors that both negative (push) and positive (pull) motivational factors have influenced the decision of Indian immigrants to become entrepreneurs in New Zealand. This research complements other studies that have found both push and pull factors motivate immigrants to become entrepreneurs (Raijman & Tienda, 1996; Agrawal & Chavan, 1997; Khosravi, 1999; Nwankwo, 2005), as well as entrepreneurs in general, in both New Zealand (Kirkwood, 2009) and overseas (Baker, 1995; Wang, Walker & Redmond, 2006).

Most of the participants in this research did not have any prior intention of entrepreneurship before migrating. They found unskilled jobs in the labour market or were underemployed. Many saw the opportunity to earn more income by becoming self employed which attracted them to entrepreneurship. Businesses tend to be successful where the business owner is pulled into entrepreneurship rather than pushed (Kirkwood & Walton, 2010). Entrepreneurship should be encouraged in the immigrant community where the migrant can have more potential to increase their income and utilise their skills. This will have a positive impact on the New Zealand economy in the long run because entrepreneurship increases the opportunities for innovation and the optimum use of skills (Dejardin, 2000).

6.4 Research implications

There has not been a great deal of research done on immigrant entrepreneurship motivation and general immigrant entrepreneurship in New

Zealand, and this research highlights the factors which motivated Indian immigrants to become entrepreneurs. The findings of this research will be useful for policymakers in their decision making. A clear understanding of immigrant entrepreneurial motivation can be translated into efficient distribution of funding and grants (such as BIZ offered by New Zealand Trade and Enterprise) (New Zealand Trade and Enterprise, 2010). Brockhaus (1988) states that the link between government policy issues and research has been understudied, yet, this link between research and policy is important. As an example of the positive application of this sort of research, policymakers can try to ensure more immigrant entrepreneurs are 'visible' as role models and are shown in advertisements and the like, so that other potential immigrant entrepreneurs can view them as role models.

This study shows that skilled migrants can become motivated to pursue entrepreneurship because of negative experiences in the labour market and also because many feel that they can earn more money in self employment. The Immigration Department can use the findings of this research to promote entrepreneurship as a positive alternative for skilled migrants. New Zealand's future prosperity depends on how it uses its limited skilled labour force. If skilled migrants find themselves underemployed in the labour force or migrants feel that they can increase their income through self-employment, then entrepreneurship should be encouraged. It will be a more viable option for the individual and for the New Zealand economy.

6.5 Areas for further research

This research has provided some answers as to the motivations of Indian immigrant entrepreneurs, using a humanistic paradigm and qualitative research. More research on a larger sample would allow the findings to be better understood and more universal. Areas of further research could for

example be the following:

- Both qualitative and quantitative research could be done to investigate the factors that motivate Indian immigrants to become entrepreneurs. Immigrants from different ethnicities can also be studied.
- Research could be done to identify which motivations are most important for entrepreneurs by quantifying the individual motivations. A survey instrument would be most appropriate for this kind of research.
- A comparative study could be done to check whether the motivations in this study differ from the motivations of the general population of entrepreneurs and the reasons for these differences.
- Research could be done on the views of immigrant entrepreneurs as to how to grow their business. Both qualitative or/and quantitative research could be done.
- Research could be done on comparisons before and after entrepreneurship of the main motivating factors such as income, independence, flexibility and work satisfaction. A qualitative study using semi-structured interviews as a data collection instrument would be most suitable for this.
- Research related to the effect of gender issues on immigrant entrepreneurship motivation.

The above is by no means an exhaustive list of the possibilities of future research, and the potential for studies on the topic of motivation for immigrant entrepreneurship and immigrant entrepreneurship in general is enormous. More chapters could be written on the basis of the wealth of data gathered from the 11 participants in this study. Other areas of importance to the entrepreneurs were the role of government agents in their start-up process, and the difference between aspirations prior to starting the business and actual experiences of these entrepreneurs in business.

6.6 Limitations of the research

All research has its limitations (Lawrence, 1998), a truism applicable to this research also. The limitations of this study, therefore, are as follows:

- Small sample: 11 participants were selected for this research due to time and resource constraints.
- Limitation of qualitative research: Data reduction is a necessary and difficult task in qualitative research. Every effort has been made to accurately reflect the participants' viewpoints, but the researcher's interpretation of what was important to the participants is what ultimately shaped this thesis. This is not a technical limitation, but a natural outcome of the qualitative research method that needs to be considered.

6.7 Closing statement

This research is concluded with a quote from Kets De Vries (1977): the entrepreneur is "an enigma, his [sic] motivations and actions far from clear, a state of affairs aggravated because of contradictory theoretical and research findings" (p.36). This research sheds light on the nature of these motivations as observed among Indian immigrants. I suggest that entrepreneurs may well remain a sociological enigma, but the motivations of immigrant entrepreneurs have been explored more thoroughly in this research, at least, and hopefully have led to a greater understanding of the phenomenon than was previously the case.

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Appendices

Appendix 1: The Interview Questions

Migration background

1. When did you come to Auckland, New Zealand permanently?
2. Which city (area) of India did you come from?
3. Why did you (your family) decide to come to New Zealand?
4. Tell me about your hopes and ambitions when you arrived in New Zealand?

New Zealand arrival and pre-business experiences

1. What were your first experiences of New Zealand in terms of language, cultural prejudice, and isolation?
2. What were your experiences in terms of employment?

Reasons for becoming self-employed

Employment opportunity

1. Have you worked in paid employment before?
2. Did you have a predetermined job when you arrived?
3. Have you tried to get into paid employment in New Zealand?
4. Do you think you could have other options than self employment?

Business background

1. Have you had experience of entrepreneurship before coming to New Zealand?
2. At what point did you decide to enter business?
3. What were the main reasons for going into business?

4. Do you think your immigrant background influenced your desire to go into business?
5. Do you think your ethnic background influenced your desire to go into business?
6. Do you believe that people from your cultural background tend to establish themselves in certain types of businesses?
7. Do you feel a stronger identification with NZ or your homeland?
8. What does business success mean to you?
9. Have you other comments you wish to share about your experiences, business or otherwise in New Zealand?
10. Does your business have strong support from Indian community?

New Zealand Environment

1. What is your view of New Zealand as a society to live in?
2. Do New Zealanders have their own unique characteristics?
3. What is your view of the business structures in New Zealand?
4. Do you think doing your business is better choice than being employed by others? If you think could you explain the reason?
5. What difficulties have you encountered in New Zealand society?

Appendix 2: Consent Form



PARTICIPANT CONSENT FORM

Motivation to become entrepreneurs: The case of Indian immigrants to New Zealand.

I have had the research project explained to me and I have read and understand the information sheet given to me.

I understand that I do not have to be part of this if I do not want to, and I may withdraw up to four weeks after completion of the interview.

I understand that everything I say is confidential and none of the information I give will identify me and that the only persons who will know what I have said will be the researcher and his supervisor. I also understand that all the information that I give will be stored securely for a period of five years.

I understand that my interview with the researcher will be taped and transcribed.

I understand that I can see the finished research document.

I am aware that I am free to contact the research supervisor the researcher at 5794882, if I have any queries about the research project.

I have had time to consider everything and I give my consent to be part of the research project.

Participant signature:..... Date:.....

Project Researcher: Date:.....

UREC REGISTRATION NUMBER: 2009.1036

This study has been approved by the UNITEC Research Ethics Committee from (date) to (date). If you have any complaints or reservations about the ethical conduct of this research, you may contact the Committee through the UREC Secretary (ph: 09 815-4321 ext 6162). Any issues you raise will be treated in confidence and investigated fully, and you will be informed of the outcome.

Appendix 3: Participant Information Form



PARTICIPANT INFORMATION FORM

My name is Albert Paulose. I am currently enrolled in the Master of Business degree in the School of Marketing and Management at Unitec New Zealand and seek your help in meeting the requirements of research for a Thesis course, which forms a substantial part of this degree.

The aim of the study is to determine the factors, which motivate Indian immigrants to become self-employed in the city of Auckland.

I request your participation in the following way: I want to interview you and talk about

1. Your motivation to become self employed
2. Your labour market experiences in New Zealand
3. Your skills and experiences that has helped or hindered you in entrepreneurship

The interview will take 45-60 minutes and can take place in mutually agreed place like a café or your business premises or any other place that will suit you. The researcher will tape the interviews and will be transcribing it later. All features that could identify you will be removed and the information on the tapes used will be erased once the transcription is done.

Neither you nor your organisation will be identified in the Thesis. You are free to withdraw from this research for whatever reason, up to two weeks after completion of the interview.

I hope that you will agree to take part and that you will find your involvement interesting. If you have any queries about the research, you may contact me at Unitec New Zealand. My contact details is (09) 5794882 or email albert10@rediffmail.com.

Yours sincerely

Albert Paulose

UREC REGISTRATION NUMBER: 2009.1036

This study has been approved by the UNITEC Research Ethics Committee from (date) to (date). If you have any complaints or reservations about the ethical conduct of this research, you may contact the Committee through the UREC Secretary (ph: 09 815-4321 ext 6162. Any issues you raise will be treated in confidence and investigated fully, and you will be informed of the outcome.

Appendix 4: Nvivo node names

Accent problem
Be their own Boss
Business Experience
Business Plan
Business structure
Family
Flexibility
Friends
Gap in the market
Good experience with business
Good job
Hard to find job
Less satisfaction in jobs
Make a living
Money
Need Change
Other options
Passion
Previous skills and Experience
Racism
Stress
Tried for paid employment

Appendix 5: *Ethnic group by status in employment in New Zealand*

Ethnicity/ Race	Employer (A)	Self- employed and without employees (B)	Total Labour Force(C)	Entrepre - neurship - rate (A+B/C)	Rate of self- employe ment without employees (B/C)
European	119,253	191,385	1,449,063	21.4%	13.2%
Maori	5,529	11,565	185,820	9.2%	6.2%
Pacific	1,161	3,150	77,352	5.6%	4.1%
Asian	6,171	11,895	89,469	20.2%	13.3%
Other	453	918	8,322	16.5%	11.0%
Total	128,721	211,377	1,711,059	19.9%	12.4%
Korean	666	1,515	5,046	43.2%	30.0%
Chinese	3,060	5,124	33,990	24.1%	15.1%
Taiwanese	63	138	759	26.5%	18.2%
Indian	1,581	3,252	27,798	17.4%	11.7%
Filipino	81	300	5,421	7.0%	5.5%
Japanese	153	336	3,579	13.7%	9.4%
Iranian	60	123	780	23.5%	15.8%
Iraqi	15	36	543	9.4%	6.6%
Somali	3	18	282	7.4%	6.4%
Israeli	75	120	792	24.6%	15.2%

Source: Statistics NZ, extracted from 2006 national census data (Statistics NZ, 2006)

