

**Exploring Immigrant and Transnational Entrepreneurship in  
the Australia and China context**

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## **Abstract**

In the context of increasing trade links between China and Australia the thesis concentrates attention on the business activities and cross-cultural experiences of entrepreneurs that move competently and confidently within and between these quite different economic environments. In current literature these individuals are categorized as transnational entrepreneurs representing a subset of immigrant entrepreneurs, which indicates their migration or international experiences. This thesis takes a broad view about transnational entrepreneurship and intends to look for the essence of it beyond the limitation of immigrant identity. Upon this interests, this research addresses a number of core problems:

1. Why and how did first generation Chinese immigrants engage in entrepreneurship in Australia?
2. How and with what success did first generation Chinese immigrant entrepreneurs achieve social embeddedness in Australia?
3. What are the main characteristics of transnational entrepreneurship, with special reference to the Chinese and Australian contexts?

Forty of entrepreneurs were interviewed comprising 34 Chinese immigrant and 6 Australians transnational entrepreneurs focusing in depth on the life and business experiences in a transnational context spanning China and Australia. The 34 immigrant entrepreneurs were 1st generation Chinese to provide contemporary insights that differ to the post immigrant studies. On the other hand, the 6 Australian transnational entrepreneurs provided a contrasting sample of entrepreneurs doing business predominately in a single country being China in this case. Both samples were embedded in a context that stretched their capabilities to adapt to a rapidly changing environment together with the need to quickly adapt to different

regulations and ways and means of doing business. A thematic analysis method extracted 6 themes from interviews with Chinese immigrant entrepreneurs and 4 themes from interviews with Australian transnational entrepreneurs. These findings focused on a number of major challenges is the adaptive capabilities, such as knowledge accumulation about new market, connectivity to personal and social networks, cognitive change and capability to capture market needs and create market values. Meanwhile, findings from both groups appear some commonalities and differences based on these individuals' cross cultural and entrepreneurial experiences.

What emerged from the analysis and comprises the new knowledge contribution are: first, exploring the entrepreneurial journey of the first generation immigrant entrepreneurs and unveiling their intrinsic and cultural motive and impact of entrepreneurial human capital. The exploration of these immigrant entrepreneurs' life and business trajectory provides a compensate view to the existing theoretical perspectives in immigrant entrepreneurship study. In addition, it links immigrant entrepreneurship study to the central issues of entrepreneurship research by identifying that entrepreneurial human capital as the fundamental character of outstanding immigrant entrepreneurs. Second, this research identifies the essence of transnational entrepreneurship which has been neglected from previous study. The essence of transnational entrepreneurship is to obtain sufficient and applicable cross cultural knowledge, experiences, and resources, thus, develop a transnational synergy between two countries. Additionally, this contribution also suggests that transnational entrepreneurs could be any entrepreneur who has cross border experiences and business interests. This means that, entrepreneurs do not have to be immigrants to be transnational. Third, this research raises a point that the entrepreneurial human capital is critical for these individuals to achieve transnational synergy, which leads to a success for transnational entrepreneurship.

## Declaration

I certify that this work contains no material which has been accepted for the award of any other degree or diploma in my name, in any university or other tertiary institution and, to the best of my knowledge and belief, contains no material previously published or written by another person, except where due reference has been made in the text. In addition, I certify that no part of this work will, in the future, be used in a submission in my name, for any other degree or diploma in any university or other tertiary institution without the prior approval of the University of Adelaide and where applicable, any partner institution responsible for the joint-award of this degree.

I give permission for the digital version of my thesis to be made available on the web, via the University's digital research repository, the Library Search and also through web search engines, unless permission has been granted by the University to restrict access for a period of time.

I acknowledge the support I have received for my research through the provision of an Australian Government Research Training Program Scholarship.

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

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## **Glossary List**

ABS - Australian Bureau of Statistics

Co-ethnic - People who are recognized as belonging to the same ethnic group

EE - Ethnic entrepreneurship

Entry model - A strategy or method of delivering products or services to a new targeted market

GEM - Global Entrepreneurship Monitor

IE - International entrepreneurship

INV - International new venture

IOM - International Organization for Migration

MBA - Master of Business Administration

OECD - The Organization for Economic Co-operation and Development

SMEs - The category of micro, small and medium-sized enterprises

TE - Transnational entrepreneurship

# Chapter 1 Introduction

## 1.1 Background and Motivation of the Research

This research looks at the contemporary practice of immigrant entrepreneurship and transnational entrepreneurship in the Australia and China context. It aims to explore the first generation Chinese immigrants entrepreneurs experience in Australia and between Australia and China, as well as Australian transnational entrepreneurs experience with China. Following sections introduce the reasons of this research, and some phenomena as the research background.

### 1.1.1 International Migration, Immigrants and Transnational Entrepreneurship

Globalization has brought dramatic social, cultural, political, environmental and economic change. Advanced telecommunication technology and cheap access to the Internet and international transport has resulted in international markets and global individuals being connected and interacting more than ever before. Globalization enables individuals to move internationally more easily, facilitating a rapid increase in international migration and cross border activities. As defined by the International Organization for Migration (IOM), an international migrant refers to a person who is moving or has moved across an international border away from his/her habitual place of residence regardless of: 1) the person's legal status; 2) whether the movement is voluntary or involuntary; 3) what caused the movement; or 4) length of stay (International Organization for Migration n.d.). Between 1990 and 2015, the international migration flow increased from 153 million to 244 million, equivalent to 3.3% of the world's population (International Organization for Migration n.d.). This figure includes international permanent migrants and temporary migrants, such as international visitors, working holiday makers and international students.

International migration, especially the younger and more skilled generation, has direct and indirect impacts on economic growth, particularly where migrants actively

engage in business and entrepreneurial activities. Recent international migration demographics show a migrant population with younger and economically active groups as compared with locals of migrant receiving countries. Furthermore, migrants arrive with skills and abilities that supplement human capital stocks, which is particularly important to host countries with an aging population, and contribute to the growth of innovation and technology (OECD 2014), bilateral trade (Fagiolo & Mastrorillo 2014) and entrepreneurship (Kerr & Kerr 2016; Wright, Clibborn, Piper & Cini 2016). Kerr and Kerr's (2016) longitudinal business database study found that immigrants constitute 15% of the general U.S. workforce and 35%-40% of new firms have at least one immigrant entrepreneur connected to the firm's creation. Typically, OECD countries continually attract international talent (i.e. skilled migrants, investors and entrepreneurs) through various selective migration programs with the expectation that an inflow of talent will positively shape the nations' future economic and business landscape (OECD 2017). The economic and social contribution of immigrant entrepreneurship is mainly discussed at a national level and modified through selective migration policies, which indicates a lack of understanding about individual experience. This prompted the exploration of individual cross cultural and entrepreneurial experiences in this research.

Immigrant and ethnic entrepreneurship was documented by scholars half century ago due to their economic activities in receiving countries. For instance, 'ethnic enclave economy' (Bonacich & Modell 1980; Portes & Jensen 1992) and 'ethnic middleman' (Bonacich 1973) are well developed concepts that describe economic characters of immigrant entrepreneurs. Recent research found that, regardless of barriers and challenges of immigrant entrepreneurs in a receiving country, immigrants are more likely to participate in business and entrepreneurial activities as compared to locals in most developed countries (Desiderio & Mestres-Domènech 2011; Xavier et al. 2013). Also, it was found that recent and new immigrants in developed countries tend to be more educated and highly skilled as a reflection of

migration selection systems (Desiderio & Mestres-Domènech 2011; Laczko & Appave 2015). Further, it is argued that immigrant cross cultural experiences may stimulate their creativity for business and entrepreneurial ideas (Vandor & Franke 2016). However, research of immigrant entrepreneurship has only focused on immigrant entrepreneur economic and social interactions in receiving countries. To date, the most profound theoretical understandings are from the discipline of sociology, yet little immigrant and transnational entrepreneurial insights have been explored.

A relatively new phenomenon relating to immigrant entrepreneurs was described by Saxenian (1999, 2002, 2005). This author's examination of Chinese and Indian immigrant entrepreneurs in the U.S. found that some immigrant entrepreneurs form a transnational community and draw resources from home and host countries. Further conceptual and empirical studies have contributed to an understanding of transnational entrepreneurship and most studies consider transnational entrepreneurs as a subset of immigrant entrepreneurs (Brzozowski, Cucculelli & Surdej 2017; Dimitratos et al. 2016; Solano 2015). In addition, some studies show that bilateral trade and transnational entrepreneurship between home and host countries are affected by immigrant social embeddedness integration in both countries (Fagiolo & Mastroiello 2014; Patel & Conklin 2009; Terjesen & Elam 2009). Yet, the nature of transnational entrepreneurship characteristics are not clearly explained in existing literature. Moreover, some studies note that individual entrepreneurs may actively engage with the globalization process and make different patterns for business internationalization (McDougall & Oviatt 2000; Oviatt & McDougall 2005). Instead of focusing on immigrant identity, these studies recognize that individual entrepreneurial inputs and their international or migration experiences impact on entrepreneur decision making (Jones, Coviello & Tang 2011; Jones & Casulli 2014; Sarasvathy, Kumar, York & Bhagavatula 2014) and firm performance, notably entry-mode business activities (Hollender, Zapkau & Schwens 2017).

International migration and immigrant entrepreneurship are important dimensions of globalization. Hence, the paucity of current research on immigrant entrepreneurship and the emerging field of transnational entrepreneurship prompted this research. This research explores contemporary immigrant and transnational entrepreneurship in the globalized context. It targets entrepreneurs with cross cultural experience and seeks understanding of the nature of their entrepreneurial experiences across national borders. In addition, this research takes a wider view of transnational entrepreneurship by not only examining immigrant entrepreneurs as a group, but also contrasting how entrepreneurs conduct business across borders in the absence of permanent migration.

### **1.1.2 Research Problem and Research Questions**

Globalization and the decreasing cost of transport and communication have facilitated international movement of people, ideas and projects. The number of people moving between nations continues to grow and migrants engage in economic activities, including establishing businesses in one or more markets. Immigrant groups and their involvement in business is a well-recognized phenomenon in this globalized context, and for decades this topic has been of research interest for multiple disciplines. Interestingly, understanding about immigrant entrepreneurship was developed from general sociology, which later gave more specific attention to operational business and entrepreneurial aspects. Furthermore, there is little understanding of why and how immigrant entrepreneurs engage in business. In addition, existing theoretical perspectives mainly emphasize conflicts and interactions between immigrant entrepreneurs and the receiving country, while the growing impact of globalization and changing world dynamics has not been contextualized in immigrant entrepreneurship studies. Recently, understanding about transnational entrepreneurship as a new phenomenon has gained attention. Immigrant entrepreneurs have deeper social embeddedness and high capability to draw resources from both home and host countries. Further, studies distinguish

transnational entrepreneurs from general immigrant entrepreneurs based on international personal ties; however, a clear agreement on definitions of, and understanding about, transnational entrepreneurship is lacking. Although transnational entrepreneurship refers to individuals involved in business across national borders, the term refers to a sub group of immigrant entrepreneurs, which excludes non-immigrant transnational entrepreneurs.

This research examines immigrant entrepreneurship and transnational entrepreneurship through life trajectories and entrepreneurial experiences. Instead of limiting the definition of transnational entrepreneurship to immigrant groups, this research explores two groups of entrepreneurs, Chinese who come to Australia as or aspiring to be entrepreneurs and Australian transnational entrepreneurs who conduct business with or in China. Given the forecast expectation of economic interrelation and prosperity between Australia and China, the role of diaspora from both countries who actively involve in business practice become considerably relevant and valuable to be known. Their entrepreneurial participation presents the micro level social movement and market creativity, which might be difficult to be duplicated due to their unique personal experience and expertise. However, the common core issues occurred in the research should be worthwhile noted for the interests of long term economic and social relations between the Australia and China market. Thus, this research aims to understand the essence of transnational entrepreneurship from a broad and comparative view. As such, in order to reach a deep and practical understanding of cross border experiences of Chinese immigrant entrepreneurs and Australian transnational entrepreneurs, this research responds to a broad research problem and proposes three research questions.

**Broad Research Problem:**

The primary objective of the research is to describe and conceptualize immigrant and transnational entrepreneurship in a contemporary context with special reference to

China and Australia. The research is based on three core questions.

### **Research Questions:**

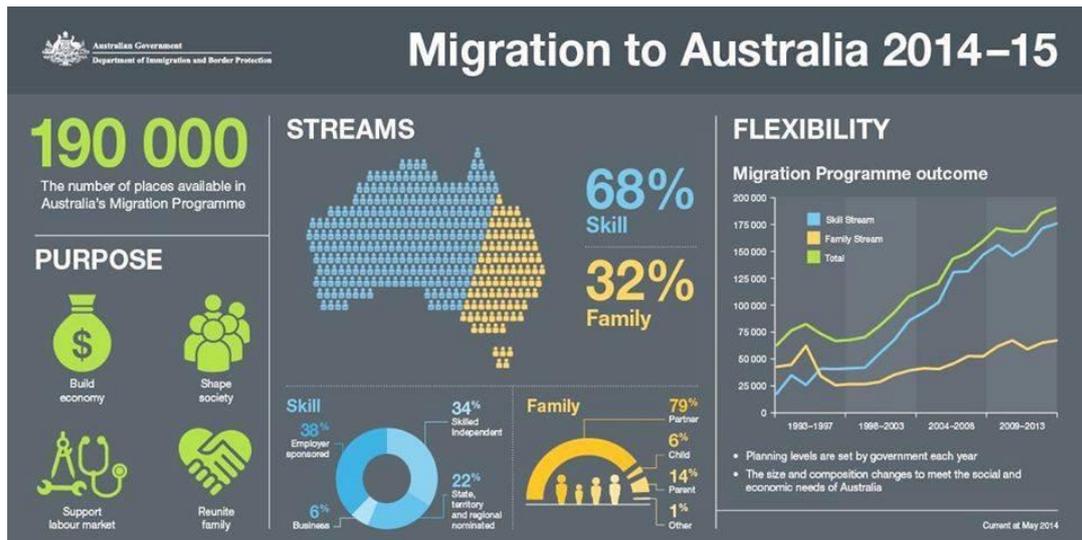
- 1. Why and how did first generation Chinese immigrants engage in entrepreneurship in Australia?*
- 2. How and with what success did first generation Chinese immigrant entrepreneurs achieve social embeddedness in Australia?*
- 3. What are the main characteristics of transnational entrepreneurship, with special reference to the Chinese and Australian contexts?*

## **1.2 Study Context**

This research takes the Australia and China contexts, which includes multiple levels of economic and social context within and between these two countries. The following sections introduces relevant contextual backgrounds for the research.

### **1.2.1 Australia, Entrepreneurship and Internationalization**

Australia is relatively a small market which has been integrating into the international market (*Australian Industry Report 2016*). Australia is the world's 23<sup>rd</sup> largest export economy (*Australia 2016*), and exports various products and services, such as natural resources, tourism, education, food, wine and professional services (*Australia's trade at a glance 2016*). Australia's international engagement is not only about business activities, but also immigrants and human resources. Australian government designs various visa programs to attract and select skilled migrations for the purpose of building economy, shaping society, and supporting the labor market (*Migration Programme Statistics 2015*). Figure 1.1 presents the current migration program and the historical trend in Australia. As figure 1.1 shows, the proportion of skilled migrants in Australia is 68% between 2014 and 2015.



**Figure 1.1** Migration program

Source: Migration Programme Statistics (2015)

The current Australian government advocates for entrepreneurship and innovation for future economic development. A recently launched national innovation and science agenda promotes entrepreneurial start-ups and commercialization of ideas and innovations (National Innovation & Science Agenda 2017). This national agenda encourages international collaboration and associations via assistance for engaging entrepreneurial and research talent from overseas. Along with this national level commitment, Australia's level of entrepreneurial activity is already among the highest of all developed economies (Steffens 2015).

Australian internationally active businesses undertake diverse activities, including export of final goods and services, importing materials, parts and components for subsequent export, and use of foreign sale branch and subsidiaries. A recent survey found that the international market is optimistic as more than 80% of surveyed businesses expected to expand into new markets in the next two years (Australia's international business survey 2016). In addition, one third of Australia's top 2000 companies have direct investment in offshore markets (Goodman 2015). Internationalization of Australian firms is also examined via an established theoretical

lens. For instance, Menzies and Orr (2014) examined how Australian firms from three different industries (architectural, engineering and construction) incrementally internationalized to China, and the process differed depending on the industry. Their findings showed the explanatory power of internationalization theories in firm movements. However, it did not explain how international opportunity emerges and what role entrepreneurship plays in business internationalization activities.

The Australian government recognizes the importance of institutional and interpersonal relationships internationally. For instance, the Australian government offers individual networking programs to establish international connections for individuals (Australia Global Alumni n.d.). Australia has a large human resource pool from multiple backgrounds as there are 125 different ethnic groups settling in and building this nation (Jupp 2002). According to the Australian Bureau of Statistics (ABS), the proportion of Australians born overseas has continually increased over the past 10 years and, as at 30<sup>th</sup> June 2016, 28.5% of Australians were born overseas (ABS 2016), and skilled migrants make important contributions to the Australian workforce (Wright, Clibborn, Piper & Cini 2016). In addition, complex and dynamic people movement and linkages between Australia and Asian countries contributes to economic development of Australia and Asia (Hugo 2013). While acknowledging the important role of incoming migrants to Australia, the international experience of Australian born citizens may also impact on their business and entrepreneurial ideas and activities.

Despite the Australian national vision, Australia has its own national characteristics and specific advantages and disadvantages, which are basic contexts for entrepreneurship and business development. Thus, given the complex, dynamic and internationally connected market, there is an urgent need to explore entrepreneurship in Australia in an international context. This approach pays

attention to the experiences of immigrant entrepreneurs as new comers to Australia, their social and cultural adjustment whilst conducting business activities, as well as Australian citizens conducting business with markets outside of Australia. Thus, it is important to examine Australian entrepreneurial cases to have an understanding of how individual entrepreneurs engage in international business and social activities.

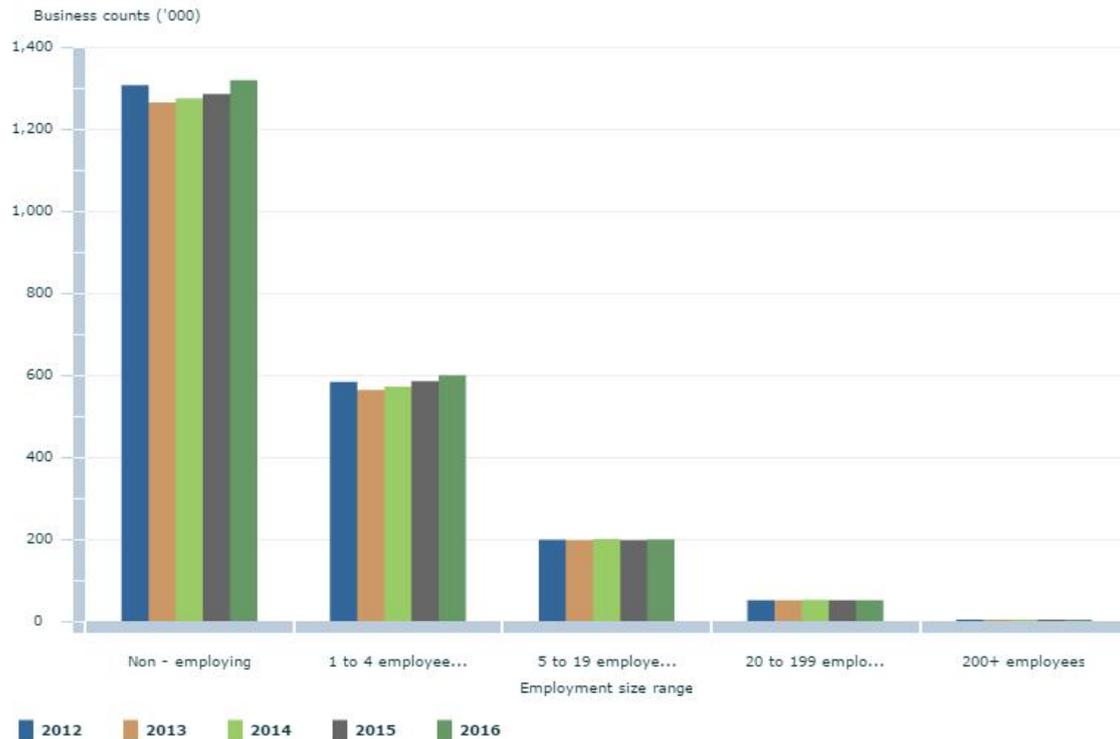
### **1.2.2 Self-Employed People and Small Business in Australia**

Different disciplines and studies define entrepreneurs variously given different purposes of their research questions. The definition of entrepreneurs in this research includes self-employed individuals and owners of small businesses. Although entrepreneurs are generally someone who “carries out new combination, causing discontinuity” according to Schumpeter’s precise definition, they are also understood from other angles and context, such as self-employment and small business owners. Self-employment is a concept derived from the discipline of labor studies, which is also seen as the working type of entrepreneurs in many entrepreneurship studies (Aronson 1991; Parker 2004) and some influential research institutes (i.e. GEM, OECD reports). Policy makers who consider self-employment reduces the unemployment rate often promote successful enterprises and foster a social and cultural atmosphere for self-employment and entrepreneurship, particularly start-ups (Parker 2006). As such, self-employment and entrepreneurship are often used interchangeably in policy and the general public view. Regardless of an unsettled relationship between unemployment rate and self-employment rate (Thurik et al. 2008), self-employment could also be driven by other factors, such as lifestyle, freedom, autonomy and personal hobbies.

Douglas and Shepherd (2002) suggest that self-employment is an utility-maximizing career choice where total utility they expect to derive (via income, independence, risk bearing, work effort and perquisites associated with self-employment) is greater

than an expected employment option. Also, self-employed people utilize their human capital to determine wage payment for themselves through the business operation, and often they have to determine wage payments for others if they hire employees. Thus, although self-employment is an alternative to paid employment, self-employment may not necessarily be easy. Thus, efforts of utilizing their human capital are considered as participation in entrepreneurship (Parker 2006), and the form of entrepreneurship is usually present as small business.

Small business plays an important role in the Australian economy and the vast majority Australian businesses (nine out of 10) are small businesses (Australian Small Business and Family Enterprise Ombudsman 2016). According to the Australian Bureau of Statistics (ABS), small business refers to a business that employs fewer than 20 people. There are three categories of small business according to ABS: (1) non-employing businesses (sole proprietorship and partnerships without employees); (2) micro-businesses (businesses employing between one and four people including non-employing businesses); (3) other small businesses (businesses that employ between five and 19 employees). By contrast, medium sized businesses employ between 20 and 199 employees, while large businesses employ 200 or more employees (ABS 2002). As figure 1.2 shows, in June 2016, 60.7% of actively trading businesses in Australia had no employees, 27.6% had 1-4 employees, 9.2% had 5-19 employees and 2.3% had 20-199 employees. Only 0.2% of businesses had 200 or more employees (ABS 2017).



**Figure 1.2** Australian businesses by employment size range

Source: ABS (2017)

Small businesses make a significant contribution to the Australian economy. Australian small businesses cover diverse sectors which employ half the Australian workforce and generate one fifth of Australia's gross domestic product (ASIC 2016). For instance, between 2013 and 2014, small business made the largest contribution to GDP in the rental, hiring and estate services industry (\$57 billion), the construction industry (\$50 billion), professional, scientific and technical services (\$43 billion), health care and social assistance (\$25 billion), retail trade (\$24 billion), wholesale trade (\$23 billion) and agriculture (\$22 billion) (*Australian Industry Report 2016*; *Australia's trade at a glance 2016*). Given the importance of small business in Australia, Australia is referred as a nation of small business (Australian Small Business and Family Enterprise Ombudsman 2016) and small business has always been an accessible and practical zone allowing immigrant entrepreneurial and business participation (Collins & Collins 1995). However, despite continually growing immigration, little research has been conducted regarding how contemporary

immigrants experience small business in Australia. In particular, with Australia's diverse ethnic migration backgrounds, there is an urgent need to understand the growing and influential ethnic economic and social impacts in Australia.

### **1.2.3 Chinese Immigrant Entrepreneurship in Australia**

Development of China over the past 30 years and the large number of Chinese living and traveling overseas means that Chinese immigrant entrepreneurs are an important ethnic community in many OECD countries. The latest OECD international migration report identified that over three million international students were enrolled in higher education in OECD countries and 21% of these students were Chinese (OECD 2017). In terms of domestic economic growth and social transformation, China is an important source country of skilled migrants to OECD countries. For more than 10 years, China has remained the top origin country for new immigrants to OECD countries (OECD 2017). For example, China is the only country to appear among the five largest source countries of immigrants in Australia, Canada and the United States (Migration Policy Institute n.d.). Almost every major city in the world has a Chinatown, representing the foot print of Chinese migrants (Ostheimer 2017). Chinatown represents settlement of Chinese immigrants in receiving countries and indicates the collectivism of social, cultural and economic capital of expatriate Chinese people. The global spread of Chinese people, enterprises and culture indicates a cultural aspect of expatriate Chinese capitalism (Crawford 2000). However, how Chinese culture influences Chinese entrepreneurs operating outside of China is not well understood by outsiders due to the ambiguity of the culture concept.

Chinese immigrant entrepreneurship has a long history in Australia, and Chinese immigrant entrepreneurs have had a changing, but racialized, experience over the past one and half centuries (Collins 2002). During the Gold Rush in the 1850s,

Chinese immigrants and immigrant entrepreneurs were discriminated against in Australia on several levels, such as restrictions on immigration policies (i.e. white Australia policy 1949 to 1973), limitations on business practices (i.e. The Victorian Factories and Shops Act 1896) and public anti-Chinese riots. For a long time, the challenge of receiving a fair wage has pushed many Chinese immigrants towards self-employment for economic survival by operating small businesses, such as grocery stores, laundries and furniture manufacture. For more than a century, Chinese immigrant entrepreneurs in Australia have engaged in small business operations under difficult conditions. Nevertheless, Chinese immigrant entrepreneurs achieved success and made important contributions to Australia by operating small businesses, providing employment, conducting export and import activities, and making other social contributions (Collins 2002; Lever-Tracy 1991). Figure 1.3 below shows early Chinese immigrant entrepreneurs operating China-Australia Mail Steamship line.



**Figure 1.3** Chinese immigrant entrepreneurs

Source: National Museum Australia (n.d.)

In the 1970s, Australia abandoned the white Australia policy and advocated for a multicultural society. Along with political and social changes in Australia at this time, China started its economic revolution in 1978. In the last three decades, China experienced dramatic change which impacted on the financial and cultural capabilities of the nation, institutions and individuals. As a consequence,

contemporary Chinese people are more proactive in exploring the outside world and engaging in knowledge acquisition for study and work (Gill & Jakobson 2017). As such, the dynamic situation in China influenced the resource base of new Chinese immigrants, particularly in terms of economic and human capital.

According to the Australian Bureau of Statistics, Chinese immigrants are the third largest group of the total population of residents born overseas (ABS 2016). In addition, except for English, Chinese is the most widely spoken language among Australians and one million people in Australia identify with Chinese ethnicity (Gill & Jakobson 2017). Moreover, with China as the largest international trading partner and the recently signed Australia and China Free Trade Agreement, Australia is well positioned for a reciprocal and deepening relationship with China. This means that Australia is inevitably impacted by the continuing transformation of China as economically resourceful Chinese people intend to visit, migrate to and invest in Australia (Gill & Jakobson 2017). From a long term perspective, the increasing inflow of Chinese immigrants and their social and economic integration in Australia is worthwhile to explore as immigrant integration is a domestic and international issue (OECD 2017). However, even as new Chinese immigrants and immigrant entrepreneurs are passionate to undertake business in Australia, they receive little support and knowledge from the Australian government and institutions (O'Connor & Reed 2015).

To our understanding, most research regarding immigrant entrepreneurship is based on Europe, North America and South East Asian countries. Despite the long history and continuing contribution of Chinese immigrant entrepreneurship in Australia, few relevant academic works have been undertaken within the Australian context. Studies suggest that Australia has diverse social resources (Collin 2008; Hugo 2001) indicating that policy makers need more specific understanding of immigrant and

ethnic entrepreneurship. Furthermore, immigrant entrepreneurs are important to Australia and outward connections to international markets are also critical as the outflow of Australia-born and naturalized citizens have a high-level profile (Hugo 2001).

### **1.3 Terminology**

Several terms are consistently applied in this research given their origins or meanings from the literature. Some terms are used interchangeably as they represent the same meaning.

#### **1.3.1 Immigrant and Ethnic Entrepreneurship, Immigrant Self-employment**

Entrepreneurship is a very complex concept and encompasses many different aspects, such as ideas, opportunity, new ventures and innovation. The definition of entrepreneurship is ambiguous, especially when scholars try to define entrepreneurship in different contexts, such as international, regional, minorities, specific genders or age groups. In immigrant entrepreneurship study, there is no clear delineation between immigrant entrepreneurship and immigrant self-employment, even though the term entrepreneurship implies strong inspirational meaning in creating new businesses (Bird 1988; Gartner 1989), risk taking (Stevenson & Gumpert 1985), market and opportunity discovery and exploration (Shane & Venkataraman 2000; Venkataraman 1997), creativity, new combinations and innovations (Drucker 2014; Schumpeter 1934). In the immigrant context, entrepreneurship encompasses the same concepts, but has been neglected in previous studies as the migration context sets different conditions and boundaries for immigrants to enter and operate businesses (Kloosterman & Rath 2001). In existing literature, both immigrant entrepreneurs and self-employed immigrants refer to immigrants involved in business activities regardless of the reasons why they enter business, and often these people are equivalent to small business owners living outside of their country of origin (Nestorowicz 2012).

Immigrant entrepreneurship and ethnic entrepreneurship are long established concepts and while these terms are used interchangeably in the literature, they indicate different assumptions and characteristics of immigrant entrepreneur groups (Nestorowicz 2011, 2012). Immigrants are non-natives, who come to “live permanently in a foreign country” (Oxford Dictionary, n.d.), and immigrant entrepreneurship refers to entrepreneurial activities performed by immigrants in a country (Aldrich & Waldinger 1990,). Thus, the term immigrant entrepreneurship captures the characteristic of people who have the experience of moving and living internationally across different cultural, social and institutional systems. Moreover, these insights allow interconnections and space for research between immigrant groups and non-immigrant groups within one or more contexts.

The word ethnic is an adjective that refers to different categories of people. When the word ethnic is linked to a group of people it implies that members of that group are aware of group membership and share a common origin and culture, or that others think of them having these attributes (Yinger 1985). Consequently, interactions build ethnic social structures, thus “members of an ethnic group are attached to one another and the ways in which those social structures are used” (Aldrich & Waldinger 1990, p. 112). In addition, an ethnic market provides more than one set of connections and networks with regular patterns of interactions for people to share common background or migratory history. However, ethnic entrepreneurs do not necessarily have similar migration background or experience as their experiences may vary based on different migration waves, even though they share similar ethnic social structures or rules internationally. For instance, second and third generations of immigrant entrepreneurs are still considered as ethnic entrepreneurs although they may have little or no experience of migration. Given the above discussion, immigrant entrepreneurship is used in this research to describe the cross cultural experience and explore the proposed research problem and questions. The literature review undertaken for this research draws upon ethnic entrepreneurship

literature as a significant related research stream.

### **1.3.2 Home Country and Host Country**

The terms home country and host country are used in this research refer to the country of origin (home country) and country of receiving (host country). These terms are used interchangeably in literature, although some may be more appropriate in one discipline than another. For instance, migration study often applies the terms country of origin and country of receiving, whereas entrepreneurship and business study tend to use the terms home country and host country. As this research provides a review of multiple streams of literature, each of these terms is present in the thesis. However, for the sake of consistency, the term transnational entrepreneurship is used throughout the thesis. At the same time, this research takes a broad perspective of transnational entrepreneurship, hence, rather than only focusing on the immigrant group, this approach also includes the entrepreneurial experiences of Australians doing business in China. Therefore, the terms home and host country are more applicable in this research to include people who do not have migration experience/history.

### **1.4 Significance of the Research**

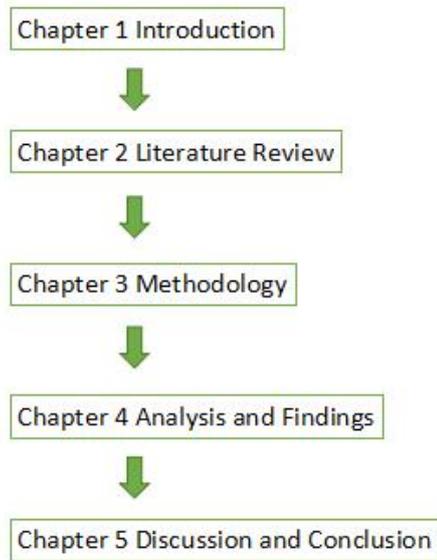
This research explores and conceptualizes contemporary immigrant and transnational entrepreneurship in the Australian context. The phenomenological view of this research encourages more entrepreneurship studies with this philosophical standpoint. The research contributes to the limited research about immigrant and transnational entrepreneurship in this particular context and develop an understanding of immigrant entrepreneurship with the first generation Chinese ethnic group in Australia. In addition, this research takes a wide perspective of transnational entrepreneurship by comparing and contrasting cross cultural and entrepreneurial experiences between Australian and Chinese entrepreneurs. This

comparison uncovers the essence of transnational entrepreneurship not addressed in existing study. Individual level analysis undertaken in this research provides research evidence for policy makers to understand the entrepreneurial experience of new comers willing to settle and contribute to society. Also, this research summarizes commonalities and differences in transnational activities between immigrant and transnational entrepreneurs and offers advice to entrepreneurs and potential entrepreneurs.

Furthermore, this research provides some practical implications for both immigrant and Australian entrepreneurs, diaspora, and Australian governmental institutions. The research found incredible influence of social and cultural factors in the process of immigrant and transnational entrepreneurial practice. In particular, immigrant and Australian transnational entrepreneurs create economic values while establishing good social and cultural connections between the China and Australia markets. Thus, the finding indicates needs in improving social inclusiveness and engagement for new migrations as they are the very new and resourceful contributors for the future economic and social development of Australia. Immigrant entrepreneurs actively pursue better life and business opportunities in new destination, a more social inclusion system would be beneficial for localizing and/or internationalizing immigrants' entrepreneurial and business actions. Also, the research identifies the importance of human capital in both immigrant and transnational entrepreneurship, which suggests Australian government to design and promote more sophisticated incentive programs in order to facilitate and reward outstanding individuals and SMEs.

### **1.5 Structure of the Thesis**

There are five chapters in this thesis. Figure 1.4 shows the structure and flow of this thesis.



**Figure 1.4** Structure of the thesis

The current chapter introduced study background, context, terminology and structure of this research. Following this introduction, chapter 2 provides a literature review of entrepreneurship research streams, which includes international entrepreneurship, immigrant and ethnic entrepreneurship, and transnational entrepreneurship. Next, chapter 2 examines developed theoretical perspectives regarding immigrant and ethnic entrepreneurship study and identifies limitations of these theoretical views. The chapter then reviews the concept of transnationalism which is closely related to immigrants and their entrepreneurial activities. The concept of transnationalism provides background knowledge about immigrants and their connections to home country. However, how these connections are linked to immigrant entrepreneurship is not clear in the literature. In addition, the literature review provides an overview of the main topics on entrepreneurs in the field of entrepreneurship, namely entrepreneurial motivation, entrepreneurial cognition and entrepreneurial behavior. As this research interests in understanding individual entrepreneurs and their experiences, relevant studies about entrepreneurial attributes (i.e. motivation, cognition, and behavior) as relevant to immigrant entrepreneurs are also reviewed, despite few studies being available for review.

Chapter 3 introduces the methodology of this research. To begin, chapter 3 introduces the overall paradigm of this research (qualitative study - descriptive and exploratory), philosophical paradigm (social constructionism) and theoretical paradigm (phenomenology). These paradigms provide a fundamental structure of data requirements, such as the need for rich and descriptive information. To gain appropriate data sources, chapter 3 describes the narrative approach and interview method. Next, it introduces data criteria for Chinese immigrant entrepreneurs and Australian transnational entrepreneurs, and data sampling strategies. The chapter then explains data analysis (thematic analysis) and the quality checking process.

As this research includes two groups of entrepreneurs (Chinese immigrant entrepreneurs and Australian transnational entrepreneurs), analysis processes and findings are summarized for each group. As such, chapter 4 reveals analysis and findings for Chinese immigrant entrepreneurs with six themes and associated sub-themes, as well as findings for Australian transnational entrepreneurs with four themes. Further, chapter 4 explains the analysis process and findings with evidence of extract codes. The underpinning meaning and relation to theoretical aspects are introduced following an explanation of each theme.

Chapter 5 combines the findings of Chinese immigrant entrepreneurs and Australian transnational entrepreneurs to compare and contrast essential messages gathered from these two groups. It discusses the commonality and differences of the experiences of these two groups given their common ground of interacting with a market and culture which is different to their home country. In particular, the discussion rationalizes answers for the proposed research questions and broad research problem of this research. A theoretical framework is developed to summarize the essential difference of transnational entrepreneurship and general transnational activities. Furthermore, the chapter discusses theoretical and practical

implications of this research. This chapter also outlines the limitations of this research and concludes with suggestions for future research.

## Chapter 2 Literature Review

### 2.1 Introduction

This research explores contemporary immigrant and transnational entrepreneurship. According to literature, immigrant entrepreneurship refers to migrants conducting business in the country of receiving, and transnational entrepreneurship implies that these individuals conduct business activities across borders between country of origin (home country) and country of receiving (host country). As both immigrant entrepreneurship and transnational entrepreneurship are subsets of general entrepreneurship studies their linkage with common topics in mainstream entrepreneurship study is not often considered. This chapter provides a literature review relevant to the context and focus of this research and investigates missed linkages between main stream entrepreneurship study and immigrant and transnational entrepreneurship study. In doing so, this literature review identifies gaps in existing theories of immigrant and transnational entrepreneurship and elaborates on why these explanations are insufficient for this topic. In addition, this research focuses on individual level analysis for immigrant and transnational entrepreneurs, thus, it is necessary to review major discussions regarding individual entrepreneurial attributes.

This chapter comprises six sections. As the interest of this research is immigrant and transnational entrepreneurship in an international and cross cultural context, this chapter first reviews the literature of several entrepreneurship research streams which includes international entrepreneurship, immigrant and ethnic entrepreneurship and transnational entrepreneurship. Reviewing these three streams helps navigate the research focus through common ground and differences between these streams of entrepreneurship, as each stream is closely linked to this topic. Second, this chapter reviews traditional thought and the most influential theoretical perspectives in immigrant and ethnic entrepreneurship areas which

mostly explain immigrant entrepreneurship based on the single context of receiving country. In contrast, this research examines immigrant entrepreneurship from a transnational perspective. In addition, these theoretical perspectives are mainly from sociology studies, little research on entrepreneurial attributes have been covered in studies of immigrant and ethnic entrepreneurship. Hence, this research argues for the need to explore contemporary immigrant and transnational entrepreneurship experiences with a view to building theory. To repeat, the focus of the research is confined to the experiences of Chinese and Australian citizens as both immigrants and transnational entrepreneurs operating within the two countries.

Third, this chapter introduces literature on transnationalism as this concept is closely associated with immigrant transnational practice. Transnationalism emerges as immigrants maintain social ties and cultural connections to their homeland and is considered an invisible field of business and social practice. Yet, theoretical explanation of the relationship between transnationalism and entrepreneurial activity is very limited. Fourth, as this research explores entrepreneur individual attributes, this literature review covers the main entrepreneurial attributes and relevant discussions in immigrant entrepreneurship study. Individual attributes include entrepreneurial motivation, entrepreneurial cognition and entrepreneurial behavior. Study of these individual attributes uncover important insight regarding entrepreneur engagement in business activities on different levels (i.e. psychology and behavior), but due to the complexity of entrepreneurship processes this research argues that it is necessary to look at entrepreneurial business practice and continuing experiences of entrepreneurs. Entrepreneurial practice contains a range of entrepreneur actions in developing, enhancing and managing businesses by access to and utilization of different types of resources. There are rich discussions of behavioral theories in entrepreneurship studies (i.e. theory of planned behavior, effectuation theory and entrepreneurial bricolage). However, the sub-field of immigrant entrepreneurship does not seem share common research interests. Fifth,

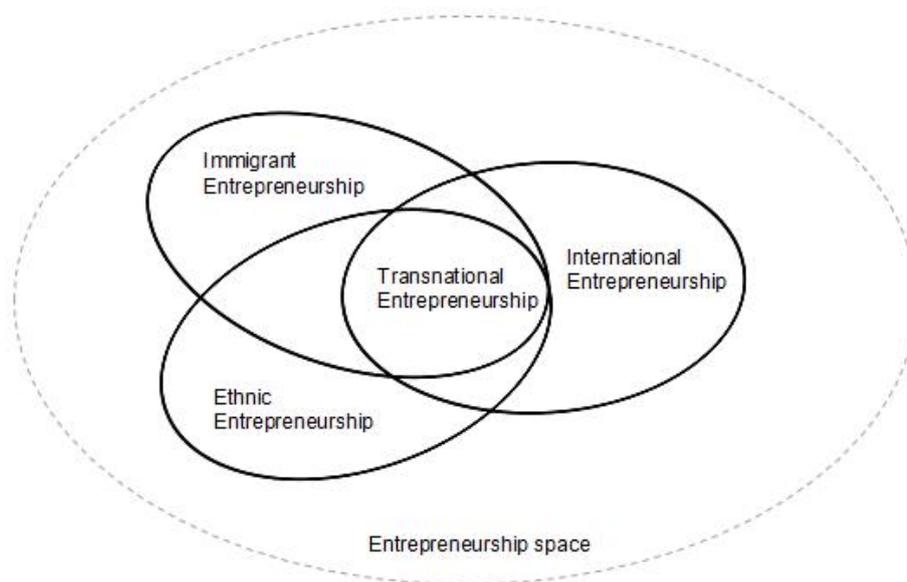
this chapter introduces three research questions derived from the literature review.

## **2.2 Relevant Entrepreneurship Research Streams**

This research examines immigrant and transnational entrepreneurship, which are strongly related to an international context. This research focus requires an overview of several relevant entrepreneurship research streams, including international entrepreneurship, immigrant and ethnic entrepreneurship, and transnational entrepreneurship. International entrepreneurship is a relevant research stream, which focuses on firms and individual entrepreneurs' international business activities and hints at the importance of individual entrepreneurs' international experiences and networks. As introduced in chapter 1, immigrant entrepreneurship and ethnic entrepreneurship share similar research roots and focus, hence are largely overlapping; meanwhile, terms of 'immigrant entrepreneurship' and 'ethnic entrepreneurship' are often applied interchangeably in literature.

Recent trends in immigrant entrepreneurship study acknowledge international interactions of business activities between immigrants and their countries of origin, hence these individuals play a bridging role between national markets in the international and entrepreneurial context (Portes, Guarnizo & Haller 2002; Saxenian, Motoyama & Quan 2002; Terjesen & Elam 2009). For example, Saxenian (1999, 2002) identified the emerging phenomenon of transnational entrepreneurship through the development of global production networks by Chinese and Indian entrepreneurs in high-tech industries. These entrepreneurs rely on and circulate knowledge and resources in and between Silicon Valley (the United States) and their countries of origin (China and India). As transnational entrepreneurial activities occur across borders between home and host countries, transnational entrepreneurship emerged as an overlapping research focus between international entrepreneurship and immigrant and ethnic entrepreneurship (Adiguna 2012; Drori, Honig & Wright 2009;

Honig & Drori 2010). Figure 2.1 shows the interrelations of these entrepreneurship research streams, which will be reviewed in the following sections.



**Figure 2.1** Relevant entrepreneurship research streams

Source: Adapted from Lin (2010a, p.32)

Therefore, this literature review covers three relevant research streams: 1) international entrepreneurship and international opportunity identification, 2) immigrant and ethnic entrepreneurship and immigrant economic adaptation and 3) transnational entrepreneurship and their dual embeddedness in business related networks with opportunity for cross-cultural awareness. Further, this review also introduces predominate theories and existing gaps for each of these three entrepreneurial streams.

### **2.2.1 International Entrepreneurship and International Opportunity Identification**

International entrepreneurship is considered a “combination of innovative, proactive, and risk-seeking behavior that crosses national borders and is intended to create value in organizations” (McDougall & Oviatt 2000, p. 903). The emergence of international entrepreneurship is an intersection of two research fields - international business and entrepreneurship (Wach & Wehrman 2014). International

entrepreneurship developed from the study of corporate entrepreneurship which originally referred to entrepreneurial behavior in large, established companies and their internationalization processes (Ferreira, Fernandes & Ratten 2017). Another focus of international entrepreneurship literature has been new international ventures or new global firms given their incorporation into international activities in the initial three to six years of establishment (Knight & Cavusgil 2004; McDougall & Oviatt 2000). These new international ventures or born-global firms are usually young and small ventures experiencing early and rapidly internationalization and pursuing entrepreneurial opportunities (Ferreira, Fernandes & Ratten 2017). However, Zahra, Newey and Li (2014) argue that the definition of international entrepreneurship should go beyond enterprise age and size as the essence is discovery, creation and exploitation of opportunities in a global context. Based on continuing discussion defining international entrepreneurship, research mainly focuses on firm level analysis examining firm internationalization processes and stages (Coviello, McDougall & Oviatt 2011; Oviatt & McDougall 2005).

A prevalent trend in international entrepreneurship study is international opportunity recognition and identification processes. Entrepreneur opportunity refers to “situations in which new goods, services, raw materials and organizing methods can be introduced through the formation of new means, ends, or means-ends relationships” (Eckhardt & Shane 2003, p. 336). An international opportunity is defined as “the chance to conduct exchange with new partners in new foreign markets” (Ellis 2011, p. 101). Opportunity identification is an essential focus of entrepreneurship research as it is an important capability of successful entrepreneurs (Ardichvili, Cardozo & Ry 2003; Styles & Seymour 2006). Moreover, international entrepreneurship research has recognized the importance of social ties in terms of market entry and international opportunity identification (Ellis 2011; Prashantham, Dhanaraj & Kumar 2015; Zhou, Wu & Luo 2007). Ellis (2011) suggests that international opportunities are discovered by entrepreneurs through tie-based relationships. Individuals are carriers of networks and social ties which influence

international activities and operations, especially when these network carriers live or work in different countries (Chen & Tan 2009; Terjesen, Hessels & Li 2016). Although social ties are meant to link individuals, the importance of living and learned experiences to the establishment of social ties has not yet been extensively explored in international entrepreneurship studies.

Some studies in international entrepreneurship note the importance of individuals' (entrepreneurs and employees) prior international experiences (Chetty & Campbell-Hunt 2004; Chetty & Holm 2000) and particularly the rationale developed through these experiences (Jones, Coviello & Tang 2011; Jones & Casulli 2014; Sarasvathy, Kumar, York & Bhagavatula 2014). Jones, Coviello and Tang's (2011) review of international entrepreneurship research over 1989-2009 identifies that individual entrepreneurial characteristics (i.e. knowledge, behavior and cognition) are widely noted as influential. Further, Jones and Casulli (2014) compare and contrast processes of heuristic and analogical reasoning and suggest that both rationales impact entrepreneurial institutionalization decisions differently. For instance, heuristic reasoning may lead to incremental internationalization; whereas, analogical reasoning may lead to a more deliberate search for professional services that may assist international market entry. In addition, Sarasvathy et al (2014) implement an effectual lens to international entrepreneurship, and identify three relevant characters to explain them with effectual rationale: cross border uncertainty, limited resources and network dynamics. However, these studies only provide a conceptual delineation without further empirical investigation. An empirical study (Hollender, Zapkau & Schwens 2017) tests hypotheses on 133 German small to medium sized enterprises (SMEs) and shows international experience is a useful resource to improve the performance of firms' non-equity entry modes.

A number of authors also identify the relevance of international entrepreneur cultural and social backgrounds (Enderwick 2011; Chung & Tung 2013; Vinogradov & Jørgensen 2017; Zolin & Schlosser 2013). Enderwick (2011) examines nine popular

modes of knowledge acquisition of firms' internationalization processes, stating that immigrant employees are as cost effective as expatriates and yield high levels of relevant knowledge underpinning internationalization. This author finds that immigrant employees have strength in knowledge of overseas target markets and weaknesses in understanding the home country business system, firms and even the industry. Further, Chung and Tung (2013) examine the effect of immigrant employee social networks in their countries of origin (UK and China) on firm internationalization entry mode selection and resource commitment. These authors suggest that specific immigrant knowledge and contacts in their countries of origin play a significant role in firm internationalization. Also, Zolin and Schlosser (2013) examine 561 young firms in Australia finding that immigrant entrepreneurs are valuable human capital with stronger competitive advantages, compared to Australian native entrepreneurs, in entering international markets. Meanwhile, Vinogradov and Jørgensen (2017) surveyed 116 immigrant and 864 native Norwegian entrepreneurs with newly registered firms and found immigrant entrepreneurs are more likely to identify international opportunities than native entrepreneurs. Thus, despite a firm level analysis focus, immigrant effects in corporations and their own entrepreneurship have been noted in international entrepreneurship study.

Two theories are predominately applied in international entrepreneurship studies: the Resource-Based View (Wernerfelt 1984) and the Social Network Theory (Burt 1992, 1997; Granovetter 1973). The Resource-Based View explains how international ventures achieve a competitive advantage in international markets through engagement of essential resources (i.e. knowledge) (McDougall, Shane & Oviatt 1994). The Social Network Theory provides an explanation for how ventures access information and resources through network connections, which influences firms in terms of international opportunity identification and international market selection. As such, international entrepreneurship research is primarily concerned with entrepreneurial behavior of firms in an uncertain international business

environment, whereas the contextualizing attributes of entrepreneurship (questions of when, where and who) have been overlooked (Welter 2011).

Overall, the central discussion of international entrepreneurship studies does not emphasize the contextualization of entrepreneurship, such as cross cultural experiences and resources. In contrast, ethnic entrepreneurship literature focuses on immigrants who start and operate businesses overseas with specific and inclusive resources and contexts (Portes, Guarnizo & Haller 2002).

### **2.2.2 Immigrant and Ethnic Entrepreneurship and Their Economic Adaptation**

It has been suggested that immigrants in receiving countries are more likely to be self-employed (i.e. ethnic and immigrant entrepreneurs) due to their inability to participate in the mainstream economy (Light & Karageorgis 1994; Light 1972; Wong 1985). In particular, the term ethnic entrepreneurs refers to individuals who belong to a common cultural heritage or origin within an ethnic group, and they are perceived as having such membership by others (Rath & Kloosterman, 2000; Yinger 1985). Also, entrepreneurship is a continuing conduit for immigrants to adapt to the new society and some ethnic groups have distinctive entrepreneurial performance, such as Chinese immigrants (Zhou & Liu 2017) and Indian immigrants (Azmat & Fujimoto 2016). Excluded from the main stream economy, these ethnic entrepreneurs rely on ethnic ties and community integration to secure resources (Lin & Tao 2012; Samila & Sorenson 2017). The ethnic entrepreneurship literature introduces two fundamentally different types of ethnic entrepreneurs: middleman minorities and enclave entrepreneurs (Nestorowicz 2011). Middleman minorities are entrepreneurs who take advantage of their ethnic resources for trading between ethnic and non-ethnic groups, and between elites and masses. These entrepreneurs have social ties with both ethnic and non-ethnic groups in which they conduct economic exchanges. Unlike middleman minorities, ethnic enclave refers to entrepreneurs who rely on supply and demand mainly from ethnic communities.

Thus, ethnic entrepreneurial activities are deeply embedded in ethnic community networks in the receiving country with little consideration of international connections and/or international business opportunities.

Ethnic resources (markets and social networks) are important antecedents for immigrants' initial involvement and success in entrepreneurship. Also, such activities often create social network clusters for immigrant community groups, and furthermore the social capital that is formed can influence ethnic member social activities in the receiving country. For instance, Kerr and Mandorff (2016) conducted an empirical study to examine the relationship between ethnicity and occupational choice, finding that social relationships and interactions can result in favorable economic outcomes and self-employment conditions for minority groups. In particular, self-employment results in concentrated entrepreneurship. For example, Koreans are 34 times more likely than other immigrants to operate dry cleaners and Gujarati-speaking Indians are 108 times more likely to manage motels. In addition, Samila and Sorenson (2017) used panel data from metropolitan areas in the United States from 1993 to 2002 and found that ethnically integrated places foster innovative venture development, which suggests a resource concentration in interconnected ethnic communities. In contrast, Azmat and Fujimoto (2016) conducted qualitative research with Indian women entrepreneurs in Australia and found that ethnic entrepreneurship is a complex phenomenon as their multiple identities (new migrants, women, Indians) simultaneously affect their entrepreneurial experience. Thus, findings of these studies suggest further research about specific ethnic immigrant entrepreneurship groups in order to better understand the inside value of their entrepreneurial experiences.

The terms immigrant entrepreneurship and ethnic entrepreneurship are interchangeable in this research field which traditionally focus on migrant economic adaptation and social assimilation in receiving countries. Lin (2010b) distinguishes differences in immigrant social embeddedness associated with various types of

economic adaptations (Figure 2.2), including wage employment, ethnic economy, returnee businesses and transnational entrepreneurship. Wage employment refers to immigrant employment in the mainstream economy of receiving countries (Lin 2010b). While these groups of immigrants are considered a reflection of successful assimilation in the receiving country, research shows this group of immigrants has secured only modest employment growth in western countries (Lin & Tao 2012). Ethnic economy is defined as the various types of businesses owned or controlled by co-ethnic owners (Bonacich 1973; Wilson & Portes 1980). Due to limited access to resources, the ethnic economy maintains limited interactions with both origin and receiving countries (Lin & Tao 2012). Hence, the individual immigrants participating in the ethnic economy are less assimilated in both countries.



**Figure 2.2** Immigrant economic adaptation and social embeddedness

Source: Adapted from Lin (2010b, p.127), Lin and Tao (2012, p. 52)

Returnee businesses are businesses owned or controlled by returned immigrants who have re-settled in their home country. The process of re-entry and settlement can be long-term and therefore they may still be described as in transition just like a typical immigrant experience. These businesses are largely focused on the migrant

home country, while transnational entrepreneurship is concerned with immigrant business activities that span across borders. Transnational entrepreneurs, in this model, are highly knowledgeable in dual cultures and institutions which require them to have stronger social embeddedness and economic adaptations in both countries in order to access resources (Drori, Honig & Wright 2009). This framework posits the interrelations between social embeddedness and different types of economic adaptation for immigrants, but the radical relationships between these two are not explained in the literature. Thus, it is not clear why an entrepreneur (i.e. transnational entrepreneurship or returnee business) achieves a high degree of social embeddedness, how it benefits entrepreneurial practice, and what the distinguishing factors maybe to differentiate the two on the individual level.

While there is some discussion in the literature of the underlining motivations (i.e. inability to participate in the mainstream economy) for ethnic entrepreneurial behaviors, most studies have focused on immigrant social and economic adaptation to receiving societies (Portes, Guarnizo & Haller 2002). Therefore, our understanding of ethnic entrepreneurship is based on sociological perspectives (i.e. cultural assimilation and social integration) with a lack of understanding about the business aspects of their activities (Drori, Honig & Ginsberg 2010; Drori, Honig & Wright 2009). In addition, existing ethnic entrepreneurship studies highlight the importance of ethnic assets for immigrant entrepreneurs and their isolating enclaves and previous studies underestimate the impact of changing geopolitics in the Asia Pacific region and hidden immigrant entrepreneur transnational connections and activities (Ma, Zhao, Wang & Lee 2013; Zhou & Liu 2017).

### **2.2.3 Transnational Entrepreneurship and Their Dual Embeddedness**

Transnational entrepreneurs are generally defined as immigrants who are engaged in cross border business activities involving their country of origin or other locations

(Portes, Guarnizo & Haller 2002; Saxenian 2002; Saxenian, Motoyama & Quan 2002). The definition of transnational entrepreneurs has shifted from a narrow definition to a broader one over the past ten years. Transnational entrepreneurs were initially described based on linkage of country of origin and frequent travel between country of origin and country of receiving. In contrast, the recent definition has a more flexible recognition of business destinations for transnational entrepreneurs including ‘multiple social fields’ (Drori, Honig & Ginsberg 2010). As such, these business destinations usually refer to the country of origin and country of receiving and ‘transnational social field’ (section 2.4.2). Evolution of the changing definition of transnational entrepreneurship indicates the nature of this specific group of immigrant entrepreneurs, who are closely involved with transnationalism through both physical (i.e. travel) and non-physical (i.e. ideas, networks, information flow, knowledge transfer, etc.) aspects within certain time duration and space (Table 2.1).

**Table 2.1** Definitions of transnational entrepreneurs

Study	Definition of Transnational Entrepreneurs
Portes, Guarnizo and Haller (2002)	Self-employed immigrants whose business activities require frequent travel abroad and who depend on, for the success of their firm, contacts and associates in another country, primarily their country of origin
Rusinovic (2008)	Entrepreneurs who undertake transnational activities using their contacts or associates in their home country
Drori, Honig and Wright (2009)	Entrepreneurs that migrate from one country to another, maintaining business-related linkages with their former country of origin and currently adopted countries and communities
Drori, Honig and Ginsberg (2010)	Social actors who enact networks, ideas, information and practices for the purpose of seeking business opportunities or maintaining business within multiple social fields, which in turn forces them to engage in various strategies of action to promote their entrepreneurial activities and societal changes

Source: Adapted from Adiguna and Shah (2012, p. 4)

Transnational entrepreneurship is an emerging field of study which overlaps international entrepreneurship and ethnic entrepreneurship studies (Drori, Honig &

Ginsberg 2006; Drori, Honig & Wright 2009; Ratten 2017). Of the very few transnational entrepreneurship studies to date, some conceptualize a global network and business chain created by transnational entrepreneurs operating between two countries (Chen & Tan 2009; Drori, Honig & Ginsberg 2006; Saxenian 1999; Saxenian, Motoyama & Quan 2002). Others state that transnational entrepreneurs have deep roots in two institutional contexts (Yeung 2002) and apply multiple forms of capital (social, cultural, economic and symbolic capitals) for business operations (Patel & Conklin 2009; Terjesen & Elam 2009). Further, Drori, Honig and Ginsberg (2006) and Drori, Honig and Wright (2009) state that transnational entrepreneurs engage in activities in two institutional contexts that may provide opportunities or constraints for their businesses. Dimitratos et al. (2016) summarize a list of key studies of transnational entrepreneurship and their international activities, but the dimensions vary and are diverse. Although these studies emphasize some important parameters, none describes the fundamental basis of transnational entrepreneurship.

Theory of Practice (Bourdieu 1977, 1986) has been applied in some transnational entrepreneurship studies as this theory posits multiple level analysis to explain individual and group actions (practices) in society. Pierre Bourdieu developed his theoretical thoughts based on years of field study in anthropology to form the Theory of Practice. Theory of Practice (Bourdieu 1986) explains a formative and interactive relationship between human actors and social systems, and presents an important formulation of how human actors act and interact with a given social context. Bourdieu presented the following equation:  $[(\text{habitus})(\text{capital})] + \text{field} = \text{practice}$ . Several important concepts (habitus, capital and field) are contained in this equation and their combination results in a view of how human actors are practically involved in their environment. This equation can also be unpacked as a statement: practice results from relations between one's dispositions (*habitus*) and one's position in a field (*capital*), within the current state of play of that social arena (*field*).

Terjesen and Elam (2009) conducted a case study with four carefully chosen individual cases to explore the experience of migration and transnational entrepreneurship. The authors employed Theory of Practice to build theoretical explanation for transnational entrepreneurial practice, or strategies of action. As a result, Terjesen and Elam (2009) identify the importance of cultural capital (i.e. familiarity of dual cultures and societies through the migration experience) and social capital (i.e. social connections in both countries) as privileged resources of transnational entrepreneurs. Moreover, the study also highlights that the power of status inhibits legitimacy of symbolic capital and posits that this helps transnational entrepreneurs pursue business strategies. This study provides insights of how transnational entrepreneurs operate, but does not explain why only some immigrants become transnational entrepreneurs when many share the same access to similar cultural and social capital.

Patel and Conklin (2009) emphasize transnational entrepreneur 'dualistic disposition' and 'bifocal habitus' (*habitus* refers to individual's everyday habitual practices and assumptions in the context of a particular social environment, p. 1049) in leveraging entrepreneurial capital across borders. With a sample data of 452 Latin American and U.S transnational enterprises, these authors found a balanced size and scope of network and individual bifocal dispositions assist their activities in transnational entrepreneurship between country of origin and country of receiving. Further, these authors advocate a balanced power relationship in terms of resource access through social networks, although the power relationship is not clearly explained. An antecedent of transnational entrepreneurship is that these entrepreneurs are privileged in having access to information between two markets and it is suggested that transnational entrepreneurs are socially embedded in two places (Dimitratos et al. 2016; Terjesen & Elam 2009). However, Brzozowski, Cucculelli and Surdej (2017), who conducted 484 surveys with immigrant and transnational entrepreneurs in Italy, found that length of residency experience in the host country is negatively associated

with propensity of transnational entrepreneurship. This finding indicates a sojourn type of entrepreneurs that move between home and host country, which does not require in-depth connection in either place. Thus, the discussion of transnational entrepreneur character as dual embeddedness is controversial and still a work in progress. Table 2.2, below, provides a summary of key studies on transnational entrepreneurs.

**Table 2.2** Key studies on transnational entrepreneurs

Author/s and year	Home and host countries	Themes/dimensions behind TE international activities
Audretsch and Aldridge (2012)	Around the world/USA	TE social capital promotes firm entrepreneurship and is conducive to firm entrepreneurship
Brzozowski, Cucculelli and Surdej (2014)	Around the world/Italy	The home country's institutional and socio-economic characteristics and country-specific entrepreneurial factors are key in shaping TE ties-performance association
Crick and Chaudhry (2013)	Indian, Chinese and Turkish/UK	TE firms are socially embedded in two environments and actively leverage resources for capitalizing on their resource base
De Silva (2015)	Around the world/Sri Lanka	Challenging institutional voids in the political, legal and regulatory systems discourage TE investment in transition (host) economies. Networks are used to respond to these voids
Hernandez (2014)	Around the world/USA	Home country bonds of TEs are unique channels of knowledge, which provide their firms with idiosyncratic benefits in international places
Kariv et al. (2009)	Around the world/Canada	Ethnicity plays a central role in the engagement of different types of transnational networking. Different types of transnational networking affect firm turnover and survival
Krishna and Subrahmanya (2015)	Around the world/India	TEs who possess entrepreneurial experience and who had obtained early funding have a high probability of achieving success in the host country
Lin and Tao (2012)	China/Canada	Seeking business opportunities is an important reason for TE migration to the host country in the first place. Subsequently, business expansion, by drawing resources from dual locations, becomes the primary driver towards a transnational mode of economic adaptation
Ndofor and Priem (2011)	Around the world/USA	TE capital endowments and social identities influence choice of an enclave versus dominant market venture strategy in the host country
Patel and Conklin (2009)	Latin America/USA	Network size and scope enhance the extent of TE activities

Sequeira, Carr and Rasheed (2009)	Latin America/USA	TEs' positive perception of host country opportunities and their greater embeddedness in home country activities predict the specific type of ventures that the TE Undertakes
Terjesen and Elam (2009)	Canada, France, India/Around the world	Early life, education and career (global) experiences, capital resources and social and professional networks induce TE international activities
Urbano, Toledano and Ribeiro-Soriano (2011)	Around the world/Spain	Transnational networks and entrepreneurial perceptions of opportunities of the host society facilitate development of TE activities
Zolin and Schlosser (2013)	Around the world/Australia	TEs tend to facilitate INVs, apparently because they have university degrees, international connections and technical capabilities
Wang and Liu (2015)	Around the world/USA	Immigrant-owned TEs fare better than non-immigrant-owned firms without TE activities in terms of employees, annual total sales and total payrolls

Source: Dimitratos et al (2016)

Transnational entrepreneurship is a complex and incremental process embedded in a receiving country. Transnational entrepreneurs need the capability to overcome difficulties of foreignness in the receiving country, as well as maintaining social contacts with the home country. This dual embeddedness requires a great effort from individuals, but has barely been explored in existing studies. In other words, we do not know whether 'dual embeddedness' status exists or whether it is necessary for transnational entrepreneurship. Existing studies do not explain embeddedness in a transnational context, but some studies have articulated the concept of 'embeddedness' in a business context, distinguished different types of embeddedness and identified potential challenges.

### 2.2.3.1 Types of Embeddedness and Potential Challenges

Embeddedness, according to Jack and Anderson (2002, p. 48), is defined as "the nature, depth, and extent of an individual's ties into the environment". Jack and Anderson (2002) studied rural entrepreneurs who moved from other places to join local social structures (with customers and employees) by establishing local relationships and mutual trust. Being embedded in a social structure involves a great

deal of social networking, especially in terms of relational, emotional and personal aspects. Another definition provided by Uzzi (1996, 1997) refers to the embedded relationship as a unique logic of exchange which allows business actors to share learning, problem solving and risk-taking within a long-term business and networking strategy. More specifically, social embeddedness is distinguished into two types, namely relational embeddedness and structural embeddedness. Relational embeddedness comprises social relationships conducted with trust and expectations as on-going interactions (Granovetter 1985). As such, relational embeddedness refers to two people with a deep history and investment in their relationship (Moran 2005). Moran (2005) links relational embeddedness with the quality of social relations, illustrating the mutual history that actors have and the chance to know each other well which subsequently increases network stability. An alternative perspective on embeddedness is structural embeddedness which refers to people with mutual contacts that make them known as trustworthy individuals. For instance, Uzzi (1996) identifies that social embeddedness may be sourced from one's referral network. This means that embedded individuals do not necessarily require close interpersonal relationships. Both relational and structural embeddedness can influence individual and business strategies domestically and internationally. As will be shown in the subsequent data analysis and conclusion good use was made of these conceptual variations about the social relations underpinning entrepreneurial activities.

The concept of social embeddedness primarily explains how cohesive networks assist business activity. However, it may also result in a paradox for business and business practitioners. Uzzi (1997) identifies three conditions that can turn embeddedness into a liability and lead to downsizing of the business: 1) unforeseen exit of a core actor, 2) over-embeddedness of a network and 3) institutional changes in a market. Moreover, Uzzi (1997) also suggests that network members may be locked into existing social connections that cause over-embeddedness and risk. From this view, a substantial extent of embeddedness is alike to the tightness and closeness of

network relationships. An empirical study examined an important dilemma regarding the conflict between diverse networks and cohesive networks, finding that both are helpful to team productivity (Reagans & Zuckerman 2001). Accordingly, diverse networks increase the number of separate knowledge pools from which group members can draw information, eventually leading to greater knowledge. Cohesive networks with social closure increase trust and reciprocity which results in improved cooperation and performance. Regardless of different dimensions and types of embeddedness, embeddedness in business contextual research is considered an outcome of on-going exchanges, mutual impacts and interdependent relationships between firms.

On the individual level, social embeddedness encompasses different forms of individual based relationships where personal ties are important resources (Brzozowski, Cucculelli & Surdej 2017; Gedajlovic et al. 2013; Solano 2015). Transnational entrepreneurs, by definition, tend to maintain ties with their home country as they migrate to the receiving country. Beyond this, they continue relationships with contacts in their former receiving country following their return to home country (Martinez & Aldrich 2011; Pruthi 2014). However, the concept of social embeddedness has been mainly studied in a single context which excludes the claimed attributes of transnational entrepreneurs who develop 'dual embeddedness' through transnational business activities. Furthermore, a fair extent of social embeddedness requires sufficient interactions and integration in certain social groups and contexts which is a challenge for individuals to achieve in more than one place. Therefore, there is a need to further explore 'dual embeddedness' for a better understanding of transnational entrepreneurship to overcome our limited understanding of transnational entrepreneurship (Ma et al. 2013).

### 2.2.4 Summary

After reviewing the main focus of three streams of entrepreneurship study, Table 2.3 summarizes some characteristics of key studies in international entrepreneurship, ethnic entrepreneurship and transnational entrepreneurship which account for some of the differences and overlapping areas in these research streams. Each of these streams covers some attributes of contemporary immigrant entrepreneurs, with limitations. Despite limitations, these scholarly works provide a foreseen domain for this research in the center of the overlapping zone as it inevitably touches on issues in all these streams.

**Table 2.3** Summary of studies on international entrepreneurship, ethnic entrepreneurship and transnational entrepreneurship

	International Entrepreneurship	Transnational Entrepreneurship	Ethnic Entrepreneurship
Definition	A combination of innovative, proactive, and risk seeking behavior that crosses national borders and is intended to create value in organizations. (McDougall & Oviatt, 2000)	Entrepreneurial activities that involve individuals who migrate from one country to another, concurrently maintaining business-related linkages with their country of origin and currently adopted country and communities (Honig & Drori 2010)	Entrepreneurial activities that involve individuals who belong to a common cultural heritage or origin within an ethnic group, and these individuals are perceived as having such membership by others (Rath & Kloosterman, 2000; Yinger 1985)
Unit of Analysis	Firm-level actions of an export firm or internationally oriented organization, usually a multinational corporation. Also, an early stage firm's role and position within a network of cross-border relationships (Honig & Drori 2010)	Individual actions of an immigrant engaged in two or more socially embedded environments, maintaining global relations, enhancing creativity and maximizing his or her resource base. Also, entrepreneur role and position within a network of transnational relationships (Honig & Drori 2010)	Individual actions of an immigrant, often with distinctive language and customs, engaged in formal, informal, or illegal self-employment and/or businesses in the adopted country. Also, entrepreneur role and position within an ethnic community network (Honig & Drori 2010)

Applied Theories	Resource-Based View (Wernerfelt 1984); Social Network Theory (Burt 1992, 1997; Granovetter 1973, 1985)	Theory of Practice (Bourdieu 1977, 1986); Institutional Perspective (proposed by Drori et al 2006)	Ethnic Middleman Theory (Bonacich, 1973); Mixed-embeddedness Theory (Kloosterman, Leun & Rath 1999; Kloosterman 2010)
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Source: Adapted from Honig and Drori (2010, p. 205)

### 2.3 Existing Theoretical Perspective of Immigrant Entrepreneurship

The field of immigrant and ethnic entrepreneurship was formed through scholarly discussions from multiple disciplines, such as political science, labor and workforce, race and ethnicity, and migration. Most studies consider immigrants from the stance of receiving country which accepts immigrants as newcomers. In considering migrants as new and latecomers, a lot of attention has been given to comparison of mainstream entrepreneurs and immigrant entrepreneurs, interactions between mainstream society and immigrants groups, and immigrant interactions within their own ethnic groups (Ma et al. 2013). As a result, commonalities have been identified among different immigrant ethnic groups and one of these commonalities is their initiatives in business and entrepreneurship (Nestorowicz 2011).

Several important theoretical perspectives have been developed in immigrant entrepreneurship literature which explain the usual patterns of immigrant economic and social adaptation in the receiving country. These theories mainly focus on one context (country of receiving) and its particular social and market conditions for immigrants to participate into business. Although none of these theoretical thoughts include a transnational perspective, they provide critical insights of immigrant entrepreneurship. Hence, a substantial and in-depth literature review in following sections discusses the development of these theories over time. The reviewed theories are:

- ✧ Ethnic Middleman Theory

- ✧ Ethnic Enclave Economy
- ✧ The Disadvantaged Theory
- ✧ The Interactive Model
- ✧ Mixed-embeddedness View

### **2.3.1 Ethnic Middleman Theory**

One of the first ideas about how and why immigrants become entrepreneurs was developed in the early 1970s. Based on the concept of 'middleman minorities', first introduced in political science study about minority groups (Blalock 1967), Bonacich (1973) identifies that groups of immigrants around the world (e.g. Chinese in Southeast Asia, Jewish in Europe and Indians in east Africa) share similarities regarding their intermediate role and concentrate in certain occupations (such as trade and commerce) for social and economic interactions in the receiving society (Blalock 1967; Bonacich 1973). For instance, immigrant groups play an intermediary role between multiple market actors, such as "producers and consumers, employer and employee, owner and renter" (Bonacich 1973, p. 583), ethnic groups and non-ethnic groups, as well as the extreme social classes of elite and the masses. In addition, an important characteristic of middleman minorities is that they are, at least initially, sojourners who do not plan to settle permanently in the receiving country.

Bonacich (1973) states that sojourning is not a sufficient condition of the middleman because many sojourners do not become small business owners, but being a sojourner necessary as it enables potential entrepreneurs to have transportable and independent professions. These professions allow potential pre-industrial entrepreneurs (Weber 1958) to pursue a better economic condition while exploiting free or cheap labor forces from family or ethnic community members, examples are

barbers, shoemakers, goldsmiths, jewelers and restaurant owners. Although the Ethnic Middleman Theory articulates the commonalities of immigrant economic and social activities, regardless of ethnicity differences, this perspective received criticism when proposed. For instance, Wong (1985) points out that this theory lacks explanation of the economic function of middleman minorities in a transitioning society (such as decolonization in Southeast Asian countries) or multi-ethnic societies (such as the United States). Furthermore, Wong (1985) states that the limitation of this theory is categorizing second or third generation immigrants and all minorities into one large group, instead of looking at their specific circumstances.

As one of the earliest theoretical views of immigrant entrepreneurship study, Ethnic Middleman Theory (Bonacich 1973) captures diaspora attributes of some immigrant entrepreneurs while exploring conflicts with their countries of origin and countries of receiving given their temporary experience at both places. According to this theory, these middleman entrepreneurs are neither close to the country of origin, while not disloyal to it, nor assimilated to the country of receiving, because they tend to draw on resources rather than contribute to these places. Interestingly, a contrasting view developed in diaspora and transnational entrepreneurship studies (refer to section 2.2.3 Transnational entrepreneurs and dual embeddedness) suggesting that these immigrant entrepreneurs with middlemen characteristics are integrated with both societies (home and host countries) as they access and apply ethnic and non-ethnic resources (such as language, networks, social ties and interpersonal skills) in social and economic interactions across borders (Drori, Honig & Wright 2009; Terjesen & Elam 2009; Zhou 2004). Despite beneficial contributions of Ethnic Middleman Theory to immigrant entrepreneurship, this theory has mainly been employed in a single context and market, normally in receiving societies. Thus, it lacks the strength to illustrate inherent linkages between immigrant entrepreneurs and their country of origin.

### **2.3.2 Ethnic Enclave Economy**

After the theoretical view of Bonacich (1973) regarding the debate on immigrant self-employment, a stream of thought about 'ethnic economy' developed. Modell (1977, p. 94) used the term 'ethnic economy' to describe "a kind of ethnic-based welfare capitalism" among Japanese Americans before World War II without operationally defining the concept of ethnic economy. The concept of 'ethnic economy', later defined by Bonacich and Modell (1980), primarily refers to economic activities of self-employed immigrants and their co-ethnic employees. Bonacich and Modell (1980) identify the ethnic economy at various levels, including city, regional and national, and an ethnic economy always contains two categories of ethnic entrepreneurs and co-ethnic employees.

The term synonymous with ethnic economy, 'ethnic enclave economy', is derived from labor segmentation literature based on the claim that a third alternative exists to the postulated primary and secondary labor markets (Wilson & Portes 1980). By analyzing the incorporation of Cuban immigrants into the American labor market, Wilson and Portes (1980) found significant difference between migrants who worked in the peripheral economy (companies in sectors with relatively low average wages, relatively small average employment and without internal promotional ladders) and those who worked for Cuban entrepreneurs. Cubans working for Cuban employers (identified as functioning within an enclave economy) were found to experience significant returns for human capital similar to workers within the primary labor market. In the open, secondary labor market such returns were absent because immigrants did not have an opportunity (or need) to take advantage of their cultural-specific human capital (view as an ethnic resource). From the immigrant entrepreneur point of view, Wilson and Portes (1980) and Bonacich (1973) reach a converged view that hiring labor from the same immigrant community results in opportunities for business expansion due to privileged access to markets and labor or solidarity and obligation of reciprocity in ethnic communities. Thus, there are two

necessary conditions for the existence and sustainability of the ethnic enclave economy: first, access to sufficient start-up capital and entrepreneurial skills, and second, continual renewal of the labor force within the enclave through immigration.

A subsequent study by Wilson and Martin (1982) employed a comparative perspective on the notion of enclave economy that further defined it as “self-enclosed inner-city minority communities” (p. 135). Wilson and Martin (1982) specify that collective vertical and horizontal integration within an immigrant ethnic community contributes to expansion and success of an enclave economy, indicating the value of social-cultural elements in the ethnic enclave economy. Regardless of later on-going debates raised in other studies, Portes and other researchers continue to refine and expand understanding of the ethnic enclave economy. As such, Portes and Bach (1985) conceive the ethnic enclave economy is not just the co-ethnic self-employed and their co-ethnic employees. It also consists of a locational cluster of business firms whose owners and employees are co-ethnics and whose firms employ a significant number of co-ethnic workers. Further, Portes and Jensen (1992) underline the aspect of location, defining the ethnic enclave economy as a concentrated network of ethnic firms that create jobs and opportunities for entrepreneurship. Therefore, Ethnic Enclave Economy theory (Bonacich & Modell 1980; Portes & Jensen 1992) emphasizes internal economic structures and modes of operation of minority communities in the receiving society, rather than considering relationships and interactions of ethnic minority entrepreneurs within the receiving society. In addition, discussion of ethnic enclave economy has mainly focused on co-ethnic employment, labor choice, mobility and wages as economic capitalism within the ethnic community, whereas not much mention has been made about individual immigrant entrepreneurial attributes.

### **2.2.3 The Disadvantaged Theory**

In the context of Ethnic Middleman Theory and Ethnic Enclave Economy, both Wong (1985) and Light and Karageorgis (1994) point out that immigrant self-employment choice in the labor market may result from disadvantaged position in the receiving society. For instance, immigrants may lack opportunities or face discrimination in gaining employment in the open economy. This understanding of immigrant self-employment has been labeled the disadvantaged theory and in the past three decades this theory has been formal conceptualized into three aspects (Nestorowicz 2011): 1) employment discrimination by blocking immigrants access to formal employment and/or 'glass ceiling' for employed immigrants to reach upward mobility, as such this explains why immigrants chose to be self-employed rather than seek wage employment, 2) credit market discrimination as an obstacle for immigrants and immigrant businesses to enter borrowing systems, indicating that incentives and potential for development of immigrant entrepreneurial ventures is problematic and 3) consumer discrimination, referring to consumer dislike of buying goods and services from minority businessmen, which is useful for explaining how consumer preferences for provide goods and services may affect profitability and number of immigrant entrepreneurs. Further, Light (2004) proposes a framework that illustrates the typology of disadvantage that immigrants may face in the labor market context (Table 2.4, see next page).

Overall, the disadvantaged theory (Light 2004; Light & Karageorgis 1994; Wong 1985) views immigrants as being in a vulnerable position in an unfavorable environment with disadvantages in accessing labor markets and financial resources. This theory provides an explanation regarding the conditions under which immigrants may choose to be self-employed, rather than in waged employment, and indicates potential difficulties accessing resources for business development. Based on this view, immigrants in the receiving society are negatively selected to be self-employed and have low incentive to be entrepreneurs. Thus, disadvantaged theory ignores

other possibilities and motivations (especially positive factors, such as business opportunities) that determinate immigrants to enter entrepreneurship.

**Table 2.4** Typology of disadvantage

	Resource disadvantage		
		YES	NO
Labor market disadvantage	YES	Immigrants have low productivity and for the productivity they demonstrate they are not adequately rewarded; possibility of relying solely on the informal economy or experiencing long-term unemployment	Immigrants cannot obtain a wage which reflects their productivity; self-employment may be a more rewarding or the only possible source of income, if resources are sufficient it may be pursued in the formal ethnic economy or even in the open market
	NO	Due to low resources (human, social, cultural capital) immigrants have low productivity and therefore receive low wages; very limited possibilities of occupational mobility or pursuing self-employment in the informal economy where limited resources are sufficient	No disadvantage

Source: Adapted from Light (2004)

### 2.3.4 The Interactive Model

In line with the disadvantaged theory of immigrant self-employment, Aldrich and Waldinger (1990) propose a conceptual model combining ideas of limited immigrant opportunities (due to discrimination in the mainstream) and their mobilizing ethnic resources (within the ethnic enclave economy) to illustrate interactions between immigrant entrepreneurs and the limited conditions and resources in the receiving society. Thus, this conceptual model is called the interactive model given the mutual influences of its various components.

Three components are introduced in the interactive model: opportunity structures, group characteristics and strategy (Aldrich & Waldinger 1990). Opportunity structures consist of market conditions which may favor products or services oriented to co-ethnics, and situations in which a wider, non-ethnic market is served. Aldrich and Waldinger (1990) state that potential immigrant entrepreneurs may develop businesses based on niches in co-ethnic groups and the general market, although they may encounter barriers to entering some industries and these involve risk taking decisions. For example, immigrant entrepreneurs have advantages in introducing products and services for their co-ethnic groups, but they may take on some reproductive businesses with low economics of scale, high uncertainty/instability or exotic goods to serve the wider market. In addition, Aldrich and Waldinger (1990) point out that opportunity structures include the ease with which access to business ownership is obtained and that access is highly dependent on the level of inter-ethnic competition and state policies which vary in different countries and states. Group characteristics include predisposing factors, such as selective migration, settlement characteristics, culture and aspiration levels. The characteristics of the interactive model described above indicate potential capital that immigrants take to the country of receiving and contribute to their entrepreneurial experiences, particularly human and cultural capital. For example, in the post-1965 migration stream, the majority of Koreans worked in white collar or professional jobs before migrating to the United States (Min 1988). In addition, taking into account the necessary conditions of business operation, Aldrich and Waldinger (1990) suggest there is not much difference between ethnic business and non-ethnic business in access to and obtaining resources and capital. Thus, group characteristics also include possibilities of resource mobilization, ethnic social networks, general organizing capacity and government policies that constrain or facilitate resource acquisition. Finally, ethnic strategies emerge from the interaction of opportunities and group characteristics as ethnic groups adapt to their environments. Examples include training and skills required for employees (often employees are family and co-ethnic members as they accept lower payments while

taking on strong obligations) and ways of developing customer loyalty.

The interactive model was established based on observations of first and second generation immigrants engaged in business. It successfully injects the essence of entrepreneurship into the ethnic and immigrant context by discussing the interplay between opportunity (in both ethnic enclave economy and general economy) and resources by immigrant and ethnic entrepreneurs. However, this model only emphasizes and advocates impacts of ethnic group and society level contexts, rather than considering immigrant entrepreneurship on the individual level. For instance, this model does not explain why and how some, rather than other, ethnic members recognize, evaluate and exploit business opportunities. Also, it touches on the importance of human capital for selected immigrants, but does not address how human capital influences immigrant entrepreneurial processes, such as how the immigrant entrepreneur learning experience operates when they face an unknown environment in the receiving society.

### **2.3.5 Mixed-Embeddedness Theory**

Based on the interactive model, Kloosterman, Van Der Leun and Rath (1999) and Kloosterman and Rath (2001) add the notion of country-specific institutional framework into the long debate of immigrant self-employment to develop a view of mixed-embeddedness. Mixed-embeddedness implies that immigrants are not only embedded in immigrant networks and ethnicity, but also in the “socioeconomic and politico-institutional environment of the country of settlement” (Kloosterman & Rath 2001, p. 2). Incorporating the ‘opportunity structure’ (Aldrich & Waldinger 1990) as the foundation of discussion and looking at the case of Islamic butcher shops in the Netherlands, Kloosterman, Van Der Leun and Rath (1999) explore immigrant informal economic activities when facing very little opportunities in the market. Informal production encompasses “activities aimed at producing a positive effect on income

(for the person executing the activities and/or for the person receiving the results), for which the terms of legislation and regulations (planning requirements, social security legislation, collective labor agreements, and the like) applicable to the activities are not being met” (Renooy 1990, p. 24).

Informal economic activities enable immigrant entrepreneurs to generate profits from business operation regardless of explaining immigrant entrepreneur individual characteristics. Although some do not meet or exist in legislation criteria of the receiving country, they are not necessarily illegal and the distinction between informal economy and formal economy represents a “lack of government control” (Renooy 1990, p. 25). Thus, the informal economy among immigrant businesses implies the connections and disconnections between immigrant entrepreneurial activities and local institutions in the country of receiving.

Kloosterman and Rath (2001) recognize that immigrant communities differ from the majority group in cultural aspects and many other more tangible forms of capital, such as financial, human and social capital. Thus, immigrants are initially dependent on different segments to the native population to reach two important dimensions within the ‘opportunity structure’: market accessibility and growth potential. A three-level approach (national, regional and neighborhood level) was proposed and recommended for further analysis of immigrant entrepreneurship. Mixed-embeddedness theory views immigrant entrepreneurship as part of the institutional system in the country of receiving, rather than separating it from the general environment. As such, mixed embeddedness theory proposes a bigger picture and interactive framework for examining immigrant entrepreneurship as a special case in the receiving society. However, this view is too broad and ambiguous as it includes higher level analysis (i.e. national and regional levels) which does not help understanding of micro-level analysis of immigrant entrepreneurial behaviors

and actual experience and life trajectories.

### **2.3.6 Summary**

The above chapter sections review traditional theoretical perspectives of immigrant and ethnic entrepreneurship. This review outlines the emergence and development of these profound theoretical thoughts which identify and explain the usual pattern of migrant economic adaptation through the lens of immigrant and ethnic entrepreneurship at the country of receiving. Discussions around these theoretical thoughts mainly focus on the ethnic group level and interaction with markets in the receiving country. Hence, immigrant entrepreneur individual attributes and efforts while pursuing entrepreneurship and their transnational connections have been overlooked. The next section of this chapter reviews scholarly discussion of immigrant transnationalism relevant to transnational immigrant entrepreneurial activities (Saxenian 2002).

### **2.4 Transnationalism**

Transnationalism has been an ongoing area of research in recent decades in migration studies. A transnational perspective has been developed in migration studies which views immigrant social activities as “the process by which transmigrants, through their daily activities, forge and sustain multi-stranded social, economic, and political relations that link together their societies of origin and settlement” (Basch, Glick-Schiller & Szanton-Blanc 1994, p. 6). The transnational perspective argues that immigrant entrepreneurs establish a transnational social space and dual embeddedness by exploring transnational linkages which is an unnoticed characteristic of immigrant entrepreneurship (Portes & Yiu 2013). The following sections of this chapter introduce two relevant terms, ‘transnational linkages’ and ‘transnational social space’, to explore the meaning of transnationalism.

### **2.4.1 Immigrant Transnational Linkage**

Transnational linkage refers to “a person’s knowledge of a culture, language and market in both the host country and homeland” (Baltar & Icart 2013, p. 201). Transnational linkages facilitate access to networks and resources needed by immigrant entrepreneurs. Portes and Yiu (2013, p.6) state that “[A]lthough business owners have always represented a minority of their respective ethnic communities, the majority of them depend on transnational links for the viability and success of their firms”. Research suggests that an emerging trend in migration is the transnational pattern, along with advanced development in communication technology, reduction in transportation costs and increasing economic integration (Faist 2000a; Nwalutu 2014; Saxenian 2002). Although Zhou (2004) provides vague description of ‘transnational pattern’, this author makes an important point about the transnational perspective of immigrant entrepreneurship by stating that the immigrant entrepreneur is frequently tied to the home country through contacts. An empirical study found that the majority of self-employed family heads in Latin American migrant communities are actually transnational entrepreneurs as a large percentage of immigrants maintain transnational contacts (Portes, Guarnizo & Haller 2002). Another study examined six immigrant groups in Vancouver and found that a large proportion of these immigrants have kept in touch with their home friend and family connections (Hiebert & Ley 2006). Moreover, this study also pointed out that immigrants with higher education are more likely to retain transnational economic activities. Furthermore, Snel, Engbersen and Leerkes (2006) confirmed transnational linkages with evidence that 93% of six immigrant groups in the Netherlands maintained socio-cultural transnational connections.

A later study drew a different conclusion from survey data of two immigrant groups (Chinese and Asian Indian) in Toronto (Fong, Cao & Chan 2010). This study shows that only a small percentage of immigrants maintained transnational contacts. In addition, Fong, Cao and Chan (2010) claim that the scope and extent of transnational linkages

varies depending on the nature of entrepreneurial activities and context of the country of origin and country of receiving (Ilhan-Nas, Sahin & Cilingir 2011). Fong, Cao and Chan (2010) further distinguish a difference between transnational activities from transnational contacts as transnational activities are “confined and specific areas of practice, such as political or entrepreneurial activities” (p. 431). Moreover, these authors suggest that immigrants may seek transnational contacts when they lack social support in the receiving country while others may have fewer ties back home requiring transnational contact. What this implies is for the subjects of this research is that they can call upon knowledge and other resources to facilitate engagement with business activities. Aligned with this conclusion is another empirical study that concluded that not all migrants who develop transnational connections and identities take social positions that stretch across national borders (Nowicka 2013). For these the process of becoming embedded is a slow and difficult one to make in establishing business links and activity. This aspect is not given much attention in the subsequent data analysis it is clearly worthy of further research exploration.

Although the transnational perspective suggests that immigrants maintain ties with their home countries for a considerable period of time (Levitt & Schiller 2004), a traditional view of the assimilation perspective argues that immigrants follow a conventional pattern established by previous generations in which immigrants gradually lose home social and economic contacts along with the conditions and process of integration in receiving society. More specifically, Halter (1995) and Heisler (1992) suggest that immigrants with better language ability and education are less likely to maintain transnational contacts because these immigrants are more integrated into the receiving society. Hence, these immigrants spend less time on transnational contacts once they achieve high social embeddedness. On the other hand, immigrants with limited language ability, education levels and less integration in the receiving society often need to rely on ties with ethnic communities in the

receiving society (i.e. ethnic enclave) and/or ties from their home countries (Light & Gold 2000). Given the above described academic discussions, the current transnational perspective of migration study focuses on the socio-cultural aspect of transnational linkages for immigrants. Despite inconsistent results of these empirical studies, they provide a useful overview showing immigrant transnational strong and/or weak attachments to their country of origin. Nevertheless, none of these studies clearly explain why transnational linkages matter and how they relate to immigrant entrepreneurial and business activities. From these discussions, transnational linkages naturally evolve and potentially develop after immigrants migrate from one country to another, but the usefulness of transnational linkages still remain an under reported aspect of immigrant entrepreneurship (Portes & Yiu 2013). Thus, discussion of migrant transnational activities and linkages is a work in progress.

#### **2.4.2 Transnationalism as an Invisible Field**

The concept of transnationalism emerged and developed through international migration studies. Transnationalism as a term, first used by Bourne (1916), refers migrants maintaining cultural ties to their home countries. Bourne initiated this concept while debating the assumption of the American 'melting pot scenario' which considers that immigrants have to fully assimilate into their country of receiving (Ernste, Van Houtum & Zoomers 2009). More recently, the trend of globalization and development of advanced technology in communication enabled more intensive linkages of social networks and modern infrastructures to connect people, institutions and nations over vast distances (Vertovec 2004; Wilding 2006). Thus, transnationalism is considered a manifestation of globalization as it has been described as "sustained linkages and ongoing exchanges among non-state actors based across national borders - businesses, non-government-organizations, and individuals sharing the same interests" (Vertovec 2009, p. 3).

Along with the shift of migration study focus from assimilation and integration paradigms to the transnationalism paradigm, the theoretical lens of transnational social field perspective emerged through conceptual discussions and empirical studies in the last two decades. Empirically, some transnational migration studies explored the networks that stretch between migrants and their home of origin (Grasmuck & Pessar 1991; Levitt 2001; Rouse 1992; Smith & Guarnizo 1998), while others sought to determine the conditions under which migrants maintained homeland ties and identities and the commonplace transnational practices among migrant populations (Basch, Glick-Schiller & Szanton-Blanc 1994; Levitt 2003; Morawska 2003). In addition, some studies explored the relationship between migration and regional development, categorizing transnational migration as a product of late capitalism which makes some small, non-industrialized and economically incapable countries and regions dependent on migrant-generated remittances (Itzigsohn 2000; Portes 2003; Smith & Guarnizo 1998). As a result, remittances received a great deal of attention in empirical study of transnationalism as it highlights the critical role of nations (country of receiving and country of origin) in migrant lives (Goldring 2002; Levitt & De la Dehesa 2003; Smith 1998).

At a conceptual level, Kivisto (2001) summarizes three versions of conceptualization of transnationalism from existing migration study: 1) transnationalism from the perspective of cultural anthropology, 2) transnationalism as middle-range theory and 3) immigration and transnational social space. First, considering transnationalism from the perspective of cultural anthropology, cultural anthropologists Schiller, Basch and Blanc-Szanton (1992; 1995) are the earliest who articulate the ideas and parameters defining transnational immigrants and their communities. Schiller, Basch and Blanc-Szanton (1992) argue that transnationalism is a novel analytic approach to understand contemporary migration different to earlier era immigrants. Schiller, Basch and Blanc-Szanton (1992) consider that earlier era immigrants broke homeland social relations and cultural ties, having to locate themselves within the socio-cultural,

economic and political orbit of receiving countries. These authors point out that in contrast to earlier migrants, contemporary immigrants are “composed of those whose networks, activities and patterns of life encompass both their host and home societies. Their lives cut across national boundaries and bring two societies into a single social field” (Schiller, Basch & Blanc-Szanton 1992, p. 1). As such, Schiller, Basch and Blanc-Szanton (1992) view transnationalism as a bridge of two nations which builds and accommodates immigrants, their lived experience and social and cultural relations. Although these authors were the earliest to articulate the ‘transnational social perspective’, they failed to distinguish how contemporary immigrants and their trajectories differ from the earlier era (Kivisto 2001).

Second, transnationalism as a middle-range theory, regardless of differences between new and old groups of immigrants, there is an emergence of the transnational social field that comprises a growing number of persons who live dual lives through continuous regular contact across national borders (Portes, Guarnizo & Landolt 1999). Moreover, Portes, Guarnizo and Landolt (1999) argue that not all immigrants are transnational as they limit the use of ‘transnationalism’ to activities that involve relationships across borders. Further, Portes, Guarnizo and Landolt (1999, p. 21) develop three typologies of transnationalism: economic, political and socio-cultural. Economic transnationalism refers to entrepreneurial exporting activities within supplier networks, capital and markets crosses nation-state borders; whereas political transnationalism involves political activities with governmental officials and community leaders and aims to achieve political power and influence in two nations (country of origin and country of receiving); while socio-cultural transnationalism is concerned with celebrations and reinforcement of national identities through cultural goods and events. Portes, Guarnizo and Landolt (1999) developed a helpful model to illustrate the transnational field exists whilst centering on different platforms to provide a clearer view of this emergent transnational field. However, this perspective does not contain entrepreneurial activities other than

international exporting and the utility value of capital has not been fully explored.

Third, immigration and transnational social space follows prior conceptualizations of transnationalism. Thomas Faist (2000a) proposed the term 'transnational social space' which includes "the circulation of ideas, symbols, and material culture" (Faist 2000a, p.13). Transnational social space is understood as a parallel to what Schiller et al (1992) and Portes et al (1999) described as the 'transnational social field' (Kivisto 2001). In particular, Faist (2000a, pp. 45-46) describes transnational social space in the following way:

*Space here does not only refer to physical features, but also larger opportunity structures, the social life and the subjective images, values, and meanings that the specific and limited place represents to migrants. Space is thus different from place in that it encompasses or spans various territorial locations. It includes two or more places. Space has a social meaning that extends beyond simple territoriality; only with concrete social or symbolic ties does it gain meaning for potential migrants.*

Faist (2000b) further identifies three types of transnational social spaces with a characteristic tie for each type: kinship groups, transnational circuits and transnational community. Kinship groups are predicated on ties of reciprocity, as seen in the form of remittances, while transnational circuits require instrumental exchange ties, such as those structuring trading networks, and transnational communities are based on the solidarity derived from a shared conception of collective identity (i.e. ethnic community and religions). More importantly, Faist (2000a, 2000b) specifically apply social capital theory and the bridging function of social capital in forming a transnational social space. This means that construction of enduring transnational social space requires sustainability of various ties for immigrants to maintain contact with country of origin over an extended period of time. As such, transnational entrepreneurs benefit from social and symbolic ties (ties of friends, family and kinship systems back to home country), so their economic activities do not need to be strongly embedded in these systems as exchange and

reciprocity-based resources from social capital are sufficient.

The idea of stretched social capital explains the formation of transnational space as it involves reciprocity across borders and may help to reduce transaction costs for transnational entrepreneurs given rooted mutual trust and norms in one's social capital. This perspective well explains business transactions within existing social capital, particularly contacts who know each other very well, or at least remain within a close network. However, for immigrants who seek new opportunities in the home country (i.e. return migrants and businesses) without taking advantage of existing social capital (or perhaps are not able to), how they initiate business and develop transnational activities is remain unexplained by existing theory.

### **2.4.3 Summary**

This section reviewed discussions of transnationalism through 'transnational linkages' and 'transnational social space'. Overall, transnationalism is an invisible field across territories or nations with various and mixed connections, flows, exchanges and meanings integral to migration and immigrant life. Immigrants are the most frequently mentioned group in migration and transnationalism study, and their transnational movements and practices have become the center of meaning for transnationalism. Not only have their lived experiences formed transnationalism, but their business activities and entrepreneurial initiatives contribute to construction of this invisible field. However, existing studies do not look at the entrepreneurial experience of these individuals, thus, do not facilitate a deep understanding of contemporary immigrant and transnational entrepreneurs. To achieve this, we must appreciate individual entrepreneurs' experiences, which is covered next. Therefore, examination of individual attributes helps navigate how and why immigrant entrepreneurs conduct business transnationally.

## **2.5 Understanding Entrepreneurs through Entrepreneurship**

Entrepreneurs are the center of entrepreneurship due to their critical role in success of new ventures in practice. Hence, it is important to understand the human perspective of entrepreneurship (Gartner, Shaver, Gatewood & Katz 2017 ; Mitchell, Busenitz, Lant, McDougall, Morse & Smith 2002; Johnson 2017), such as entrepreneurial motivation, cognition and behavior. These human attributes apply to all subset groups of entrepreneurs, such as immigrant entrepreneurs, transnational entrepreneurs, international entrepreneurs, female entrepreneurs, nascent entrepreneurs and so on. Thus, it is helpful to understand individual characteristics by reviewing general entrepreneurship study and the specific immigrant entrepreneur group.

### **2.5.1 Entrepreneurial Motivation**

Entrepreneurial motivation explores why people choose to engage in business and why entrepreneurs exist, and been a controversial topic. Research about motivation in entrepreneurship literature evolved along a path similar to organizational psychology. Early entrepreneurial research started with a focus on individual factors. Hence, early studies identified traits and characteristics that distinguished entrepreneurs from the general population, rather than developing process-based models (Segal, Borgia & Schoenfeld 2005; Johnson 2017). McClelland (1965) argued that a high need for achievement was a common personality trait of entrepreneurs, and since this early research there has been a growing number of research works focused on characteristics of entrepreneurs (Carland et al. 1984; Hornaday & Aboud 1971; McClelland 1987; Shaver & Scott 2002). Despite a large number of studies examining personality traits of entrepreneurs, results are mixed and inconclusive (Herron & Sapienza 1992; Shaver & Scott 2002). As noted by Hatten (1997, p. 40) 30 years of entrepreneurship research concludes that there are no personality characteristics that predict who will be a successful entrepreneur as successful “small business owners and entrepreneurs come in every shape, size, color, and from all

backgrounds". Johnson (2017) also suggests that it is inappropriate to comprehend the whole by studying individual entrepreneurs in isolation, as entrepreneurship is a complex and dynamic set of interrelated parts.

Entrepreneurship research has attempted to identify external factors of motivation, such as situations and environmental and contextual factors, to predict entrepreneurial activity. These external factors include job displacement, previous work experience, availability of various resources and governmental influences. However, empirical studies of contextual factors have low explanatory power and predictive ability (Krueger, Reilly & Carsrud 2000). Additionally, different subgroups of entrepreneurs and their motivations has been addressed in entrepreneurship study, including age and education (Evans & Leighton 1989; Ronstadt 1990), gender (Brush 1992; Hisrich & Brush 1986), immigration (Bonacich 1973; Evans 1989), locus of control (Berlew 1975; Shapero 1975), need for achievement (McClelland 1965) and risk-taking propensity (Brockhaus 1980; Hull, Bosley & Udell 1980). Among the complexity of variables for entrepreneurship, entrepreneurial motivation has been profiled with two major categories: necessity entrepreneurship and opportunity entrepreneurship.

#### **2.5.1.1 Necessity Entrepreneurship and Opportunity Entrepreneurship**

Necessity and opportunity entrepreneurship categories, also referred to as Push and Pull Theory, is a long standing conceptualization of entrepreneurial motivation. Push and pull factors are analogous to necessity-based (equivalent to 'push' factor) and opportunity-based (equivalent to 'pull' factor) entrepreneurship (Reynolds et al. 2002). Stoner and Fry (1982) first applied the idea of necessity and opportunity in entrepreneurship study. These authors identified that prior work experience as a critical variable for understanding why entrepreneurs start their own ventures. In addition, Stoner and Fry (1982) found that entrepreneurs who establish businesses in

the same area of their prior work tend to be attracted by potential business opportunities; whereas, entrepreneurs establishing businesses different to their prior work do so due to dissatisfaction with previous jobs. Gilad and Levine (1986) proposed Push and Pull Theory to explain entrepreneurial motivation. The Push Theory indicates that individuals are pushed into entrepreneurship by negative external forces, such as job dissatisfaction, difficulty finding employment, insufficient salary, or inflexible work schedule. On the other hand, Pull Theory contends that individuals are attracted into entrepreneurial activities seeking independence, self-fulfillment, wealth, and other desirable outcomes. Interestingly, Gilad and Levine (1986) argued that push and pull hypotheses are not necessarily competing with each other.

Push and pull factors (as well as necessity and opportunity categories) have always been seen as separate continuum in the majority of entrepreneurship studies, however several empirical studies question the separateness of opportunity and necessity drivers, and argue for co-existence of these drivers in entrepreneurship motivation (Aidis et al. 2007; Smallbone & Welter 2004). For example, Smallbone and Welter (2004) invited business owners in Ukraine, Belarus and Moldova to provide up to three reasons for starting their businesses. They found that although most entrepreneurs are opportunity-driven, it is overly simplistic to adopt an either/or approach because in early-stage transition economies well educated people can be presented with limited opportunities of satisfying and sufficiently rewarding employment, meaning that both opportunity and necessity co-exist as reasons for starting business ventures. Similarly, Aidis et al. (2007) surveyed 297 women and 81 men in four Ukraine cities about why they had started their own businesses. These authors identified co-existence of opportunity (e.g. desire for independence, to have one's own business) and necessity in individual entrepreneur motives and found evidence that motives for entrepreneurship evolve and change over time. In addition, Williams (2008) used interviewed informal entrepreneurs (informal entrepreneurs

are marginal groups who cannot access formal labor markets and are engaged in informal enterprises based on economic necessity) in England, Russia and Ukraine. Open-ended questions, such as “why did you start up your enterprise?” and “any other reasons?”, revealed co-presence of necessity and opportunity for informal entrepreneur motivation to start a business. Moreover, Williams (2008) identified that lived practice is more dynamic and interactive than is captured by a static view of necessity and opportunity categories. Further, Knight (2015) conducted interviews with 39 Polish migrants in Cardiff, Wales in 2008 and 2011, and found that these immigrants have various reasons to start business which evolved along with their migration experiences over time. Knight (2015) claims there is a blurred area between necessity and opportunity that explains entrepreneurial motivation of these immigrants. Therefore, entrepreneurial motivation should be further developed beyond a static and oversimplified point of view and there is a need to further conceptualize and contextualize necessity and opportunity drivers of entrepreneurial motivation.

#### **2.5.1.2 Immigrant Entrepreneurial Motivation**

Personal factors and needs have not been a research focus in immigrant entrepreneurship. Until the Push and Pull Theory proposed by Gilad and Levine (1986), immigrant entrepreneurship study had no place in conceptual discussions of entrepreneurial motivation. Research in immigrant entrepreneurship has taken for granted that immigrant entrepreneurs are necessity-based until recent study. As indicated earlier, the study by Knight (2015) argues that an unclear distinction between necessity and opportunity motivates Polish immigrant entrepreneurs. Despite that immigrants face challenges, such as being blocked from the mainstream economy, and have few employment choices (Light & Karageorgis 1994; Light 1972; Wong 1985), recent studies (Lin 2010b; Lin & Tao 2012; Portes & Yiu 2013; Zolin & Schlosser 2013) found that skilled immigrant entrepreneurs are advantaged in identifying international opportunities, leveraging resources across borders and

starting new international ventures which challenges the traditional view of passive and necessity-based immigrant entrepreneurship. Refinements of research mentioned earlier is by Lin and Tao (2012) who found that opportunity-seeking is a motivation for some Chinese entrepreneurs migrating to Canada and Chrysostome (2010) who distinguishes necessity and opportunity driven immigrant entrepreneurs based on their characteristics, including age, gender, education background, language, source of capital, targeted market and level of integration. As a consequence, Chrysostome (2010) found that necessity driven immigrant entrepreneurs are less skilled with limited professional experience and their networks tend to be limited to the ethnic community, while opportunity driven immigrant entrepreneurs have the opposite characteristics, such as skilled immigrants with wider networks. In addition, Liargovas and Skandalis (2012) argue that previous research simplifies immigrant entrepreneurial motivation. Their questionnaire study with 119 immigrant entrepreneurs in Greece found that motivation for immigrants to become an entrepreneur depends on family survival needs, immigrant community ties, personality features or traits, market infrastructure and general conditions of the Greek economy. Thus, the discussion about immigrant entrepreneurial motivation is still emerging and needs to be further explored.

To recap, the above section has reviewed scholarly discussion of entrepreneurial motivation and immigrant entrepreneurial motivation, which suggests further exploration on how and why individual immigrants enter business in receiving country, especially when they are not forced to leave their home country or having better education and career access than earlier migrants. Regardless of rich discussions about why people enter business and become entrepreneurs, another important stream of entrepreneurial study examines how entrepreneurs cognitively differ from others, particularly in identifying business opportunities, which is the topic of the following section.

### **2.5.2 Entrepreneurial Cognition**

Entrepreneurial cognition analysis seeks to understand why some people become entrepreneurs and exploit business opportunities, but not others, and why some entrepreneurs are more successful than others (Baron 2004; Mitchell et al. 2002). Baron (2004) points out that the cognitive perspective is invaluable to entrepreneurship study through articulating the entrepreneur role in the entrepreneurial process. In essence, the cognitive perspective emphasizes that everything people think, say or do as human beings is influenced by mental processes, by the cognitive mechanisms through which we acquire information, enter it into storage, transform it and use it to accomplish a wide range of tasks (e.g. making decisions, solving problems) (Sternberg 1999). A definition of entrepreneurial cognition posited by Mitchell et al (2002, p.97) is “the knowledge structures that people use to make assessments, judgments, or decisions involving opportunity evaluation, venture creation, and growth”. In other words, entrepreneurial cognition study seeks to understand how entrepreneurs rely on simplifying and processing previously unconnected information to identify and invent new products/services, and assemble the necessary resources to establish and grow business.

Entrepreneurial cognition theory suggests that entrepreneurs may differ from other people in important ways, as entrepreneurs think differently. Based on a conceptual analysis, Baron (1998) takes a view of human perceptions toward error and bias and summarizes that entrepreneurs are more likely than non-entrepreneurs to think and reason using various cognitive heuristics and biases, such as self-serving bias and counter factual thinking, due to the conditions that entrepreneurs are likely to encounter (high uncertainty, novelty, time pressure and stress). Baron (1998) identifies that differences between entrepreneurs and others are not primarily due to personal traits and characteristics, but evolve from different situations which maximize their perceptions towards error and bias. Hence, Baron (1998) suggests a ‘self-enforcing loop’ where people in certain situations tend to create typical

entrepreneurial biases and commit to decisions that create more biases. Busenitz and Barney (1997) applied a 'non-rational decision making model' of bias and heuristics for an empirical study. These authors compared and examined differences between entrepreneurs and managers in large organizations and found that entrepreneurs have two substantial biases and heuristics in strategic decision-making: overconfidence (overestimating the probability of being right) and representativeness (tendency to overgeneralize from a few characteristics or observations).

Wright et al. (2000) refines the assumption of entrepreneurial cognition study through a conceptual analysis, developing a list of characteristics of entrepreneurial cognition: 1) individual behavior is heuristic based, 2) firm ownership facilitates exploitation of entrepreneurial skills, 3) heuristics are used to quickly interpret the complex and changing business environment to detect emerging trends, 4) risk concerns are overruled by opportunity recognition, 5) strategic information, unavailable in the marketplace, emerges from experience and heuristic-based logic and 6) heuristic-based reasoning complements entrepreneurial learning which leads to evolution of radical innovations. In addition, Mitchell et al. (2002) summarize the explosion of recent research on cognition and entrepreneurship and propose a theory of entrepreneurial cognition where mental processes within the individual have a relationship with the process of entrepreneurship. Mitchell et al. (2002) explain that cognitive psychology explores mental processes and how these processes evolve and change as an individual interacts with other people and the environment.

Empirical studies support the theory of entrepreneurial cognition with fruitful findings about its interplay with business opportunity. Busenitz and Barney (1997) demonstrated that, in contrast to managers, entrepreneurs use heuristics, that is,

their own mental shortcuts in decision making. The authors suggested that these shortcuts in cognitive processes of entrepreneurs were important in allowing entrepreneurs to seize opportunity. While largely agreeing with this study, Mitchell et al. (2000) further argued that entrepreneurial cognitive scripts are consistent across cultures. In addition, Corbett (2002) explored the concept of cognitive style and found that the more an individual's cognitive processing style tends toward 'intuitive' and away from 'analytical' the more opportunities an individual may identify. Meanwhile, Keh, Foo and Lim (2002) argue that cognitive biases have a direct impact on how entrepreneurs evaluate opportunities. Their study suggests that entrepreneurs tend to rely on potentially flawed small samples (law of small numbers) and ill-placed confidence in their abilities (illusion of control) when evaluating opportunities. Furthermore, Brigham and De Castro (2003) examined cognitive style and investigated how an individual's cognitive makeup fits with business venture over time. They found that while an individual's cognitive style may work well during initial identification of an opportunity, the entrepreneur may experience burnout or misfit as the venture matures and goes through the exploitation phase. What these various studies underscore are the inventive ways and means used to create business opportunity and reinforcing that there is no single process to becoming engaged in entrepreneurial activity. This is particularly the case where entrepreneurs operate across cultural contexts, such as Australia and China.

Some studies also look at the rationale of entrepreneurial cognition. For example, Mitchell et al. (2007) summarized three approaches of commonly applied entrepreneurial cognitive approaches: (1) heuristic-based logic (simplifying strategies that individuals make decisions), (2) perceived connections and alertness (unique mental model processes that perceive and interpret information, and reach unique conclusions about entrepreneurial opportunities), (3) entrepreneurial expertise (unique knowledge structure and process information differently) and effectuation

(selection of possible effects to create a set of meanings). A recent study (Jones & Casulli 2014) also compared and contrasted processes of heuristic and analogical reasoning and suggested that both rationales impact entrepreneurial institutionalization decisions differently. For instance, heuristic reasoning may lead to incremental internationalization, whereas, analogical reasoning may lead to a more deliberate search for professional services that assist international market entry. Taken together these various interpretations underline the strong part played by informed and intelligent thinking, rather than merely on the basis of hunches and intuition. In other words entrepreneurial activity, especially in dealing with the mysteries of cross-cultural differences requires considerable cognitive application.

Despite intense discussions about entrepreneurial cognition, most of existing theoretical literature indicates the importance of interactions between entrepreneurs' mental models and situations which are critical in forming entrepreneurial cognition and necessary for entrepreneurs to process information and gain knowledge through learning (Baron 1998; Busenitz & Barney 1997; Chlosta & Welter 2017; Mitchell et al. 2002; Mitchell et al. 2007). Further, this interactive and knowledge learning process is particularly relevant to how immigrants as new-comers to gain understanding about the receiving country and market.

#### **2.5.2.1 Opportunity and Opportunity Identification**

Opportunity, the central concept of entrepreneurship study, defines boundary and exchange conditions of the entrepreneurship field (Busenitz et al. 2003). Despite the importance of this concept, little agreement has been reached regarding the definition and nature of opportunity. For instance, research on opportunity often refers to the classic view of economist Frank Hyneman Knight (1921) as 'risk and uncertainty'. However, based on Schumpeter's (1954) view of entrepreneurship, Eckhardt and Shane (2003, p. 336) define opportunity as "situations in which new

goods, services, raw materials and organizing methods can be introduced through the formation of new means, ends, or mean-ends relationship". Moreover, by reviewing conceptual development on opportunity, Short et al. (2010, p. 55) add the role of individual thought and concept of time to conclude that opportunity is "an idea or dream that is discovered or created by an entrepreneurial entity and that is revealed through analysis over time to be potentially lucrative". The change definition for 'opportunity' evolved in two popular schools of thoughts, where one contends that opportunities are discovered and another contends that opportunities are created (Alvarez & Barney 2007). Some view opportunities as products of a creative process that is more gradual, involving a synthesis of ideas over time, whereas some definitions focus on the chance to introduce innovative goods, services or processes (e.g. Gaglio 2004), while others are primarily concerned with the role of opportunities in creating new ventures (e.g. Baron 2008). Gaglio and Winter (2017) argue that opportunities should be further articulated as different types due to interplay between the ontological nature of entrepreneurial opportunity and entrepreneurial human capital. Therefore, opportunity may not only present as an economic gap in the market, but has other social meanings for entrepreneurs, such as connections between individual entrepreneurs and their perceived markets and situations.

When researchers attempt to distinguish entrepreneurs from others, the ability of identifying and exploiting market opportunities becomes a bench mark (Shane & Venkataraman 2000; Venkataraman 1997). As such, how entrepreneurs think and assess information becomes an important aspect of entrepreneurship study. Venkataraman (1997) states that individuals shape given information to discover opportunities because opportunities are rarely presented in a prepackaged form. This author suggests that investigations of opportunity should revolve around the information individuals possess and how they process information. Hence, some entrepreneurs are more proactive in opportunity searching and creation than other

entrepreneurs depending on individual logical reasoning and prior experience (Bae, Park & Bae 2016; Jones & Casulli 2014). Shane and Venkataraman (2000, p. 222) further state two issues that assist entrepreneur opportunity identification: “1) possession of the prior information necessary to identify an opportunity and 2) the cognitive properties necessary to value it”. Hence, capability to identify opportunity is a behavior guided by different ‘stocks of prior knowledge’ in the cognitive process (Ardichvili, Cardozo & Ray 2003), yet little is known about the process of knowledge accumulation for entrepreneurs, such as learning (Corbett 2005). In particular, immigrant entrepreneurs are these who face largely unknown information and situations that requires them adapting to new knowledge and experiences about another country and market.

#### **2.5.2.2 Entrepreneurial Learning**

Learning is generally viewed as an interactive process of action and reflection regarding actions of actors to modify a procedure to achieve desired outcomes (Dewey 1938; Kolb 1984). Learning secures enterprise success in a changing environment, which requires individuals and organizations to recognize a need for change, evaluate new possibilities and implement new courses of action (Edmondson 2002). Learning, the means for adding to base knowledge, can lead to new ideas. Experiential learning (Kolb 1984) is the most appropriate theory for entrepreneurial learning as it focuses on the process of learning from experience versus learning outcomes (Corbett 2005). Kolb (1984) defines learning as the process whereby knowledge is created from everyday subjective perceptions of life experiences, which provide the impetus for personal transformation. The learning experience is grasped through abstract comprehension or concrete apprehension and then processed through reflective observation or active experimentation. The value of Kolb and other learning theorists like him is to point out the importance of learning from direct engagement with activities, which is often called experiential learning, rather than from books and second-hand knowledge. This is in keeping with the spirit of

entrepreneurship.

Minniti and Bygrave (2001) provide an alternative model describing entrepreneurial learning as a 'calibrated algorithm' of repeated problems. Thus, entrepreneurs achieve learning through accumulating knowledge from their own experiences and updating their subjective knowledge pool. Furthermore, Politis (2005) proposes a theoretical model to explain a transformation process of the entrepreneurial learning. This author takes account of the entrepreneurial expertise in career development and experiences and argues that experiences are transformed to entrepreneurial knowledge via either exploitation - that is, "entrepreneurs may choose actions that replicate or are closely related to the ones they have already taken, thereby exploiting their preexisting knowledge" (Politis 2005, p. 408) or exploration - as "entrepreneurs can choose new actions that are distinct from the ones that they have already taken" (Politis 2005, p. 408).

The above described theoretical models emphasize individual learning capacity and processes in some situations. However, some empirical studies found that entrepreneurial learning is not only about individual experiences in various situations, but also involves acquired knowledge from other sources, such as networks and mentoring (Cope & Watts 2000; Deakins & Freel 1998; Zozimo, Jack & Hamilton 2017). For instance, based on a theoretical underpinning of organizational learning, Deakins and Freel (1998) examined small to medium enterprises (SMEs) across different sectors and identified the importance of acquiring knowledge through networks for entrepreneurial learning. Meanwhile, Cope and Watts (2000) explored the entrepreneur learning process in relation to parallel processes of personal and business development. Building on theories of individual learning and business life cycle, Cope and Watts (2000) employed a phenomenological case study approach to explore the developmental history of six small businesses. As a result, these authors

found that entrepreneurs often face prolonged and traumatic critical periods or episodes and critical incidents often result in fundamental, higher level learning. This finding highlights the need for mentoring support programs to help entrepreneurs interpret critical incidents as learning experiences for high quality learning outcomes. In a recent study of 'role models' and entrepreneurial learning, Zozimo, Jack and Hamilton (2017) found that entrepreneurs learn from observing role models in distinct social contexts which is intrinsically related to pre- and post-start-up entrepreneurial stages. Thus, previous research indicates that entrepreneurial learning is a continual experience and process, that indicates a need for understanding individuals' earlier life or career experiences as these might be relevant to how their entrepreneurial intentions emerged and developed through different learning experiences.

### **2.5.2.3 Immigrant Entrepreneurial Cognition**

The typical immigrant entrepreneurship context is related to entrepreneurial cognition and learning, but is little understood in current study. Immigrants face newness and foreignness when they migrate from one country to another, thus, learning and change are inevitable in the post migrant experience. However, rather than focusing on the immigrant entrepreneurial learning experience, greater research attention has been placed on how immigrants assimilate to the country of receiving. Sociologist Alejandro Portes and colleagues (Portes & Rumbaut 1996; Portes & Sensenbrenner 1993; Portes & Zhou 1993) posit the term 'segmented assimilation' to describe three contrasting acculturation and mobility patterns for immigrants. The first format is linear assimilation whereby immigrants are advanced economically and socially integrated; the second format refers to immigrant deliberate preservation of home culture; and the last format is unsuccessful assimilation that pushes immigrants to the bottom of the socio-economic ladder. Hence, the ability to socially and culturally adapt and assimilate to the host country is associated with immigrant economic and social embeddedness and status. The social

and cultural adaptation and assimilation requires degrees of learning and absorbing, however, little of the learning process for immigrant entrepreneurs have been studied.

Later studies (Kloosterman & Rath 2001; Kloosterman, Van Der Leun & Rath 1999) go beyond the explanation of social mobility to examine immigrant economic activities in a framework of socio-economics and political-institutional environment. Exploring the case of Islamic butchers, Kloosterman, Van Der Leun and Rath (1999) found that these immigrant owned businesses involved informal economic activities beyond the existence of local rules (such as free inputs from friends and relatives, business operation in areas lack of regulation and lack of business management knowledge). These authors found that trust in social relationship is a critical foundation for informal economic activities and complex configurations of mixed embeddedness enable success of immigrant owned businesses. The perspective of mixed-embeddedness indicates the need for immigrant entrepreneurs to adjust and configure in the host country, although how individual entrepreneurial cognition and learning emerges in the unfamiliar host country is not sufficiently explained.

To conclude, this section reviewed studies regarding opportunity and opportunity identification, entrepreneurial cognition and learning, and immigrant entrepreneurial cognition and learning. The importance of entrepreneurial learning was addressed in general entrepreneurship studies but absent from the immigrant entrepreneurship study, hence, this research identifies and closes the knowledge gap. Other than how entrepreneurs think, scholars also emphasize what entrepreneurs do and how do they do it, generally phrased as 'entrepreneurial behavior'. The following sections review some key works on entrepreneurial behaviors.

### **2.5.3 Entrepreneurial Behavior**

Entrepreneurial behavior is a useful unit of research analysis (Fisher 2012) because entrepreneurship is about action (McMullen & Shepherd 2006) which can be observed through individual behaviors (Bird & Schjoedt 2017). Early entrepreneurial behavior study extends from entrepreneurial cognitive study beyond how entrepreneurs assess information in their mental structure. As an example, the prevalent Theory of Planned Behavior (Ajzen 1985, 1991) considers how to predict and foresee entrepreneurial behaviors. In contrast, two other theories, Effectuation Theory (Sarasvathy 2001) and Entrepreneurial Bricolage (Baker & Nelson 2005) emerged as new and different paradigms to explain how entrepreneurs engage in business activities. This section reviews the above mentioned three theories of entrepreneurial behavior.

#### **2.5.3.1 Theory of Planned Behavior**

The Theory of Planned Behavior posits that an individual's attitude, control and norms influence behavior and are mediated by intention. Ajzen (2011) defines intention as a person's readiness to perform a given behavior. There are three cognitive antecedents of intention: 1) attitude refers to individual evaluation (favorable or unfavorable) of the target behavior; 2) subjective norms capture the opinions of social reference groups (such as family and friends) regarding whether the individual should engage in a behavior; and 3) perceived behavioral control denotes perceived ease or difficulty of performing a behavior (Ajzen 1991). As a general rule, a more favorable attitude and subjective norm with greater perceived control leads to stronger intention to perform (Ajzen 1985). Further, stronger intention to engage in a behavior leads to more likely consequent performance (Ajzen 1991). In this theory, perceived behavior control plays two roles: in situations where the individual has a high degree of control over the behavior (i.e. achieve success), intention fully mediates the effect of perceived behavioral control; however, intention only partially mediates the effect of perceived behavioral control (i.e.

potential outcomes) when an individual has a low degree of control over the behavior (Ajzen 1985; 1991).

The Theory of Planned Behavior in entrepreneurship study is used to predict whether entrepreneurial intention leads to creation of new ventures; however, many studies on this topic include data from master level students (i.e. Master of Business Administration), rather than the general population of potential entrepreneurs. Empirically, many intention-behavior studies apply this theory in single acts such as taking medicines, voting and exercising. However, there is little evidence regarding the intention-behavior relationship in entrepreneurship literature because entrepreneurship is a complex process which requires considerable effort, multiple stages and continuing actions. It is also argued that not all behaviors that lead to new ventures are intended or planned, such as businesses established through hobbies and other accidental outcomes (Aldrich & Kenworthy 1999). Similarly, Sarasvathy (2001) posits that entrepreneurs take actions without setting the ultimate goal of an independent owned business. Thus, intention to start a business is not necessarily the starting point of the entrepreneurship process (Kautonen, Gelderen & Fink 2015), whereas intentions of entering business maybe evolving within situations and networks. Thus, this research also reviews the interactive theoretical views of entrepreneurial behaviors.

#### **2.5.3.2 Effectuation Theory**

In contrast to intention based theory, Sarasvathy (2001) developed Effectuation Theory to argue that, unlike the traditional causation view of entrepreneurship, entrepreneurs may not take a rational and linear path. As described by Sarasvathy (2008), effectuation stands for a logic of entrepreneurial expertise, which comprises a dynamic and interactive process of creating new artifacts in the world". The theory suggests that, under conditions of uncertainty, entrepreneurs adopt a decision logic

relying on available and controllable resources which, on the individual level, include personal knowledge, skills and social networks. Several key factors construct this effectual logic (Sarasvathy 2008):

1) Starting with means as opposed to establishing end goals. Entrepreneurs make decisions by focusing on resources under their control by asking “who am I?”, “what do I know?” and “whom do I know?”. Thereby, entrepreneurs engage in activities and allow goals to emerge and change when they exploit the means under their control, hence, they engage in an ongoing process of exploration to uncover options (Fisher 2012).

2) Applying affordable loss instead of expected return when evaluating options. Unlike rational decision making in resource allocation, in effectual logic entrepreneurs commit certain resources to an endeavor with understanding and tolerance of the possibility of losing these resources (Chandler et al. 2011), instead of expecting returns (Latane 1959).

3) Leveraging relationships rather than competitive analysis when assessing relationships with other individuals and organizations. Effectual logic encourages entrepreneurs to proactively seek partnerships, rather than undertaking systematic competitive analysis in a traditional strategic view of business operation (Porter 1979; Porter 2008).

4) Exploiting and not avoiding contingencies means that entrepreneurs operate as an open system to accept unexpected events and turn these into profitable opportunities.

Effectuation Theory highlights uncertainty of situations and markets and assumes that entrepreneurial opportunities are subjective and socially constructed, thus entrepreneurs embrace unpredictability and flexibility to develop contingencies for further information gathering and interactive learning over time (Sarasvathy 2001;

Sarasvathy 2008). Few empirical studies follow up this emerging theory, mostly agreeing with its explanation, while some experimental studies found that expert entrepreneurs tend to apply effectual thinking (Dew et al. 2009; Read et al. 2009). Harmeling et al. (2006) conducted a field study with results further confirming that effectual logic is more applicable in the initial entrepreneurial stage, while causal and goal-oriented logic tends to exist in the later stage. Moreover, Fisher's (2012) case study compared causation logic and effectuation logic finding that both were simultaneously enacted in the same venture. Although effectuation logic only captures part of entrepreneurial behavior logic, it initiates an interactive view between entrepreneurs, controllable resources and unpredictable markets. Nevertheless, Fisher (2012) does not specifically explain what these resources are and how they are used in different situations. Recently, Sarasvathy et al (2014) applied an effectual lens to international entrepreneurship, identifying three relevant characteristics of effectual rationale: cross border uncertainty, limited resources and network dynamics. However, this effectual rationale has not been applied in the immigrant and transnational entrepreneurship studies, which prompts further interests of this research in exploring how individual entrepreneurs engage with the new and unfamiliar culture and markets.

### **2.5.3.3 Entrepreneurial Bricolage**

Baker and Nelson (2005) explain the theory of Entrepreneurial Bricolage. The term 'bricolage' is defined as "making do by applying combinations of resources at hand to new problems and opportunities" (Baker & Nelson 2005, p. 33). This concept was originally introduced by the anthropologist Levi-Strauss (1966) to distinguish the actions of an engineer and actions of a 'bricoleur' or handyman. While the engineer focuses on gathering tools and materials for an intended design, the bricoleur chooses to make do with whatever materials are at hand. For example, to design a table the engineer might draw out a plan and requisition supplies (wood boards, wood screws, sandpaper and varnish) to create the table. In contrast, the bricoleur

would look around the workshop and create a table from available materials. He or she might improvise table legs from metal poles and use leftover paint to achieve the desired object. While each activity produces a table, the mechanism used to achieve the desired object is different for the engineer and bricoleur (Levi-Strauss 1966).

In discussing bricolage behavior, Baker and Nelson (2005) propose three options for entrepreneurs in penurious environments: avoid challenges, seek resources or make do with what is on hand (enact bricolage). Those who adopt the 'make do with what is on hand' option have choices to enact bricolage in five domains: “: (1) physical inputs — imbuing forgotten, discarded, worn, or presumed single-application materials with new use-value; (2) labor inputs - involving customers, suppliers, and hangers-on in providing work on projects; (3) skills inputs - permitting and encouraging the use of amateur and self-taught skills that would otherwise go unapplied; (4) customers/markets - providing products or services that would otherwise be unavailable; and (5) institutional and regulatory environment - refusing to enact limitations with regard to many 'standards' and regulations, and by actively trying things in a variety of areas in which entrepreneurs either do not know the rules or do not see them as constraining” (Fisher 2012, p. 1027).

Entrepreneurial Bricolage proposes a theoretical view of entrepreneurial behaviors in a challenging environment with limited resources, so called “creating something from nothing” (Baker & Nelson 2005, p.329). Further, this theory suggests that patterns entrepreneurs adopt for counteracting limitations shape the relationship between bricolage activities and firm growth (Fisher 2012). Bricolage has been applied in a wide range of domains, such as explanation of the formative teaching process (Hatton, 1989), lawmaking (Hull, 1991), and institution building (Lanzara, 1998). In entrepreneurship literature, bricolage has been used on conceptual explanation of market creation (Baker & Nelson, 2005) and nascent firm growth (Baker et al, 2003).

In innovation literature, bricolage is applied to illustrate the creation of robust designs in uncertain environments (Ciborra 1996; Garud & Karnøe 2003). Additionally, a recent empirical study applied the bricolage perspective and found that entrepreneurial bricolage plays a role in experiential resource learning and subjective knowledge creation, which ultimately facilitates opportunity identification (An, Zhao, Cao, Zhang & Liu 2017). Hence, the logic of bricolage indicates a possible explanation for immigrant and transnational entrepreneurship as they are dealing with resource learning and subjective knowledge creation while conducting business in the transnational context.

#### **2.5.3.4 Immigrant Entrepreneurial Behavior**

None of above entrepreneurial behavior theories has been applied to immigrant and ethnic entrepreneurship study. Nevertheless, immigrant entrepreneurial behavior is understood as situated and interacting with the host country market. Early research on immigrant entrepreneurship emphasizes immigrant economic and social mobility in the host country. Small business ownership is often considered an important vehicle for immigrants to improve economic and social status due to limited occupational opportunities, language barriers and discrimination in the host country (Bonacich & Modell 1980; Light 1972; Portes & Bach 1985). Thus, from this perspective, immigrant and ethnic entrepreneurship is an outcome of social conflicts between migrants and the host country. Moreover, Thornton, Ribeiro-Soriano and Urbano (2011) emphasize a combination of a range of social and cultural factors and propose an institutional perspective for immigrant and ethnic entrepreneurship study. However, this is a conceptual study and more empirical studies are needed. In addition, Yang et al. (2011) applied the neo-Darwinian evolutionary theory of kinship to examine kin and ethnic altruism in business start-up and hiring practice. These authors highlight two key assumptions from evolutionary psychology on altruistic behaviors: “1) maximizing genetic self-interest is an unconscious drive for self-sacrifice toward biological relatives, and 2) our hardwired psychological tendency

of kin favoritism actually emerged from biological adaptation of kin selection (Van den Berghe 1990)” (Yang et al. 2011, p.638). Through questionnaires with 202 Korean ethnic entrepreneurs Yang et al. (2011) found that Korean immigrant entrepreneurs are more likely to perceive kin as more trustworthy networks and assist them more frequently than non-kin. However, against the prediction of evolutionary theory participants were less willing to hire kin in their businesses. Yang et al. (2011) explain that hiring non-ethnic employees may have strategic advantages for business operation. Given limited attentions on studying the entrepreneurial behaviors for immigrant and transnational entrepreneurship, this research intends to look at their entrepreneurial practices in a transnational context.

#### **2.5.4 Summary**

This section reviews analysis of individual entrepreneur attributes in entrepreneurship study, including entrepreneurial motivation, cognition and behaviors which are extensively discussed in the literature. These entrepreneurial attributes uncover the logic of individuals and their decisions and choices regarding opportunities and business. Three prevalent behavioral theories (i.e. Theory of Planned Behavior, Effectuation Theory, and Entrepreneurial Bricolage) were reviewed in this section to provide rich insight to the interactions between entrepreneurs and situations, especially in terms of limited resources and uncertain markets. Despite the usefulness of these behavioral theories in explaining entrepreneur actions to plans or reactions to difficult situations, none of these theories indicate different facets of resources (such as types of resources) and how they are involved in the entrepreneurship process. Challenging conditions are probably common for entrepreneurs in many circumstances and for immigrant entrepreneurs in particular with regards to foreignness and newness in the country of receiving. However, to our knowledge, immigrant entrepreneurial behaviors are discussed mainly as reactions to situations in the host country market and little of their entrepreneurial perspectives are understood.

## **2.6 Statement of Research Questions**

### **2.6.1 Research Question One and Two**

Immigrant entrepreneurship has been studied for several decades and understandings developed have been fruitful, particularly from the disciplines of migration study and sociology. Although immigrant entrepreneurship is recognized as a sub unit of entrepreneurship research, discussion of entrepreneurial spirit is scarce in this area. Also, the most profound theoretical understanding of immigrant and ethnic entrepreneurship is mainly focused on conflict between immigrants and the receiving country. Given the importance of immigrant social and business interactions in the receiving country, little is known about lived experience of the entrepreneurial journey. Therefore, two research questions were proposed in the search for explaining dualism and where transnationalism may not be within this context for individual entrepreneurs. The first research question developed explores the immigrant entrepreneur perspective and understanding: **why and how did first generation Chinese immigrants engage in entrepreneurship in Australia?** Previous literature suggests that social embeddedness is critical for immigrant entrepreneurs. However, other than the resourceful ethnic enclave, little is known about the importance of social embeddedness to immigrant entrepreneurs. Thus, the second research question explores: **how and with what success did first generation Chinese immigrant entrepreneurs achieve social embeddedness in Australia?**

### **2.6.2 Research Questions Three**

There is growing research attention on the phenomenon of transnational entrepreneurship which is considered a new format and important subset of immigrant entrepreneurship. Interest in examining transnational entrepreneurship is helping develop a body of literature. However, it is still unclear what the main characteristics of transnational entrepreneurship are and how is it different to other types of entrepreneurship. The latest research about transnational entrepreneurship claims that transnational entrepreneurs have more international and resourceful

social networks compared to general immigrant entrepreneurs (Solano 2015). However, pointing out the critical role of international social networks does not explain the nature of transnational entrepreneurship in sufficient detail as the basis of further analysis. This research takes a wider perspective of transnational entrepreneurship by not only looking at immigrant groups, but also examining entrepreneurs who cross national borders, namely Australian transnational entrepreneurs who conduct business with or in China. In this research, it is not assumed that transnational may only be a characteristic of immigrant population; and therefore, a small sample of Australia transnational entrepreneurs are also interviewed to verify together transnational characteristics maybe existing among their group. Taking a wider perspective of transnational entrepreneurship, this research explores how it is different to other general transnational activities. As such, the third research question was developed to understand: **what are the main characteristics of transnational entrepreneurship, with special reference to the Chinese and Australian contexts?**

## **2.7 Overviewing the Relevant Entrepreneurial Literature**

This chapter provides a literature review for this research that includes immigrant and international entrepreneurship, existing theoretical thoughts in immigrant entrepreneurship, transnationalism as an invisible field and entrepreneurial individual attributes. To begin, this chapter reviewed immigrant and international entrepreneurship covering three relevant research streams: international entrepreneurship, immigrant and ethnic entrepreneurship and transnational entrepreneurship. Each of these streams touches on immigrants, 'immigrant effects' and impacts on their business activities. Despite these streams providing different angles to examine immigrant entrepreneurship, each has its own shortcomings. In particular, newly emergent literature of transnational entrepreneurship with several unexplained issues fuels further interest in this area of study. Following, this substantial and in-depth review covered emergence and development of several

influential theoretical thoughts in immigrant and ethnic entrepreneurship study, namely: Ethnic Middleman Theory, Ethnic Enclave Economy, The Disadvantaged Theory, The Interactive Model, and Mixed-embeddedness Theory. These theories explain common patterns of immigrant and ethnic entrepreneurial activity, particularly in understanding economic adaptation in the country of receiving. However, little of their transnational involvement has been conceptualized through their entrepreneurial practice. Additionally, these theories focus on group level analysis which overlook immigrant individual attributes as entrepreneurs, as well as their actual entrepreneurial experiences. Next, a review of transnationalism from the migration study offered rich insights of immigrant social interactions with country of origin and country of receiving. Specifically, concepts of immigrant transnational linkages and transnational social space were discussed as the natural character of immigrants and their migrant life, while their cross border behaviors and connections form an invisible transnational field. Nevertheless, the question of how transnationalism relates to immigrant entrepreneurship remains unclear.

This chapter examined three phases of entrepreneurial attributes developed in entrepreneurship study, namely entrepreneurial motivation, entrepreneurial cognition and entrepreneurship behaviors. These attributes explain how individuals perceive and engage with business opportunity and markets, particularly considering the beginning of engagement in entrepreneurship, such as opportunity identification and business establishment. Further, two entrepreneurial logic theories were reviewed, Effectuation Theory and Entrepreneurial Bricolage, to introduce the structural perspective between entrepreneurs and situations. These two theoretical views posit that instead of planning ahead, entrepreneurs apply immediate resources in response to unexpected incidences and environment. However, the specific resources and how resources are utilized by entrepreneurs has not been explained. Also, there is little understanding of immigrant entrepreneurial attributes.

Based on this literature review, three research questions were proposed to understand the lived experience of immigrant and international entrepreneurs in entrepreneurship. The next chapter introduces the methodology of this research and provides detailed explanation of research design and data analysis.

## Chapter 3 Methodology

### 3.1 Introduction

Study of immigrant entrepreneurship emerged from scholarly discussion in multiple social science disciplines with a research focus on observing and understanding human behaviors, interactions and social structures. Regardless of a multidisciplinary background, immigrant entrepreneurship is mostly studied from the perspective of countries receiving immigrants (e.g. U.S, Canada and Australia) because immigrants are new comers and their arrival and activities impact on existing social structures. Thus, prior literature places little attention on the immigrant connection to homeland (i.e. country of origin). Following growth trends and impacts of globalization, recent studies construct a term of 'transnationalism' to address a transnational perspective of migration and immigrant entrepreneurship. However, most structured conceptualizations of transnationalism are mainly based on theoretical discussion and statistical evidence. Hence, immigrant lived experiences in terms of how transnationalism relates to immigrant entrepreneurs and entrepreneurship is not heard. In addition, several theories explain why and how immigrants enter business in the receiving country, and these theories explain how immigrants engage with social structures and resources of the receiving country, but little of their subjective view and insights are understood. In addition, a new phenomenon, termed transnational entrepreneurship, is noted by scholars as a subset of immigrant entrepreneurship. However, in a globalized context, this research raises the issue of a narrow view of transnational entrepreneurship and examines the essence of this concept. As such, following the literature review and proposed exploratory research questions of the previous chapter, this chapter introduces a methodological design to examine the meaning of transnational entrepreneurship from the perspective of entrepreneurs who live and conduct business across borders.

This chapter is presented in four main sections. First, the philosophical and theoretical paradigms of the research are introduced. Philosophical and theoretical paradigms are mind maps for the researcher and his/her research work. Philosophical paradigm refers to a view of the world (what is there?) and the relationship between the individual and perceived reality. Theoretical paradigm refers to the philosophical view of the research work and how the research is conducted by the researcher. Social constructivism and phenomenology were utilized in this research as these philosophical views situate this research well within its purpose, that is, to understand the meaning of transnationalism and entrepreneurship to immigrants through their lived experiences. A discussion of the philosophical and theoretical paradigms leads to unveiling the assumptions of this research. Second, guided by (as well as constrained by) the selected philosophical views, this research engaged a qualitative approach allowing the researcher to get very close to the data. Closeness to data refers to data collection and data analysis in this research. Further, this research applied interview methods to obtain first-hand information and rich insights. A narrative inquiry and semi-structured interviews were applied in the data collection process to gather informant lived experiences which is important to the scope of this research. Third, two groups of informants were considered as necessary resources for answering the research questions: Chinese immigrant entrepreneurs in Australia and Australian transnational entrepreneurs conducting business with or in China. Following that, the criteria of data collection, sampling strategy and process of data analysis are reported. Fourth, several aspects were considered in terms of quality checking for this qualitative research and a reverse translation check was employed to ensure presented codes were accurately translated and interpreted.

### **3.2 Philosophy of Research Design**

This research is developed based on several philosophical and theoretical views. These views represent the researcher's world view, as well as guide the rationale and

design for this research work. The following sections introduce the philosophical and theoretical backgrounds of the research.

### **3.2.1 Nature of the Research**

Social science involves the study of people - their beliefs, behaviors, interactions, institutions, and so forth (Neuman 2000). In this way, social science identifies 'common sense' of reality, rather than discovering the law of reality. Neuman (2000) suggests a range of social research dimensions (see Table 3.1) that help to classify this research as a qualitative study with exploratory and descriptive purposes to uncover the experience of entrepreneurs who live and conduct business across borders. Given the contextual explanation of this research in chapter 1 and 2, the immigrant and transnational entrepreneurship issues contain more complex social meanings than solely economic matter which is usually captured by annually collected figures. Hence, this research argues that it is necessary to explore and interpret some background information and story lines of the immigrant and transnational entrepreneurial participation in the Australian and China context. As such, the research explores through a number of interviews how to understand Chinese immigrant entrepreneurship in Australia. It further explores the nature of transnational entrepreneurship through the experiences of Chinese immigrant entrepreneurs and Australian transnational entrepreneurs.

To achieve the goals of this research, field work using a qualitative approach was considered the most appropriate as it allows researchers to be as close as they can to the data. A qualitative approach enables researchers to understand a phenomenon through exploration of accounts or explanations of the individuals involved (Barbour 2008; Yin 2003, 2015). It also allows researchers to focus on the context and process, including decision making, actions and reactions (Barbour 2008). Furthermore, qualitative research emphasizes the process of construction of social meaning

through accessing open, rich, deep and interactive data (Yin 2003, 2015). Creswell (2007, pp. 37-38) categorizes several characteristics of qualitative study that fit the purpose of this research, as follows:

- Natural setting - qualitative researchers tend to collect data in the field at the site where participants experience the issue or problem under study. In this natural setting, researchers have face-to-face interactions over time.
- Researchers as key instrument - qualitative researchers are the ones who gather information. They do not tend to use questionnaires or instruments developed by other researchers.
- Inductive data analysis - qualitative researchers build patterns, categories and themes from the 'bottom-up' by organizing data into increasingly more abstract units of information.
- Participant meanings - qualitative researchers focus on learning the meaning that participants hold about the problem or issue, not the meaning that the researcher brings to the research.
- Interpretive inquiry - qualitative researchers make an interpretation of what they see, hear and understand, and their interpretations cannot be separated from their own background, history, context and prior understanding.
- Holistic account - qualitative researchers develop a complex picture of the problem or issue under study. This involves reporting multiple perspectives, identifying many factors involved in a situation and generally sketching the larger picture that emerges.

This research examines Chinese immigrant entrepreneurship in Australia, including entrepreneurial activities across borders between Australia and China, and Australian transnational entrepreneurs who conduct business with or in China. The phenomenon of Chinese immigrant entrepreneurship involves individual entrepreneurial attributes, migration history, social networks, transnational connections and institutions. Rather than isolating immigrant personal choice to start a business as a single activity, the research examines Chinese immigrant

entrepreneurship in a rounded way. This is done by taking account of personal history and their experience within one or more social contexts through entering immigrant entrepreneurs' life worlds and exploring the meaning of their migration life and business decisions. Furthermore, a group of Australian transnational entrepreneurs with a business relationship between Australia and China is an important data source to confirm the essence of transnational entrepreneurship. After selecting a qualitative approach, this research was further shaped by the philosophical view that the researcher brought to this inquiry (Creswell 2007). Thus, the exploratory and qualitative nature of this research requires further clarification of its philosophical and theoretical paradigms.

### 3.2.2 Philosophical Paradigm - Social Constructionism

The philosophical paradigm is the researcher's personal world view that they bring to research which shapes research work significantly on different levels, including ontology, epistemology, methodology and applied methods (Burrell & Morgan 1979; Guba & Lincoln 1994; Schwandt 2003). In other words, the philosophical paradigm reflects the researcher view on several questions: What is the reality? How to know the reality? And what methods can be applied in knowing the reality? The research adopts the paradigm of social constructionism and this philosophical view determines a series assumptions and implications. Table 3.1 presents the philosophical assumptions and its practical implications for this research.

**Table 3.1** Philosophical assumptions and practical implications of this research

<b>Philosophical Assumption</b>	<b>Related Questions</b>	<b>Characteristics of this Research</b>
Ontology	What is the nature of reality?	Relativism - local and specific constructed realities
Epistemology	What is the relationship between the researcher and that being researched?	Transactional/subjectivist; created findings; constant negotiation and renegotiation

Methodology	What is the process of research?	Hermeneutical; Dialectical; Interpretive
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Source: Adapted from Creswell (2007, p.17), Guba and Lincoln (1998, p. 203).

The root of social construction can be traced back to reactions to the dominant Cartesian positivist view of science of the 19th century. While rejecting the ideas of dualism and absolute truth, social construction follows the hermeneutic tradition stating there is no knowledge beyond subjective and inter-subjective interpretation about reality (Lindgren & Packendorff 2009). The notion of social constructionism first gained popularity in the United States after publication of “The Social Construction of Reality” by Peter L. Berger and Thomas Luckmann in 1966. Berger and Luckmann (1966) argue that people’s understanding of world and knowledge are socially constructed. These authors define social construction where reality is constantly in flux and it is negotiated and renegotiated through our experiences of the social world. The idea is that we create our own reality through social interactions, relationships and experiences (Spencer, Pryce & Walsh 2014). Hence, reality is an outcome of perspectives created by humans and different people may construct different views of their realities. Base on this idea, at the ontology level, social constructionism sees reality as context and social relative, therefore multiple realities exist simultaneously (Berger & Luckmann 1966; Gergen 1996; Guba & Lincoln 1989). If reality is socially constructed, then knowledge and meaning are also constructed and derived from social interactions. Thus, at the epistemology level, social constructionism takes account of individuals’ experiences and subjective views, while emphasizing constant negotiated meaning between individuals and their reality. Further, ontology and epistemology of social constructionism has significant implications for research methodology in terms of how to conduct research and analyze findings. As Gergen (1996, p. 119) state, “research findings don’t have any meaning until they are interpreted” and interpretations “result from a process of negotiating meaning in the community”. Thus, research data itself does not reveal

meaning, rather meaning is interpreted and created by researchers, given their background, experiences and knowledge (Spencer, Pryce & Walsh 2014).

Taking a philosophical view of social constructionism, knowledge in the entrepreneurship research field is produced through intellectual interactions and engagement between researchers and practitioners (entrepreneurs and business managers) (Lindgren & Packendorff 2009). As such, existing knowledge of entrepreneurship is constructed and interpreted from a societal and human produced intellectual work, primarily by researchers. In addition, understanding of entrepreneurship is continually emerging, for both professionals and this research field.

### **3.2.3 Theoretical Paradigm - Phenomenology**

Phenomenology is the theoretical paradigm and research approach for this research. Phenomenology is a branch of social constructionism and a specific philosophical tradition that informs most forms of qualitative research (Brinkmann, Jacobsen & Kristiansen 2014). In the general sense, phenomenology refers to the study of phenomena, or the study of the world as how it appears to those experiencing it and acting in it (Brinkmann, Jacobsen & Kristiansen 2014). In other words, a phenomenology approach insists on considering human experiences as the gateway to understanding human action (Sokolowski 2000).

Phenomenology has a philosophical tradition of more than a century. As a philosophy, phenomenology (also recognized as transcendental/descriptive phenomenology) was initially founded by Edmund Husserl around 1900 and further was developed as existential and hermeneutic phenomenology by Martin Heidegger. Later phenomenology was taken in an existential and dialectical direction by Jean-Paul Sartre, Maurice Merleau-Ponty and other philosophers. Arguing that scientific method is delusional and not insightful, Husserl proposed the main insight of phenomenology, intentionality of consciousness. For Husserl, every consciousness is

a consciousness of something. This intentionality was later characterized as “aboutness” by Moran (2001, p. 16) as “every act of loving is loving of something, every act of seeing is seeing of something”. This means that consciousness does not adapt itself to objects passively, but its very essence is to give meaning to the object (Smith 2013). Moreover, Husserl also discussed the dual Cartesian nature of reality for subjects and objects as they appear in consciousness (Creswell 2007, p.59). He employed two Greek words to distinguish two different experiences of the world: *noesis*, referring to the intentional process of consciousness, or “the subject-of-the-object”; and *noema* referring to the ideal context of *noesis*, “the object-for-the-subject” (Miles 2015, p.24). It follows that it is impossible to divide one’s experience from what is experienced and “the subjective is the source of all objectivities” (Burrell & Morgan 1979, p. 233).

Husserl’s identification of intentionality and discussion about the interrelated relationship between subjective and objective indicates a need for go “back to the ‘things themselves’” (Husserl 2001, p. 168). This calls for an approach to understand things in their natural settings, thus, it requires seeing a phenomena as it is in itself. Hence, the centrality of Husserlian phenomenology is to investigate and describe the essence of human experience from a first person perspective (Brinkmann, Jacobsen & Kristiansen 2014). An important term employed in this descriptive philosophy, reduction, refers to ‘transcendental’, or ‘going beyond’. Transcendental reduction represents the phenomenological attitude and helps us see the new sense regarding an object (Sokolowski 2000). Further, transcendental reduction requires parking existing assumptions and presuppositions before investigating to achieve unprejudiced description of the essence of a phenomena (Brinkmann & Kvale 2008, p. 27). Hence, it requires a recognition of taken for granted knowledge (i.e. common sense, theoretical or scientific concepts) of a phenomenon.

Later, Heidegger further discussed phenomenology as a fundamental ontology, which refers to the experience of being (*Dasien* - everydayness). Heidegger proposed that

ontology is hermeneutic impurity of facticity and the facticity object is never uncovered without preconceptions and is subject to change. Thus, we are in an already interpreted world and the attempt of knowing leads to endless possibilities and endless interpretations resulting in endless constructed and interpreted realities. Therefore, hermeneutic phenomenology recognizes that, including lived experiences, all descriptions (transcendental moment) of things involve interpretation (Moran 2001). As an example, human behaviors and social interactions present individual interpretations of the world and these are further interpreted by researchers who study their experiences.

Having briefly reviewed the philosophical roots of phenomenology, it is clear that this paradigm is embedded in the notion that our knowledge and understanding of the world is derived from experiences (i.e. lived experience) and meanings created through experience are largely based on social context (Hein & Austin 2001; Smith 2013). The philosophical discussion of phenomenology has implications for research method, generally understood as studying people's subjective and lived experience. Patton (1990, p. 71) describes that phenomenological focus is "what people experience and how it is that they experience what they experience". This means that, researcher should aim to avoid prejudice the subject characters in researching process (e.g. data collection and data analysis) (Crotty 1998). More importantly, phenomenology seeks understanding of *essence* or *essential meaning of phenomena* through interpretation of described experiences. In other words, phenomenological research focuses on exploring hidden meanings of subjective experience. Hence, it specifically aims to identify the genuine objective nature of things as realized by individuals (Kafle 2013). This exploration process is a development of understanding that ultimately forms meaningful interpretation (Seymour 2006). The phenomenology approach has been widely applied in disciplines of psychology (e.g. emotions), nursing (e.g. illness), cultural studies (e.g. living overseas) and other disciplines. This should not discourage taking this philosophical view to clarify paradigmatic issues in entrepreneurship study. For instance, it is suggested that the

phenomenology approach provides strength in describing the entrepreneur lived experience in a rich and nuanced way (Berglund 2015; Hancock 2013) given the uniqueness of each entrepreneur's perspective (Raco & Tanod 2014).

In this research, migration experience and context of living overseas are important factors to forming immigrant entrepreneurial activities and cross cultural experiences of Australian transnational entrepreneurs. Prior studies have explored immigrant entrepreneurship from an outsider perspective as existing theories tend to explain how immigrants interact with the receiving country. Little investigation of the immigrant entrepreneur lived experiences and their subjective insights has been explored. This research seeks to understand how immigrant entrepreneurial decisions and behaviors are experienced and what are underneath meaning of it. Thus, following this phenomenological approach in the current study, the researcher selected an appropriate method to gain the source of information (Chinese immigrant entrepreneur and Australian transnational entrepreneur experiences and their subjective views) and make sense of this information. More details on research method are discussed in section 3.3.

The process of making sense of information collected during field work creates meaning for the focus of research through interpretation based on the researcher's professional and personal lenses. This research adopted phenomenology and parked researcher's preconceptions of the topic to understand underpinning issues based on subjective experiences. However, the researcher also recognizes the difficulty of pure phenomenology that involves fully bracketing the researcher's personal bias (i.e. being a Chinese migrant) and professional preconceptions (i.e. existing knowledge) before starting field work. As a result, it was necessary for researcher to be aware of prior assumptions pertaining to this research. Such assumptions are important preconceptions to arrive at an appropriate level of bracketing, despite hermeneutic impurity of the final interpretation.

### 3.2.4 Assumptions for the Research

Based on the research questions and above discussion of the chosen philosophical and theoretical paradigms, a list of assumptions was developed for this research:

- The realities that we perceive are derived from our experiences and these realities represent our interpretations of our worlds
- We are part of our realities; our existences form our realities and our understanding of these realities
- We cannot have absolute knowledge and our knowing partially reflects our worlds
- This research looks at social actors, human behaviors and social structures which are different to physical natural settings proposed from a purely objectivist view; the natural entity only captures objects' first nature, whereas, the social actors and social structure capture objects' first and second nature (first nature refers that which is not social and the second nature refers to humans and their works)
- Social structure is conceptualized and constructed via social interactions by social actors, thus, certain orders exist in all societies depending on power relationships between different parties (as some groups have stronger forces to shape and/or push social interactions/structures compared to other groups)
- This research does not test or prove the causal relationship of reality, rather, it explores patterns of human activities to identify and explain relations
- It is necessary to bracket some preconceptions (such as judgment and assumptions), although it is not possible to bracket all of them
- My understandings of this research topic are extracted from the collected data and the result of this research work is my interpretation of this data
- My understandings are based on my existing knowledge (theories and experiences) and above assumptions

The above assumptions are fundamental views that the researcher held while conducting this research. They provide a philosophical grounding of how the researcher views the world and positions this research topic. In addition, they

indicate the entity of this research topic, social space and human activities, indicating the importance and complexity of the social contexts explored in this research. Social research requires applicable approaches and methods to understand the complexity of social realities. Therefore, the philosophical and theoretical paradigms and assumptions of this research required careful selection in terms of research approach and methods. The research approach and methods employed in this research are introduced in the following section.

### **3.3 Research Approach and Method**

This research takes narrative approach and interviews as the method for the data collection. The following sections explain the usefulness of these choices for this research.

#### **3.3.1 Research Approach - Narrative**

Based on the above described phenomenological view, this research focuses on the natural setting of the studied phenomenon to access 'lived experience' of Chinese immigrant entrepreneurs as a data source. Narrative was considered an important angle from which to approach the data source for this research because narrative inquiry contains an individual's personal history (i.e. lived experience) and reflections towards events, their causes and effects, and context (Creswell 2007). For example, in entrepreneurship study particularly, narratives are often used to explore individuals' stories and their subjective views of the surrounding and changing environment (Boje 1991; Terjesen & Elam 2009). Not only are events and social context important, the phenomenological view adopted in this research sought to obtain experience-centered subjective views. Squire (2013) states that an experience-centered narrative stores events and experiences, and allows narrators to make sense of the world by reconstructing a sequential and meaningful experience. Further, Squire (2013) suggests that narrative examines personal changes and transformation, an important facet of this research as immigrants experience

physical and social movement. In addition, narrative data enables detailed descriptions of contexts through the individuals' definition of their identity, occupations, for internal and external purposes, and situation in the community in which they belong. In particular, narrative information represents the transcendental moment linking ones' past, present and future (Sokolowski 2000). Further, as Creswell (2007, pp. 55-57) states, the narrative approach has several features suited to qualitative research in terms of obtaining rich data and insights:

- Narrative approach collects lived and told stories from individuals; these stories may told by participants, or co-constructed through dialog between researchers and participants
- Narrative stories may shed light on individual identities and how they see themselves
- Narrative approach allows data collection from various resources (interviews primarily, but also observations, documents, pictures, or other sources)
- Narrative stories often contain turning points or specific tensions
- Narrative stories occur within specific places or situations, thus context is significantly important in analyzing the story

Hence, individual story lines (past, present and future) can be built based on information collected from participants. To obtain rich narratives, this research used interviews as a method to collect people's individual voices, self-descriptions and stories (Hennink, Hutter & Bailey 2010).

### **3.3.2 Data Collection Method - Interview**

Semi-structured, open-ended and in-depth interview was chosen as the most appropriate method for data collection in this research. Interview is the most commonly used method for data evidence in qualitative research (Sauders, Lewis & Thornhill 2003). In addition, the purpose of the interview is to find out what is in and on someone's mind (Patton 1990), which suits the focus of a phenomenological approach (i.e. understanding the perception of lived experience). Furthermore, Hennink, Hutter, and Bailey (2010, pp. 109-110) suggest that the interview method is

particularly helpful in a range of areas, such as:

- In determining how people make decisions
- In examining people's beliefs and perceptions
- In identifying motivations for behavior
- In determining the meanings that people attach to their experiences
- In examining people's feelings and emotions
- In extracting people's personal stories or biographies
- When covering sensitive issues
- In examining the context surrounding people's lives

Building on these benefits in this research, the interview approach provided opportunities for subjects to talk about their personal experiences in terms of migration, life and business. The semi-structured interview was used in this research as this form of interview is "guided, concentrated, focused, and open-ended communication events that are co-created by the interviewer and interviewee and occurs outside of the stream of everyday life" (Tharenou, Donohue & Cooper 2007, p. 104). In this research, semi-structured interview provided a flexible structure for the interview process. For instance, some questions were flexibly applied in the interviews as guidelines to initiate and guide conversations between researcher and interviewees.

Moreover, in semi-structured interviews, the interview guide may act as a checklist to ensure the key points are covered in the conversation (Yin 2003, 2015). In this research, the checklist responded to the main themes from existing literature, such as reasons of migration and starting business, main barriers, strategies, and cross cultural issues. Also, semi-structured interview questions were designed not to restrict the discussion between researcher and interviewees, but to ensure collection of information and empower interviewees to provide detailed accounts and share their views (Creswell 2013). Several questions were designed and proposed in interviews to gently guide conversation (see Appendix 1). The semi-structured interview procedure allows initiation of conversations and quickly addresses the

main focus between interviewer and interviewees. This is especially practical in circumstances where both parties do not know each other personally which could be a barrier to open up in-depth conversation in certain cultures. As an example, Chinese culture is relatively a conservative and high context culture where people tend to spend long time building interpersonal relationships and trust before sharing their honest and deepest feelings and opinions.

The interviews were in-depth and open-ended as the interview approach aims to gain subjective views and the rationale of interviewee experiences. Open-ended interviews allow individuals to express issues without too much intervention from the researcher. In-depth interviews allow researchers to probe and pursue deeper responses and have the potential to uncover personal feelings and document events that cannot be observed (Simons 2009). As Hennink, Hutter and Bailey (2010, p. 110) comment, in-depth interviews are “primarily used when seeking to capture people’s individual voices and stories”. Hence, in-depth and open-ended interviews enable us to obtain primary narrative data including the entrepreneur’s storytelling to draw upon the individual’s memory, past and current experiences and their migration history. Meanwhile, the mixture of these interview methods enables interviewees to narrate their personal stories through making sense of their entrepreneurial activities within related contexts, situations and events. As the previous section introduced, the narrative approach was applied and was particularly applicable in approaching interviewees and advocating an open and sharing conversation. In addition, a curiosity and willingness to listen to one’s personal story and opinion triggered a review of interviewee experiences and serious reflection of his/her experiences.

### **3.3.3 Researcher’s Role in the Research**

This research examines the Chinese immigrant entrepreneur experience in Australia, and Australian transnational entrepreneurs experience with China, with data source obtained from interviews with these individuals. The researcher went to the Chinese

community and Australian networks conducted these interviews personally. Also, the researcher interpreted and theorized collected interview data through a detailed investigation and analysis of its texts and underpinning meanings. Details of the data analysis and interpretation process are explained in following section (section 3.5).

The researcher and her perspective had impacts on the research in the process of conducting this research. To begin with, the interests of understanding these groups of people's behaviors and actions gave the researcher a strong motivation for first-hand experience in data collection. Along with interviews, some field notes based on observations (about participants and some public events), reflections and memos were also taken as reflexive notes for the purpose of data analysis. As this research is based on the philosophical view of social constructionism and had a phenomenological approach (first-person experience), results of field were constructed through the researcher's interpretation. Therefore, the researcher played a constructionist role in processing and analyzing data to produce an interpretation of the data source and theoretical contributions to existing knowledge.

In addition, given the goal of this research and procedure of data collection and analysis, the researcher played an instrumental role in collecting and managing data sources with her personal skills in the Chinese language and cultural understanding. For instance, the researcher's Chinese cultural background, migration life experience and interest in this particular research topic provided a well-linked fit that enabled the researcher access to interviewees with an open attitude and develop mutual trust to share their experiences. In particular, while Chinese culture represents a high-context culture, the Australian culture represents a low-context culture, and both require some cultural and interpersonal traits for achieving in-depth conversation. The researcher was able to bridge the distance between herself and the both Chinese and Australian interviewees by introducing the research topic and her own cross cultural experience. Table 3.2 shows code examples extracted from interviews that demonstrate the impacts of the researcher's role in data access.

**Table 3.2** Examples of interviewees' attitudes towards interview for data collection

	Codes
Interview 11	其实我觉得你做的这个东西呢已经让我觉得挺佩服的就是说，选这个课题 topic 这一块，我觉得就是说我知道的能帮助的，我肯定会帮助你。
	English translation: Actually, it is quite respectful that you chose this area for your research, this topic, I feel, I will support you with all what I know and what I can, I definitely support you.
Interview 12	说实话，我自身其实也是比较排斥这种采访的，因为我一开始不知道什么目的性，所以我也是很谨慎的。当然所以我觉得别人也会是这样的。
	English translation: To be honest, personally I do not like this kind of interview because I was not clear what purposes it involves, so I would be very cautious. So of course I think it is the same for others.

### 3.4 Data Collection Criteria and Strategies

Given the focus of this research, the research data was sourced from two groups: Chinese immigrant entrepreneurs and Australian transnational entrepreneurs. Data collection criteria was developed for each group and several sampling strategies were applied for successful data collections. The following sections illustrate applied data collections criteria for both Chinese and Australian entrepreneurs, and sampling strategies.

It is useful to clarify a little more how the interview sample was selected. In the introduction the thesis begins with a broad definition of transnational entrepreneur. To deal with the possible objection the definition is too broad it is important to clarify that the concept is still emerging and taking shape. In other words, the concept of transnational entrepreneur is a work in progress. The sample was drawn from a group of people with extensive practical experience of doing business in a transnational context, in this research focused on China and Australia. In that way all

the respondents had plenty to say about their experiences, which provided the research with valuable information and insights. Subsequent research might well be able to refine such opportunity samples in a more scientific way but for the present those that were interviewed had extensive knowledge and experience to reflect upon. This was considered enough to justify their choice in the research design. Since the research context includes both China and Australia, both Chinese and Australian diaspora were considered as data source given their cross cultural experience in the same transnational context (refers to transnational space between Australia and China). Their rich insights were collected for the analysis and interpretation about transnational entrepreneurship which was expected overlapped in the experiences of both Australian and Chinese entrepreneur groups. However, the Chinese and Australian entrepreneurs were also expected very much distinct from each other due to the origins of their transnational journeys.

#### **3.4.1 First Generation Chinese Immigrants in Australia**

First generation Chinese immigrants were chosen as the main informants as their transnational life trajectories and business experiences are the central interests of this research. This research explores Chinese immigrant entrepreneur perceptions of their reality and lived experience and draw links between their past, present and future, their participation in business and relations between country of origin and country of receiving. As moving from one country to another involves series of motivations, actions and consequences, such as decision making, life and career change, challenges and/or opportunities in business and social and cultural adaptation, only first generation immigrants with these experiences have full understanding of this process and are able to reflect on their perception and insights.

First generation Chinese immigrant tend to have inherited and stronger cultural influences and emotional connections (both positive and negative) from their country of origin which provide critical insights. Furthermore, given their specific transitioning and life changing experiences between two countries (country of origin

and country of receiving), first generation immigrants are a group of outsiders who may develop different patterns of mentality with new experiences in the country of receiving. Therefore, first generation Chinese immigrant entrepreneurs were considered as the most suitable representatives to provide sufficient and rich information of their understanding, experiences and reflections in entrepreneurship behaviors while living in and/or between two countries and cultures.

### **3.4.2 Australian Transnational Entrepreneurs**

Although the concept of transnationalism is derived from migration study, this research argues that the transnational experience is not limited to immigrants and immigrant owned business. The new phenomenon of transnational entrepreneurship is a subset of immigrant entrepreneurship in literature. This research questions a narrow perspective of transnational entrepreneurship and intends to uncover the essence of transnational entrepreneurial activity; through their own interpretations of what they know and do from experience. Many Australian entrepreneurs have business relationships and transactions with/in China. Hence, to articulate the essential meaning of transnational entrepreneurial activities, this research included contrasting interviews with Australian transnational entrepreneurs who conduct business in or between China and Australia. Therefore, this group of informants enriched the data sources for this research in comparing and contrasting transnational entrepreneurial experiences between Chinese and Australian entrepreneurs.

### **3.4.3 Interviews**

Based on the above considerations, in total 40 face to face interviews (average length 40 – 90 minutes) were conducted for this research, including 34 interviews with Chinese immigrant entrepreneurs (see Appendix 2 for interview list) and six interviews with Australian transnational entrepreneurs (see Appendix 3 for interview list). There were two different principles in recruiting Chinese and Australian interviewees. Chinese immigrant entrepreneurs were recruited according to the

following criteria:

- Interviewees are first generation Chinese immigrants who moved from China (including mainland China, Hong Kong and Taiwan) to Australia
- At least three years living in Australia to ensure adequate exposure to Australia as the country of receiving
- Selected interviewees had business experience and/or currently operate a business in Australia, or between China and Australia
- International traveling experiences and international connections (through internet and telecommunication) between country of origin and country of receiving to understand continuing transnational linkages between China and Australia for Chinese immigrant entrepreneurs

Six Australian transnational entrepreneurs were recruited and interviewed for the purpose of comparison to the main data source (interviews with Chinese immigrant entrepreneurs). To focus on understanding of the characteristics of transnational entrepreneurship, Australian transnational entrepreneurs were recruited based on one main requirement, that is, having a business relationship with China or conducting business in China. Although the size of sample vary between the Chinese (34) and Australian (6) groups, the actual number of participants in the transnational business activity provided sufficient information. Having said that, in the collected data sample, all the Australian interviewees are involving in transnational business, and half of the Chinese interviewees are involving in transnational business (see Appendix 2 and Appendix 3). Therefore, although interviews with the Chinese immigrant entrepreneurs was not solely targeted on transnational business matter, the proportion of transnational entrepreneurs in the collected sample offers substantial information for data analysis and comparison.

#### **3.4.4 Data Collection and Sampling Strategy**

Several strategies were considered to obtain information-rich samples for the purposes of this research. Table 3.3 shows that data access and collection for this

research were completed through a few sampling strategies. For instance, some immigrant entrepreneurs typically operating business in both China and Australia were selected for interviews as they provided information about transnational entrepreneurship; meanwhile, immigrant entrepreneurs who fit the above criteria list were selected for interviews, with the success of interviews depending on how approachable the potential interviewees are. Also, some immigrant entrepreneurs recommended other suitable people for interviews to snowball data collection via interviewee personal networks, while some interviewees were recruited by unpredictable opportunities, such as at marketing or networking events.

**Table 3.3:** Data sampling strategy

<b>Intensity Sampling</b>	Selection of information-rich cases that intensely exhibit the phenomenon of interest, but ignore unusual or extreme cases
<b>Criterion Sampling</b>	Selection of cases that meet a predetermined criterion of importance
<b>Snowball Sampling</b>	Identification of information-rich cases by asking well-suited people who are appropriate people to talk to
<b>Opportunistic Sampling</b>	Allows researchers take advantage of new and unanticipated opportunities while conducting fieldwork

Source: Patton (1990)

The above data sampling strategy was engaged to obtain suitable data for this research. At the same time, the researcher needed to overcome certain challenges of approaching interviewees and solve some difficulties during data collection. For instance, the Chinese culture was both an advantage and disadvantage for researcher in terms of conducting interviews. Given the researcher's Chinese background, common language and cultural understanding were an advantage in initiating meetings and conducting interviews. Moreover, the researcher's passion for undertaking this research attracted some interviewees to accept the interview request as passion shows care and potential contributions to this practical field.

However, many requests for interview were rejected or non-replied and the reasons for decline or non-response were not clear. The researcher was fully engaged in conversations with interviewees to develop comfortable space for sharing personal stories, initiating questions, exploring in-depth discussion and showing respect.

The interview approach requires sophisticated people, networking and communicating skills to achieve sufficient information and insights. As soon as the proposal for this present study was approved, the researcher put a significant amount of time in to attending relevant social, commercial and governmental activities, such as exhibition and trade events, talking to relevant people and experts (entrepreneurs, governmental officials, industry experts and academia) to gain a suitable manner and technique to approach and interview people. This proactive approach continued until the conclusion of data collection and analysis, which helped the researcher develop relevant skills, theorizing and interpretation for this research.

#### **3.4.5 Ethical Considerations**

Consideration was given to ethical issues to ensure morality and transparency of data collection for interviewee rights and information confidentiality. Ethical approval (see Appendix 4) was granted by the University of Adelaide Human Research Ethics Committee (HREC) for the research to meet requirements of the National Statement on Ethical Conduct in Human Research (2007). The ethics approval number is HP-2013-128. All participants were informed verbally and in writing of the following:

- Purpose and objectives of the study
- Potential benefits of participating in the study and contribution of the study
- What data will be collected and how
- Restricted public access to the case study
- Measures adopted to ensure confidentiality and anonymity of participants, and

- Contact details for the Secretary of the University of Adelaide HREC should they have a complaint or concern about the manner in which the research was conducted

Interviewees were informed that their participation is voluntary and that they can withdraw at any stage of the research. Consent was obtained by the interviewee signing a consent form (see Appendix 5) or verbally before the interview was conducted. Interviews were audio recorded, however, four interviews were not recorded due to technical errors or interviewee declining to be recorded. Interview conversations were conducted in Chinese (Mandarin) or English, according to interviewee choice. Furthermore, all company and individual names were coded anonymously to prevent identification and ensure confidentiality of interviewees.

### **3.5 Coding and Data Analysis**

This research took several strategies and steps for data management and data analysis, which are explained in the following sections.

#### **3.5.1 Managing Data**

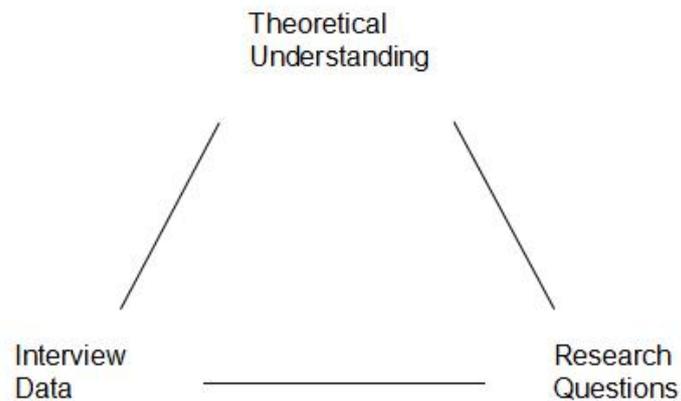
Interview data were transcribed and the transcribed texts were reviewed through listening to the original audio records. Nvivo 11 was used to document and manage data including interview audio records, interview transcripts, field notes and memos. Coding and data analysis and memo writing was on-going during the research and Nvivo 11 was used to keep the records and allowed the researcher to update analysis. Furthermore, Nvivo 11 facilitated data analysis as this software program helped in managing the coding process and in data management.

#### **3.5.2 Logic of Data Analysis**

Data analysis is a process of making sense of data that creates a reasoning flow upon existing knowledge to draw conclusions, predictions and explanations for social phenomenon (Saldaña 2015). There are generally three reasoning methods,

inductive, deductive and abductive and application of these determines the logic of data analysis. The deductive method starts from theory to test data; whereas, the inductive method is grounded in data and generates theoretical understanding from data. The essence of a qualitative study is to explore patterns and sensitize in-depth meanings of phenomenon. To achieve this, researchers develop thorough understanding of the data and empower data to 'speak' to them to interpret and extract abstract level understandings (Saldaña 2015; Strauss & Corbin 1994). This 'bottom-up' approach is inductive. The other alternative, abductive method, takes the middle ground of both inductive and deductive methods and enables researchers to go between data and theory to confirm, dis-confirm and extend theories. This back and forth process is non-linear and involves constant checking, conceptualization and comparison between data, theory and research questions. Although this research explores subjective experience and empowers the voice of data, the researcher considers it impossible to arrive at full 'bracketing' of preconceptions of the relevant topics (see section 3.2.3). Having said this, the researcher had some theoretical understanding from reviewed literature about immigrant entrepreneurship. Overall, the best way to account for the research methodology is to describe it as belonging to an abductive approach.

This research theorized collected data to make theoretical contribution to current literature. Therefore, the research did not only look for the voice of the data, but also viewed data based on some theoretical understanding while responding to developed research questions. Hence, the interrelations between interview data, theoretical understanding and research questions were developed through the data analysis process. Figure 3.1 presents the logic of the data analysis process for this research. To answer the research questions, the researcher spent a significant amount of time identifying important codes, conceptualizing relevant concepts and reviewing existing theoretical explanations. This sense-making process required constant checking between data, theory and research questions.



**Figure 3.1** Logic and continuity of data analysis

### **3.5.3 Thematic Analysis**

Thematic analysis was employed in this research. Thematic analysis is a method to identify, analyze and report patterns within a data-set (Braun & Clarke 2006). This technique is beneficial in linking diverse experiences and ideas together (Gibson & Brown 2009). Gibson and Brown (2009, p. 128-129) suggest there are three sets of aims of thematic analysis:

- Examining commonality - pooling together all material across a data-set that has something in common. Commonalities discovered can then be analyzed further, which may mean that subdivisions are found within them. As defined by Harding (2013), a commonality can be any feature that two or more cases have in common, including a common characteristic, experience or opinion
- Examining differences - the researcher should identify differences across the data-set and examine the relevance of them to the issues and themes being examined
- Examining relationships - the researcher should examine how different parts of the analysis fit together and contribute to an understanding of different issues and themes

A theme is anything considered interesting and meaningful that emerges from data. Braun and Clarke (2008, p. 82) state that “theme captures something important about the data in relation to the research questions, and represents some level of patterned response or meaning within the data set”. It is important to address what counts as theme/patterns in the data set and theme decisions are dependent on the researcher’s judgment (Braun & Clarke 2008; Harding 2013). There are two primary ways to identify themes: inductive or “bottom up” and deductive or “top down”. According to Braun and Clarke (2008), the deductive approach is driven by theoretical or analytic interest in the research area and themes often directly relate to research question. On the other hand, the inductive approach identifies themes directly from data without trying to fit into any preconceptions. Both “bottom up” and “top down” techniques were simultaneously applied in data analysis for this research. It is useful practice to set aside existing theoretical understanding and interests of the research questions while analyzing data. Meanwhile, it is necessary to be alert to original and interesting information emerging from the data. Overall, an eight-phase thematic analysis procedure was employed for data analysis. Table 3.4 below illustrates the phases and descriptions of the process of data analysis.

The eight-phase procedure shown below provided a general guideline for data analysis, with a lot of back and forth reading, coding, comparison and constructing involved in the actual process. Meanwhile, some phases happened co-instantaneously rather than step by step and considerable time and effort was placed on reviewing data resources and reflective thinking as intellectual inputs in data analysis. In particular, a ‘zoom in’ and ‘zoom out’ technique was applied in the analysis process, as the researcher needed to make sense of identified themes in the context of each interviewee and the overall group case (i.e. Chinese immigrant entrepreneurs and Australian transnational entrepreneurs). This process reflects the inseparable relationship between *pieces* and *whole* from a phenomenological view (Sokolowski 2000). Nevertheless, in this process, coding is the fundamental step of thematic analysis, which also forms a source for theorizing and final interpretation.

**Table 3.4** Phases of thematic analysis

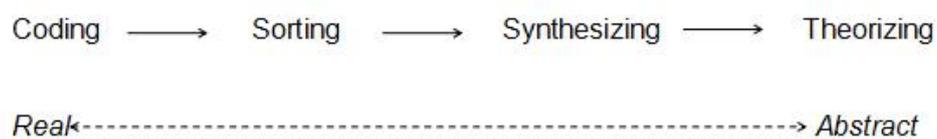
<b>Phase</b>	<b>Description of the process</b>
1. Familiarizing with data	Transcribing data, reading and re-reading the data, noting down initial ideas
2. Generating initial codes	Coding interesting features of the data in a systematic fashion across the entire data set, collating data relevant to each code
3. Searching for themes	Collating codes into potential themes, gathering all data relevant to each potential theme
4. Reviewing themes (2 levels)	Checking if the themes work in relation to coded extracts ( <i>level 1</i> ) and the entire data set ( <i>level 2</i> ), generating a thematic 'map' of the analysis
5. Defining and naming themes	Ongoing analysis to refine the specifics of each theme, and the overall story the analysis tells, generating clear definitions and names of each theme
6. Theorizing and interpreting	Selecting vivid, compelling extract examples, final analysis of selected extracts. Theorizing and interpreting its abstract level meaning
7. Identifying theoretical contribution	Relating the final themes and analysis back to the research question and literature
8. Producing report	Producing a scholarly report of the analysis

Source: Adapted from Braun and Clarke (2008, p. 87)

### **3.5.4 Coding and Theorizing**

Coding is a process of mining and identifying words or phrases that capture meaning of a proportion of language or visual based data (Saldaña 2015). Coding itself does not contain meaning, but its embedded context indicates meaning for coded phrases and/or words (Miles & Huberman 1994). The purpose of coding is to find the essential elements of a research story according to similarities and patterns inherit in

the data (Saldaña 2015). Coding was applied in the initial data analysis stage when the researcher went through interview transcripts and identified interesting and striking information. Although coding is the first stage of data analysis, it does not completely stop when moving to latter stages. Often, researchers need to categorize similar codes together given their interconnections and this leads to further and more abstract thematic grouping. Hence, the process of coding and data analysis is a flow of sorting and synthesizing real life data to abstract level conclusions. Figure 3.2 (see next page) illustrates the flow of data analysis process.



**Figure 3.2** Coding process

Source: Saldaña (2015)

The data analysis process is not as simple and straightforward as the above figure suggests. As discussed in the previous section, coding involves multiple reviewing, analyzing details of data and constant comparison with theory. Hence, a nonlinear process was applied to data analysis in this research. Three cycles of coding techniques were applied in data analysis to make sense of the data and derive theoretical interpretation. These three coding cycles were:

- Open coding: a starting point to identify leads to further analysis. It involves generating provisional and tentative codes being open to all possible theoretical directions derived from the data
- Axial coding: serves the purpose of resembling data around an axis – a category that described by subcategories in terms of property and dimensions that help teasing out when, how, why and what if something happens, and
- Selective coding: integrate all other codes and categories to find themes or core categories; this is the final circle of coding which puts the “analytic meat on analytic bones” (Strauss 1987, p. 245)

As a result of data analysis, six themes were identified from interviews with Chinese immigrant entrepreneurs in response to the first two research questions. Each theme includes several sub-themes with their own meaning. Meanwhile, four themes were identified from interviews with Australian transnational entrepreneurs. Subsequent chapters (chapter 4 and chapter 5) introduce these themes and their underpinning meanings, and answer the research questions.

### 3.6 Quality Check

Quality checking of a study refers to the trustfulness of the study, which reflects the question of “How well do the study and its results reflect the phenomena it is intended to cover?” Most quantitative researchers address the trustworthiness of a research project based on the reliability and validity of the research, which in general are developed across four criteria of internal, external and construct validity and reliability (Yin 2003, 2015). Compared to the quantitative approach, qualitative research has been criticized for not sufficiently addressing the specific issue of validity and reliability. However, researchers have developed criteria to explore the trustfulness of qualitative study (Creswell 2013; Lincoln & Guba 1985; Yin 2003, 2015). Table 3.5 shows the developed qualitative criteria and relevant strategies employed to address each criteria in this research. In addition, part of the data source for this research was interviews in Chinese language and the researcher coded and translated codes from Chinese to English, therefore, the quality check of this research also includes translation check.

**Table 3.5** Summary of criteria and strategies to address rigor and quality

<b>Qualitative Criteria</b>	<b>Strategy Employed</b>
Credibility	Prolonged engagement in the field; Peer debriefing; Triangulation; Explanation building
Transferability	Provide rich description; Purposive sampling; Multiple-case study design
Dependability	Case study data base; Triangulation; Peer review; Interview

	protocol
Confirmability	Triangulation; Practice reflexivity
Translation	Accuracy in phrases and meanings

Source: Adapted from Creswell (2007, 2013), Lincoln & Cuba (1985), Yin (2003, 2015)

### **3.6.1 Credibility**

Credibility refers to the extent to which cause and effect relationships are correctly identified which means the findings are credible or trustworthy from the viewpoint of participants (Yin 2015). However, interview data that is revealed through the interpretation of researchers, might contain subjective views related to their own values and experiences onto the selected cases. In this research, credibility was achieved through prolonged engagement in the field, peer debriefing, maintaining originality of data sources and explanation building (Yin 2003, 2015). For instance, researcher was actively engaged in all relevant events and activities to gain a full perspective and understanding of the context of this research. Also, data was transcribed by professionals with careful checking by the researcher. Lastly, the coding process was primarily based on the main language (Chinese) used in interviews and bilingual codes are presented in the findings, analysis and discussion chapters.

### **3.6.2 Transferability**

Transferability refers to the extent of generalization of a research finding or the application of the finding to other groups or settings (Tharenou, Donohue & Cooper 2007). Yin (2003) and Tharenou, Donohue and Cooper (2007) argue that qualitative study methods seek analytical generalization which requires research findings to achieve theoretical application not focusing on the population. Therefore, rich descriptions of participants and relevant context from immigrant entrepreneurs were applied to improve transferability of this research. A thorough explanation of what has been understood from this particular group of research informants (Chinese

immigrant entrepreneurs and Australian transnational entrepreneurs) and research context was summarized. This research does not claim that the findings are generalizable to any other groups, but understanding of immigrant entrepreneurship is valuable to relevant groups such as government, entrepreneurs and academia.

### **3.6.3 Dependability**

Dependability refers to minimization of errors and biases in the study, which can be increased through triangulation and information cross-checking (Tharenou, Donohue & Cooper 2007). The cross-checking process for this research included bilingual codes present in supervision meetings and thesis chapters, and the analytical process was discussed in seminar presentations and group discussions with peers. In addition to the peer view, the present study documented the logic and process of generating meanings from data analysis which allows outsiders to understand the process of producing findings (Yin 2003, 2015).

### **3.6.4 Confirmability**

Confirmability refers to the extent to which results can be confirmed by others (Yin 2015). Lincoln and Guba (1985) suggest that the main concern for confirmability is based on how researchers disclose their own predispositions which requires researchers to acknowledge biases, values and interests that might affect the study (Creswell 2007). In this research, the researcher is Chinese (mainland China) and has lived in Australia for 10 years. After these years of overseas study and life experience, the researcher accumulated her perspective through socialization with Australian, Chinese and other ethnic communities. The understanding of cultural roots and observation of immigrant entrepreneurship overseas contributed to data interpretation and discussion of findings. To compensate for the subjectivism of the researcher's perspective, the two research supervisors provided an outsider views as they are not from the same cultural background. In addition, regardless of cultural differences, mutual understanding and agreement on the clarity of interpretation and its explanation between researcher and supervisors was achieved through many

and regular discussions. Having said that, the sense making process and outcome of the research were eventually confirmed and made sense to other readers.

### **3.6.5 Translation and Language Issues**

Collected interviews were mostly audio recorded (primarily Chinese and several English). Transcription was undertaken by off shore professionals (company and individuals) who have bilingual skills which helped minimize mistakes in interpreting conversations in Chinese and English languages. In addition, not using an Australian company to undertake transcription helped ensure interviewee confidentiality. The researcher checked all transcriptions against original audio records to determine the quality of transcribing work and benefit from listening to the original recording. In doing so, the researcher increased familiarity with the data and had the opportunity to gain insights and/or question some missing issues from the interview itself (Corbin & Strauss 2015). Further, this process helped the researcher in starting coding and analysis. Transcriptions in Chinese were translated to English for quality checking. However, to retain originality of the source, coding and analysis processes were primarily based on Chinese transcription and are presented in both languages in the findings and analysis and discussion chapters. A selection of code examples was checked by another person with equivalent competency in English and Chinese. This method is a reverse check of language application for quality and consistency of data analysis and reporting. The process requires another person to translate the English translation of original code extracts back to Chinese words and compare with original code extracts. Checking the quality of translation ensured that the information and meanings were accurately translated and presented in the thesis.

As interviews were conducted mainly in Chinese it was necessary to double check for meanings and possible misinterpretation. This is called the reverse check (shows in Table 3.6). Due to the very different structure of Chinese and English languages, the reverse check showed translations that looked different to original sentences (i.e. terms and phrases), however, the meaning remained the same (Molina & Hurtado

Albir 2002). The reversed translation in Table 3.6 below shows a slight difference (underlined phrases) to the exact Chinese characters, but presents the same essential meaning of the main idea. Therefore, the translation checking process applied paraphrase translation (maintaining meaning in translations) rather than literal translation (word to word translation). Particularly, paraphrasing is helpful for translating the meaning of high-context culture’s languages at the structural and informative level (Cheung 2016).

**Table 3.6** Example of reverse checking

Translation of code extract	Reverse translation
<p>人在哪里都能够生存, 做什么都可以生存, 但是你要让自己有价值, <u>有点用处</u>。</p> <p>People can live anywhere, and live upon anything, but you have to make yourself valuable, and useful.</p> <p>[interview 2]</p>	<p>People can live anywhere, and live upon anything, but you have to make yourself valuable, and useful.</p> <p>人们可以在任何地方生存, 依赖于任何方式, 但是你要把自己变得有价值, <u>有用</u>。</p> <p>[interview 2]</p>

### 3.7 Conclusion

This chapter introduced the methodological design of the research in five sections. First, it focused on the philosophical design of this research. As such, it introduced the qualitative nature of the research and its philosophical and theoretical background, social constructionism and phenomenology. A list of assumptions was discussed for ‘bracketing’ the researcher’s preconceptions of the research. Second, the research approach and method were discussed, namely narrative approach and interview method. Third, data criteria and strategies of data collection were presented for interviews with Chinese immigrant entrepreneurs and Australian transnational entrepreneurs. Fourth, the method of coding and data analysis was explained. Last, a quality check was completed relevant to qualitative study and cross language application. The next chapter introduces findings from interviews with Chinese immigrant entrepreneurs and Australian transnational entrepreneurs.

## Chapter 4 Analysis and Findings

### 4.1 Introduction

The previous chapter explained the methodology, study design and data collection for this research, including 34 interviews with first generation Chinese immigrant entrepreneurs and 6 contrasting interviews with Australian transnational entrepreneurs. Following data collection, the two data sets were analyzed with consistent data analysis method and techniques, and findings are presented separately in this chapter. This chapter discusses data analysis and findings of these two different entrepreneur groups. Taking a phenomenological view, data analysis primarily focused on the first person experience and insider perspectives to explore meaning. Hence, data analysis identified what is important to Chinese immigrant entrepreneurs and Australian transnational entrepreneurs through their entrepreneurial experiences in a cross cultural context. Following a carefully designed method, this research involved thematic analysis of interviews with Chinese immigrant entrepreneurs and Australian transnational entrepreneurs.

This chapter first presents data analysis and findings for Chinese immigrant entrepreneurs. Six themes were developed from interviews with Chinese immigrant entrepreneurs, namely, **knowledge**, **interaction channel**, **settlement**, **relationship**, **transnational business activity** and **human capital**. Next, this chapter presents data analysis and findings for Australian transnational entrepreneurs. Four themes were developed from interviews with Australian transnational entrepreneurs, namely, **connection**, **involvement**, **knowledge** and **cognition**. For both groups, each theme and its sub-themes are introduced with descriptions and code examples from original data. Following descriptions, theoretical meanings of the themes are discussed, linking back to relevant theoretical concepts. In addition, relationships between different themes are explained. To conclude, this chapter discusses how the findings of this research reflect to current understanding of immigrant and transnational

entrepreneurship.

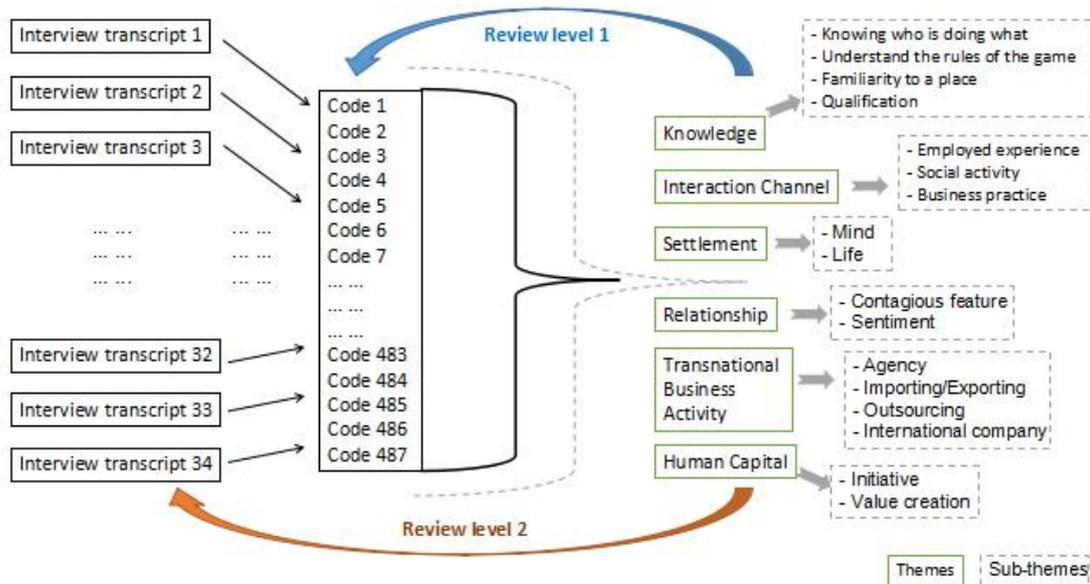
## **4.2 Analysis and Findings of Chinese Immigrant Entrepreneurs**

### **4.2.1 Analysis Process for Interviews with Chinese Immigrant Entrepreneurs**

Using a thematic analysis method, data analysis for Chinese immigrant entrepreneurs started with reading interview transcripts several times, the next step was systematic and detailed coding that resulted in developing six themes from a total of 487 codes. Review analysis of these themes was undertaken for confirmation and to ensure the themes are meaningful components grounded in data from interviews with Chinese immigrant entrepreneurs. The process of review analysis was: 1) checking each underpinning code extract (an example see table 4.1) and 2) each individual interview transcript and overall data set (34 interviews with Chinese immigrant entrepreneurs). This process involved reading through interview transcripts, memos and codes many times again. Incrementally developed familiarity with the data source helped in checking validity of themes and to develop essential meanings of themes. In addition, several sub-themes were developed under each theme to explore deeper meanings. As such, refined sub-themes illustrate why and how these themes matter to Chinese immigrant entrepreneurs in their entrepreneurial experiences through their perceptions.

Figure 4.1 shows a diagrammatic representation of thematic analysis of interview data from Chinese immigrant entrepreneurs. In figure 4.1, the black and gray arrows represent the process of developing 487 codes from 34 interview transcripts and merging into main themes (green boxes) and sub-themes (dashed gray boxes). To achieve these six themes, several levels of categories were developed in the process. These main themes are **knowledge**, **interaction channel**, **settlement**, **relationship**, **transnational business activity**, and **human capital**. Each theme includes sub-themes, for example, *life* and *mindset* are sub-themes of the theme **settlement**. The blue

arrow indicates the first level review procedure that involved checking validity of themes with each code. Table 4.1 presents an example code extract. The orange arrow demonstrates the second level review procedure which included checking meaning of themes with all interview transcripts.



**Figure 4.1** Analysis process for Chinese immigrant entrepreneur interview data

**Table 4.1** Example of code extract

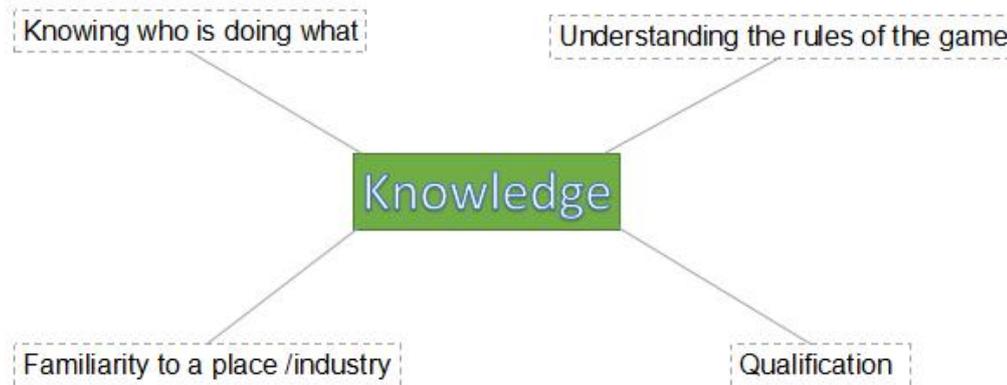
Code	“Make a change”
Interview 11	<p>公司在不同阶段，可能需要不同的人力、人才来做，也就是说如果是在三年前和今天，那么三年前我们可能更 require skills 和这个 knowledge，去做这个，如果三年之后的话，因为公司现在发展的话，其实就是说人力比较发展，如果人力不能在这上面发展的话，第一公司发展不了到一个 bottle neck，人力不再做任何大改动，如果在这个时候。</p> <p>English translation: A company may need different level of human resources when it grows at different stages. In other words, we would now require people with more skills and knowledge compare to 3 years ago. Otherwise it will affect our further development. It may leads the whole company to a bottle neck if we do not change the human resources by then.</p> <p>... 在这一块初期公司在做的时候，就是我们确实花了很多现在想想不应该花的钱，当时只是为了求好，而没有求真正的回报</p> <p>English translation: ... in the beginning of establishing the company we have spent</p>

	some money unnecessarily, we wanted the best at that time, but did not think of the return
Interview 14	<p>在那边一共做了五年，之后就想换一个环境，觉得自己经验得到了一定积累，然后就想自己出来做一点事情。</p> <p>English translation: I worked there for 5 years, and later I wanted to change the working environment since I have got some experiences, and I'd like to go out and do something else for myself.</p>
Interview 16	<p>然后后来之所以想选择放弃基于两种原因，因为当时真的特别特别累，每天都是透支的体力劳动和脑力劳动，非常非常辛苦。</p> <p>English translation: I gave up that [earlier employment] for two reasons, because I was very much exhausted, every day I was overdrawn physically and mentally, it was a lot of hard works.</p>
Interview 20 (interviewed in English)	<p>Then I thought that if I could work for a firm, do projects and make the firm profitable, why do not I make myself earning such amount of money? This was the initial thought that I started to think about making changes to my career.</p> <p>Not even before we formally started our second business, we found another business [idea] and started to introduce ourselves as the business migration agent with our old business card.</p>
Interview 22	<p>这一类的事情，即使它赚钱，我也不想做。</p> <p>English translation: I would not like to do this type of work even if it makes good money.</p>
Interview 23	<p>你看我来到澳大利亚我做的都是新生意。</p> <p>English translation: I did two brand new businesses in two unfamiliar industries.</p> <p>对不对，我没有做以前的贸易，以前是属于进出口嘛，进口，对呀，现在做的是与进口没关的行业。</p> <p>English translation: Right? I was in international trade business for years, it was about exporting and importing, but now I am doing something quite different.</p>

#### 4.2.2 Theme One - Knowledge

**Knowledge** was identified as the most important theme for Chinese immigrant entrepreneurs. However, knowledge is not limited to education and professional forms of knowledge. For first generation Chinese immigrant entrepreneurs who moved from China to Australia, knowing, particularly knowing a new

place/industry/custom/group of people well is a critical foundation for their post migrant life, career and business development. Often, this knowledge is gradually accumulated through practical experiences based on length of time spent in Australia. Figure 4.2 shows the theme of knowledge and its four sub-themes of *familiarity with a place/industry*, *qualifications*, *understanding Australian rules of the game* and *knowing who is doing what*. These four sub-themes represent four types of detailed knowledge identified as helpful to Chinese immigrant entrepreneurs. *Familiarity to a place/industry* involves general understanding about a place/industry; *qualifications* refers to credentials obtained from formal training/education; *understanding the Australian rules of the game* encompasses knowledge of business and social norms in practice; *knowing who is doing what* refers to sufficient familiarity and interactions of social networks and social connections in the local area. The following paragraphs explore these sub-themes further, with code extract examples.



**Figure 4.2** Theme one - Knowledge

*Familiarity with a place/industry* involves developing general understanding about a new place/industry for new comers as experienced in terms of initial disadvantage of ‘foreignness’ and ‘newness’ for immigrants. This natural barrier of the unknown is an

inevitable challenge for first generation Chinese immigrants to starting business and even for daily life in Australia. Further, being unfamiliar with place/industry may lead to potential risks for business decisions and performance. Despite the challenges of foreignness and newness, findings suggest that Chinese immigrant entrepreneurs are active learners with a proactive learning attitude to progressively reduce the gap between the unknown and knowledge of Australia and areas of their business interests. In this process, social networks critical resources for Chinese immigrant entrepreneurs to obtain useful information that assists them to increase familiarity and gain tacit and unstructured knowledge. For example:

*在这里我是一个外国人，所以我觉得有这个勇气去面对这个新生活是很重要的。其次是对这里要有一定的学习和了解，比如说政策法规之类的。  
[Interview 23]*

*I am a foreigner here, I feel it's important to have the courage to face a new life. Next, it is necessary to learn and know more about this country, such as rules and regulations. [Interview 23]*

*澳大利亚是我新的市场嘛，所以我是抱着学习的这种心态跟角度去切入。  
[Interview 10]*

*Australia is a new market to me, so I had a learning attitude to look at it.  
[Interview 10]*

*以前没做过贸易相关的，来到这里之后朋友带我去了解的这个行业... 它的困难就在于毕竟是一个新的行业，流程知道，可是新的行业他有很多专业性的东西，可能就要慢慢的学习。 [Interview 32]*

*I've never done international trade before, my friend introduced me into this industry after I came here... The difficulty is that it is a completely new industry, I understand the process of it, but there are a lot of professional things need to be learnt gradually. [Interview 32]*

Qualifications are a legitimate requirement and basic knowledge/skill set for immigrant entrepreneurs to enter a specific industry, particularly for those providing professional services. Obtaining a qualification involves a certain amount of time and financial investment in formal education. This research finding suggests that Chinese immigrant entrepreneurs highly value formal education and most have a university

degree. Interestingly, professional background of their initial qualifications (even obtained in Australia) may not necessarily relate to decisions of entering business, selection of business focus and quality of business operations. For example:

我大学本科学的是商法和会计的双学位，之后在移民律师事务所做了五年，积累了工作经验。然后我想离开那里并且给自己那些年的经历一个奖励，然后就学了这个学位[移民律师学位]做自己的移民律师办公室。  
[Interview 14]

*I had a double degree for business and law from university, after that I worked at an Australian law firm for 5 years to get some work experiences. When I left that company I wanted to reward myself, so I went to further study for this qualification [Diploma of Migration Law] and started my own migration consulting firm. [Interview 14]*

我大学学习的是国际贸易，学习毕竟学的是些理论知识，基础鉴于一些很成熟的一个公司系统，对... 你自己在做的时候他是一个小型公司，所接触的东西事实上，运用不到中型或大型企业的这些理念... 没有用... 但是你要是问要学习么，那当然要学习啊，因为它可以为你提供一个不同的视角看问题。 [Interview 1]

*I studied international business at university, things that we learned at university were mostly about theories, based on mature company systems, yeah... for us, we are a small business, what we are dealing cannot relate to these theories developed for medium or large corporations... not helpful... But if you ask me whether it is necessary to study, of course it is necessary, because it provides you a different angle to look at things. [Interview 1]*

我是学会计的，而且我以前的梦想是想在一个大企业里做一个白领。可是我并没有找到我想要的工作，所以后来我就开了个零售的小店。  
[Interview 3]

*I have a degree in accounting, and my dream was to be a white collar in a large corporation. But I was not able to get a job like that, so later on I just started a retail business. [Interview 3]*

*Understanding the Australian rules of the game is necessary for forming new knowledge for first generation Chinese immigrant entrepreneurs to successfully operate a business in Australia. This form of knowledge refers to understanding the social and business norms practiced in Australia. Obtaining this knowledge helps Chinese immigrant entrepreneurs develop confidence and capacity in business*

practice, particularly for those who engage with the Australian mainstream market. This knowledge comes from concrete and practical experiences, such as employment experiences, social activities and active networking in Australia. Examples are as follow:

*我在大学的时候参与了不少社团活动，得到了很多锻炼... 很重要，真的很重要，因为真的是在和别热的接触中才知道，他们[澳大利亚人]的游戏规则是什么。 [Interview 28]*

*I joined a lot of activities at the student union when I was in college. That was a good training to me... It's important, very very important, because I only really understood what their [Australians'] rule of game is after engaging with these people. [Interview 28]*

*我们现在的合作伙伴是我们曾经的竞争对手，我之前有找过他们想打好关系的，但是没人理我。后来什么时候开始打交道呢？抢他们的生意，抢到他心痛了，这个时候他尊重你了，他认为你是有本事的，在这个前提下，大家还可以谈合作。 [Interview 13]*

*My current business partner was my competitor. I tried to develop a good relationship with him at the first place, but he was not interested. So since when we became business partners? Since I got better market share than his business in the competition, and then I got his respect too, because he realized that I am very capable. This became the precondition of our cooperation. [Interview 13]*

*澳洲会看很多硬的东西，就是硬性的条件，你的资质、background、你的history... 总的来说我觉得澳洲这段经历把我培养更加独立自主，比较professional的状态去和别人谈合作。 [Interview 31]*

*Australians can be rigid, they look at hard conditions, like your qualifications, background, and historical record... overall I think my experience in Australia made me a more independent person, and be able to negotiate with people in professional manners. [Interview 31]*

Knowing who is doing what is knowledge about useful and resourceful social networks. However, this finding suggests that this form of knowledge is slightly different to 'networking' in terms of connectivity in the personal relationship, such as capacity to understand individuals and predict behaviors. This form of knowledge involves learning about individuals, groups and social norms. It also suggests the

ambiguity of networking for first generation Chinese immigrant entrepreneurs to interact with other groups of people, particularly those from another cultural background. Hence, there may be a great deal of confusion and personal effort in the process of engaging with Australian society. *Knowing who is doing what* is recognized as part of knowledge about Australia and Australians for Chinese immigrant entrepreneurs. It is a barrier and challenge when immigrant entrepreneurs do not have this knowledge, whereas, when this knowledge is obtained it may be a useful resource that assists immigrant entrepreneurs to work on different projects (e.g. transfer from an employed role to self-employed role). This knowledge comes from being engaged in projects, employment experiences and effective networking. For example:

*最困难的... 有的人说 builder license 什么的, 或者怎么面试什么的, 我觉得这些都很简单。与我来说最困难的是我能够知道这些 network, 哪些工人是一辈子是干这行的, 有些谁, 然后他们擅长于干什么, 这个就是最困难的... 他们的性格怎么样的, 他们面对面交流的时候, 他们喜欢跟什么人交流, 你给他们活的时候, 付款的时候怎么样他们才满意, 下次会回来给你干活, 这个是最困难的。 [Interview 26]*

*Some people think to get a license or pass an interview are difficult, but I think these are easy. To me the most challenging thing was to know these networks, such as who are doing what kind of jobs in this industry, who are these people, and what are their specialties, these are the most difficult... How their personalities are, what their habits are in communicate, and what payment method would satisfy them and how to ensure they will get back to ME again, these are the most difficult. [Interview 26]*

*这个 networking 和中国不一样, 它比较透明。它不是说能让你肯定办得了你的事情, 但是它能够让你减少很多, 少走很多弯路。比如说有什么事情的时候你知道你该找谁, 这个人是谁, 然后至少这个人肯去见你什么样的。 [Interview 28]*

*Networking in Australia is different from China, it is more transparent here. It does not guarantee a solution for your problem, but it reduces some hurdles, like avoiding detours. For example, you may need to know who should you looking for when you have problems, who is this person, and whether this person would like to meet you. [Interview 28]*

#### 4.2.2.1 Discussion of Theme One

The **knowledge** theme basically covers what Chinese immigrant entrepreneurs learn and understand about Australia and Australians. This understanding is an outcome of their input (time and effort) through social and business activities, and contains different types of knowledge. A theoretical concept, cultural capital, developed by influential French sociologist Piere Bourdieu (1986) is closely linked to experiential and newly developed knowledge. Cultural capital describes most non-economic resources of individuals. Originally, the term was developed by Bourdieu to understand differences in scholastic performance of children from different social classes. Bourdieu introduced three forms of cultural capital: embodied state in the form of life-long dispositions of the mind and body, objectified state in the form of cultural goods (e.g. books, pictures, instruments) and institutionalized state in the form of objectification (e.g. educational qualification) (Bourdieu 1986). Cultural capital has been applied in relation to immigrant identity and acculturation in the receiving country, yet little meaning about the change of cultural capital (Erel 2010) or how the fluid and changing nature of cultural capital impacts on particular groups of people (Sablan & Tierney 2013), such as immigrant entrepreneurs, has been uncovered.

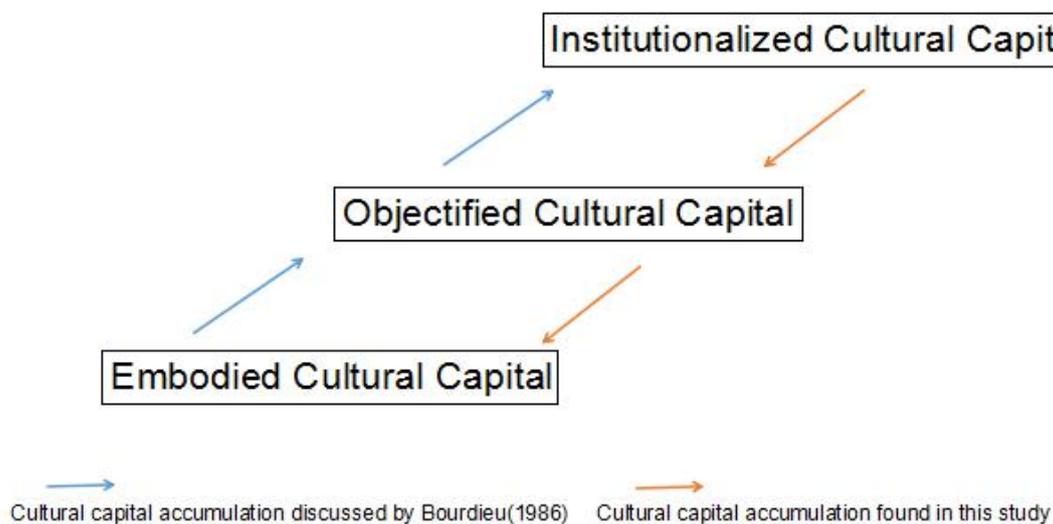
According to Bourdieu, embodied cultural capital is usually established through individuals' earliest socialization, i.e. upbringing and family education. Also, embodied cultural capital is a critical foundation/ability for individuals' subsequent socialization, such as schooling, cultural practice and family education. Disposition is implicit in embodied cultural capital, including language, way of speaking, manners, taste and other cultural traits, which may vary in different social contexts. Bourdieu (1986) explains that to some extent objectified cultural capital is also embodied, which refers to individuals' ability to appreciate and consume cultural goods, such as objects of art and machines. In this sense, objectified cultural capital comprises an individual's ability and skills in different professions and fields (e.g. arts, science,

language, technology, education, and business) to create symbolic and material value for cultural production. Institutionalized cultural capital refers to professionally and socially legitimated credentials, such as different levels of academic qualifications. Institutionalized cultural capital is dependent on the previous two types of cultural capitals (embodied cultural capital and objectified cultural capital) as these establish taste, skills, ability, and other attributes that assist individuals achieve legal and formal credential approval. Further, institutionalized cultural capital has exchange value in terms of placing oneself in a labor market. However, scarcity and need/status of the qualification varies in different social contexts and changes based on socialization. Further, Bourdieu (1986) states that capital of individuals and society are accumulated, and accumulation starts from a person's childhood and continues throughout one's life and social experience.

In this research, the theme **knowledge** indicates a process of accumulating cultural capital for immigrant entrepreneurs. This theme represents immigrant entrepreneur efforts in extending different forms of cultural capital, such as objectified cultural capital (understand the rules of game) and institutionalized cultural capital (obtaining a qualification). This cultural accumulation process involves effort in terms of learning, absorbing and application of new knowledge. In addition, Chinese immigrant entrepreneurs have clear self-awareness in society. Unlike the sequence of how children accumulate cultural capital from childhood, first generation Chinese immigrant entrepreneurs achieve a level of established cultural capital from the Chinese social context. Thus, new information and experiences may have a reverse sequence in influencing immigrant entrepreneurs, which may require consciously reflection and self-check from time to time. For example, following experiences in study, socialization or employment (institutionalized cultural capital) first generation Chinese immigrant entrepreneurs may better engage in social activity and the business market (objectified cultural capital) and this engagement may slowly change the way they think and behave in business (embodied cultural capital). However, the

knowledge accumulation process may happen subconsciously. This means that one may not realize how much his/her mindset has shifted after certain period of time. Thus, whether Chinese immigrant entrepreneurs are aware or not, they are experiencing a change of mindset.

Figure 4.3 shows the process of cultural capital accumulation. Blue arrows indicate sequences of a general cultural accumulation in Bourdieu's work, which is particularly applicable to how individuals develop cultural capitals from childhood to adulthood. However, the orange arrows represent a reversed cultural accumulation procedure, which most likely happen in adult learning of first generation Chinese immigrant entrepreneurs. For example, a formal education or purposeful learning experience influences Chinese immigrant entrepreneur skills and ability in business practice in Australia, which ultimately impacts on their cross cultural awareness.



**Figure 4.3** Process of cultural capital accumulation

It has been presented that newly developed knowledge extends overall cultural capital of first generation immigrants which enriches their individual and professional

development in the receiving country. However, unlike monetary returns in economic investment, investment in cultural capital (e.g. time, cost and effort in obtaining a degree) do not always directly leads to economic return, particularly higher wages (i.e. a business idea or business opportunity does not result usually from a university degree). Therefore, cultural capital does not seem a determinate factor of immigrant entrepreneurs starting and engaging in business activities. Instead, immigrant entrepreneurs often gain a lower level qualification (e.g. from university degree to a certification or diploma) to start a professional business, or start businesses without the need of a qualification (e.g. retail, exporting). Having said that, cultural capital that obtained by immigrant entrepreneurs may be employed and applied in business operations, social life and educating their children. Thus, experience in entrepreneurship is an opportunity to convert their cultural capital, although conversion of cultural capital to other values may vary depending on each individual's experience. Effort and investment that immigrant entrepreneurs put into higher education produce human capital, nevertheless, this investment can be a setback if their initial intention is to get a paid employment. Further discussion on this matter is presented in section 4.2.7.

Different types of knowledge that Chinese immigrant entrepreneurs develop in Australia demonstrate their participation, familiarity and connections to Australian markets and people. This finding is consistent with Brzozowski, Cucculelli and Surdej (2017) who argue that education in the host country contributes to cultural assimilation. Familiarity and newly developed knowledge is cognitive information collected by immigrant entrepreneurs, which forms their habitus. The concept of habitus overlaps with embodied cultural capital. Habitus consists of "a set of historical relations 'deposited' within individual bodies in the form of mental and corporeal schemata of perception, appreciation and action" (Bourdieu & Wacquant 1992, p. 16). Thus, habitus focuses on ways of acting, feeling, thinking and being. First, it captures how individuals carry their history, and second how they bring these

accumulated experiences and life interpretations into their present circumstances. Third, how individuals then make choices to act in certain ways and not others. Individual history refers to individuals' lifelong experiences through inherent dispositions from family background, cultural influence, social interactions, education, and professional development, etc. As habitus links the past to the present and future, it is an on-going and active process of making history with external events and episodes, other than purely an individual's own conditions. As such, habitus is embedded in, and partially formed by, the context (field) that the individuals performed within, thus, it has the attribute of duality, which enables reflection of the practiced context (field). In this research, the practice context for Chinese immigrant entrepreneurs is the receiving country - Australia. In this case, first generation Chinese immigrant entrepreneurs are active learners, with proactive attitudes to learning and consuming new information as a foundation for reflection of Australia and the Australian market. These proactive attitudes and actions form a force that changes and reshapes their original habitus.

Bourdieu (1996) defines habitus as a mechanism to ensure a reproduction or transformation, this means that habitus tends to reproduce conditions of its own production. The process of reproducing conditions may happen in an unfamiliar environment for individuals. As Reay (2004) states, habitus may generate change and transformation when encountering disjunction in new and unfamiliar context. As such, habitus is an open and flexible mental system that allows individuals to continuously intake information representing the outside world. This means that development of habitus is inseparable from practices, whether it is daily life or business practice. Findings of four knowledge types explain how immigrant entrepreneurs obtain new information and perceptions about the country of receiving, and these new perceptions are derived from practical experience regardless of cost (e.g. mistakes or misunderstanding). Most importantly, these new perceptions are not only an extension of their habitus at the conceptual level (i.e.

knowledge), but also transformation to a deeper level of cognitive thinking that will affect their continuing practices and behaviors.

Transnational entrepreneurship literature emphasizes the concept of 'bifocal habitus' which refers to the ability of some immigrant entrepreneurs to leverage resources across borders (Patel & Conklin 2009). According to Patel and Conklin (2009), this dualistic mindset distinguishes transnational entrepreneurs from other immigrant entrepreneurs not undertaking transnational business. However, the research findings suggests that immigrants' habitus comes from gradually gained knowledge through great exposure to the country of receiving; and 'bifocal habitus' may exist only after they achieve sufficient understanding about the new place. Immigrant entrepreneur habitus shows that extension of knowing is an evolving process. The ability of knowing and knowing processes may guide or constrain immigrant entrepreneur actions and behaviors, but it is not clear how 'bifocal habitus' determines transnational business activity.

Another character of transnational entrepreneurs is 'dual embeddedness', which is equivalent to accessing two social capitals at two places (home country and receiving country). The research finding suggests that immigrant entrepreneur knowledge in local social networks is part of knowledge about the receiving country, meanwhile, the interview data also show that this knowledge is helpful in dealing with practical business issues in the receiving country. This may explains why there is no clear distinction between transnational business activity and ethnic enclave business or immigrants owned business focusing on the international market (Adiguna 2012), as these knowledge are general that not lead to expertise to influence business focus and practice. Adiguna (2012) notes interconnection and interdependence between international entrepreneurship, ethnic entrepreneurship and transnational entrepreneurship, and findings of this research confirm this argument and further

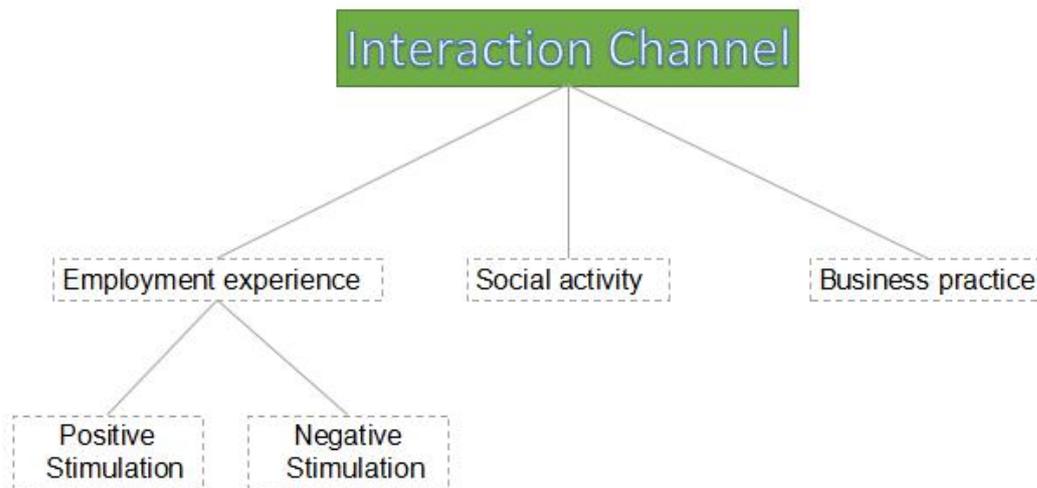
indicate that interconnection and interdependence may have common ground in immigrant entrepreneur knowledge about the receiving country and international markets. As such, this research argues that immigrant entrepreneurs who focus on markets in the receiving country and those who focus on other markets (primarily immigrant's home country) may have different degrees of dualism in *habitus* and cultural capital. More discussion about market focus is presented in chapter 5.

#### **4.2.3 Theme Two - Interaction Channel**

The **interaction channel** theme refers to several pathways that enable Chinese immigrant entrepreneurs to engage with the Australian market and Australians. It plays an important role for immigrant entrepreneurs to achieve various levels of understanding (i.e. knowledge, discussed in above section) about Australian culture, people and market. The interaction channel enables immigrant entrepreneur exposure and connectedness to Australian society and market, and further enhances their ideas and abilities for business practice. The data review process identified three different channels as sub-themes of the interaction channel theme (see figure 4.4), namely *employment experience*, *social activity* and *business practice*, with two sub-categories (positive stimulation and negative stimulation) articulated for the sub-theme employment experience.

To repeat, Figure 4.4 shows the three sub-themes of the **interaction channel** theme, including *employment experience*, *social activity* and *business practice*. *Employment experience* refers to Chinese immigrant entrepreneur prior work experiences in Australia which may have positive and negative effects on decisions of starting their own business. Social activity includes different kinds of social experiences in Australia which are fundamentally about connecting and interacting with other people. Business practice refers to entrepreneurial and business related operations and activities. The following paragraphs further explain these sub-themes, with code

examples.



**Figure 4.4** Theme two - Interaction channel

*Employment experience* is work experience prior to immigrant entrepreneurs starting their own business. *Employment experience* provides immigrants a platform to practice and enhance their professional skills and networking in specific industry, particularly for those who obtain qualifications in a relevant profession. Experience gained from employment becomes part of immigrant entrepreneur knowledge and skills that they continually apply in their own business practice. Examples are as follows:

*My current business has nothing to do with my previous work experience, but it's still good that I have enough knowledge in that area because some of my current clients are interested in property investment and they just consulted me. [Interview 20]*

*我在国内就是做这个行业的，来到澳洲之后自己做之前总共工作过三家公司。三个工作都是在一个行业，只不过是领域不一样，我就是想试试看不同的领域看有什么不同。这些经历对后来自己做来说都是起到蛮大的帮助的，知道这个行业在这边是怎么一回事，也积累了一些人脉。 [Interview 26]*

*I worked in the same industry when I was in China, and after arrived at Australia I worked for three different companies before I started my own. These three jobs were all in the same industry but are different job roles. I wanted to see what the differences are in these roles. Those experiences were very helpful for me to start my own business, from there I knew how this industry operates here, and I got some contacts. [Interview 26]*

The employment experience interaction channel provides a platform for knowledge accumulation and stimulates motivation for immigrants to start their own business. Positive or negative stimulation leads to employed work and confidence in their capabilities. For positive stimulation, immigrants gained knowledge and confidence to become an entrepreneur after leaving employment. For example:

*I worked at a local construction firm for 8 years before I started my own business. When I decided to do my own, I just thought if I could make a lot of money for others, I could do the same for myself. [Interview 20]*

*我2006年就入行了，一直在不同的老外房地产公司工作。做得很不错，经验积累了很多。当时为什么选择自己做呢，简单来说 I am simply good at it. [Interview 13]*

*I entered this industry in 2006, and I've worked at several Australian owned real estate agencies. I did very well and I accumulated a lot of experiences. So why I started my own business? Put it in a simple answer: I am simply good at it. [Interview 13]*

*我根据我的经验自己开了个小店，因为我在读书的时候打过很多工。 [Interview 3]*

*I opened a store based on my own experiences, because I had many different part time jobs when I was studying. [Interview 3]*

By contrast, negative stimulation also impacted on immigrant entrepreneur decisions, such as dissatisfaction with employment. Negative stimulation motivated immigrants to become entrepreneurs and pursue satisfaction in working style, personal achievement and monetary return. For example:

*我一毕业就在澳洲一家很大的公司做金融分析师。我的工作很好，工作环境都不错，上司也对我很照顾，但是觉得朝九晚五的工作还有在办公室对着电脑的工作，自己觉得没有太大的发展，想了一下今后五到十年在电脑前对着数字，不寒而栗。 [Interview 31]*

*I worked as a financial analyst for a large Australian company as soon as I graduated. My job was good, the working environment was good and my boss was nice to me, but the everyday 9 to 5 facing to computer work style made me feel the limitation of my future. Every time when I thought about next 5 to 10 years I have to sit there and face computer and numbers, I was feared. [Interview 31]*

*我在那边可以说中国话呢叫“二把手”，其他的東西全都是我管，后来感觉那个老板不可能成为他公司的 partner，是不可能的，所以我感觉总是做 manager 也没什么意思，在那做了7年半，也认识很多人，感觉自己出来做的话可能会好一些，所以就出来了。 [Interview 5]*

*I was almost like the “second boss” at my previous working place, I managed almost everything, but later I realized that it was impossible for me to become a business partner, so I was not interested to continue work as a manager. I worked there for 7 and half years, and I knew many people already, so I felt it might be better for me to move on and work for myself, and I did it. [Interview 5]*

Social activity refers to socializing experiences, including travel, language groups and volunteering projects. Findings of this research suggest that social activities provide opportunities for immigrants to engage with other groups (either Chinese ethnic or non-Chinese ethnic). Planned or unplanned socialization extends their experience and knowledge in and of Australia, as well as helping them develop friendship ties through mutually shared interests, emotions and experiences. Some social ties and associated incidents may critically change career development for immigrants. Some interviewees recalled:

*回头看一看，我觉得如果当时没有做话剧，我跟这个社区接触也很少，我也不可能有这个基础和动力去创业做这个公司，我可能毕业后去找工作或怎么样，所以这是非常重要的，非常有用的一个事情。 [Interview 8]*

*Now I look back, I think I would not be so deeply involved in this community if I have not done that stage show. I also could not have the foundation and motivation to start my own business, maybe I would just end up finding a job. So this experience [involving in community] was very important, very important thing. [Interview 8]*

*我跟我的合作伙伴是背包客旅游的时候认识的朋友，在 Sydney。因为我当时就是刚到 Sydney 也不是很久嘛，就认识的朋友也不多嘛。他也是才*

从爱尔兰来澳洲呢不太久。后来呢，我们就成好朋友了，每天经常一起玩啊，也有很多的共同兴趣爱好... 就这样，就顺理成章的就一起做这个。  
[Interview 30]

*My business partner and I knew each other in a backpacker trip, in Sydney. I did not have many friends because I just came to Australia. He was also newly arrived in Australia from Ireland. Later we became good friends, and hang out together every day, and we had a lot in common... So it just naturally happened that we started our company together. [Interview 30]*

*Business practice* encompasses the everyday tasks and work that business owners undertake. Some immigrant entrepreneurs in this research did not have employment experience after migration and their first job in Australia was a self-created or purchased business. Nevertheless, like employment experience, business ownership and operation usually involves daily work interactions which allows immigrant entrepreneurs to gain more understanding of Australian culture and market. This understanding contributes to their business management skills and further business development. Interviewees described their experience:

老外员工[澳大利亚员工]的动手能力很强... 很擅长和当地的客户建立良好的关系。在工作方式上会不同，他们经常会一边聊天一边工作，而我们中国人的思维则会觉得这样是没有效率的。 [Interview 17]

*My foreign employees [Australian employees] are handy... they are good at establishing good relationship with local customers. Their working style is different, they often have a chat while working, but Chinese mentality thinks this is inefficient. [Interview 17]*

我知道老外遇到事情比较直接，但是当真正被 question 到的时候也会觉得吃惊，比如现在人敲门进来说，Look，我需要 pay raise...这样的情况我都会酌情处理。只是之前年管理咱们这个中国团队来讲，没有这样的，没有一个人说我需要 pay raise，没有。 [Interview 11]

*I knew that Australians are straightforward, but when I was actually questioned I was still shocked. For example, an Australian employee knocked my door and said, "look, I need pay raise..." . I make adjustment for situations like this accordingly. It just that I've managed our Chinese team, this kind of thing never happened, no one asked me for pay raise, none. [Interview 11]*

第一家店的时候并没有特别好的规划，就是用了一个月开了个零售店。

但是当时我们开业，生意非常火爆，特别特别火爆。这让我忽然对这个市场有了一个认识，在这之后才开始有规划的扩张和设计公司系统。

[Interview 15]

*There was not a well-structured plan for my first store, it was just a retail shop that I set up in a month. But it was super popular during the opening, very, very popular. That made me realize there is a potential market for it, only after that I started business expansion and set up a company system.*

[Interview 15]

#### 4.2.3.1 Discussion about Theme Two

The immigrant entrepreneurship literature emphasizes two main types of entrepreneurial motivation: push and pull factors, also known as necessity driven and opportunity driven factors (Chrysostome 2010; Gilad & Levine 1986). Pull factors refer to immigrant entrepreneurs entering business by exploiting business opportunities, whereas, push factors refer to immigrant entrepreneurs entering business due to limited employment options in the receiving country. Another theoretical explanation, The Disadvantaged Theory (Light & Karageorgis 1994; Light 1972; Wong 1985), also highlights difficulties immigrants may have developing professional careers that lead to starting their own businesses. These theoretical explanations describe motives triggered by negative social experiences (e.g. discrimination) in the receiving country. However, they neglect positive stimulation. In contrast, various studies have identified that social-cultural factors positively influence motivation for immigrant entrepreneurship (Knight 2015; Liargovas & Skandalis 2012; Lin & Tao 2012; Urbano, Toledano and Ribeiro-Soriano 2011). For instance, Urbano, Toledano and Ribeiro-Soriano (2011) found that role models in an ethnic group encourage co-ethnics to become entrepreneurs.

This research has identified negative and positive social-cultural factors. In particular, the findings show an insider perspective of how Chinese immigrant entrepreneurs view their overall experience. Findings of the **interaction channel** theme suggest that the motivation of immigrant entrepreneurship is not an isolated incidence of

entrepreneur business decisions. Instead, immigrant entrepreneurship is a continuation of post migrant life and experience. In some cases the decision to start a business may be triggered by an unplanned incident. As such, motivation for immigrant entrepreneurship is embedded in their experiences through different interactions in the receiving country, interactions that provide information sources for immigrant entrepreneurs. Therefore, viewing entrepreneurial motivation as either opportunity or necessity driven diminishes the potential to contextualize immigrant entrepreneurship. Instead, immigrant entrepreneurial motivation is not an independent incident, but is embedded in the flow of post migration experiences and mindset changes. Thus, this research argues that it is important to consider prior and continuing immigrant experiences to understand their entrepreneurial motivation and outcomes.

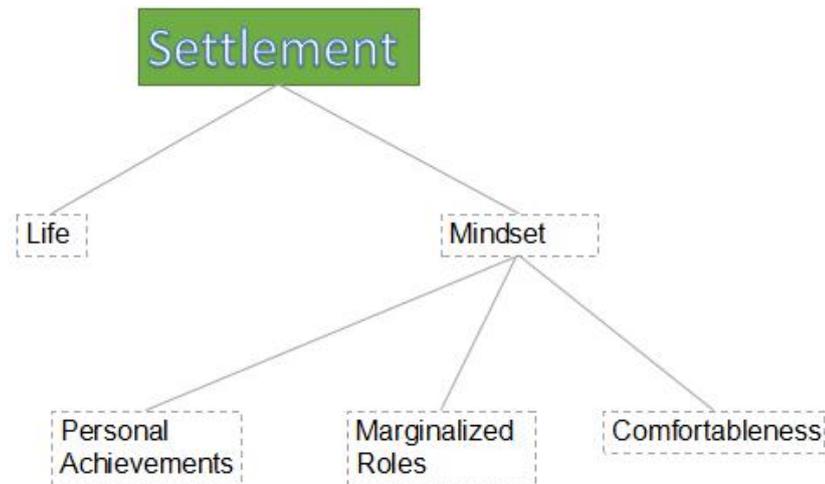
This research finding indicates that **Interaction channel** is important for first generation Chinese immigrant entrepreneurs to gain local knowledge (discussed in section 4.2.2.1) about Australia, including culture, people, customs and markets. This finding about knowledge acquisition through interaction channels is confirmation of mixed-embeddedness theory (Kloosterman & Rath 2001; Kloosterman, Van Der Leun & Rath 1999), as it suggests immigrant entrepreneurs are embedded in a wider social and institutional system in the receiving country, rather than just dwelling in the ethnic community (i.e. ethnic enclave), such as an immigrant owned small businesses may not fit into local legislation. While mixed-embeddedness theory has been criticized for ambiguity in explanation, results of this research confirm the key argument of this theory and further describe how mixed-embeddedness occurs and the implications (e.g. social connections, individual confidence in capability and business development). Furthermore, the interaction channel theme is a foundation for immigrant entrepreneurs to interact with the opportunity structure (market conditions and access to business opportunity) in the receiving country (Aldrich & Waldinger 1990). Further discussion about opportunity identification is presented in

section 4.2.7.

#### 4.2.4 Theme Three - Settlement

The **settlement** theme refers to stability and peacefulness of living status in Australia for Chinese immigrant entrepreneurs. This was an illustrative finding as settling in Australia is the primary goal of migration for immigrant entrepreneurs, regardless of entrepreneurial experiences. Settlement of immigrants in the receiving country is not a new topic in migration study, however, it has not been analyzed in relation to immigrant entrepreneurship. Findings of this research indicate it is necessary to consider immigrant settlement to understand immigrant entrepreneurship. This research identified two forms of settlement: *life* and *mindset* (see figure 4.5). Further, three sub-categories, personal achievement, marginalized roles and comfortableness, were found within the sub-theme of *mindset*.

Figure 4.5 below shows the sub-themes of settlement, including *life* and *mindset*. *Life* settlement refers to immigrants' entrepreneurial career and family establishment in the receiving country, which involves assimilation to Australian lifestyle and social order. On the other hand, settlement of *mindset* represents Chinese immigrant entrepreneur consciousness regarding work and living status in Australia, as well as the sense of being. For Chinese immigrant entrepreneurs, the settlement of mindset includes reflections and thoughts on personal achievements, marginalized roles and comfortableness. Each is discussed in the following paragraphs.



**Figure 4.5** Theme three - Settlement

Under the **settlement** theme, the sub-theme *life*, refers to settlement of life, which concerns the family unit and willingness to live in Australia. First generation Chinese immigrant entrepreneurs have a strong willingness to live in Australia and an appreciation of the stable life Australia can provide, particularly in terms of family, as interviewees stated:

我是扎根在这边的，因为我的老婆孩子都在这里。所以我也不想搬来搬去，也不想一切再重新开始。 [Interview 26]

*I am developing my root here, because my wife and kids are here. So I do not want to move to other place, to restart everything all over again. [Interview 26]*

我实在是不愿意跑来跑去的，比如我选择别的城市，我老婆还要重新找工作，可能未来几年之内我俩看不到一个很稳定的生活状态。 [Interview 16]

*I really do not want to change a place, because in that case my wife will need to find another job, and we cannot foresee a stable life in next few years. [Interview 16]*

要照顾孩子，孩子在这里读书，贸易生意的工作时间更适合我。 [Interview 32]

*I need to look after my child, she is studying here, the working hours of international trade suit me better. [Interview 32]*

Some interviewees mentioned that their families are settled in Australia while they have, or plan, to conduct business in or with China. There was no indication that life settlement directly influences immigrant entrepreneurial decisions and choices, but it appeared as a texture of their life conditions with some practical boundaries, such as stretching social capital and emotional attachment internationally (between China and Australia), for instance:

*家里的人，孩子也都在这里，适应了，他们也不可能回去... 所以我也很难回去生活了，我现在就是为了生意上的事情经常在国家之间飞。 [Interview 33]*

*My family, my kids are here, they adapt to Australia very well, and they won't go back and live in China... It's hard for me to live back to China either, so I just flight back and forth for my business. [Interview 33]*

*这边的酒厂已经开工了，我每年要在中国和澳洲之间来回飞好多次。我儿子还在这里读大学，所以我每次在澳洲也顺便照看他。 [Interview 27]*

*My winery has set up, I need to flight a lot between China and Australia. My son is studying at the university here, so I also try to look after him when I am in Australia. [Interview 27]*

*我在这里安家，但是五年内我可能要把重心放在国内，因为我父亲本身在国内有相当一部分的资源、人脉，包括他所从事的实业需要人继续经营，其实这也是我在澳大利亚缺少的。 [Interview 9]*

*I have my own family here, but I need to put my focus back to China within 5 years' time. Because my father has a lot resources and connections, and his factory need someone to take over. These are also things I do not have in Australia. [Interview 9]*

Under the settlement theme, the sub-theme *mindset*, refers to settlement of mindset, which indicates some underpinning factors of immigrant entrepreneurial motivation. The research finding suggests that for immigrant entrepreneurs a positive mindset is understood as peacefulness, acceptance and comfortableness of oneself and his/her life. While the above described settlement of life describes

Chinese immigrant entrepreneur living status, settlement of mindset explains more of the nuances between subjective feelings and motives for becoming entrepreneurs. Some immigrant entrepreneurs have a disturbed mindset about their achieved goals and are willing to discover more about different and challenging projects to arrive at further personal achievements, for example:

*十年前创业的时候话说真的你必须有一份事业来养家糊口，那现在我自己本身的东西稳稳当当做下去，小日子过的不会太差...就是觉得不甘寂寞吧...还是想干，还是想折腾...[Interview 13]*

*Back to ten years ago when I just started my own business, I needed money to make a living, but now I can make my family live comfortably by just continue this business...but I felt I did not want to stop there...I just want to do more...still want to toss the future. [Interview 13]*

*我一毕业就在澳洲一家很大的公司做金融分析师。我的工作很好，工作环境都不错，上司也对我很照顾，但是觉得朝九晚五的工作还有在办公室对着电脑的工作，自己觉得没有太大的发展，想了一下今后五到十年在电脑前对着数字，不寒而栗。[Interview 31]*

*I worked as a financial analyst for a large Australian company as soon as I graduated. My job was good, the working environment was good and my boss was nice to me, but the everyday 9 to 5 facing to computer work style made me feel the limitation of my future. Every time when I thought about next 5 to 10 years I have to face to the same computer and numbers, I was feared. [Interview 31]*

Some immigrant entrepreneurs have a disturbed mindset about their settled life in Australia. For instance, some are specifically uncomfortable with living and working at the edge of Australian society, refers to marginalized roles. They are not comfortable with some kinds of work role experiences, such as not being able to fit into mainstream society/market. In the illustration below the respondent was reflecting on working a window cleaning business in a poor neighborhood. One interviewee stated:

*我之前买了个清洁的生意，带给我的收入也不错，但是它给我一个很大的打击。当时我最大的感触是这一类的事情，即使它赚钱，我也不想做。[Interview 22]*

*I bought a contract for cleaning business, and it was good in terms of return, but it also gave me a big shock. I think I do not want this sort of business even it is profitable. [Interview 22]*

Another referred to doing work that others did not want:

*我一直在想这个问题... 如果在这里做着别人不想做的事情, 难道就是幸福快乐的? ... 是的, 经济上我们是可以自给自足的, 但是生活在这却会让我觉得我们不重要。 [Interview 9]*

*I've been thinking about this for some time... Am I living in a happy life if I am only taking on things that others don't want? ... Yes, financial side we are already self-sufficient, but living here makes me feel not important. [Interview 9]*

On the other hand, some Chinese immigrant entrepreneurs expressed that they are unsatisfied with the extent of comfortableness, as some interviewee stated:

*我就要回国找找生意了, 在澳洲生活十年了, 日子可以过下去, 可是我开始觉得我如果就一直在这儿稳稳当当一辈子就开个小店, 实在太亏了。 [Interview 3]*

*I will soon go back China and look for business opportunities there. I lived in Australia for 10 years, I can still live here, but I started to feel pity that wasting my life in just steadily running retail stores here. [Interview 3]*

*在这儿(澳大利亚)如果不做点事情[生意], 要干什么呢? 拿救济金么? [Interview 17]*

*What should life be if I do not do something [business] in Australia? Get central link? [Interview 17]*

*从一个中国老板到这种澳洲小生意老板角色转变的挑战很大, 像我说的我过不了自己那一关, 所以忧郁症嘛... 我觉得财务方面对我没有那么大的压力跟那种渴望, 但是我觉得个人的那种快乐吧, 满足吧是最重要的。 [Interview 10]*

*It's very challenging to transit from a big boss in China to a small business owner in Australia, like I said I could not easily accept it, so I had depression... I was not stressed financially or desired money, I think it was about feeling happy and being satisfied about myself. [Interview 10]*

#### **4.2.4.1 Discussion about Theme Three**

Settlement of *life* has always been a focus in migration study with discussion mainly about immigrant cultural assimilation and economic adaptation in the receiving

country. Cultural adaptation refers to how well immigrants adapt and assimilate to the culture of the receiving country and economic adaptation refers to how immigrants make a living (e.g. wage employment and ethnic enclave) in the receiving country (Gibson 2001; Lin & Tao 2012; Portes & Sensenbrenner 1993; Wilson & Portes 1980). Instead of describing how immigrants adjust to the receiving country, the research findings about *life* settlement uncover a series of social-cultural values held first generation immigrants, such as intention of settling, bond with, and care for, family members and lifestyle choice. In this research, these social-cultural values form the texture of Chinese immigrant entrepreneur life in and between Australia and China. Meanwhile, immigrant entrepreneurs take social-cultural values into account in describing who they are and why they do certain things instead of only diving into hard work for surviving purpose, such as working in poor neighborhood with large numbers of unemployed people living on welfare. This often gave rise to ambivalent feelings about their own relative advantage while having to work long hours.

In addition, *life* settlement is a feature of Chinese immigrant entrepreneur post migration life that contains maintenance of transnational ties (primarily family and friends) and options for personal living style. This feature indicates the possibility of Chinese immigrant entrepreneur movement between China and Australia which is international mobility also known as necessary action/ability for transnational entrepreneurs (Portes, Guarnizo & Haller 2002) and transnationalism (Schiller, Basch & Blanc-Szanton 1992). International mobility rebuts the argument of necessity driven entrepreneurship for first generation Chinese immigrant entrepreneurs as they have the option of returning to the home country where their cultural and social resources are based. Therefore, the possibility of multiple options suggests that, unlike the situation in Australia a century ago, contemporary Chinese immigrant entrepreneurs are not confined to following the limited opportunities of previous migrants as the country is now more diverse as an economy. As such, the more

recent Chinese immigrant entrepreneurs are not just driven by necessity of survival, but also other factors, such as profitable opportunities, self-actualization and lifestyles.

Settlement of *mindset* is a new insight not captured in previous immigrant entrepreneurship studies. It indicates complex feelings of Chinese immigrant entrepreneurs regarding living and conducting business in Australia. Some of these feelings may play critical roles in life and business decisions. The research applies the term 'disturbed mindset' to describe the inner struggles of some first generation Chinese immigrant entrepreneurs, which could be a reflection of their overall experiences and transformation of social roles. Further, some immigrant entrepreneurs achieved profits margin by focusing on a labor intensive industry and relying on ethnic resources (i.e. employees and market) or marginalized industries abandoned by the mainstream, but further business development is still challenging.

The research finding confirms a study by Ram and Hillin (1994) that found few ethnic minority businesses achieve successful break-out through suitable business strategies and institutional supports. In this case, exploration of immigrant entrepreneur disturbed mindset is confirmation of The Disadvantaged Theory which describes immigrant entrepreneurs as a disadvantaged group due to limited opportunities for career development (i.e. career ceiling) and business choices in the receiving country. However, although The Disadvantaged Theory illustrates immigrant struggles in the receiving country, it does not uncover immigrant entrepreneur insights, such as inner motivation. The finding of disturbed mindset uncovers an insider view of Chinese immigrant entrepreneurs and indicates a deep degree of self-awareness and consciousness of anxiety. Anxiety surfaces in questions about their migration life, things they are doing and the meaning of them.

It is an important finding that Chinese immigrant entrepreneur interviewees are anxious about comfortableness and 'not doing much'. In immigrant entrepreneurship literature, immigrants are often considered hardworking and diligent as they have to overcome difficulties and make a future in the receiving country. Basu and Altinay (2002) found that immigrant entrepreneurial behaviors are influenced by their original culture, and immigrant entrepreneurs are motivated by a desire to be independent and gain of control over their lives. While confirming the findings of Basu and Altinay (2002), the research findings further suggest there are specific cultural and inner motives influencing immigrant entrepreneur attitudes which are not explained by existing theories. Following the methodological logic of phenomenology, this research aimed to discover the essence of the phenomenon, hence, to explore underlying meaning of the findings. The commonality of 'restlessness' for first generation Chinese immigrant entrepreneurs indicates shared and collective cultural motives for these individuals' mindsets and behaviors. From this perspective, first generation Chinese immigrant entrepreneurs retain a strong habitual mentality with some ancient Chinese values of Confucianism.

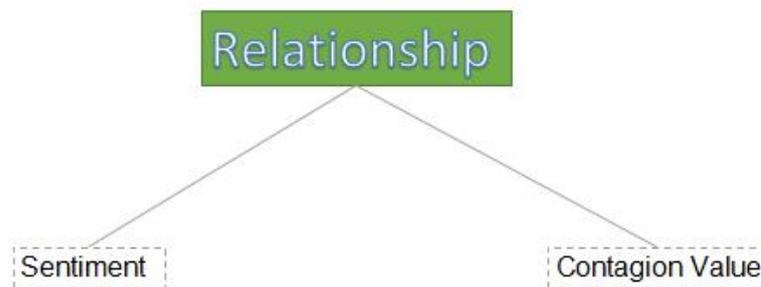
Confucianism experienced a very long and chronological theory building by various philosophers from the pre-imperial era until the most recent 150 years of Chinese history (Angle 2017). This long history of Confucianism development and its role in the Chinese politic system ensured this philosophical and value system has great impacts on Chinese culture and a large proportion of the Chinese population. Unlike western philosophies, Confucianism does not focus on metaphysical topics. Rather, it includes philosophical and moral discussions on a wide range of practical topics, from individual behaviors, family relationships, morality and harmony of a society to national politics (Angle 2017). Hence, instead of proposing the ontological question of 'what is being?', Confucianism tried to answer 'how to be?' through a structured and disciplined self-cultivation in terms of fulfilling the being of individuals and their roles in the social structure (Littlejohn n.d.).

There are dense and controversial philosophical thoughts in Confucianism. The research pitches one specific angle of Confucianism regarding individual behaviors. The finding concerning settlement of *mindset* indicates strong linkages between Chinese immigrant life and entrepreneurial attitude to a particular Confucianism philosophical concept for individual behavior guidelines, *ShenDu* - 慎独 (Rošker 2014). The concept of *ShenDu* was originally discussed in the “Doctrine of the Mean” (中庸), one of the most fundamental works of Confucianism. It provides advice for how to be a respectful and ideal person in practice and provides a guideline for one to achieve a lofty sentiment of oneself. *ShenDu* describes a need to strive for the qualities of self-discipline, ceaseless self-development and social commitment. These guidelines for ‘being a respectful and ideal person’, developed more than two thousand years ago, have been a precious cultural and educational resource for most Chinese people. As such, these ideals are a collectively shared mentality and behavioral governance for many Chinese people, whether they live in China or elsewhere.

First generation Chinese immigrant entrepreneurs have deep rooted cultural values inherited from the home country that inform their transnationalism on both spiritual and practical levels. Some studies suggest that immigrant transnationalism occurs with cultural practice, such as religious, home visits, music groups and cultural events (Portes 2003; Portes, Guarnizo & Landolt 1999). However, the research findings suggest that inherited, and often subconsciously rooted, cultural values do not necessarily associate with symbolic cultural practice. Instead, non-symbolic cultural practice could subconsciously exist and influence perceptions to objects and events. Therefore, subconsciously embedded cultural values of immigrant entrepreneurs is part of their existing habitus (individual’s everyday habitual practices and assumptions in context of a particular social environment) and embodied cultural capital (long lasting disposition of mindset and body). Both habitual and cultural capital were discussed in section 4.2.2.1.

#### 4.2.5 Theme Four - Relationship

**Relationship** was found to be an important part of the Chinese immigrant entrepreneurial experience and emerged as a theme in this research. The word **relationship** was chosen for this theme for two reasons: first, it describes connections between people including social networks across geographic distance (i.e. transnational ties); second, it emphasizes the quality of social networks regardless of capitalized value (i.e. social capital). There are two sub-themes that frame the content of this theme (see figure 4.6), namely, *sentiment* and *contagion value*. *Sentiment* refers to a bundle of feelings between individuals through their social interactions, while *contagion value* refers to social network functions in information distribution and network extension.



**Figure 4.6** Theme four - Relationship

The sub-theme of *sentiment* includes several emotional elements, such as loyalty, trust and sympathy. These elements are usually shared feelings that connect and bind people to strong and cohesive networks, groups and community beyond the division of ethnicity. This bundle of *sentiment* emotional elements appears in all types of relationships, such as relationships with customers, employees, business

partners and friends. Emotional *sentiments* are hidden in social interactions, which become a potential supportive resource for immigrant entrepreneurs in different ways. Some interviewees stated:

*说实话，我真的很感谢我的第一个大客户的帮助... 因为我的公司历史很短，没有什么优势... 当时跟我对接的这个项目负责人非常投机、很愿意帮助我，尝试给我们那个机会。 [Interview 28]*

*Frankly speaking, I really appreciate the help offered by my first big client... Because my company had a short history and with little competitive advantage... the project manager was so sympathetic and willing to help us, and offered us that opportunity. [Interview 28]*

*我和我的合作伙伴是背包客旅行的时候认识的，他是爱尔兰人。当时创业的时候我们都没有什么钱，所有能够投入到这个创业想法里的东西就是自己和自己的时间。他后来找了一份全职工作，白天他去工作，我在家里做我们的项目，晚上他下班回来跟我一起做这个项目。当时他把他的工资的一半都给我来支持这个项目，我们就这样度过了头两年。 [Interview 30]*

*My business partner and I knew each other through a backpacker trip, he is an Irish. We did not have money when we started this project; all our inputs were ourselves and our time. He then found a job, during the day time, he went to work and I did our project at home, he would join me after work. At that time he gave me half of his annual salary to support me and our project. That was how we went through the first two years. [Interview 30]*

*有的时候就是会有一些突发的事情需要晚五分钟或者十分钟下班，但中国工会相对理解一些，会负责的把事情做完。 [Interview 15]*

*Sometimes there are unexpected things happen and delay 5 or 10 minutes of finishing, Chinese employees show more understanding, and usually they would take the responsibility to finish the work. [Interview 15]*

*Contagion value* is a sub-theme of relationship that presents the fundamental function of social networks and networking. It includes referrals, extension of personal trust, obtaining and transmission of information (i.e. learning cultural difference). Following are coded examples:

*我没怎么做过广告，大部分人都是别人介绍来的，要么就是以前的客户，要么就是朋友之类的。 [Interview 14]*

*I have not done much advertising and marketing, most of my clients are referrals, either through my previous clients, or friends. [Interview 14]*

*其实我的大部分客户是印度人... 我觉得很好, 因为如果他们的朋友介绍他们来的, 他们会很信任你。 [Interview 5]*

*Actually most of my clients are Indians... It's good because they trust me a lot if they come through their friends. [Interview 5]*

*这种文化的不同和语言的障碍会产生难题... 但是你可以雇用本土的员工的本土知识, 去弥补这一块的东西。 [Interview 30]*

*The cultural difference and language barrier can be a problem... But you can make up it through local employees' knowledge. [Interview 30]*

This research found that the *contagion value* of networks is not limited by geographic distance, as it can be as effective locally and internationally (i.e. transnational ties). Moreover, *sentiment* (discussed above) can be interlinked to *contagion value*, thus, helping to stretch connection and trust to further networks, even across borders. Geographic distance does not dilute bounded relationships; instead, these relationships can have strong influences internationally and remain helpful across borders.

*我在中国做了二十多年的红酒生意了, 一直是跟法国做。之所以来到澳洲做是这么一事情, 我有一个很好朋友的大姐很久之前在这里买了一个酒庄, 但是经营的不好, 不懂嘛, 根本不会经营。几年前她找到我请我帮助她经营这个酒庄。那是 5,6 年前了。我那个时候我才知道哦, 澳洲还有红酒。 [Interview 27]*

*I've been doing wine business in China more than 20 years, mainly importing from France. It's a long story about why I came to Australia for business... My very good friend's sister bought a vineyard in Australia long time ago, but it was a disaster because she had no idea how to manage it. Few years ago, she came to me and ask for help. That was about 6 years ago, and that was the first time I knew Australia produces wine. [Interview 27]*

*我觉得在国内创业的话还挺难的... 你要看看你现有的人际网络里有没有能够帮到你的人, 我觉得会省力很多。 [Interview 31]*

*Doing start up is difficult in China.... You have to see whether there is anyone can help you in your existing networks which can save a lot of energy.*

[Interview 31]

最近我有一些亲戚朋友托我给他们买澳大利亚的东西。我看到很多人在做代购，所以我也想尝试一下，想看看能不能赚点钱么。 [Interview 7]

*I have many relatives and friends in China ask to purchase things for them in Australia. I see there are many people doing 'Dai gou', so I'd like to try it too, see whether I can make some money. [Interview 7]*

#### 4.2.5.1 Discussion about Theme Four

Previous studies often distinguish immigrant entrepreneur social networks into two groups - ethnic and non-ethnic (Bonacich 1973; Modell 1977; Aldrich & Waldinger 1990; Wilson & Portes 1980). Further, Ethnic Middleman Theory (Bonacich 1973) describes a group of immigrants taking a middleman role while they access ethnic and non-ethnic resources. This theory, developed 40 years ago, sketches a common commercial role for immigrant entrepreneurs at that time and before scholarly observation. Despite changes due to globalization and the problematic perspective of simplistically analyzing social resources by division of ethnicity groups, the two types of resources (ethnic and non-ethnic) and later application do not explain anything more than identifying difference of races.

The usefulness of social networks is discussed in terms of international scope and transnational business activities (Saxenian 2002, 2005). Despite describing benefits of transnational social networks, these studies do not contextualize the relationship within these social ties. The **relationship** theme identified in the research suggests that well connected relationships with shared *sentiments* make social connections supportive resources for immigrant entrepreneurs. In addition, all relationships have *contagion value* which is a fundamental function of relationships enabling network extension and influence on others (Burt 1997, 2000). Hence, the research findings about **relationship** (*sentiments* and *contagion value*) illustrate how subjects are connected, which also explains why and how network and social ties become

resources regardless of ethnic difference and geographic distance.

As relationships are part of the texture of immigrant entrepreneur life and are accumulated through interactions and experiences, it may be unrealistic to predict much from existing social relations. Relationships play a supportive role, rather than decisive role, in entrepreneurial activities. Additionally, some informal business assistance (Kloosterman, Rusinovic & Yeboah 2016) tend to happen too, such as family members work in the business to help out, self-funding projects and voluntary help from friendship ties. Such informal business assistance is useful social capital benefiting immigrant entrepreneurs by reducing transaction costs and risks. When the property of social capital was discussed with the value of social norms (mutual benefits, reciprocity, expectations and return) in a closure network (Coleman 1988), social capital became a concept constructed and associated with rationality and economic value (Woolcock 1998). However, the **relationship** theme identified in the research suggests this capitalized description of social capital ignores the human aspect of relationships that may not necessarily be based on purposeful and rational thinking and planning.

The research findings about **relationship** confirm the critical roles of social and symbolic ties in linking networks and sourcing resources in a transnational context (Brzozowski, Cucculelli & Surdej 2014, 2017). Faist (2000) discusses three types of transnational social spaces created by international migration and points out that social and symbolic ties are useful linkages to transfer resources transnationally. Faist (2000b) discusses social and symbolic ties as a joined concept. This author states that resources inherent in these ties are difficult to transfer from one country to another (though this is less applicable to symbolic ties) and they are important mechanisms in mobilizing other types of capital too. This argument is particularly compelling to describe resourceful individuals and networks and how they can be connected and

mobilized across borders. Meanwhile, Faist (2000a, 2000b) also states that race difference (symbolic value of ethnicity) is the major symbolic tie grouping immigrant entrepreneurs, as well as inevitably distinguishing immigrant entrepreneurs from the mainstream in the receiving country. However, the concept of symbolic ties does not explain how inherent and transfer resources within these ties enable immigrants to become entrepreneurs, particularly for nascent entrepreneurs with limited resources. Thus, the research findings about **relationship** and its two sub-themes (*sentiments* and *contagion value*) describe emotional connections and the fundamental function of relationship, which provides explanation of how resources are developed from new relationships, particularly beyond 'symbolic ties'.

#### **4.2.6 Theme Five - Transnational Business Activity**

The theme **transnational business activity** uncovered in interview data has different forms that indicate various levels of transnational involvement. From data analyzed in this research, not all immigrant businesses have transnational features, but those with transnational features fall into four different types (see figure 4.7): *agency*, *importing and exporting*, *outsourcing* and *international company*. Usually these different forms of transnational business activity are organically developed depending on the focus of the business and chosen strategies. As figure 4.7 shows, *agency* refers to agents that play a middleman role, *importing/exporting* refers to international trade activities, *outsourcing* refers to allocating tasks in an offshore market and *international company* refers to setting up international offices and operating business internationally.



**Figure 4.7** Theme five - Transnational business activity

Under the theme of **transnational business activity** the *agency* sub-theme describes the broker role of introducing supply and demand markets within Australia or transnationally (between Australia and China). Often an introduction is needed between Chinese ethnic consumers and Australian local suppliers. In addition, co-ethnic consumers are based in Australian or China. For example:

*我们根据客户想要的口味去帮他们找红酒... 同时我们也想通过积攒更多客户来压低跟酒庄谈判的筹码... 我的客户都是中国人，他们在悉尼，墨尔本，或者中国。 [Interview 12]*

*We look for wines based on what customers required for... At the same time we'd like to have more bargaining chips, larger number of customers helps us negotiate with wineries... All my customers are Chinese, they are based in Sydney, Melbourne, and China. [Interview 12]*

*我一直做教育中介这一块也有十年了,业务主要是帮助在澳洲和国内的中国学生申请他们想要读的大学... 也是最近接触到越来越多的雇主和媒体资源,加上看到的这边的社会需求,我就开始尝试做人力资源,帮助华人企业的雇主找合适的雇员。 [Interview 22]*

*I've been an education agent for 10 years, mainly providing service to assist Chinese students apply for universities... It only just recently I got in touch with some media companies and employers, plus seeing the needs in society,*

*so I started to work on human resources, to help Chinese employers to recruit suitable employees. [Interview 22]*

Some businesses are involved in *importing and exporting* or activities of facilitating these international businesses.

*我们在澳洲主要是办公室和仓储, 然后每个州都有一个 sales... 国内的话主要是通过参加广交会, 然后看上喜欢了, 找工厂做。 [Interview 29]*

*We have office and warehouse in Australia, and we have sales person in each state... About China, we mainly go to exhibitions and if we like any product, we will find manufacturers in China. [Interview 29]*

*我们就是在帮助澳洲做他们的教育出口, 所以我们是一个 FACILITATOR 的角色。我们的作用就是帮助中国的学生和市场了解澳大利亚。 [Interview 28]*

*We are basically helping Australian institutes to exporting their education, so we play a role like a facilitator, and our main function is to help students in China to understand how Australia is. [Interview 29]*

Some businesses are *outsourcing* from China to reduce costs of doing business onshore in Australia.

*我们两个办公室, 在阿德莱德有一个办公室, 然后在中国有一个办公室, 中国这个公司的话没有对外经营业务, 就是全给我们这边做设计、排版和一些印刷服务做的。 [Interview 8]*

*We have two offices, one is in Adelaide, and another is based in China. The only job that China office does is servicing the Australia office by provide designing, editing and printing work. [Interview 8]*

*我的销售在澳洲各个州, 我在国内有自己的工厂给我生产。 [Interview 18]*

*My sales market is in Australia, all states, I have my own factory in China does all manufacturing work. [Interview 18]*

Additionally, some businesses are *international companies* with an international market focus (such as China and other countries).

*我们也是在看不同国家对我们这个服务的接受度和不同市场的潜力... 我们起步于澳洲, 但是也在慢慢进入其他国家的市场, 比如说美国、新加坡, 还有中国... 我们现在在澳大利亚有 12 名员工, 上海 6 个, 新加坡 2 个, 旧金山 5 个。 [Interview 30]*

*We are looking at the acceptance and potentials of different markets internationally. We started from Australia, and slowly enter the international market, like America, Singapore, and China... We now have 12 employees in Australia, 6 in Shanghai, 2 in Singapore, and 5 in San Francisco. [Interview 30]*

*我们开始的时候是一个贸易型的公司，我们有自己的设计，但是没有工厂，没有实体，后来我们发展以后又买了地，建工厂，有了自己的实体，所以有这个发展的基础吧... 我现在经常在各个国家飞来飞去，我们的客户基本上是在发达国家。 [Interview 33]*

*My company was an exporting company when I started it, we had our own designs but we did not have factory. After we made some progresses, we bought lands, set up a factory, and that became a foundation of further development... I often travel overseas to different countries, because most of our clients are based in developed countries. [Interview 33]*

#### **4.2.6.1 Discussion about Theme Five**

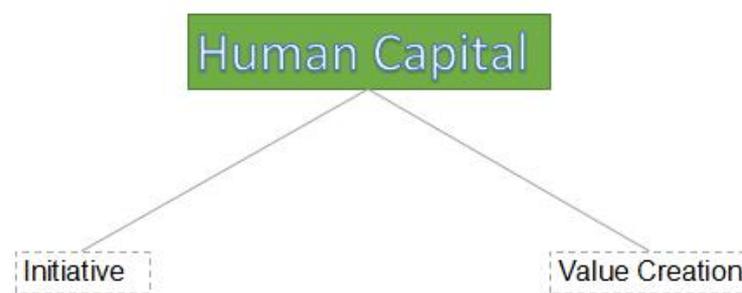
Different forms of **transnational business activity** have been thoroughly discussed in international business literature, such as internationalization strategy. Although international business literature does not focus on immigrant entrepreneurship and their home country, studies find that immigrant effects impact business internationalization through acquiring overseas knowledge (Enderwick & Tung 2011) and social networks (Chung & Tung 2013). Findings of this research confirm that immigrant effects, including their knowledge in language and culture, assist them in conducting business between Australia and China, but cultural knowledge and social network connections that Chinese immigrants share do not determine which businesses conduct transnational activities and which do not. This suggests that the form of immigrant owned business depends on business focus and business needs. Hence, whether the business is transnational or not, and degree of transnational business activity, most likely follow the central concerns of business itself, such as business focus (e.g. consulting, media, retail, high-tech) and strategies (e.g. cost saving, expanding market, introducing new technology). Thus, the form of business is an outcome of business development, and the transnational involvement depends

on business strategy. Moreover, immigrant entrepreneurs are middlemen between nations in one way or another because they introduce, explore and exploit resources to suit business needs. In addition, the research findings suggest that immigrants inherit transnational linkage and their participation in transnationalism does not seem to be a determinant condition for transnational business activity. As discussed in previous themes, transnationalism is a feature of immigrant life that presents a potential resource pool with various linkages across nations (e.g. culture, language, social ties). While first generation immigrants have transnational linkages, few engage in entrepreneurship, particularly with transnational activities. On the other hand, some immigrants are deeply engaged in transnational activities (e.g. cultural celebration, home visit, voting) that are not related to entrepreneurial activity or business operation.

The finding of different forms of **transnational business activity** in this research suggests it could be problematic to make a clear distinction between immigrant owned businesses focusing on ethnic enclave and international markets because transnational business activity is one facet of immigrant owned businesses. For instance, an immigrant entrepreneur may own a business operating in the Chinese ethnic enclave in Australia (e.g. Chinatown) and simultaneously run another business transnationally dealing with China. Further, some immigrant owned businesses are not only transnational, but also have an international focus. For instance, international business operation is a business development and expansion strategy. As such, the form of business (i.e. domestic, transnational or international) is not the primary concern for immigrant entrepreneurs to develop a successful business. Instead, the form of business is an outcome of business creation (further discussion of business forms is presented in chapter 5). Having said that, what matters to business creation and development is immigrant entrepreneurs' human capital (for details see the following section).

#### 4.2.7 Theme Six - Human Capital

The **human capital** theme refers to the series of cognitive and executive capabilities of Chinese immigrant entrepreneurs that enable them to interact with potential opportunities. This theme was essential for well-established businesses owned by Chinese immigrant entrepreneurs and it explains why and how some Chinese immigrants commit to business with persistent performance while others do not. More importantly, the human capital theme indicates the process of business practices between Chinese immigrant entrepreneurs and market (domestic or international). These business practices include forming ideas, analyzing markets, initiating projects, setting up business and designing and delivering new products. This process may include experiences of failure, however, immigrant entrepreneurs manage to conquer risks and recover from failure to achieve a successful business. The success of business is relative and depends on whether the individual is satisfied with the business. Nevertheless, to achieve a relatively successful business requires stable and impactful personal capacity. This capacity is represented as **human capital** in this research and it is a rare character that was articulated by some Chinese immigrant entrepreneur interviewees. Two sub-themes were further developed to describe **human capital** (see figure 4.8), namely, *initiative* and *value creation*.



**Figure 4.8** Theme six - Human capital

Under the theme **human capital**, the *initiative* sub-theme refers to intentions and actions of Chinese immigrant entrepreneurs in seeking, identifying and developing business opportunities. Initiative is a continuation of series behaviors, such as market analysis, opportunity identification, risk taking and exploiting opportunities. The essence of *initiative* is a proactive and keep going attitude that Chinese immigrant entrepreneurs have when they engage in business activities and markets. Thus, *initiative* is not an isolated intention or action within a short period of time, it is a continuing motive in immigrant entrepreneurial thoughts and actions that is embedded in business practice. The following interviewees stated:

*我们也是一步步在考虑，这个事情该怎么做，有风险，但是我说的，一个生意，天时地利人和都有的情况下，再不去做，有点可惜。 [Interview 13]*

*We've been thinking about it step by step, how should we do this project? It is risky, but I think it is quite a pity to not taking actions when a project looks promising from all aspects. [Interview 13]*

*...来到这里后我就一直在找项目... 可是我尝试过7个项目，都失败了，我当时很抑郁...后来我就努力调整我自己的状态... 直到后来发现了在这里的留学生们有一个这样的需求。 [Interview 10]*

*...As soon as I came here I kept looking for projects... I have tried 7 projects but all failed, I was so depressed.... After that I tried to change myself... until I found the need of these international students. [Interview 10]*

*这个并不是我们开发出来的吧，实际上我们是被市场选择出来的，一开始有客户问我们愿不愿意做这个、做那个，我们从简单入手，慢慢寻找一些机会...然后发现了更大的市场。 [Interview 16]*

*We did not develop this market; actually we were selected by the market. When some customers asked us whether we could do this and that, we tried to start from simple things, and find some opportunities...then found a bigger opportunity. [Interview 16]*

The *value creation* sub-theme of initiative refers to inputs and outputs that Chinese immigrant entrepreneurs develop in business practice. *Value creation* encompasses not only monetary value that immigrant entrepreneurs generate for themselves, but

also value adding to the market and customers. *Value creation* occurs in the forms of establishing new businesses or developing new products that respond to market needs. As such, the process and outcomes of *value creation* highlight that immigrant entrepreneurs have the ability to combine and re-combine resources. Additionally, what makes *value creation* different to the above discussed *initiative* sub-theme is the effective change that Chinese immigrant entrepreneurs deliver to customers and market. Interviewees stated:

这个行业非常大的，但是就是说有不同的 *competitor* 进来，那就是谁能留，谁被淘汰，取决于 *individual operator*，我始终这样认为...那对于我们来讲我们现在要做什么，那就是出新品，出新品到底符不符合市场需求呢，这个其实就是一个 *market research*，一个 *trial* 的一个过程...[Interview 11]

*This is a big industry, means that there are many competitors enter, so it depends on the individual operator that who can leave, who can stay, I always think so... So what we supposed to do now is to create new product, and whether the new product could be accepted by the market is a trial process and market research... [Interview 11]*

... 当时的想法就是在澳洲有这么多的热爱艺术的人想做艺术相关的事情却没有钱又没有渠道来钱，那么我们如何才能创造出来一种方式解决这个问题。 [Interview 30]

... *Our idea was to solve a problem in the Australian arts market where so many artists would like to do arts work but they have no money or nowhere to get money. [Interview 30]*

那么我现在侧重开发的而一个产品是,对这个产品我做了大概两年的调研。首先这个市场是一个空白，因为澳大利亚市场上的相关产品没有此类技术。我选了一个最先进的加拿大生产的技术在中国由自己的工厂加工生产，并且在澳大利亚注册了知识产权。我的这个产品在这里非常的受欢迎，并且非常方便使用。这个产品并且解决了对客户来说一个很重要的问题，而且很大的价格优势。 [Interview 18]

*I spent 2 years on researching and developing a new product. First of all, the Australian market does not have same product and similar technique. I chose the Canadian technique and manufacture it in my factory based in China, and I registered the IP in Australia. My product is quite popular here, and it's easy to use. It solves an important problem for customers, and it has advantage on price. [Interview 18]*

#### 4.2.7.1 Discussion about Theme Six

The concept of **human capital** has been extensively discussed from an economic perspective and is considered a critical element in achieving productivity, economic return, quality of life and social reproduction (Becker 1964; Mincer 1974; Schultz 1959). For instance, a university graduate is expected to earn a higher salary than someone without a degree. This means that what makes **human capital** distinctive is the essential value of human knowledge and skills. Hence, education and training nurture this asset as knowledge is obtained by a large population and ordinary people. As such, education and training experiences are a valuable investment for obtaining and utilizing human capital for career development and life security. Education itself has not been found to be directly relevant to immigrant entrepreneurial experience in this research, although Chinese immigrant entrepreneur interviewees in this research did tend to invest in education (see section 4.2.2).

Analysis of interview data in this research showed that knowledge and ability in applying knowledge and resources is important. Thus, the **human capital** theme is a new insight for study of immigrant entrepreneurship as previous literature mostly focused on social-cultural factors rather than individual knowledge and resources. Aldrich and Waldinger (1990) propose The Interactive Model to argue that ethnic business is no different from other businesses because ethnic entrepreneurs still need access to opportunity, resources and business strategy. These authors point out the importance of accessing opportunity structure. However, findings about **human capital** in this research highlight how immigrant entrepreneurs interact with the opportunity structure. The concept of *initiative*, as a sub-theme of **human capital**, indicates a willingness to seek and create business opportunities. While immigrant entrepreneurs experience a series of trying and failing, eventually successful *value creation* emerges for some entrepreneurs. This means that entrepreneurial opportunity is not only found in markets, but is rather an entrepreneurial perception of market assessments based on thorough understanding of market and consumers.

Deep understanding about a market is inseparable from practical knowledge developed through experience, which is part of interactions (see section 4.2.3) experienced by immigrant entrepreneurs.

**Human capital** accessed by immigrant entrepreneurs and how this affects entrepreneurship has been surprisingly overlooked in literature of immigrant entrepreneurship. This research found that **human capital** enables immigrant entrepreneurs to seize business opportunities and build a successful business. Findings of this research also suggest that human capital varies from person to person. *Initiative* within human capital is an outstanding characteristic of immigrant entrepreneurs and relates to settlement of *mindset* (sub-theme of the **settlement** theme). As section 4.2.4.1 discussed, settlement of *mindset* is a cognitive status to keep pursuing business entrepreneurship which represents cultural values the ancient Chinese philosophy and culture. In this sense, this restless character of Chinese immigrant entrepreneurs and their *initiative* in searching for opportunities could also be considered embodied cultural capital (see section 4.2.2.1) developed from childhood, family education and cultural influence (Bourdieu 1986).

*Initiative*, as identified in this research, may indicate that Chinese immigrants are hard-working and make unceasing effort to improve themselves and their situation, but *initiative* alone does not indicate why few immigrant entrepreneurs become prosperous through business, which another sub-theme, *value creation*, helps explain. *Value creation* is an outcome of immigrant entrepreneur successful engagement in a market and it requires a set of skills and capabilities to develop ideas and resources in combination. Thus, although *initiative* may show strong willingness of many immigrants to enter business, only some achieve successful *value creation* that is accompanied by a level of knowledge (discussed in section 4.2.2) and skills in a particular area of the market. The capability of achieving *value creation* may be considered embodied cultural capital too as some children have earlier and stronger understandings of professional life from their parents.

Alternatively, *value creation* capability may be considered objectified cultural capital as it can be acquired through new experiences and interactions (see sections 4.2.2 and 4.2.3). This particularly applies to the Chinese immigrant entrepreneurs who did not have relevant business experiences in earlier life stage.

In this research, six themes were identified based on data from interviews with Chinese immigrant entrepreneurs which embody the meaning of their entrepreneurial experience in Australia. Each theme provides new information and leads to new insights for current understanding of immigrant entrepreneurship.

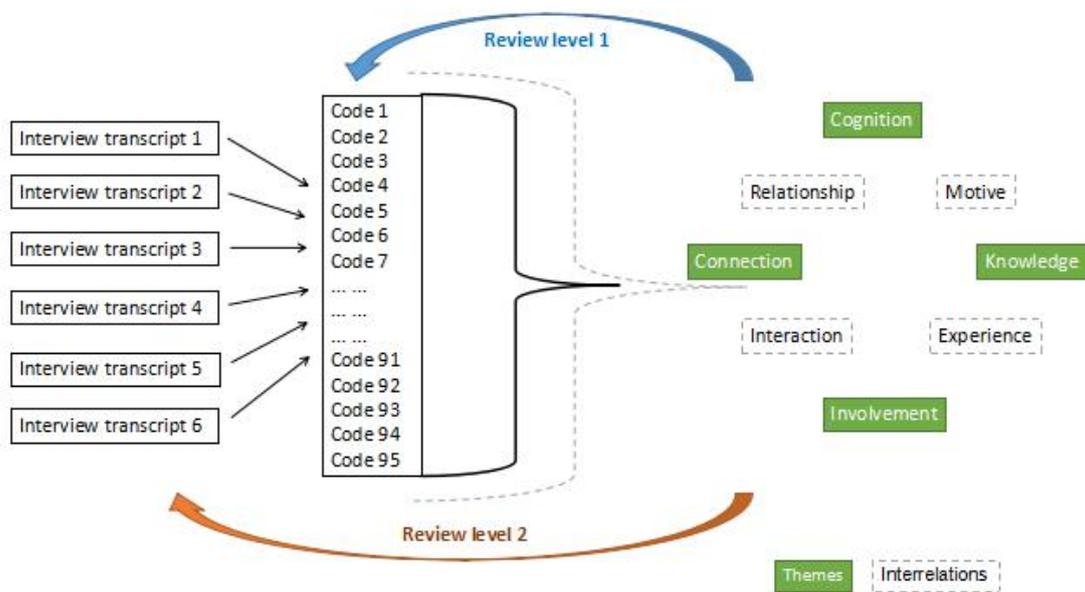
### **4.3 Analysis and Findings of Australian Transnational Entrepreneurs**

To compare the results of exploring transnational entrepreneurial practice with Chinese immigrant interviewees, six contrasting interviews were conducted with Australian transnational entrepreneurs who conduct business with or in China. The data analysis process for this part of the study was consistent with data analysis for Chinese immigrant entrepreneurs. This section introduces the analysis process and findings.

#### **4.3.1 Analysis Process for Interviews with Australian Transnational Entrepreneurs**

Analysis of interview data collected from interviews with six Australian transnational entrepreneurs started with reading through transcripts several times and a systematic coding process which resulted in 95 codes in total. Next, after a categorizing process, four themes were developed from these 95 codes, namely, connection, involvement, knowledge and cognition. Following the thematic analysis procedure, to ensure these themes are meaningful and grounding in interview data, these themes were reviewed at two levels: 1) each code extract (see table 4.2 for code extract example) and 2) each individual transcript and whole data set (six interview transcripts). This review process reinforced familiarity and understanding

of interview data which helped the researcher further articulate interrelationships between each theme. Figure 4.9 illustrates the data analysis process. In figure 4.9 above, black and gray arrows show the process that 95 codes developed from six interview transcripts and further merged into 4 themes (green boxes) and some interrelations (dashed gray boxes). The themes are **cognition**, **connection**, **involvement** and **knowledge**. The blue arrow shows the first level review procedure of checking validity of themes with each code (table 4.2 presents an example of code extracts). In addition, the orange arrow indicates the second level review procedure which involved checking the meaning of themes with each interview transcript.



**Figure 4.9** Data analysis process for interviews with Australian transnational entrepreneurs

**Table 4.2** Example of code extracts

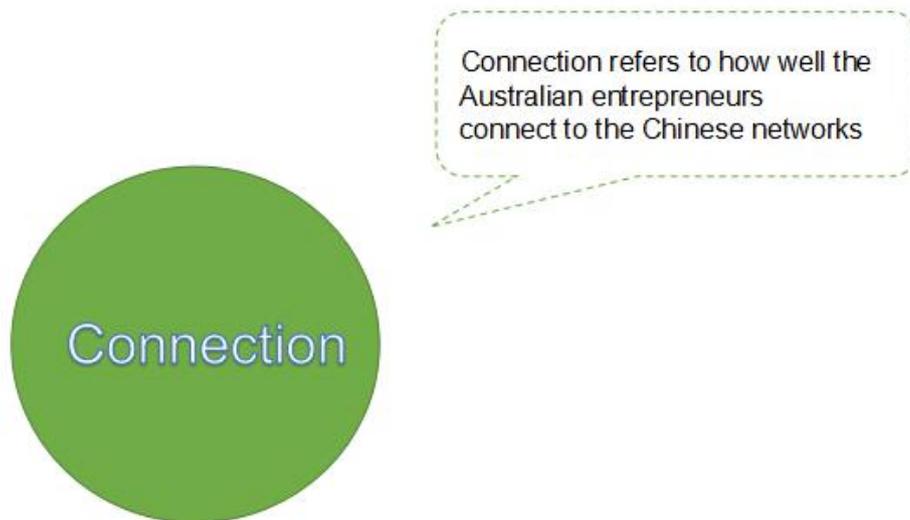
Code	“Cultural understanding”
Interview 2	It's gonna change but it is your generation that will change it. It's not your parents. And from what I can tell as a foreigner, this is almost 2 different drinking styles or drinking cultures in China. There's the, my age group- the close to 50s and above and the 35s and under. The older generation are still ganbei (干杯) and drink lots whereas the younger generation is a more refined and 'take your time, drink what you want' not so much push, generally

	We try and use it as an education. And it is an event that they do not do because you can stay in a house inside the vineyards; nobody is gonna kill me, nobody makes a noise. It's just it's different to China. We all know how busy China is. Come to Australia, it's just different. Most people like the 5-star hotels but some people want the experience as well. So, you do something different
Interview 3	It's a cultural thing, yeah. I think it is throughout many other countries as well
	I think perhaps, you know, that if you are, if you have an experience like living overseas in Asia, you become a bit more aware of that and open your mind
	There is a lot to learn, and I have been trying to do that and I've found that in going back to China in a new area, and that the more you maybe go to a place like China the more you learn about many of the things you didn't know about before, you know
Interview 4	It does not work like that in China
Interview 5	From my perspective, I would say at the beginning of the first two or three years having my friends to show me the ropes, so to speak, to help me understand more about Chinese culture because it is just so different to Australian culture. Very little is similar, and being able to understand and appreciate that

Hence, following sections introduce and explain these themes, and provides example data from interview transcripts. Further, the essential meaning of these themes and their theoretical facet will be discussed. In addition, the interrelations between themes will also be explained.

#### 4.3.2 Theme One - Connection

The **connection** theme (see figure 4.10) describes how cross cultural ties and relationships impact on Australian transnational entrepreneurs and business related issues. The theme of **connection** was derived from the data to represent interpersonal relationships of Australian transnational entrepreneurs with one or more Chinese ties. These relationships include social ties (i.e. friends) and business ties (i.e. employees and customers). In addition, cross cultural relationships were established in Australia or China.



**Figure 4.10** Theme One - Connection

These Australian transnational entrepreneurs establish and maintain strong connections with their Chinese networks, and often they are aware of the importance of this connection. This transnational connections happen in Australia or China, it is a matter of interpersonal relationships. This interpersonal relationship exist in social and business practice, and usually that one or few particularly well connected ties play an important role linking the Australian entrepreneurs to China. Some Australian entrepreneurs understand that the value of interpersonal relationship is specifically vital for the Chinese social context. For instance:

*We've called Ben (a Chinese employee) Marketing Manager for China but that embraces everything. In a small business, Ben has to do everything from looking at blends of wines, to labels, translation of labels, talking to customers, contracts, booking shipping, everything. He does most things... So, it's about understanding, but Ben has been a very, very good mentor for... for me in understanding the culture much, much better. [Interview 2 AE]*

*I think there's many things that you need to spend time with people to particularly the knowledge and information that's passed over, not just in a meeting of several hours, but particularly at a dinner meeting where you can build connections effectively, yeah...it is a society which is very much family and contacts based. [Interview 3 AE]*

*I had employed a Chinese guy who has Australian citizenship and visa... that*

*went on for several years and he did a very good job... I said to him one day, "Is it possible to manufacture in China?" So, he and I spent a year traveling up and down the east coast of China... There aren't very many people I've ever met in business that I would trust my last dollar with, but I would with him. [Interview 4 AE]*

*I developed good networks and good friends with the Chinese community at the university at the time, and one of my best friends is originally Chinese, before becoming an Australian citizen. He wanted to head back to China and asked me to come with him to do some business over there. In 2008, I headed over. We operated night clubs together, art dealerships, we even went into mining in 2011, 2012. So, we've got...I've got a fair amount of experience dealing over here with Chinese-based companies, and looking at Chinese companies as well that are trying to break into the Australian market. [Interview 5 AE]*

Transnational connections are helpful for Australian transnational entrepreneurs in terms of accessing Chinese networks and achieving greater market access. Australian entrepreneurs who understand the importance of relationships in the Chinese context enjoy the benefits of networking for business expansion and development.

The following interviewee statements illustrate this point:

*After the first two month of business it became clear that the majority of my clients (parent or child) knew myself or my daughters personally. Many attended the same school as my daughters and hope that their children could also learn to be multilingual. Now nearly 10 months into opening my school it's still clear that nearly every new student I have in one way or another has a personal relationship with either myself, my daughters or one of my existing students. [Interview 1 AE]*

*...what happens is, it's the context that you have in the industry and in China that helps. So, it's like you turn to your uncle, your brother, your... your next door neighbor... So, we've a lot of Chinese friends. We look after our friends and they look after us. And we've really worked on the networking more so than billboards or publications or trade shows. So, we're much targeted in our marketing and we find that most of our friends come to us via other friends. The recommendation and referrals, 95-98% of all our customers come from referrals. And we know that we have to give respect and face to everybody. [Interview 2 AE]*

*All of our clients come either through existing relationships or through people who already have clients with us who're spurring us on... Before I came to China, I didn't really understand the culture of Guangxi, you know, in a Chinese way. You think of it as an ordinary Australian, relationship is like business connections, but in Australia, it's a very loose, and they're...they're not really a particular strong sort of concept. You'll look...you won't even really look after somebody, but you'll know them so you'll talk business their way and they'll talk business your way. But China, Guangxi, is all about family and obligations in a bigger concept. [Interview 5 AE]*

#### **4.3.2.1 Discussion about Theme One**

The theme of **connection** highlights the benefits of well-connected cross cultural relationships for entrepreneurs conducting business in contexts they are not natively born into or deeply familiar within. Connections enhance market access and provide a learning and knowledge pathway. Good personal connections and through social networks of various kinds enable better understanding of the importance of social and interpersonal relationships in cross cultural contexts for those trying to 'break into' the marketplace to sell their goods and services. Expressed another way, for a transnational entrepreneur to be 'left out in the cold' by not being able to join and participate in formal and informal social networks with a business dimension results in disadvantage.

The concept most used to explain this social network building behaviors which provide a general insight into the dynamics of social relationships in cross cultural contexts. Social networks provide a platform for building and sustaining mutual trust, securing personal respect, better understanding of the lives of others and shared experiences; all important features of doing business with reasonable certainty and predictability. The human features of social relationships become of even greater value in cross cultural contexts, as typically experienced by transnational entrepreneurs. Social networks act as a form of brokerage in bringing people together from different groups and providing a framework for doing business that might otherwise be inaccessible.

In social network theory some key features are noteworthy for transnational entrepreneurship (Dimitratos, Fletcher & Li 2016; Light & Shahlapour 2017; Pruthi & Basu 2017). Social networks comprise different structures (closure and brokerage) and different strengths (weak and strong). In social capital theory, social networks are described as quasi-institutional where shared norms and values act as a continuing support mechanism for network members, highlighting the benefits of risk reduction through greater certainty and consistency in business (Coleman 1988). A conceptual development of interest is that of structural holes in social networks (Burt, 1992). Burt (1992) uses structural holes as a metaphor to describe non-redundant networks between people, which gives individuals opportunity to access to new information. In the research findings, the structural holes offer an opportunity for entrepreneurs with the capability to move comfortably between and within different cultural social networks to secure competitive advantage in business. This means that by knowing and making personal connections with others with membership of various social networks, especially in a transnational context, an entrepreneur can take advantage of personal connections and inside knowledge to create and further develop business links. Being inside the tent gives an advantage which is not available to those standing and waiting to be let in from outside.

The experiences and perspectives described by Australian transnational entrepreneurs in this research neatly fit the concept of structural holes as China has a completely different market and network to Australia. Australian entrepreneurs located in a closed network do not have much opportunity to receive outside information and ideas, whereas, those who are positioned at the edge of a network are more likely to receive non-redundant information and have different types of networks (such as transnational ties). Therefore, a large distance and gap between markets and networks present potential business opportunities. Thus, any cross

cultural network is an advantage for Australian transnational entrepreneurs to reach across borders and have leveraging power. In addition, the number cross cultural ties does not need to be large as the strength of connection is more important. Even only one distinct and relevant network can bridge and leverage other networks and resources due to an advantaged position.

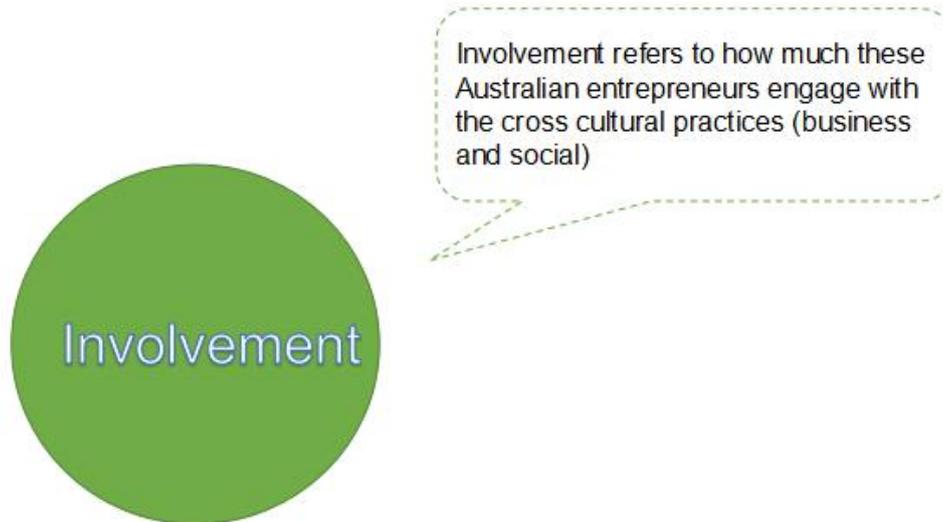
The concepts of strong and weak ties are closely related to findings about connection in this research. Weak ties and strong ties describe the degree of social networks, often distinguished by frequency of interactions and common experiences. It is known that strong ties are developed through frequent interactions and involve redundant information and resources, whereas, weak ties are involve less frequent interactions and often provide new information and insights. Granovetter (1973) found that when individuals search for employment via their social networks they are more effectively matched to jobs through weak ties than strong ties. However, Bian (1997) found the opposite in the Chinese context where job seekers frequently access job opportunities through strong ties. The difference in the above findings is in the characteristic of *guanxi* in the Chinese context where strong personal relationships carry an expectation of reciprocation and obligation one to another. This obligation highlights the unique social context of China.

A strong connection is important for sharing insights into business norms and practices. In Chinese culture, cultural matters and practices are difficult to learn from books, but can be learned through practical experience by belonging to social networks where network members share what they know. The terms 'relationship' has different meanings in different cultural contexts, and it impacts on how people perceive social network. Relationship in western culture is relatively open, independent and exclusive, hence, network in the context is relatively loose and less obligated. On the other hand, relationship in eastern culture is more closed,

interdependent and inclusive, hence, network in the context is relatively tightly bounded (Markus & Kitayama 1991). Therefore, it is clear why higher expectation and stronger obligations are bounded with strong ties in Chinese culture. In addition, the influence of network's contagion value (discussed in section 4.2.5.1) may be very different between western and eastern contexts. The practical benefit of these brief notes about the operational features of social networks in different cultural contexts is that being well-connected and belonging to the people who participate in a network enhances potential for the transnational entrepreneur to develop their business. Social networks are more than loose or tight-knit groups as they also provide an opportunity for cultural learning, facilitate the process of mutual understanding and provide tacit support. This has been shown in the various reflections made by those interviewed in this research.

#### **4.3.3 Theme Two - Involvement**

The second theme emerging from interviews with Australian transnational entrepreneurs was **involvement** (see next page figure 4.11) which refers to how much Australian entrepreneurs engage in business and social practices between Australia and China. Both business and social involvement were identified in all six interviews, although the degrees of involvement differed from case to case. In the research findings, involvement in cross cultural practice is either from prior work experience or current business transactions.



**Figure 4.11** Theme Two - Involvement

The theme **involvement** encompasses exposure to practical business and social issues relating to the Chinese market and culture. It enables Australian entrepreneurs interact with China market or Chinese networks, learn about the country and expand their market and cultural knowledge through practical experiences.

*My business (in China) currently provides children's and adult English classes... For the first six months opening my business my only classes were for students between the ages of 4-8 years old. This demographic was originally chosen because parents are willing to spend more money on younger children's education and that they also have more free time than Chinese middle school students who are often swamped with homework... Roughly 2 months ago I began teaching adults... It initially started from a request of a student's parent. This has been an interesting experience. [Interview 1 AE]*

*I've been going for long with China... So, I came from another, as I said agricultural industry but ... not really as a owner of it but always been involved. So, that's how we started and in the first year in 2004; we put a container of wine into China. In the second year, we did 11 containers of wine. In our second year before anybody knew we existed... And it's grown since then. [Interview 2 AE]*

*I was there for nearly four years, but really, the first year was just an amazing education in all of that, and just the...and it involved... Since then, I*

*always have had Asia-related activities... [Interview 3 AE]*

However, not all Australian transnational entrepreneurs have a clear strategy of how to expand their business in China due to a lower degree of involvement in cross cultural practice, limited knowledge about the Chinese market and conservative cognition (see section 4.3.5). For instance, a business that exports products may have business transactions between Australia and China, but understanding about the Chinese market could be low due to limited exposure to the Chinese market and transnational ties.

*...we're quite fortunate in the fact that our (Chinese) customers have come to us (Australia)... we would like to know more, you know, like to understand the strategy or hear from experts or... really how do you go about seeking out distribution and managing distribution in China... when you have the question of, "Alright, how do I pick who gets...and it's good to contract on my brand", it's a harder thing... if you talk to other wineries, I'm pretty sure that would be similar. [Interview 6 AE]*

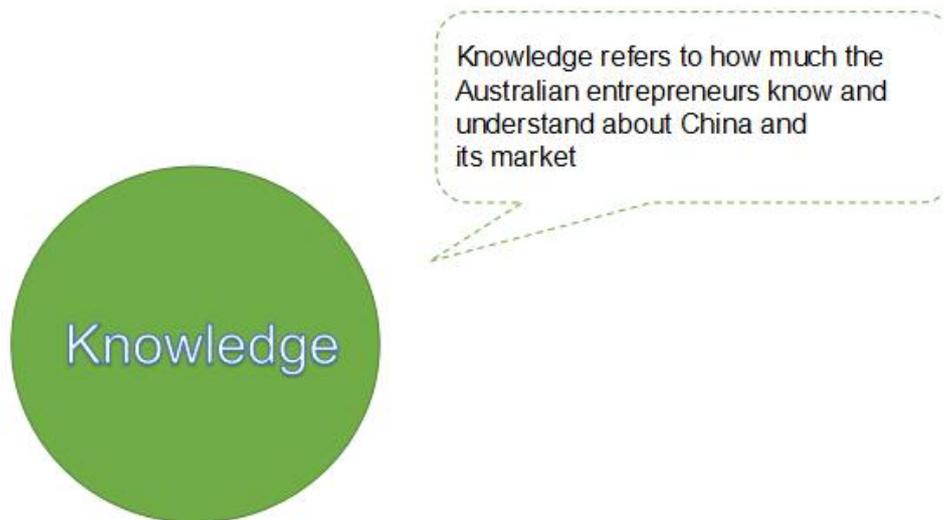
#### **4.3.3.1 Discussion about Theme Two**

This research identified that **involvement** in cross cultural practice is a common experience of all Australian transnational entrepreneur interviewees, although the degree of involvement differed from case to case. Some Australian entrepreneurs had been involved in cross cultural practice, through prior work or social experiences, which provided them a good understanding about China and opportunity to interact with Chinese networks. Others directly enter cross cultural practice lead by their business interests, such as outsourcing and exporting. In this sense, involvement in cross cultural practice overlaps with the motives and forms of international business activities. As such, the degree of involvement depends on the focus of business development and practices, and its product/service. For example, this research includes a wine export business that operates mainly in Australia servicing Chinese consumers domestically with international online transactions, contrasted with an English language class that operates in China where the entrepreneur needs to be in China and has exposure to the Chinese environment.

Different degrees of involvement provide various opportunities for Australian entrepreneurs to accumulate different experiential knowledge, while how much knowledge can be accumulated depends on each individual entrepreneur. Moreover, degree of involvement also relates to connections which provide a platform for practical interactions. Australian entrepreneurs who understand the different meanings of relationships between Australia and China have a better understanding of how to engage with the market and how to source ideas and information from Chinese social ties. However, a business based in Australia servicing Chinese customers without developing further and deeper connections through opportunity has shallower involvement in cross cultural practice. Thus, findings suggest that degree of involvement has an impact on considerations for business strategy to access the Chinese market.

#### **4.3.4 Theme Three - Knowledge**

The theme **knowledge** (see next page figure 4.12) refers to how much Australian entrepreneurs know and understand about China (e.g. culture and language) and its market. In this research, Australian transnational entrepreneur interviewees all had some understanding about China and its market, although the appreciation and motive for learning varied from case to case.



**Figure 4.12** Theme Three - Knowledge

**Knowledge** is gained through practical experience, networking connections and self-motivation. It is inevitable for Australian entrepreneurs to absorb and accumulate knowledge related to China during cross cultural social interactions and business practices.

*My mandarin is self-taught. I am able to speak mandarin on an average level which has been very useful in operating a small business in China... Speaking mandarin allows me to build personal connections with my customers and work with my Chinese assistant. This has been a perfectly fine way to operate, but not perfect. [Interview 1 AE]*

*I think in China, I feel like the more I go there, I realize the amazing amount of knowledge that I didn't have before, and I don't think it's a very uncommon feeling... I am comfortable with Chinese culture because I've spent a lot of time there...you get used to it... It is quite beneficial that I understand the culture. [Interview 3 AE]*

*...working with Chinese people, whether it's a cultural thing or what... you've gotta tell them very clearly what you want, but you then need to spend as much time explaining what you don't want because otherwise, they'll say, "Yes, I understand why he wants it done that way, but hey, I reckon if we do it that way, it'd be much better". I don't think anyone's trying to cheat you. It's just... you, you get it in the business yourself with your own staff, you*

*know. You'll say, "I want it done that way" and then, later, you come back and they're doing it another way. [Interview 4 AE]*

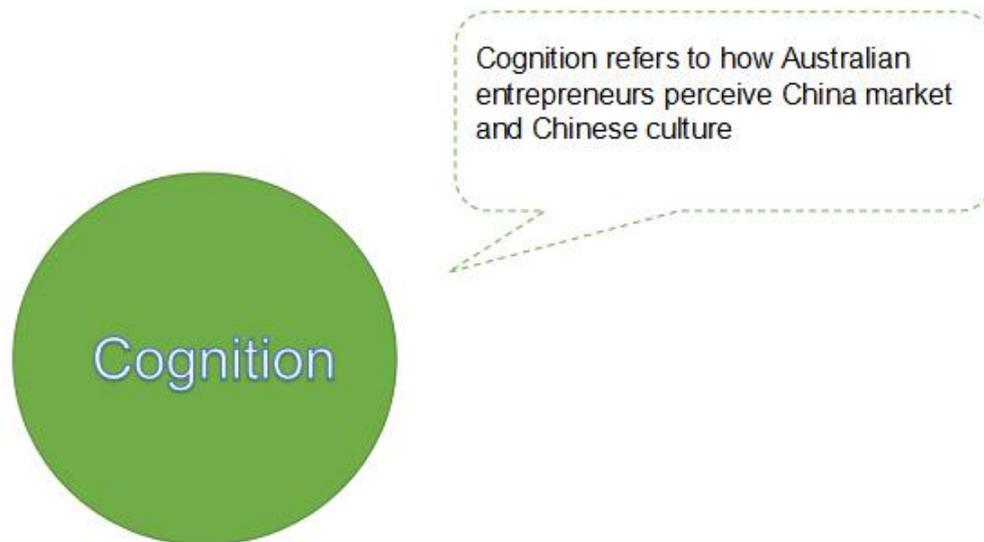
*From my perspective, I would say at the beginning of the first two or three years having my friends to show me the ropes, so to speak, to help me understand more about Chinese culture because it is just so different to Australian culture. Very little is similar. And being able to understand and appreciate that. [Interview 5 AE]*

#### **4.3.4.1 Discussion about Theme Three**

For Australian entrepreneurs, **knowledge** about the Chinese market and culture is a mixture of many things, such as communication skills and understanding Chinese people and the way they do things. For some Australian entrepreneurs, understanding China opens a new chapter of their life and business plan, which takes time, interest, intention and appreciation to embrace. This knowledge is obtained through social and business interactions and while it can be explained and taught by descriptions, achieving a comfortable level and mastering cultural skills takes a long time and much negotiation and practice. Thus, the essence of knowledge in this context is tacit knowledge that can only be learned through hands on experience and revealed through application (Grant 1996). Hence, Australian entrepreneurs require exposure to the realm of China and Chinese people. This means that traveling to China and networking with Chinese contacts are fundamental paths to obtain knowledge. In addition, this exposure is driven by business interests or individual motivations to achieve business or individual goals. As a result, obtaining knowledge ultimately helps reduce cross cultural burdens and smooth cross cultural issues in business development and business management. Furthermore, for entrepreneurs who focus on business development knowledge adds value to their entrepreneurial human capital which ultimately enables them to explore further opportunities and achieve value creation for customers and market.

#### 4.3.5 Theme Four - Cognition

**Cognition** is the last theme revealed in interviews with Australian transnational entrepreneurs. **Cognition** (see figure 4.13) refers to how Australian entrepreneurs perceive China and the way that Chinese do things, and whether they are comfortable to recognize, learn and embrace the difference.



**Figure 4.13** Theme Four - Cognition

The **cognition** theme includes value recognition that determines whether it is worthwhile to put in effort to learn and understand more about China. Some people have an open and positive attitude to learning, while others may take some time to establish a new perception after gaining some cultural knowledge through social interactions.

*...we have to understand where Chinese culture is coming from. It's come from 5,000 years of trade, Chinese traders... China has some very interesting traditions. And one of those is business. So, negotiation is business. [Interview 2 AE]*

*...you've got to look at it like that, a dinner meeting is extension of the business day, that it's not the end. It's part...and it's often a very important, if not the most important, part of the business day leading up to that. I find in China there's...most people are going out to dinner for work on most nights. [Interview 3 AE]*

*When we were in China, I rejected to have meals with these officials from morning to night, and my trusted fellow (Chinese) told me that “You gotta realize that in China they don’t have a common law system like Australia and going to a civil court with people to sort out problems like you do here... When you’re doing business with the Chinese, the only way they can trust you is they’ve gotta be very sure that they know you and understand you...That involves lots and lots of meals together and spending time together and socializing together and so forth.” And I now know that he was correct. [Interview 4 AE]*

#### **4.3.5.1 Discussion about Theme Four**

**Cognition** refers to the mindset of how to perceive and deal with difference between markets and cultures. Findings of this research suggest that the cognition of perceiving China evolves along with knowledge accumulation of cross cultural connections, involvement of practice and related knowledge. For some Australian entrepreneurs, it takes a longer time to accept that China is very different to Australia and that the Australian way of doing thing is not the only way. Moreover, cognition is also associated with motives for learning about China and actions in developing cross national relationships. This means that Australian entrepreneurs with stronger motives to learn about China tend to gain more knowledge about China. In addition, sources to obtain this knowledge are multiple and usually combined, such as attending formal classes, networking, socializing and business experience. Meanwhile, Australian entrepreneurs who realize the value of people relationships in the Chinese context tend to focus on developing harmonious, long term relationships and access to more useful networks and resources. Thus, an open and prepared learning attitude is a helpful cognition for Australian entrepreneurs to achieve and leverage more knowledge, connection and deeper involvement with China.

The themes of cognition, knowledge, connection and involvement that emerged from the data were identified as common attributes of Australian transnational

entrepreneurs who conduct business with or in China. Based on the above discussion, these four themes are interconnected to each other, although each may apply differently to individual Australian entrepreneurs.

#### **4.4 Conclusion**

This chapter reports on the data analysis process and findings of 34 interviews with Chinese immigrant entrepreneurs. Findings are articulated in six themes, namely, **knowledge, interaction channel, settlement, relationship, transnational business activity** and **human capital**. In addition, this chapter presents the analysis process and findings from interviews with six Australian transnational entrepreneurs who conduct business with or in China. Four interrelated themes were identified in analysis, namely, **connection, involvement, knowledge** and **cognition**. This chapter explains the meaning of themes and sub-themes with selected code examples from original data. Further, the underlying meaning and relationships between themes are discussed. The discussions highlight how the findings respond to relevant literature and theoretical concepts.

Study findings about Chinese immigrant entrepreneurs contribute to immigrant entrepreneurship literature in four ways. First, findings illustrate an insider view of Chinese immigrant entrepreneurs, providing insightful explanation of why and how these immigrant entrepreneurs engage in entrepreneurial activities. This explanation fills the gap in knowledge of existing theories because established theories about immigrant entrepreneurship only focus on conflict between immigrant entrepreneurs and receiving country society, but ignore individual inputs and capabilities. Second, the findings illustrate the richness of immigrant entrepreneurial experience and indicate that understanding of immigrant entrepreneurship is inseparable from comprehending their life experience. Hence, it is necessary to contextualize immigrant entrepreneurial experience (such as cultural background and people

relationships) as contextualization includes an overall story and logic of entrepreneurship. Third, the findings confirm and rebut some prior theoretical arguments, as well as arguing that no single theory can explain immigrant entrepreneurship fully. As such, the findings and developed framework suggest the importance of focusing on business practice and applicable theories in entrepreneurship study. Fourth, the findings link the literature of immigrant entrepreneurship to the study of entrepreneurship by looking at individual inputs. The research finding identify that a few outstanding immigrant entrepreneurs are different from other entrepreneurs given their sophisticated entrepreneurial human capital. The entrepreneurial human capital includes their commitment to entrepreneurship (e.g. taking risks, looking for opportunities) and ability to engage their business ideas with the market (e.g. start and continue a business, creating new products).

Findings from interviews with Australian transnational entrepreneurs shed light on the critical characteristics of cultural and social contexts of China and Australia and how these relate to social networks. Four interrelated themes indicate the importance of practical knowledge which comes from interactions with the Chinese market and Chinese networks. Thus, entrepreneurs and businesses are able to achieve knowledge through various level of cross cultural involvement based on business interests and individual motivations. As contrasting data, findings with Australian transnational entrepreneurs present a strong similarity (details in chapter 5) with the Chinese immigrant entrepreneur cross cultural experience, which leads to further thoughts about transnational entrepreneurship (discussed in chapter 5). The next chapter compares and contrasts findings from Chinese immigrant entrepreneurs and Australian transnational entrepreneurs to crystallize the essence of transnational entrepreneurship and answer the proposed research questions.

## Chapter 5 Discussion and Conclusion

### 5.1 Introduction

The previous chapter presented analysis and findings, as well as underlying meanings of interviews with Chinese immigrant entrepreneurs and Australian transnational entrepreneurs. Based on findings presented in previous chapter, this chapter provides further discussion to address the proposed research questions and conclude the thesis. This chapter starts with a comparison of findings from the Chinese immigrant entrepreneur interviewees and Australian transnational entrepreneur interviewees through a summary of commonalities and differences between the two groups. Next, this chapter answers the overarching research problem addressing three specific research questions. The overarching research problem is: **How to conceptualize immigrant and transnational entrepreneurship in the contemporary context with special reference to China and Australia?** Three specific research questions developed through the literature review were: *1. Why and how did first generation Chinese immigrants engage in entrepreneurship in Australia? 2. How and with what success did first generation Chinese immigrant entrepreneurs achieve social embeddedness in Australia? 3. What are the main characteristics of transnational entrepreneurship, with special reference to the Chinese and Australian contexts?*

It is useful to note that the interview data reported in the previous chapter is selectively repeated again to underline and reinforce the generalizations that follow in this discussion. Sometimes it is necessary to be repetitive to ensure that the general observations that are made are grounded in an evidence base.

The Interviews with Chinese immigrant entrepreneurs in Australia helps to answer the first and second research questions. As contrasting data, interviews with

Australian transnational entrepreneurs and comparison between findings of the two groups helps to answer the third research questions. After addressing the research questions and research problem, a theoretical framework is presented and explained, then theoretical and practical contributions of this research are introduced. This chapter also addresses research limitations and recommendations for future research before concluding.

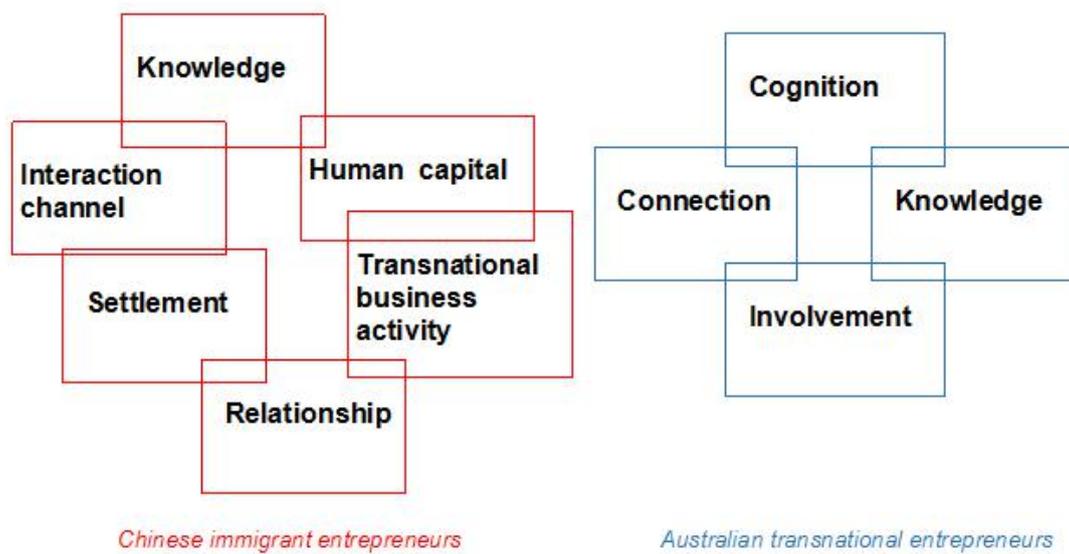
## **5.2 Comparison of Findings from Chinese Immigrant Entrepreneurs and Australian Transnational Entrepreneurs**

This research conducted and analyzed interviews with two distinct groups, Chinese immigrant entrepreneurs and Australian transnational entrepreneurs. These two groups of entrepreneurs were purposefully selected to understand the overarching research problem to explore the experience of immigrant and transnational entrepreneurship. To address this problem, this research reviewed literature of transnationalism and several streams of entrepreneurship study, including international entrepreneurship, ethnic and immigrant entrepreneurship, and transnational entrepreneurship (see chapter 2). Having identified that transnational entrepreneurship is relevant to entrepreneurial behaviors across borders, particularly for immigrant entrepreneurs, this research focused on first generation Chinese immigrant entrepreneurs in Australia. These immigrant entrepreneurs have cross cultural experience and some are doing business between Australia and China. Although immigrant entrepreneurs are an appropriate group to examine to understand transnational entrepreneurship, this research also sought data from non-immigrant entrepreneurs with cross cultural experiences who participate in transnational entrepreneurial activities. Thus, 6 Australian transnational entrepreneurs who conduct business with or in China were interviewed to gather contrasting data.

Access to two data sets is helpful for exploring the characteristics and essential meaning of transnational entrepreneurship by comparison between Chinese and Australian perspectives regarding transnational entrepreneurial experiences. As chapter 4 presented, findings from Chinese immigrant entrepreneurs help reveal the process of how and why these immigrant entrepreneurs enter and conduct business in and between Australia and China, as well as understand the meaning of their entrepreneurial experience and process of achieving social embeddedness in Australia. In addition, chapter 4 also unveils the entrepreneurial experience from a smaller group of Australian transnational entrepreneurs, providing an additional and contrasting perspective of cross cultural and transnational entrepreneurial experience. The following sections of this chapter compare and contrast these two groups and summaries the commonalities and differences between them.

### **5.2.1 Commonalities**

Chinese immigrant entrepreneurs and Australian transnational entrepreneurs are exposed to an unfamiliar market and culture different to their home country. Each has the on-going experience of learning about another market, culture and people, which is internalized and builds their specific knowledge and resources that are applied in domestic or transnational business practices. The research found 6 themes from interviews with Chinese immigrant entrepreneur: **knowledge, interaction channel, settlement, relationship, transnational business activity** and **human capital**. In addition, the research identified 4 theme from interviews with Australia transnational entrepreneurs: **connection, involvement, knowledge** and **cognition**. Figure 5.1 below shows the pictorial representation of research findings from Chinese immigrant entrepreneurs and Australian transnational entrepreneurs.



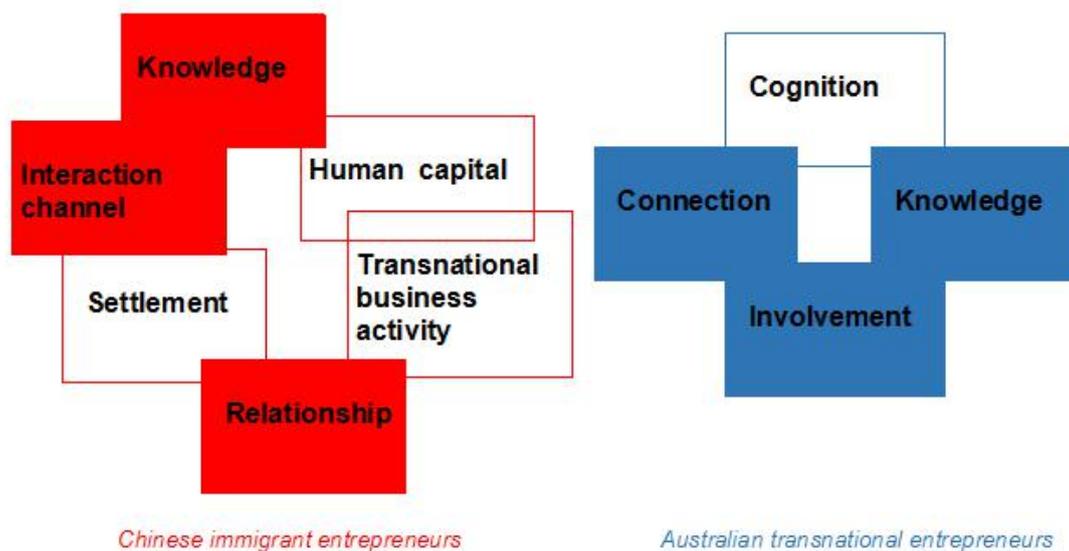
**Figure 5.1** Pictorial representation of the research findings

Based on the exploration and explanation of the meaning of these themes in the previous chapter, strong similarity were articulated from the comparison between findings with Chinese immigrant entrepreneurs and Australian transnational entrepreneurs. In particular, three main commonalities were shared between these two entrepreneur groups regarding their transnational entrepreneurial activities: 1) *cross cultural adeptness*, 2) *scope of business framework* and 3) *entrepreneurial human capital*. The following sections explain these three commonalities and the rationale of their existence based on the research findings.

First, *cross cultural adeptness* refers to the experience of transnational culture and ability to adapt to another market and culture. Successful *cross cultural adeptness* involves various pathways and practical experiences to achieve a good level of cultural awareness and knowledge, usually resulting from social and business practices which impact on continuing actions and behaviors. In the research findings, **Knowledge** is found as a common theme for both Chinese and Australian entrepreneurs, and this is an illustrative findings to explain how learning and understanding about another culture and market evolves in their transnational

experience. In addition, this cross cultural knowledge is found accumulated through business and social practices, which refer to further findings such as **interaction channel** and **relationship** from interviews with Chinese immigrant entrepreneurs (discussed in chapter 4, section 4.2.3) and **involvement** and **connection** from interviews with Australian transnational entrepreneurs (discussed in chapter 4, section 4.3.3).

As chapter 4 presented, **interaction channel** refers to platforms for Chinese immigrant entrepreneurs to gain practical experience, and **relationship** refers how they are socially connected and embedded in Australia. Both **interaction channel** and **relationship** are useful for Chinese immigrant entrepreneurs achieve knowledge accumulation and *cross cultural adeptness* in Australia. On the other hand, **involvement** represents the activities that leads and enables Australian transnational entrepreneurs to practice in the transnational field, and **connection** represents the social interrelations they achieve in Chinese network. Hence, **involvement** and **connection** are fundamental for Australian transnational entrepreneurs achieve knowledge accumulation and *cross cultural adeptness* to Chinese culture and market. Figure 5.2 below shows commonality of *cross cultural adeptness* by comparing findings from Chinese immigrant entrepreneurs and Australian transnational entrepreneurs. Highlighted themes indicate the commonality of *cross cultural adeptness* for both Chinese and Australian entrepreneurs.



**Figure 5.2** Commonality one - *Cross cultural adeptness*

Findings of this research show that *cross cultural adeptness* results from internal and external forces. Internal force includes an enduring inner motivation to keep exploring, absorbing and learning in a new and different environment, as well as proactively reflecting on one’s prior experiences and existing perceptions. As discussed in chapter 4, an open and proactive attitude helps both Australian and Chinese entrepreneurs gain new information and accumulate knowledge. Thus, positive internal motivation produces an open system for entrepreneurs to gain cross cultural and market information when they expose to the transnational field. For instance, a Chinese immigrant entrepreneur stated that:

*澳大利亚是我新的市场嘛, 所以我是抱着学习的这种心态跟角度去切入。  
[Interview 10]*

*Australia is a new market to me, so I had a learning attitude to look at it.  
[Interview 10]*

Similarly, an Australian transnational entrepreneur said:

*There is a lot to learn, and I have been trying to do that and I've found that in going back to China in a new area, and that the more you maybe go to a place like China the more you learn about many of the things you didn't know about before, you know. [Interview 3 AE]*

In contrast, external force refers to various channels and platforms available to

entrepreneurs that assist them to have effective interactions within a diverse environment and networks. The external forces are most likely derived from employment and social experiences. For example, a Chinese immigrant entrepreneur talked about how he gained practical knowledge from various jobs:

*我在国内就是做这个行业的，来到澳洲之后自己做之前总共工作过三家公司。三个工作都是在一个行业，只不过是领域不一样，我就是想试试看不同的领域看有什么不同。这些经历对后来自己做来说都是起到蛮大的帮助的，知道这个行业在这边是怎么一回事，也积累了一些人脉。 [Interview 26]*

*I worked in the same industry when I was in China, and after arrived at Australia I worked for three different companies before I started my own. These three jobs were all in the same industry but are different job roles. I wanted to see what the differences are in these roles. Those experiences were very helpful for me to start my own business, from there I knew how this industry operates here, and I got some contacts. [Interview 26]*

Similarly, an Australian transnational entrepreneur mentioned his prior experience with China through previous work:

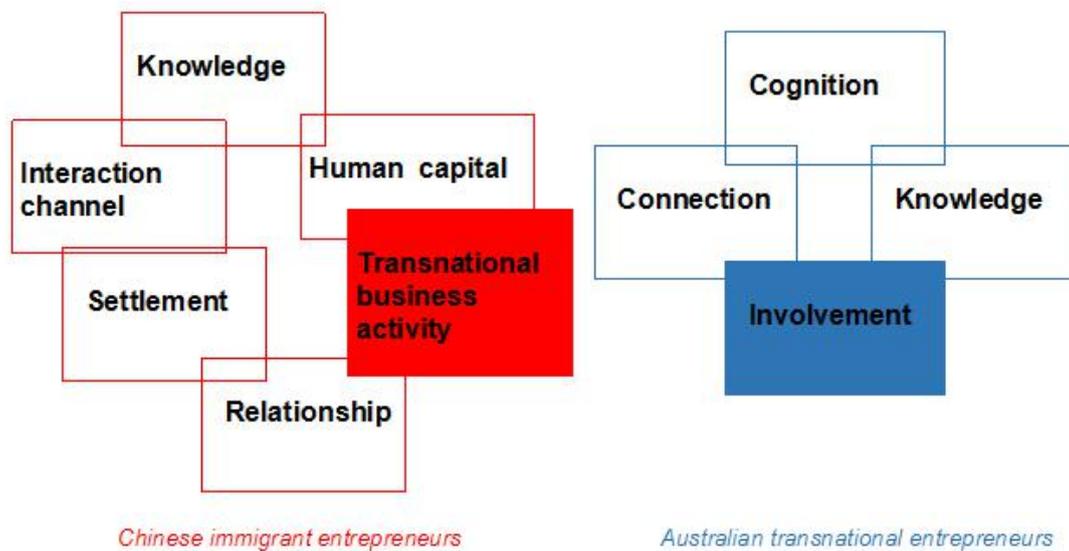
*I've been going for long with China... So, I came from another, as I said agricultural industry but ... not really as a owner of it but always been involved. So, that's how we started and in the first year in 2004; we put a container of wine into China. In the second year, we did 11 containers of wine. In our second year before anybody knew we existed... And it's grown since then. [Interview 2 AE]*

In addition, this research particularly found that social networks and interpersonal ties play a critical role in *cross cultural adeptness* for both Australian and Chinese entrepreneurs. Guided by a phenomenological view, analysis and findings focused on the meaning of participants' concepts and actions. As such, social networks and interpersonal ties are referred to as meaningful relationship and well developed connection between individuals. Moreover, transnational social networks and interpersonal ties assist in obtaining information, smoothing cultural distance and understanding market difference (see chapter 4, section 4.3.2.1).

*Cross cultural adeptness* also involves gaining tacit knowledge about cross cultural challenges, and this tacit knowledge is embedded in and revealed through business and social practices. This process of obtaining cross cultural knowledge represents the powerful systematic impact of experiential learning (Kolb 1984, 2014) as entrepreneurs need to absorb, comprehend and utilize new information and skills in business development and operations. As such, practical interactions and experiences in cross cultural practices are valuable resources for both Australian and Chinese entrepreneurs. These practical experiences and interactions eventually turn into applicable knowledge and skills that these entrepreneurs consciously and sub-consciously use in business practice. Thus, the developed knowledge and skills are internal resources for entrepreneurs to conduct business transnationally as they know what to do and what can be done in both markets. Ultimately, these resources are part of their individual human capital that greatly improves opportunity identification, venture creation and other business decisions. This means that tacit cross cultural knowledge represents the source of transnational entrepreneurial human capital and dual embeddedness in two countries.

The second commonality between Australian transnational entrepreneurs and Chinese immigrant entrepreneurs is the *scope of business activity* which refers to the market scope of business operations, such as domestic market, transnational market, or international market. As presented in chapter 4, theme **transnational business activity** is found from interviews with Chinese immigrant entrepreneurs, uncovers different transnational business interactions between Australia and China. Some interviewees further mentioned their business transactions and strategies beyond these two markets. Meanwhile, theme **involvement** developed from interviews with Australian transnational entrepreneurs, also refers similar transnational and international business activity in various forms, such as exporting/importing, international office, etc. Figure 5.3 below shows the commonality on *scope of business activity* by comparing findings from Chinese immigrant entrepreneurs and

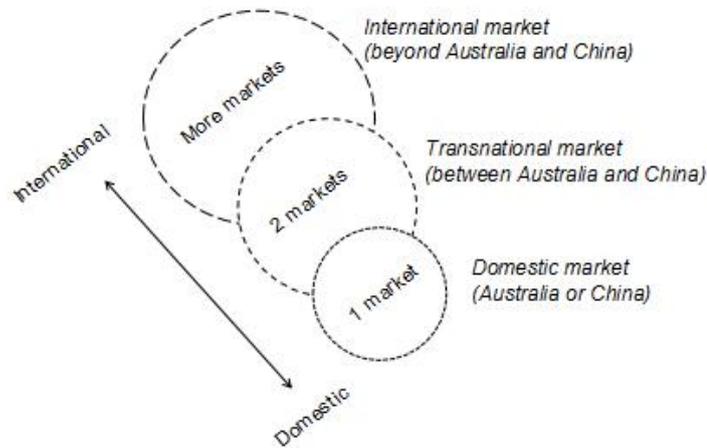
Australian transnational entrepreneurs. Highlighted themes indicate the commonality on *scope of business activity* for both Chinese and Australian entrepreneurs.



**Figure 5.3** Commonality two - *Scope of business activity*

Depending on the type and area of business and industry, the market focus of these businesses either targets or mainly relates to domestic market (Australia or China only), transnational market (Australia and China), or international market (markets beyond Australia and China). For businesses mainly focusing on a domestic market, some transnational and international transactions may also occur occasionally responding to business needs, such as importing materials from overseas. Whereas, for businesses that focus on transnational and/or international markets the forms of business are dynamic, mixed and occur on a continuum (Bagwell 2015). For example, the researching findings found that entrepreneurs who operate a transnational business may also have, or have had, a business that focuses on domestic or international markets. Thus, this research suggests that the *scope of business activity* seems determined by the focus of business itself and may also evolve due to market change, changing business needs and updating business strategies. Figure 5.4 below illustrates the dynamic *scope of business activity* for Chinese and Australian

entrepreneurs.

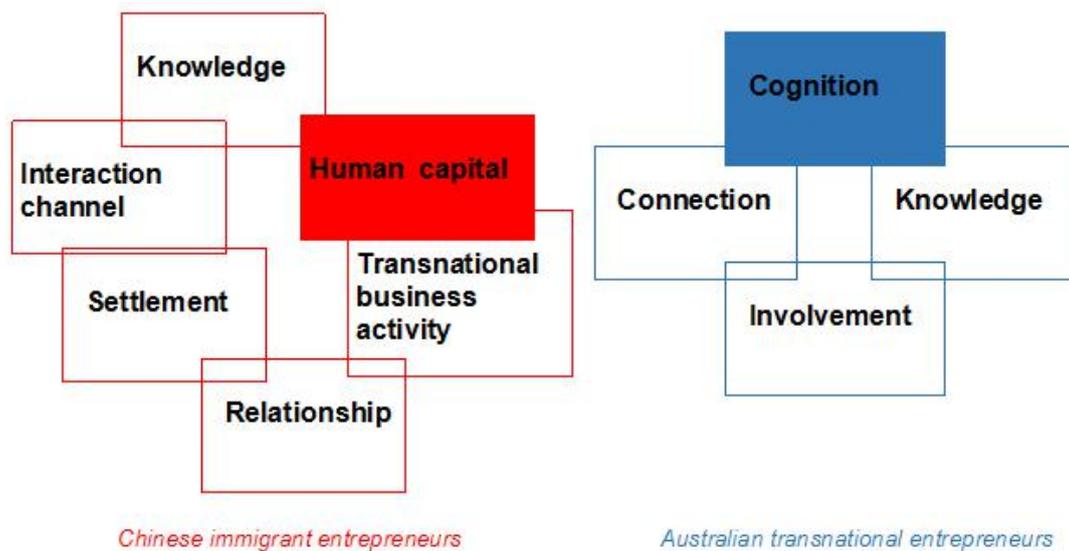


**Figure 5.4** Dynamic scope of business activity

It is also notable in the research findings that few entrepreneurs can excel across all levels as the scope of business activity relates to the type and focus of business. Additionally, the ability of excelling business forms to different levels (domestic, transnational or international) is determined by entrepreneurial decisions, such as how important they perceive the international market and how well they know how to engage with the market. For example, an Australian winery entrepreneur realized the potential of the Chinese market and responded to that potential by engaging with all possible networks and immediate orders very quickly; however, other companies may have slower reactions. Therefore, the *scope of business activity* does not distinguish quality of business performance (i.e. success or failure), rather, it reflects the application of entrepreneurial human capital, such as strategical decisions on how to access to an international market.

The third commonality identified in interviews with both Chinese and Australian entrepreneurs was *entrepreneurial human capital* which refers to a series of cognitive and executive capabilities in business establishment and development.

These entrepreneurs need to make a series of important and practical business decisions, such as why they enter the market, what is the focus of their business, who are the major customers, where market opportunity is and how to develop a competitive advantage. As discussed in section 4.2.7 in chapter 4, '**human capital**' was found as an important theme in interviews with Chinese immigrant entrepreneurs. *Entrepreneurial human capital* enables them to explore opportunities and create market value. Meanwhile, *entrepreneurial human capital* arose as an important factor of the **cognition** for Australian transnational entrepreneurs, despite interview focus on their cross cultural experience (see chapter 4, section 4.3.5). For instance, Australian transnational entrepreneurs need to understand the Chinese consumer preferences and business etiquette to determine an appropriate marketing strategy. The business application of the knowledge particularly dealing with the transnational market and business opportunities represents their *entrepreneurial human capital*. Figure 5.5 shows the commonality on the *entrepreneurial human capital* between findings with Chinese immigrant entrepreneurs and Australian transnational entrepreneurs. Highlighted themes indicate the commonality of *entrepreneurial human capital* for both Chinese and Australian entrepreneurs.



**Figure 5.5** Commonality three - *Entrepreneurial human capital*

The relationship between human capital and entrepreneurship has been examined in many studies with conflicting results (Davidsson & Honig 2003). The reason of the conflicting results for the topic is that human capital itself has been under-specified in conceptualization and measurement, thus limiting understanding of entrepreneurship (Marvel, Davis & Sproul 2016). The concept of human capital refers to knowledge and skills resulting from formal and informal education, training and work experience (Becker 1964, 1994; Mincer 1974; Schultz 1959). However, general knowledge or formal knowledge and skills as a result of training is more feasible to examine performance in standard professional jobs, rather than entrepreneurship. To date, definitions of entrepreneurship include creativity, innovation and risk taking, indicating that entrepreneurs are outliers compared to employed people, even though each may have similar training, knowledge and skills. Hence, entrepreneurs need to have *entrepreneurial human capital* to enable them to engage in markets with novel ideas and tolerance to risk.

A few authors propose the concept of *entrepreneurial human capital* and provide explanation of what an *entrepreneurial human capital* contains. For instance, Gimeno et al. (1997, p. 757) specify entrepreneurial 'human capital for current venture' as "an entrepreneur's knowledge of customers, suppliers, products, and services within the context of the venture". Ucbasaran, Westhead and Wright (2008) define that entrepreneurship-specific human capital includes business ownership experience and capabilities in acquiring, combining and coordinating resources. Both definitions indicate a strong context of business practice for entrepreneurs, which is confirmed by the findings of this research (see chapter 4). While agreeing that *entrepreneurial human capital* is based on business practices, this research further suggests that in a transnational context *entrepreneurial human capital* also contains tacit knowledge of potential resources and how to use applicable resources from two markets.

### 5.2.2 Differences

The overall experiences of Chinese immigrant entrepreneurs and Australian transnational entrepreneurs are different, and the differences in their life experiences lead to a major distinction between these two groups. For Chinese immigrant entrepreneurs the choice of entering business is associated with their post migration life experience and they are likely live in Australia long term or permanently. Therefore, the motives and resources that they initially apply in business creation and development are mostly dependent upon the situations and conditions that follow their arrival and settlement in Australia (discussed in chapter 4). Hence, first generation Chinese immigrant entrepreneurs start from scratch in Australia despite having initial limited knowledge and resources. Some of these immigrant entrepreneurs focus on the Australian market, whereas some engage with China or other markets. Regardless of diverse business activity, Chinese immigrant entrepreneurs struggle with *life and mindset settlement* while settling in Australia (discussed in section 4.2.4 in chapter 4). Figure 5.6 shows the difference between findings with Chinese immigrant entrepreneurs and Australia transnational entrepreneurs. Highlighted theme represents the difference of their transnational trajectories.

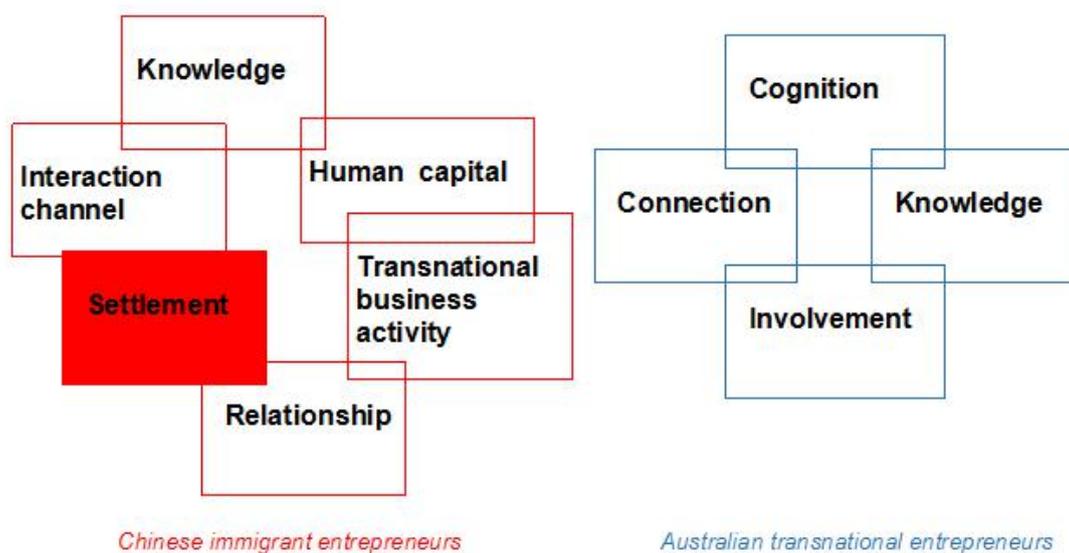


Figure 5.6 Difference in transnational experience

Based on the researching findings, almost all interviewed Chinese immigrant entrepreneurs maintain friend and family ties in China, however, apart from financial and emotional support few transnational ties are mentioned as essential resources for their entrepreneurial experience, especially those whose market focus is solely in Australia. Thus, although transnational social ties contextualizes immigrant entrepreneur post migration life, entrepreneurs still need to work out suitable business ideas and plans beyond social connections. Further, in-depth relationship connections are highly valued by Chinese immigrant entrepreneurs. This indicates that first generation Chinese immigrant entrepreneurs keep practicing their cultural values in social and business interactions, although they may have adapted to Australian etiquette.

Compared to Chinese immigrant entrepreneurs, the situation and transnational experience is very different for Australian transnational entrepreneurs. Most interviewed Australian entrepreneurs started their business in their home country, Australia. From an established business base, Australian transnational entrepreneurs seek opportunities to make profit or extend profit margins by entering the Chinese market. As such, Australian transnational entrepreneurs are involved in transnational business with China as a business opportunity, rather than a living destination. In addition, all Australian transnational entrepreneurs highlighted the importance of relationships and strong connections with Chinese ties, as some ties are critical for business connections and others are useful for gaining cultural understanding.

In comparing the experience of these two groups, there is a nuanced difference in terms of contexts and conditions and how these entrepreneurs perceive them. In the research, most interviewed Chinese immigrant entrepreneurs moved to Australia before they became entrepreneurs. Usually, they have several years' study and work experiences before they enter business. The time and experience enable Chinese

immigrant entrepreneurs gain some understanding and resources about Australia. This also reflects to the Australian visa programs as these are the selective criteria of who can enter or/and stay in Australia permanently. Thus, Australia as an immigrant nation, has a relatively open and flexible culture and institutional structure for new migrants. In contrast, all interviewed Australian transnational entrepreneurs engaged with the Chinese market for work or business opportunity. In addition, the research findings suggest that China has relatively close and rigid institutional and cultural context compare to Australia. As some Australian transnational entrepreneurs stated:

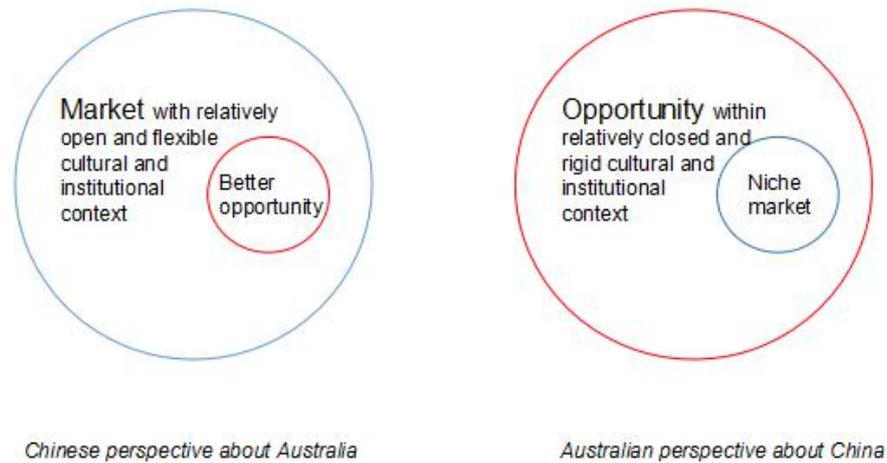
*...we have to understand where Chinese culture is coming from. It's come from 5,000 years of trade, Chinese traders... China has some very interesting traditions. And one of those is business. So, negotiation is business. [Interview 2 AE]*

*...you've got to look at it like that, a dinner meeting is extension of the business day, that it's not the end. It's part...and it's often a very important, if not the most important, part of the business day leading up to that. I find in China there's...most people are going out to dinner for work on most nights. [Interview 3 AE]*

*When we were in China, I rejected to have meals with these officials from morning to night, and my trusted fellow (Chinese) told me that "You gotta realize that in China they don't have a common law system like Australia and going to a civil court with people to sort out problems like you do here... When you're doing business with the Chinese, the only way they can trust you is they've gotta be very sure that they know you and understand you...That involves lots and lots of meals together and spending time together and socializing together and so forth." And I now know that he was correct. [Interview 4 AE]*

Therefore, as figure 5.7 below shows, Australian transnational entrepreneurs are operating in niche market as an identified opportunity (China) in a relatively closed and rigid context. On the other hand, Chinese immigrant entrepreneurs seek and identify better opportunities in a relatively open and flexible market (Australia). As such, although both Chinese and Australian entrepreneurs utilize their

entrepreneurial human capital in their cross cultural experience, they have to confront different expectations, challenges and limitations.



**Figure 5.7** Different perspectives toward transnational market

### 5.3 Answers to Research Questions and Broad Research Problem

#### 5.3.1 Answers to Research Questions One and Two

The first two research questions are primarily focused on Chinese immigrant entrepreneurs and their transnational experience in Australia. Thus, findings from the Chinese immigrant entrepreneurs help to answer these questions: *1) why and how did first generation Chinese immigrants engage in entrepreneurship in Australia?* *2) How and with what success did first generation Chinese immigrant entrepreneurs achieve social embeddedness in Australia?*

Findings of interviews with Chinese immigrant entrepreneurs suggest that there is no straightforward and short answer to describe immigrant entrepreneurship. For first generation Chinese immigrant entrepreneurs the entrepreneurial experience is tightly associated with post migration life experience which involves constantly

striving for something better, such as a better career, better income and better social status. This post migration life package includes individual knowledge and wisdom, social interactions and relationships with others (locally and internationally). What highlights the experience of Chinese immigrant entrepreneurs is the automatic motive inherited from the ancient and traditional Chinese culture values (discussed at section 4.2.4.1 in chapter 4). The cultural motive of 'being a ceaseless person' is taught generation by generation, a value embedded in their mentality that enables them to create a new life chapter after migrating to another country. For some, this new chapter is entrepreneurship and cultural motive drives them into entrepreneurial actions, such as taking risks, identifying opportunities, utilizing human capital and creating market value. Thus, this answers the first question: *why and how did first generation Chinese immigrants engage in entrepreneurship in Australia?* Regardless of the difficulties of settling in Australia, first generation Chinese immigrants who engage in entrepreneurship take this as an action of searching for and creating a new and better life opportunity. Further, findings that emerged from interviews with Chinese immigrant entrepreneurs very much relate to how they engage in social activities and with people, such as employment experience, formal education and social relationships. Thus, for most the idea of entering business often evolves with the status of their post migration work and life circumstances, as well as emergence of some important social connections in Australia.

First generation Chinese immigrant entrepreneurs actively engage in social activities and people in Australia leading to the answer to the second question: *how and with what success did first generation Chinese immigrant entrepreneurs achieve social embeddedness in Australia?* First generation Chinese immigrant entrepreneurs proactively learn through different types of social interactions in Australia. Increased familiarity and understanding about Australia or a particular industry adds to their knowledge and internal resources. Meanwhile, social interactions allow them

establish networks that may become important external resources. Therefore, the experience of achieving and accumulating internal and external resources (primarily knowledge) enable first generation Chinese immigrant entrepreneurs to achieve successful social embeddedness in Australia.

### **5.3.2 Answers to Research Questions Three**

The third questions are focused on transnational entrepreneurial characteristics: *What are the main characteristics of transnational entrepreneurship, with special reference to the Chinese and Australian contexts?* Findings of interviews with Australian transnational entrepreneurs and the comparison with findings from Chinese immigrant entrepreneurs help to answer this question. To answer the third research question, three fundamental characteristics are articulated to describe transnational entrepreneurial activities of both Chinese and Australian entrepreneurs. There characteristics are: 1) *connect to another market and its culture*, 2) *continued transnational practice*, and 3) *achieve transnational synergy*.

The first characteristic of transnational entrepreneurs is *connect to another market and its culture* different to their home market for business reasons. This explains why earlier studies treat transnational entrepreneurs as a subset of immigrant entrepreneurship (Dimitratos et al. 2016). Immigrants are a worldwide recognized group that move from one country to another and who are exposed to a different market. Hence, these people are likely to become involved in transnational business activity. For instance, recent transnational entrepreneurship studies (Brzozowski, Cucculelli & Surdej 2014, 2017; Dimitratos et al. 2016; Solano 2015) focus on immigrant groups only, which is a narrow view of transnational entrepreneurship. This research argues that one does not need to be a migrant to conduct transnational business activity. Instead, transnational business evolves with the international flow of people, business ideas, networks and application of entrepreneurial human capital.

Meanwhile, as the above sections discussed, the scope of business activity varies depending on business focus and strategy. For instance, some businesses import and export and do not need close interconnection with another market and culture, whereas, others have an off shore factory and office requiring more in-depth knowledge about the specific market. This difference requires various degrees of exposure to another culture and cross cultural issues, such as frequency of international trips and international staffing. Therefore, it is not surprising that some Australian entrepreneurs may not have been to China while maintaining transnational business interactions.

The second characteristic of transnational entrepreneurship is to have *continued transnational practice*. Transnational practice may be business or social related, but it must be firsthand experience where tacit knowledge and resources for further utility are collected. Due to the form of tacit knowledge, it is difficult to extract and transfer. Thus, continual flow of information exchange, social interactions and involvement in business practice is required. The length of time that entrepreneurs expose to transnational field is a necessary element for this continuation. Taking an example (interview 3 AE) from data gathered from Australian transnational entrepreneurs, after working as an employee in China and South-east Asia for eleven years, an Australian transnational entrepreneur was able to start a consulting firm to resolve transnational issues for businesses based in Australia and China.

Third, knowledge and resources, or 'know how', accumulated through business and social practice help achieve the *transnational synergy* characteristic of transnational entrepreneurship. *Transnational synergy* is the application of entrepreneurial human capital that allows realization and utilization of resources from two markets. The research findings of Chinese and Australian transnational entrepreneurial activities indicate that transnational entrepreneurs may connect with two markets to fulfill the

needs of their business focus, such as capturing a niche market, reducing cost, expanding profit margins and utilizing individual advantages of knowledge. As such, what distinguishes transnational entrepreneurship and other types of transnational practices (e.g. cultural exchange, transnational social ties and political interactions) is that transnational entrepreneurs do not only connect with markets by demand and supply (i.e. exporting and importing), but are also aware of potential resources in both home and host markets which they utilize for business purposes accordingly. Achieving *transnational synergy* is important and the characteristics of *connect to another market and its culture* and *continued transnational practice* are a necessary base for it. In this process, entrepreneurial human capital enables transnational entrepreneurs to achieve *transnational synergy* between two markets, and is fundamentally different to general transnational activities.

### **5.3.3 Response to the Overarching Research Problem**

After answering the research questions as discussed above, it is clear how the broad research problem may be addressed. The broad research problem is: *how to conceptualize immigrant and transnational entrepreneurship in a contemporary context with special reference to China and Australia?* Findings from interviews with first generation Chinese immigrant entrepreneurs in Australia suggest that immigrants moving to the receiving country experience different levels of challenge and cultural adaptation, but not all are determined and successful entrepreneurs. Entrepreneurial decisions and experience are highly related to social interactions after migration and are driven by internal factors, such as cultural motive and entrepreneurial human capital. Chinese immigrant entrepreneurs who enjoy what they do and achieve stable and successful business outcomes are more likely to have entrepreneurial human capital. This means that, in an equally new and foreign environment for all immigrants, successful immigrant entrepreneurs are able to explore business opportunities and create value for targeted markets through resources accumulated from their multiple experiences (e.g. work, social and

business).

Of the Chinese immigrant entrepreneur interviewees in this research, only a few have business transactions with China and fit into the category of transnational entrepreneurship. Hence, although immigrant transnational linkages (e.g. bilingual skills, cultural understanding and transnational ties) and transnational practice are applicable to all Chinese immigrant entrepreneurs, few take advantage of these linkages for transnational business. This means that while immigrant transnationalism may be resourceful and full of potential, immigrant entrepreneurs require some specific characteristics to become transnational entrepreneurs, such as capability of identifying opportunities and achieving *transnational synergy* (discussed above, section 5.3.2).

Interviews with Australian transnational entrepreneurs provided insights about transnational entrepreneurial experience from an Australian perspective. Findings indicate that transnational entrepreneurship involves a learning journey that extends entrepreneur knowledge of a new market, culture and social context. Furthermore, findings confirm that transnational entrepreneurship success requires entrepreneurial human capital, particularly knowledge about two markets. Thus, this research argues that, for transnational entrepreneurs, entrepreneurial human capital involves the ability to recognize resources in both countries and utilize them for business purposes. In addition, findings from Australian transnational entrepreneurs suggest that transnational entrepreneurial experience is not limited to immigrant groups. Instead, it is highly relevant to any entrepreneur who has experience, interests and motives for exposure to another market and culture.

#### **5.4 Building a Theoretical Framework**

Based on the analysis and answers to research questions presented above, three

unique characteristics about transnational entrepreneurship seem overlapped between Chinese and Australian entrepreneur groups, including: 1) *connect to another market and its culture*, 2) *continued transnational practice*, and 3) *transnational synergy*. A theoretical framework helps to conceptualize the core issues of transnational entrepreneurship which has been missed from current literature. Meanwhile, it articulates the concept of transnational entrepreneurship from general discussion about transnationalism. Hence, figure 5.8 (b) presents the conceptual formation of transnational entrepreneurship, and figure 5.8 (a) shows its difference from general immigrant transnational activities.

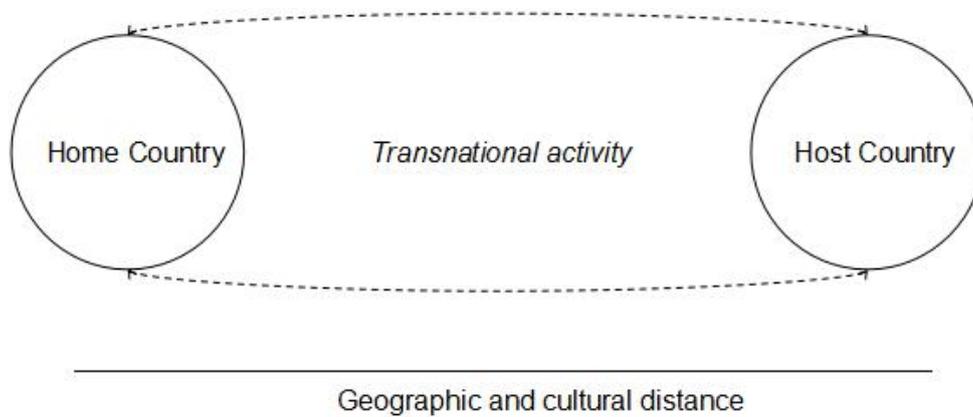
As figure 5.8 (a) shows, there is geographic and cultural distance between home and host market. For immigrant entrepreneurs, they tend to have life experiences in both places and these experiences help them accumulate knowledge about both markets. Thus, immigrant entrepreneurs who have practical experience between two countries could have dual habitus (see chapter 2, section 2.2.4.1) that reflects their understanding of two places (home and host country). Findings in this research shows that it is common for immigrant entrepreneurs to be involved in general transnational practices between home and host countries, such as maintaining friends and family ties and visits back to home country. In figure 5.8 (a), the dash lines represent immigrant entrepreneur transnational practices between home and host country which may or may not relate to their business. Thus, general transnational activities of immigrant entrepreneurs have the characteristics of: 1) *connect to another market and its culture* and 2) *continued transnational practice*.

Figure 5.8 (b) presents transnational entrepreneurial activities, which indicate the essence of entrepreneurship in the transnational context. Despite geographic and cultural distance, transnational entrepreneurs often need exposure to cross cultural experience over a period of time and have some firsthand experiences in the

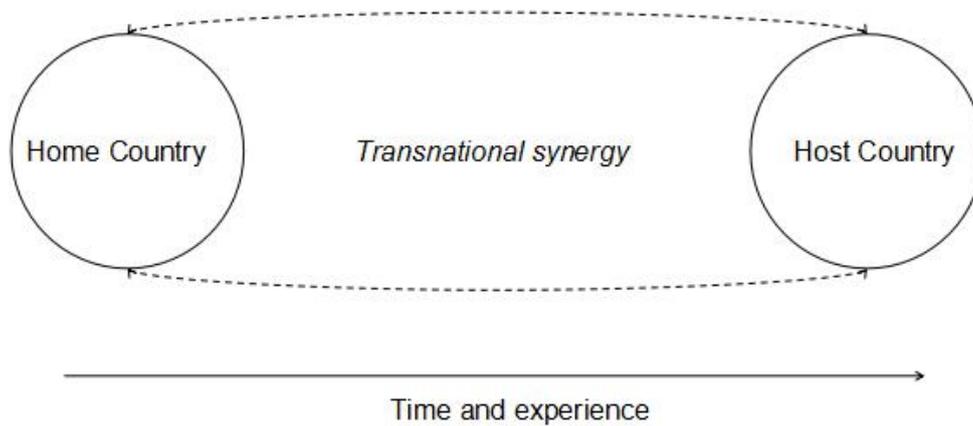
transnational context. These experiences help them accumulate more market knowledge and situate them in a better position to bring resources and opportunities from two places together. In figure 5.8 (b) the dashed circles represent close conceptualized markets which aims to creating value between and for two markets. Value creation results in emergence of *transnational synergy* and bridging of two geographically and culturally different market resources to connect them together (i.e. introducing or creating goods and services transnationally). Therefore, along with the characteristics of 1) *connection to another market and its culture* and 2) *continued transnational practice*, transnational entrepreneurs also achieve 3) *transnational strategy*. As such, dual habitus may occur for many immigrant entrepreneurs, however, only those with entrepreneurial human capital (discussed in section 5.2.1) achieve transnational synergy.

The framework (figure 5.8 a/b) illustrates that transnational entrepreneurship is not only a subset of immigrant entrepreneurship, although immigrant entrepreneurs with characteristic 1 and 2 are more likely to achieve characteristic 3. Instead, any entrepreneur who has sufficient motive and interests in international experiences can obtain cross cultural knowledge. Furthermore, entrepreneurial human capital assists entrepreneurs to engage in transnational entrepreneurship which helps them find and create synergy in and between two countries. Given the value of practical and experiential knowledge for immigrant and transnational entrepreneurs, time is a basic and necessary element to allow accumulation of relevant knowledge and experiences through personal history.

**(a) Immigrants and their transnational activity (characteristics 1 and 2)**



**(b) Transnational entrepreneurship (characteristics 1, 2 and 3)**



**Characteristic 1:** Connect to another market and its culture

**Characteristic 2:** Continued transnational practice

**Characteristic 3:** Transnational synergy

Home country = Country of origin

Host country = Country of receiving

*(The concept of 'home country' and 'host country' are used here as they are flexible and apply to non-immigrant entrepreneurs.)*

**Figure 5.8** Transnational activities and transnational synergy

## **5.5 Theory-Building Contribution**

### **5.5.1 Contribution to Literature of Immigrant and Ethnic Entrepreneurship**

This research took a phenomenological perspective to examine the meaning of Chinese immigrant entrepreneurship in Australia by exploring Chinese immigrant entrepreneurial decisions and actions associated with their post migration life experience. 6 themes were identified in data from Chinese immigrant entrepreneurs, namely, knowledge, interaction channel, settlement, relationship, transnational business and human capital (see chapter 4). This research found that the experience of immigrant entrepreneurship involves striving for personal achievement and life settlement in Australia. In particular, cultural motive was identified as a value that drives them to enter business, invest in education, socializing and pursuing opportunities.

This research contributes to immigrant and ethnic entrepreneurship study by exploring the lived experience of first generation Chinese immigrant entrepreneurs and identifying the motives of immigrant entrepreneurial behavior in the Australian context. More specifically, this research provides a different angle from which to understand immigrant entrepreneurship to previous studies. For instance, previous studies and theories focused on social conflict and immigrant interactions in the receiving country and view immigrant entrepreneurship as an outcome of disadvantaged position, such as The Disadvantaged Theory (Light 2004; Light & Karageorgis 1994; Wong 1985) and Ethnic Enclave Economy (Bonacich & Modell 1980; Portes & Jensen 1992). Although immigrants do encounter challenges in the receiving country, previous theoretical perspectives failed to identify the internal motivations of these individuals. Therefore, this research provides an alternative view by exploring the intrinsic and cultural motivation of Chinese immigrant entrepreneurs in participating in business in host country.

The research finding about cultural motive and value of relationships indicate continuing cultural impacts from the immigrant entrepreneurs' country of origin based on a strong transnational linkage to their home country. Hence, transnational linkages and transnationalism of first generation immigrants are very likely present as intangible and embedded resources (such as cultural capital) of immigrants as they are embodied in an established mentality and value system. Consequently, these intangible resources impact on their decisions in the receiving country, including why and how they enter and develop businesses. This research argues that existing immigrant entrepreneurship studies mainly focus on the context of receiving country (e.g. conflict between immigrant groups and labor market), but overlook immigrant entrepreneur continuing connections to country of origin and potential values of the linkages. Therefore, immigrant transnational linkages and transnationalism exist and embedded in their behaviors in the receiving country, indicating some practical implications (discussed below).

Study findings about how immigrants accumulate knowledge through different interaction channels confirm the interactive theoretical aspects of immigrant and ethnic entrepreneurship, such as The Interactive Model (Aldrich & Waldinger 1990) and Mix-Embeddedness Theory (Kloosterman & Rath 2001; Kloosterman, Van Der Leun & Rath 1999). In particular, findings about interaction channels (employed experience, social activity and business practice) contribute to Mix-Embeddedness Theory by articulating pathways of immigrant entrepreneur interaction and embeddedness in the receiving country. Findings from Chinese immigrant entrepreneur experiences confirm the existing theoretical explanation of immigrant and ethnic entrepreneurship are applicable, even though no one theory solely explains immigrant entrepreneurship fully. Existing theories cover the structural relationships between immigrant entrepreneurship and the receiving country from a different angle, but none of them explains the subjective experience and how entrepreneurs interpret this reality.

Entrepreneurial human capital was identified in some first generation Chinese immigrant entrepreneur interviewees. Entrepreneurial human capital represents consistent capability to engage in business opportunity seeking and value creation activities in the market. This finding links immigrant entrepreneurial behaviors to the essence of entrepreneurship, which has not been addressed in previous studies and theories. Therefore, this research proposes the argument that regardless of business activity scopes (i.e. domestic, transnational and international) entrepreneurial human capital is a necessary characteristic for immigrant entrepreneur success.

### **5.5.2 Contribution to Literature of Transnational Entrepreneurship**

Findings of cross cultural and entrepreneurial experience from both Chinese and Australian entrepreneurs contribute to the literature of transnational entrepreneurship. As an emerging stream of entrepreneurship study, understanding of the characteristics of transnational entrepreneurs and transnational entrepreneurship to date have been still evolving and remain unclear. For instance, recent studies (Brzozowski, Cucculelli & Surdej 2014, 2017; Solano 2015) identify the importance of transnational entrepreneur personal ties and argue that existence of international ties distinguish transnational entrepreneurs from other type of entrepreneurs (i.e. Immigrant and ethnic entrepreneurs). However, what transnational entrepreneurs do differently from other groups of transnational entrepreneurs is not explained.

This research adds new knowledge to literature of transnational entrepreneurship by highlighting the importance of transnational practice (business and social) and recognizing its value in building tacit knowledge and applicable business skills. Based on earlier discussion in this chapter, application of knowledge and skills for entrepreneurship in a cross border context helps achieve transnational synergy between home and host country (see figure 5.8 b). In particular, the ability to achieve

transnational synergy is a specialty of transnational entrepreneurs that enables them to recognize potential resources and what can be done with them. This specialty is knowledge-based and comes from concrete and grounded experiences, and once it is absorbed as an internal resource it becomes part of entrepreneurial human capital. As a result, grounded and applicable knowledge and the ability to achieve transnational synergy between two countries are what distinguish transnational entrepreneurs from other non-entrepreneurial transnational practices (i.e. immigrant transnationalism) and other types of entrepreneurs (i.e. ethnic and immigrant entrepreneurs, or international entrepreneurs).

Dimitratos et al. (2016) investigated Chinese transnational entrepreneurs and found that Chinese national culture consistently influences entrepreneurial orientation in their international activities, an influence that may weaken when these entrepreneurs enter the host country. However, this research found an embodied and constant cultural motive for Chinese immigrant entrepreneurship. Additionally, it also found that obtaining knowledge through a learning experience is common for both Chinese and Australian transnational entrepreneurs. Transnational entrepreneurs have a specific knowledge set through bonding home and host country which contributes to value creation. For instance, being able to recognize different and potential resources in asymmetrical markets (between home and host countries) is a fundamental skill for resource application. Hence, transnational entrepreneurs' behavioral logic is close to the ideas of Effectuation Theory (Sarasvathy 2009) and/or Entrepreneurial Bricolage (Baker & Nelson 2005), which refer to interactive behavioral logic with available resources and conditions.

This research argues that instead of diluting cultural influence of the home country (Dimitratos et al. 2016), transnational entrepreneurs focus on absorbing new information about the host country to achieve broader knowledge, wider

connections and deeper social embeddedness. Moreover, knowledge and connections enable these entrepreneurs to recognize market gaps and potential resources between home and host markets and draw these resources together to achieve transnational synergy. As such, this research points out that it is necessary to note individual capability (i.e. entrepreneurial human capital) when defining transnational entrepreneurs and how they engage with transnational and international activities. Moreover, the research findings do not explicitly show the connections to entrepreneurial behavioral logic, such as Effectuation Theory (Sarasvathy 2001) and Entrepreneurial Bricolage (Baker & Nelson 2005), however, the findings indicate some implicit connections as many entrepreneur interviewees refer to some evolving and non-planned entrepreneurial activities, which suggests further exploration.

## **5.6 Practical Implications**

### **5.6.1 Implications for Immigrant and Transnational Entrepreneurs**

As the previous sections introduced, this research found that knowledge from practical and concrete experiences is essential to immigrant and transnational entrepreneurship. As such, entrepreneurs and potential entrepreneurs should situate themselves in platforms (business network or organizations) with transnational information and resources. For example, a Chinese immigrant entrepreneur (interview 23) mentioned his regular participation in a Chinese business network after migrate to Australia, and referred that as a helpful platform for him to develop further useful local networks. Meanwhile, an Australian transnational entrepreneur (interview 5 AE) also referred to his university alumni association as a helpful platform for him to connect to Chinese networks and community.

As this research found that transnational entrepreneur cognition is important in obtaining more connections, knowledge and involvement in transnational practice,

practitioners should adopt proactive attitude towards cross cultural issues. Cognition is not limited to perceptions of business opportunity, but is also linked to proactive attitudes in learning about host country market and culture. As such, understanding a different market and exposure to difference facilitates entrepreneur learning experiences and accumulation of experiential knowledge, which ultimately contribute to their cross cultural adeptness. In addition, to ensure a quicker and faster learning experience, transnational entrepreneurs should actively participate in various formal and informal networking resources.

This research identified that transnational entrepreneurs are able to achieve transnational synergy between home and host countries. Successful transnational entrepreneurship requires concrete understanding of both home and host markets, and a creative mind and perspective to combine applicable resources. This requires transnational entrepreneurs to be able to identify potential opportunities and resources in both markets to achieve value creation for market needs. Entering business in areas that entrepreneurs are familiar with is critical for them to make more accurate and less risky estimations and design more successful projects. To achieve this entrepreneurs need to gain relevant experience, closely examine market needs and scan available ideas and resources to fulfill a market need.

Active and effective transnational ties are an advantage for immigrant and transnational entrepreneurs. Thus, immigrant and transnational entrepreneurs should be aware of the need to develop connectivity in interpersonal relationships. This does not mean that any transnational ties are immediately beneficial to business creation and operation, however, connected social networks and ties provide strong emotional and cultural support for immigrant and transnational entrepreneurs. This research argues that social and human connections are an important part of well-being for immigrant and transnational entrepreneurs and ultimately contributes

to their entrepreneurial ideas and activities.

### **5.6.2 Implications for Policy Makers**

Findings of this research have implications for policy makers seeking to promote and support entrepreneurship (immigrant and Australian) and facilitate transnational business between Australia and China. This research found that immigrant entrepreneurs are proactive in terms of learning, searching for opportunities and entering business, however, their actions may involve different kinds of risk that may lead to failure, with some failure having a strong impact on their future life or waste of resources. In addition, social networks and informal networks are critical for immigrants to obtain information, resources, supports and experiences which ultimately influence business choices and decisions. Formal institutions and platforms may also play a role in assisting immigrant entrepreneurial initiative given their unfamiliarity with the host country. Current Australian government policy focuses on a human resource oriented approach for migration policies. In practice this approach is very selective emphasizing financial resources for business development as well as proven capability based on past experience as basic conditions for visa application and acceptance. However, policies that attract global talent is only the first step of accumulating human capital for society. Therefore, policies that influence the inflow of migration and immigrant entrepreneurship should also consider to promote stronger social inclusiveness for the new community and other longer term impacts. For instance, local governments interested in promoting and enhancing prosperity of immigrant owned businesses could establish inclusive business forums and provide basic and advanced business skills training courses and networking opportunities. In addition, for those who have advanced entrepreneurial skills, government institutions should invest in regular entrepreneurship forums for people who are interested in developing new ideas.

This research found that diaspora plays an important role on the transnational business activities, particularly through social and cultural exchanges. Individuals who have extensive international experience bringing the diversify ideas into business creation and development, which does not only satisfy international market but also domestic market. Thus, there is a need to explore and facilitate diaspora for their further economic and social contribution. To achieve this, more incentive policies and programs should be designed to encourage and reward the individuals and SMEs participation and achievement in transnational business activities. Since the research found the social and cultural impacts are strongly and inevitably associated to the transnational business activity, this suggests that new incentive policies need to assessing participants from various aspects (such as membership of international business associations, number of patent or trade marks, etc.) other than only concentrating on the figure of economic transactions.

In addition, policy makers interested in facilitating transnational entrepreneurship between two countries (i.e. Australia and China) must pay attention to the domestic market, such as resourceful ethnic and immigrant groups in Australia. For example, immigrant workers and entrepreneurs have inherited cultural and social capital from their countries of origin which are valuable and can be explored and utilized. Immigrant entrepreneurs settling in Australia have an advantage of knowing about this country compared to those who have not arrived yet. Thus, government could encourage Australian local businesses to implement multicultural work forces and bring immigrants and their personal resources into local business practice. Furthermore, to promote transnational entrepreneurship policy makers should also consider the advantages of Australians moving to other places because this group of very capable people are more likely to have broader international knowledge and global connections.

### **5.6.3 Implications for Further Academic Research**

This research took a qualitative approach and phenomenological perspective to examine experiences and the meaning of experiences for immigrant and transnational entrepreneurs. Entrepreneurship research is dominated by quantitative studies and scholars are often hesitant to apply qualitative approach as it is often criticized due to some limitations. However, a qualitative approach has its own meaning and value for research problems that have not been fully explored or explained. Qualitative research involves an informative data source and provides rich insights for targeted subjects and phenomena. It relates stories about people and events to a phenomenon beyond the indication of numbers and ratios. This story explains processes that paint the big picture core problem, including complex issues, interactions, incidents and relationships. The big picture represents contextualization of core issues and relevant factors that may have been missed in earlier research. Hence, a qualitative approach has great value in discovering and describing the context of issues and phenomena as entrepreneurship happens intertwined with situations (Welter 2011).

A qualitative approach may be applicable for research areas that have been previously well studied because international economic, social, cultural and political environments are dynamically developing and impact on the context of entrepreneurship. For instance, for a long time, immigrant entrepreneurs were perceived to enter business due to limited choices in the receiving country. However, what has been neglected is the growing impact of immigrant country of origin. In the past half century globalization has made nations closer than ever before and immigrants are more frequently and intensively connected to country of origin due to cheap flights, telecommunication and social media. This tight connection explains part of the growing transnationalism of immigrants which opens windows for many transnational businesses. Globalization also presents opportunities for non-immigrant entrepreneurs to internationalize their business and the Australian

transnational entrepreneurs group in this research represents an example.

Applying a phenomenological perspective, this research uncovered the meaning of immigrant entrepreneurship and found the intrinsic and cultural motive of their entrepreneurial behaviors. As a result, this research provides a new theoretical view for immigrant and ethnic entrepreneurship studies. This research also found that concrete and tacit knowledge is embedded in practical experiences of immigrant and transnational entrepreneurs. These findings from first person experiences suggest that the phenomenological perspective and phenomenological methods have potential for further application in entrepreneurial research. The phenomenology perspective has the advantage of uncovering the insider view and perspective by exploring first person experiences and the essence of these experiences (Brinkmann, Jacobsen & Kristiansen 2014; Kafle 2013; Moran 2001). The 'lived experience' of subjects highlights their feelings and views about their past and on-going business, work and life and contextualize deep and diverse social and cultural backgrounds relevant to their entrepreneurial experiences. More importantly, there is always meaning and value hidden underneath the obvious that sometimes are unnoticed by subjects experiencing them. For example, in this research the intrinsic and cultural motive of being a 'ceaseless person' (Littlejohn n.d.; Rošker 2014) for immigrant entrepreneurs was not explicitly stated by Chinese entrepreneur interviewees, but was demonstrated through their personal stories. Hence, this phenomenological perspective helps uncover the subjective dimension of immigrant entrepreneurship and identify underlying meanings.

From the phenomenological perspective, all descriptions and explanations are interpretations based on first person experience which is the philosophical meaning of interpretation. Interpretation is also a methodological component of qualitative study which is helpful for theory building by enabling researchers to study central

issues with their own professional knowledge and personal lens to foster new and refresh ideas and understanding. Interpretation in research work requires high level intellectual input as it needs researchers to put a unique and new perspective on an existing topic. For instance, entrepreneurs forced into entering business are often seen as necessity driven and disadvantaged. However, Miller and Le Breton-Miller (2017) discuss this group of entrepreneurs as challenge-based entrepreneurs and argue that challenges provide conditions that motivate these entrepreneurs to be more adaptive and achieve positive outcomes. These authors interpret necessity driven as challenged-based, which is a different perspective about entrepreneurial motivation. Hence, in this research the exploration of the intrinsic and cultural motives of immigrant entrepreneurship is a different interpretation of this phenomenon and the meaning of transnational practice.

The qualitative approach and phenomenological perspective allow entrepreneurship researchers to be as close as they can to the data. Closeness to data helps in theory building and allows researchers to see the imperfections of established theories and provide confirmatory views. Thus, detailed and practical problem based data helps the researcher reflect on the phenomenon and leads to greater theoretical understanding, or challenges existing understandings (Zahra 2007). This process bridges the gap between scholars and practitioners if both sides are constructing the knowledge pool about entrepreneurship. After all, it is vital to add new insight and knowledge to existing literature as the more we understand theoretically, the better theory can impact on practice. To repeat, the evidence drawn from the interviews, which emphasize subjective experiences and interpretations enables us to enhance a deeper understanding of entrepreneurial behavior in a transnational context. The theory-building in this thesis therefore is based on these subjective experiences and interpretations of the everyday realities of entrepreneurial practice.

## **5.7 Limitations of the Research**

Despite theoretical and practical contributions, this research has four main limitations. First, this research draws exclusively on interview data from Chinese and Australian entrepreneurs and focused on the context of China and Australia. However, social and cultural impacts could be different for entrepreneurs from other national backgrounds and markets. Second, the data source included 34 Chinese immigrant entrepreneurs and 6 Australian transnational entrepreneurs, which presents a small sample size that cannot be generalized to a larger population, such as entrepreneurs from other ethnic groups. Third, interview data gathered from Chinese immigrant entrepreneurs focused on first generation immigrants and the findings may not be applicable to second and third generation immigrants. Fourth, this qualitative study does not indicate co-relationships between factors and causal relationships, which could be addressed in future studies.

## **5.8 Recommendation for Future Research**

Based on findings and arguments of this research, there are some recommendations for future research.

- It was found that first generation Chinese immigrant entrepreneurs are strongly influenced by Chinese culture that motivates them to strive for business success and a settled life. Future study could explore this finding with a larger sample to test the relationship of cultural motive and reasons for entering business and business performance. Also, future study could examine the perspectives of second and third generation Chinese immigrant entrepreneurs to determine whether this culture motive is consistent across generations.
- This research found that entrepreneurial human capital is essential to successful immigrant enterprises which has not been mentioned in previous studies. Also, this research argues that transnational entrepreneurship is an application of entrepreneurial human capital to achieve transnational synergy between home

and host countries. Thus, future research may further explore entrepreneurial human capital and examine how it influence immigrant and transnational entrepreneurial decision making and performance.

- This research utilized data from both Chinese and Australian entrepreneurs to argue that transnational entrepreneurship is not limited to immigrant groups. Future transnational entrepreneurship studies could include a broader range of participants from non-immigrant backgrounds to further examine transnational entrepreneurship. In addition, it is worthwhile to pay further attention on comparing how immigrant entrepreneurs and local entrepreneurs compete or collaborate in the transnational business activities, as these issues have not been addressed sufficiently in current academic literature. These potential research topics would develop new interdisciplinary research with a wider range of applicability.
- The research findings indicate that immigrant and transnational entrepreneur behavioral logic has some similarity to ideas in Effectuation Theory and/or Entrepreneurial Bricolage. This suggest further application of these theories in testing and understanding entrepreneurial behavioral problems in immigrant and transnational entrepreneurship, such as how to identify business opportunities and how to explore or utilize potential resources for business.

## **5.9 Conclusion**

Based on the research findings presented in previous chapters, this chapter aimed to answer the proposed research questions and a broad research problem. To achieve this goal, this chapter compared and contrasted findings from Chinese immigrant entrepreneurs and Australian transnational entrepreneurs. This comparison summarized commonalities and differences of these two groups and articulated the scale of business frameworks and essence of transnational entrepreneurship. Findings from Chinese immigrant entrepreneurs led to answers for the first and second research questions and findings from Australian transnational entrepreneurs

and comparisons led to answers for the third research questions. A theoretical framework was developed to present the core meaning of transnational entrepreneurship and its major difference from general transnational practices.

In closing, this chapter highlighted theoretical and practical implications of immigrant and ethnic entrepreneurship, and transnational entrepreneurship. This research found there is an intrinsic and cultural motive of first generation Chinese immigrant entrepreneurs to enter business and identified the necessity of entrepreneurial human capital for business success. These findings add new theoretical insights regarding immigrant and ethnic entrepreneurship. This research also identified the importance of cross cultural knowledge for transnational entrepreneurs (both Chinese and Australian) and how social and cultural contexts (Chinese and Australian) impact the application of social networks differently. These findings indicate that transnational entrepreneurs achieve transnational synergy based on different market conditions, enhancing current understanding of transnational entrepreneurship. The findings highlight strong influence of social and cultural values and the importance of human capital for both immigrant and transnational entrepreneurship, which indicate the need of providing more efficient social inclusive and human capital management systems from the Australian government. Therefore, this chapter provided practical implications for practitioners (immigrant transnational entrepreneurs), policy makers and researchers. After acknowledging the limitations of this research, this chapter provided a list of recommendations for future research.

## Appendix 1: Interview Questions

Age/Gender

What is your education background? Where did you complete your degree?

When was the first time you came to Australia?

Do you travel to your home country often?

How many languages do you speak? Which one do you use daily at home and work place?

Do you have work or business experiences back in your country? Was that related to what you are doing now? Why?

Is your qualification related to what you are doing now? Why if they are not relevant?

What are the things that you gained/adapted from your migration experience?

What are the things that you felt that you lost/gave up from your migration experience?

Why did you choose to become an entrepreneur?

How do you feel about starting business and working for yourself?

Do you think you would still be an entrepreneur if you did not migrate to Australia? Why?

Is it important for you to keep social networks from your home country? Why?

When was this firm established? Could you share the history and inspiration of this firm?

Do you have partners with your firm? What were the experiences?

What are your products and services?

How do you market your products and services?

How many employees do you have? Where are these employees from?

How much do multiple languages help your business practices?

Who are your major clients?

Have you found any institutions helpful for your business practices?

What is your future plan for this business?

**Appendix 2: Interviewee List of Chinese Immigrant Entrepreneurs in Australia**

	<i>Gender</i>	<i>Age</i>	<i>Years of Arrival</i>	<i>Industry</i>	<i>Market focus</i>	<i>International business and social activities</i>
<b><i>Interview 1</i></b>	Female	30+	6	Manufacturing	Australia only	Visiting family and friends in China
<b><i>Interview 2</i></b>	Male	30+	10	Wine	Australia-China	Visiting major clients and family and friends in China
<b><i>Interview 3</i></b>	Male	30+	12	Restaurant	Australia only	Visiting family and friends in China
<b><i>Interview 4</i></b>	Male	30+	10	Hospitality	Australia-China	Exporting products to China; visiting family and friends in China
<b><i>Interview 5</i></b>	Male	30+	9	Consulting	Australia only	Visiting family and friends in China
<b><i>Interview 6</i></b>	Male	30+	12	Consulting	Australia-China	Small proportion of the business clients are based in China; visiting family and friends in China
<b><i>Interview 7</i></b>	Female	30+	9	Grocery store; e-commerce	Australia-China	Customers are based in Australia and China; visiting family and friends in China
<b><i>Interview 8</i></b>	Male	30+	11	Media	Australia-China	Printing in China for the Australia office; attending international conferences; Visiting family and friends in China

<b>Interview 9</b>	Male	20+	5	Wine; e-commerce	Australia only	Visiting family and friends in China
<b>Interview 10</b>	Female	50+	15	Education; Consulting	Australia-China	Clients are based in Australia and China; visiting family and friends in China
<b>Interview 11</b>	Male	30+	15	Restaurant; Fast food chain	Australia-China	Businesses are based in China and Australia; visiting family and friends in China
<b>Interview 12</b>	Male	20+	6	Property development; Wine	Australia-China	Exporting wine to China; visiting family and friends in China
<b>Interview 13</b>	Male	30+	11	Property development; Consulting	Australia only	Visiting family and friends in China
<b>Interview 14</b>	Female	20+	8	Consulting	Australia only	Visiting family and friends in China
<b>Interview 15</b>	Female	20+	5	Retail	Australia-China	Importing products from China; visiting family and friends in China
<b>Interview 16</b>	Male	30+	10	Cleaning	Australia only	Visiting family and friends in China
<b>Interview 17</b>	Male	20+	5	Retail	Australia only	Visiting family and friends in China
<b>Interview 18</b>	Male	40+	20	Manufacturing and retail	International market incl China	Manufacturing in China and exporting to Australia and other countries;

						Visiting family and friends in China
<b>Interview 19</b>	Male	20+	7	Wine	Australia-China	Exporting wine to China; visiting family and friends in China
<b>Interview 20</b>	Male	30+	8	Farming; Consulting	Australia-China	Clients are based in China; visiting family and friends in China
<b>Interview 21</b>	Male	50+	5	Logistic	Australia only	Visiting family and friends in China
<b>Interview 22</b>	Male	20+	10	Education	Australia only	Visiting family and friends in China
<b>Interview 23</b>	Male	50+	6	Restaurant; Property	Australia only	Visiting family and friends in China
<b>Interview 24</b>	Male	20+	3	e-commerce	Australia only	Visiting family and friends in China
<b>Interview 25</b>	Male	30+	9	Consulting	Australia only	Visiting family and friends in China
<b>Interview 26</b>	Male	30+	10	Property	Australia only	Visiting family and friends in China
<b>Interview 27</b>	Male	40+	3	Wine; Exporting	Australia-China	Exporting wine to China; visiting family and friends in China
<b>Interview 28</b>	Male	20+	5	Education	Australia-China	Delivering online marketing services in China; visiting family and friends in China
<b>Interview 29</b>	Male	40+	15	Importing and	Australia-China	Attending exhibitions in China, manufacturing and

				exporting		important from China; visiting family and friends in China
<b>Interview 30</b>	Male	30+	7	Media	International market incl China	Attending international conferences; visiting family and friends in China
<b>Interview 31</b>	Female	20+	9	Importing and exporting	Australia-China	Exporting to China; visiting family and friends in China
<b>Interview 32</b>	Female	30+	5	Importing and exporting	Australia-China	Exporting to China; visiting major clients in China; visiting family and friends in China
<b>Interview 33</b>	Male	40+	10	High-tech	International market incl China	Attending conferences and visiting clients internationally; visiting family and friends in China
<b>Interview 34</b>	Male	30+	9	Retail; e-commerce	Australia-China	Business are based in Australia and China; visiting family and friends in China

### Appendix 3: Interviewee List of Australian Transnational Entrepreneurs

	<i>Gender</i>	<i>Age</i>	<i>Industry</i>	<i>Market focus</i>	<i>International services and activities</i>
<b><i>Interview 1</i></b>	Male	30+	Education	Australia-China	Classes are delivered in China
<b><i>Interview 2</i></b>	Male	40+	Wine	Australia-China	Exporting wine to China
<b><i>Interview 3</i></b>	Male	40+	Consulting	Australia-China	Clients are based in both Australia and China
<b><i>Interview 4</i></b>	Male	60+	Manufacturing	International market incl China	Manufacturing in China and export to Australia and other countries
<b><i>Interview 5</i></b>	Male	30+	Consulting	Australia-China	Offering human resource services from China to the Australian firms
<b><i>Interview 6</i></b>	Female	40+	Wine	International market incl China	Exporting wine to China and other countries

## Appendix 4: Ethics Approval



RESEARCH BRANCH  
OFFICE OF RESEARCH ETHICS, COMPLIANCE AND  
INTEGRITY

BEVERLEY DOBBS  
EXECUTIVE OFFICER  
LOW RISK HUMAN RESEARCH ETHICS REVIEW  
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6/12/2013

Associate Professor S Freeman  
School: International Business

Dear Associate Professor Freeman

**ETHICS APPROVAL No:** HP-2013-128  
**PROJECT TITLE:** The Paradox of Transnational Entrepreneurship

The ethics application for the above project has been reviewed by the Low Risk Human Research Ethics Review Group (Faculty of Humanities and Social Sciences and the Faculty of the Professions) and is deemed to meet the requirements of the *National Statement on Ethical Conduct in Human Research (2007)* involving no more than low risk for research participants. You are authorised to commence your research on **6 December 2013**.

Ethics approval is granted for three years and is subject to satisfactory annual reporting. The form titled *Project Status Report* is to be used when reporting annual progress and project completion and can be downloaded at <http://www.adelaide.edu.au/ethics/human/guidelines/reporting>. Prior to expiry, ethics approval may be extended for a further period.

Participants in the study are to be given a copy of the Information Sheet and the signed Consent Form to retain. It is also a condition of approval that you immediately report anything which might warrant review of ethical approval including:

- serious or unexpected adverse effects on participants,
- previously unforeseen events which might affect continued ethical acceptability of the project,
- proposed changes to the protocol; and
- the project is discontinued before the expected date of completion.

Please refer to the following ethics approval document for any additional conditions that may apply to this project.

Yours sincerely

ASSOCIATE PROFESSOR RACHEL A. ANKENY  
Co-Convenor  
Low Risk Human Research Ethics Review Group (Faculty  
of Humanities and Social Sciences and Faculty of the  
Professions)

ASSOCIATE PROFESSOR PAUL BABIE  
Co-Convenor  
Low Risk Human Research Ethics Review Group (Faculty  
of Humanities and Social Sciences and Faculty of the  
Professions)

## Appendix 5: Consent Form

Human Research Ethics Committee (HREC)



### CONSENT FORM

1. I have read the attached information sheet and agree to take part in the following research:

<b>Title</b>	The Paradox of Transnational Entrepreneurship
<b>Ethics Approval Number</b>	HP-2013-128

2. I have had the project, so far as it affects me, fully explained to my satisfaction by the research worker. My consent is given freely.
3. Although I understand the purpose of the research project it has also been explained that involvement may not be of any benefit to me.
4. I have been informed that, while information gained during the study may be published, I will not be identified and my personal results will not be divulged.
5. I understand that I am free to withdraw from the project at any time.
6. I agree to the interview being audio recorded.

Yes

No

7. I am aware that I should keep a copy of this Consent Form, when completed, and the attached Information Sheet.

**Participant to complete:**

Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Researcher/Witness to complete:**

I have described the nature of the research to \_\_\_\_\_ and in my opinion she/he understood the explanation.

Signature: \_\_\_\_\_ Position: \_\_\_\_\_ Date: \_\_\_\_\_

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