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Immigrant Entrepreneurship and Firm Growth

Building an Integrated Approach to Understand Firm Growth in Immigrant Owned Firms

Craig Mitchell

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Licentiate Thesis

Abstract

This thesis muses the question; how do we understand firm growth in immigrant owned firms? Two literature streams are proposed to be relevant. Firstly, the immigrant entrepreneurship field, which is developing and becoming increasingly sophisticated. Though despite appeals from within the field, that we need a wider span of concepts to explain the changing heterogeneity and fabric of immigrant entrepreneurship in 2015, an understanding of firm growth in immigrant firms is conspicuous in its relative absence from the field. This conspicuousness is amplified by a recent flurry of interest in the mainstream media, who are quick to point to the standout examples and success stories of firm growth by immigrant firms. Immigrant entrepreneurs are no longer confined to low-value and competitively saturated activities, ethno-cultural niches and arduous survival orientations. Though, we can find immigrant entrepreneurs growing their firms in the whole spectrum of industries. The immigrant entrepreneurship research field has a hard time explaining this progressive trend. Extant literature has tended to present a skewed image of immigrant entrepreneurship; one explanation for this is that the field is theoretically ill suited and has lacked the conceptual precursors to grasp the phenomenon of firm growth in immigrant firms. The second relevant stream of research is that of 'mainstream' firm growth, which is undoubtedly valuable in explaining firm growth in general. However, it is understood to be unsympathetic to the nuances and specificity of immigrant entrepreneurship, which remains infused with ethno-cultural characteristics and circumscribed by negative structural impediments, including discrimination and racism. Thus, merely casting a blanket of previous 'mainstream' growth research over a population of immigrant entrepreneurs is an inadequate approach. It is proposed, given these limitations that these streams of literature need to be considered together. This thesis builds an integrated approach to understand firm growth in immigrant firms, which is steeped in the firm growth literature, but remains sensitive to the specificity of immigrant entrepreneurship. A number of research propositions are made and discussed, the culmination of which is a suggested research agenda for firm growth in immigrant owned firms.

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Finally, to my Marie, thanks for being there.

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Chapter 1: Arriving at the Research Problem

1.1 Introduction

Extant literature on ethnic minority and immigrant entrepreneurship [1] seldom accounts for growth in immigrant owned businesses. Despite a comprehensive amount of literature, previous studies have rarely tended to focus upon the growth of immigrant owned business. Instead, there has been an overemphasis upon small-scale survival types of businesses. While it is the case that immigrant entrepreneurs are over represented in small scale and typically immigrant sectors, it would be wrong to condemn all immigrant firms to these least rewarding areas of the economy. Though, if we were to fully adopt some fundamental theoretical perspectives from previous ethnic minority and immigrant entrepreneurship research, we may be led to believe that immigrant entrepreneurs are destined to run small retail outlets or restaurants, serving a local co-ethnic clientele and at best serving a local mainstream trade. This entrepreneurial carrier we know, entails a business life centred around the staving off threats, cut-throat pricing and a constant fight to survive. An understanding of firm growth[2] in immigrant firms is conspicuous in its absence.

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[1] In the majority of previous studies the term ethnic minority entrepreneurship is used, however owing to the Swedish context of this thesis the term immigrant entrepreneurship will be used to label the phenomenon, of individuals with a foreign background starting, owning and growing firms. When the term 'ethnic minority entrepreneurship' and its derivatives is used, it is done so, because that is the original term used in the particular study which is being discussed. A more comprehensive discussion of the definitions can be found in section 1.3.3.

[2] The use of the term growth follows the following definition: "the term 'growth' is used in ordinary discourse with two connotations. It sometimes denotes merely an increase in amount; for example, when one speaks of 'growth' in output, exports, sales. At other times, however, it is used in its primary meaning implying an increase in size or an improvement of quality as a result of a process of development." Penrose (1959:1).

Today however, we find immigrant entrepreneurs represented as growth oriented and successful entrepreneurs in the whole spectrum of industries. What we know about this phenomenon is largely guided by its exposure within mainstream media, who are quick to point to the stand out examples. The challenge then; how do we as a research community understand and explain these occurrences? The short answer is that so far we have not. The current models and theories in the field of immigrant entrepreneurship, suggest that this isn't possible, or at least it is atypical. Extant literature has tended to present a skewed image of immigrant entrepreneurship, rarely does it stretch beyond an understanding of business start-ups in what is viewed as stereotypical immigrant sectors, and thus does not depict the full extent of immigrant entrepreneurship today.

When we lay our cards on the table, the immigrant and ethnic minority entrepreneurship research community actually knows very little about the growth of these exceptional firms, the immigrant owners and the contextual determinants which fosters them. Central to this problem is that previous immigrant entrepreneurship research lacks a coherent theoretical perspective to be able to account for and explain firm growth in immigrant businesses. At the same time the firm growth literature isn't sensitive to the specific characteristics of immigrant entrepreneurship and the conditions under which immigrant firms are formed and ultimately grown. Merely throwing a blanket of mainstream firm growth literature over a sample group of growth-orientated immigrant entrepreneurs is not an adequate approach. Existing theories of firm growth were not built in the context of immigrant entrepreneurship and thus it is doubtful that nuances of the phenomenon could have been captured. It is also proposed that the role of structural contexts, the reactive nature of immigrant entrepreneurs in the face of disadvantage in the labour market, processes of discrimination (Ram and Jones, 2008b), immigrant specific configurations of capital endowments and resource profiles (Aliaga-Isla and Rialp, 2013; Kloosterman, 2010), the infusion of cultural-ethnic elements which permeate the firm in terms of what they sell, how they are managed, human resource practices, as well as immigrant entrepreneurs particular 'mixed embeddedness' and an over-representation in low value activities, all evidently highlight the specificity of immigrant entrepreneurship. It is understood that this specificity is relevant also for immigrant firm growth.

The aim of this thesis is to provide a theoretical approach that is capable of understanding and explaining growth in immigrant owned firms. This aim is met by

developing an integrated approach that takes into consideration the unique characteristics and conditions of growth in immigrant firms, offered from an integrated standpoint, composed of a mainstream firm growth stance, but sensitised to the context of immigrant entrepreneurship and previous immigrant entrepreneurship research. In fulfilling this aim, I make the following contributions:

1. Accessing the adequacy of current immigrant entrepreneurship research in explaining firm growth.

2. Providing an integrated approach capable of understanding growth in immigrant businesses.

3. Demonstrating the value of an explicit growth perspective on immigrant entrepreneurship research.

1.2 Arriving at the Research Problem

I identify four major research problems that are appropriate and directly related to the research aim.

1. A current distorted view of immigrant entrepreneurship

2. A theoretical inability of immigrant entrepreneurship research to understand firm growth

3. A lack of theoretical awareness of firm growth research to understand the specificity of immigrant entrepreneurship

4. A need to embed entrepreneurship research within its context

These problems are elaborated upon below.

1.2.1 A Distorted View of Immigrant Entrepreneurship

Previous immigrant entrepreneurship research places too little emphasis on growth orientated immigrant entrepreneurs. The prevailing view of immigrant entrepreneurs is that they are often perceived as being resigned to small-scale, stereotypically

immigrant operations. Often these operations are to be found in the least rewarding and vulnerable economic sectors and spatial locations (Edwards and Ram, 2006; Ram and Jones, 2008b; Rezaei, 2007; Barrett et al., 2001; Waldinger et al., 1990; Masurel et al., 2004; Chaganti and Greene, 2002; Rusinovic, 2006; Najib, 1994). While there is a considerable body of literature, this has tended to concentrate on the overwhelming majority of immigrant entrepreneurs who rest precariously on the fringes of the economy, in a position of disadvantaged sectorial concentration. A focus on growth orientated immigrant entrepreneurs has been notably absent (Dhaliwal and Gray, 2008; Basu and Goswami, 1999b; Basu and Goswami, 1999a; Chaganti and Greene, 2002; Rusinovic, 2006; Rezaei, 2007; Kloosterman and Rath, 2001; Dalhammar, 2004; Baycan-Levent et al., 2009; Ram and Jones, 2008b). The terms highly saturated, low earning and labour demanding are all too prevalent in illustration of the emblematic immigrant industry within previous immigrant entrepreneurship literature. Ram et al. (2004: 111) comment that "for all its rapid quantitative proliferation, it remains almost universally true that ethnic enterprise remains qualitatively limited, its scope is largely restricted to a narrow range of activities in that least rewarding areas of the economy." A real accord echoing this point can be found in (Rezaei, 2007: 94) who remarks that immigrant businesses are not randomly distributed in the recipient countries economy. Instead "they are predominantly small-scale family firms clustered in specific business lines and urban areas." This over-representation hasn't been missed by the research community, on the contrary we are now quite well versed on the plight of the small-scale immigrant owned business. It is this type of immigrant entrepreneur who has caught the attention of previous research. Jones et al. (2012: 94) offer the possible rationale that the "high visual impact of the mainly urban-based retail and catering operations" which shapes these perceptions of the immigrant entrepreneur. Though in strict academic terms Jones et al. (2012) are also quick to point out that hard facts also appear to underpin this over representation. What has not caught the attention of research so much is the relatively marginal group of immigrant entrepreneurs who own and run successful and growth orientated firms. While these individuals and their stories have been captured by popular press and media, lending to the rags to riches narrative that makes for good reading, the phenomenon has by in large been overlooked by academia.

This being said, there has been a recent flurry of interest and contemporary observations to offer some insights into the changing fabric of immigrant

entrepreneurship. Barrett et al. (2003) recognise that the pattern of over-representation in survival firms is far from fixed and that increasing diversification by immigrant entrepreneurs is gradually occurring, albeit in limited numbers. Ram et al. (2004: 111) explain that the uncompromising situation of the typical immigrant entrepreneur can recently be set against recent diversification developments, which show that there is great potential for "more economically sustainable and viable ethnic minority firms." The same discussion is to be found in Ram and Jones (2008b: 336) who explain that ethnic minority businesses "are beginning to liberate themselves from these stereotypical lines, shifting too much better rewarded sectors and locations." This observation is also made by Rezaei (2007: 104) who picks up on an important point. While he appreciates that it is true that "the huge majority" of immigrant business "do not grow, restructure and relocate," crucially, some do. Building on this he finds that "an increasing number of firms are being established outside the traditional immigrant business lines. While there exists a small number of empirical studies which pay attention to the changing dynamics of immigrant entrepreneurship, still too little is known about the characteristics and conditions which under pin this phenomenon. Feldman (2006: 85) notes "there is a limited number of studies that address non-traditional sectors and external orientations of ethnic entrepreneurs." Though to date, we as a research field only have anecdotal evidence of the equivalent story beyond the traditional immigrant entrepreneur. Ram and Jones (2008b: 336) also remind us that "far too little is known of this progressive trend and we need research to give better coverage of what is happening and how and why." The position taken by this thesis is that, of course immigrant entrepreneurs own and run firms that grow. Yet we know very little about these exceptional individuals and firms, or about the conditions and characteristics under which this process has entailed. I was able to identify ten studies, which deal with questions surrounding firm growth in immigrant owned firms; these are systematically critiqued in Chapter 6 to illustrate several shortfalls, but importantly their contributions to the field. Forgoing this handful of studies, more generally speaking what we lack is a comprehensive explanation of this phenomenon. Ram et al. (2004: 109) express that "despite a burgeoning research interest, the concrete ways in which ethnic minorities attempt to grow and develop their business remains a neglected issue, with comparatively few attempts to identify what distinguishes the relative handful of fast trackers from the broad mass of survivalists" and instead, "greater attention now needs to be directed at entrepreneurial success and the exceptional factors that underpin it." In reading the current literature I am left wanting, and this reflects the general

consensus of others who seem to agree that there is still some work to be done, regarding understanding firm growth in immigrant owned firms.

1.2.2 A Theoretical Inability

There is a lack of sufficient theoretical foundations in immigrant entrepreneurship research to study growth. One reason why growth orientated immigrant entrepreneurs have ostensibly been missed by previous research, is that the immigrant entrepreneurship field in general lacks the theoretical frameworks, the antecedents and the precursors to study such a phenomenon. While there is much literature, it has been founded upon non-entrepreneurship theoretical foundations and this has had a critical impact upon what we know about immigrant entrepreneurship. Immigrant entrepreneurship research has for the most part been dominated by anthropologists, geographers, social scientists, cultural geographers, economic historians and political scientists, while entrepreneurship scholars have been notably absent (Rath and Kloosterman, 2000; Ram and Jones, 2008b; Ahmadi, 2003; Slavnic, 2004; Greene, 1997).

As a result there is some pronounced discourses and assumptions in immigrant entrepreneurship research, a product of the specific deep-rooted theoretical antecedents, which we have used to study immigrant entrepreneurship, thus far. These antecedents have tended to focus upon the conditions and the motives of immigrant entrepreneurs' entrepreneurial entry process and circumstances. When boiled down, conventional previous research has taken one of two theoretical stances towards immigrant entrepreneurship. On one hand the literature is concerned with the powerful handicaps of being an immigrant entrepreneur. This economic disadvantage argument pronounces that immigrants are pushed towards entrepreneurship due to discrimination in the labour market and ultimately unemployment. These handicaps also permeate the business and the entrepreneur post start-up. For example Rusinovic (2006: 12) shows that typical immigrant firms "are tiny self-employment units in which profits are low and working hours long for the owners." Or on the other hand, previous research has taken the stance that there is a powerful ethnic or cultural x-factor driving and facilitating immigrant entrepreneurs and immigrant ventures. The fundamental stance taken by this cultural perspective is that some ethnic groups have penchant toward business, and this rationale is used to explain the severe over-representation of specific ethnic groups in

self-employment. Although, the discussion above has presented the dangers of attributing too much emphasis on ethnicity and culture, and how it affects entrepreneurial propensity, it is as harmful to totally negate culture and ethnicity of immigrant entrepreneurs. To do so would be equally misleading, instead the influence of ethnicity, must still be seen as an active force, though operating in more nuanced ways.

Both of these two standpoints, however, fail to recognise the entrepreneurial or economic rationale of firm growth. Our existing models and theories in immigrant entrepreneurship research tend to suggest for various reasons that growth within immigrant firms is at worst not possible, or at best that it is atypical. While previous studies have made important contributions in other areas, explanations of firm growth have largely been absent. At the same time however we know there are stand out examples of highly successful growth orientated immigrant entrepreneurs. Though presently immigrant entrepreneurship research has had a hard time explaining these occurrences. Both these perspectives are critiqued in terms of growth in chapters 2 and 3.

Recently though, the field of immigrant entrepreneurship has witnessed theoretical resurgence. The introduction of the 'mixed embeddedness' perspective in the late 1990s was largely in response to the limitations of previous approaches and today the perspective is almost inescapable when reading about immigrant entrepreneurship. The mixed embeddedness perspective understands that immigrant entrepreneurs are embedded in a myriad of contexts. It attempts to understand the interplay of social, economic, institutional and politico-regulatory contexts at national, regional, urban and neighbourhood levels but also at the levels of the industry or market. The perspective concerns itself with how this interplay bears down upon opportunity structures. At the nexus of this interplay and opportunity structures one can find the phenomenon of immigrant entrepreneurship. The mixed embeddedness perspective has been an important development for the immigrant entrepreneurship field. Though, it can also be criticised for becoming too structuralist in nature at the expense of a neglect of the entrepreneur and firm levels of analysis. The perspective can locate and place the entrepreneur and the firms within the context of a particular mixed embeddedness, but it fails to understand how the individual and the firm respond and react in the face of this context. Ram et al. (2008) remind us that the relationship between agency and structure is one with multiple feedbacks. The

structure, of course, does bear down upon the individual and the firm, but the individual and the firm also bears upon structures. It is this entrepreneurial response that seems to have become somewhat lost in the mixed embeddedness perspective. The mixed embeddedness perspective is less theoretically and even less empirically mature than the cultural and structural perspectives. The concept of mixed embeddedness has been accused of verging on "fuzziness" (Razin, 2002) as its theoretical standpoints become too stretched. A large concern is that the complexity means at best that empirically adopting the perspective in its entirety is problematic. A final critique is the context in which the perspective was first conceptualised. Kloosterman et al. (1999) developed the perspective in the research context of the informal economy entangled with small-scale firms operating in the boundaries of legality, a context far removed from the context of successful growth oriented immigrant owned firms. Despite these criticisms, it is understood that the fundamental assumptions of the mixed embeddedness perspective has something to contribute in terms of an understanding of firm growth in immigrant owned firms, since it allows for placing the phenomenon of immigrant entrepreneurship within its specific opportunity structure.

So while it is true that previous research has been vital in the development of the immigrant entrepreneurship research field; it is thus far limited in its ability to explain what happens to immigrant firms after start-up, how they perform, how they grow and the particular characteristics and conditions relating to this growth. This limitation is so deep rooted that the phrase 'growth in immigrant businesses' is often used when describing the increasing number of immigrant owned ventures, and not the firm growth in relation to immigrant owned firms. It is supposed then, that previous research into immigrant entrepreneurship is insufficient on its own to understand what happens beyond the start-up process of immigrant firms. We simply do not know why some remain small and others show a greater propensity towards growth. At the root of this problem is an absence of a theoretical perspective to deal with questions surrounding firm growth within immigrant firms. While on the other hand, the reasons why some 'mainstream' businesses grow and others don't have been at the forefront of mainstream firm growth research. In sum, unlike 'mainstream' entrepreneurship literature, previous immigrant entrepreneurship hasn't taken growth seriously because it has been hindered by its lack of appropriate theoretical roots to be able to understand firm growth in immigrant firms.

1.2.3 The Specificity of Immigrant Entrepreneurship

While the mainstream growth literature undoubtedly has the theoretical ability to understand and explain firm growth; the field lacks an awareness of the specificity of immigrant entrepreneurship, which is often viewed as a fringe discipline. Greene (1997: 59) states while immigrant and ethnic minority research has received much consideration from sociology and anthropology, "it has generally been relegated to the periphery of management and entrepreneurial studies, and the existing literature reflects this condition." While the theoretical antecedents of immigrant entrepreneurship research has made the field inept at grasping, explaining and understanding firm growth in immigrant firms, the same theoretical antecedents has at the same time alienated the mainstream entrepreneurship research community. Exacerbating this isolation further has been the different terminology, vocabulary, concepts and approaches used between immigrant entrepreneurship research and that of mainstream entrepreneurship, of which firm growth research is a part. One might even suggest that the mainstream entrepreneurship research community is uninterested and reluctant to join in the immigrant entrepreneurship discussion. This disconnection is particularly visible in firm growth research.

Recent calls from within the immigrant entrepreneurship literature have appealed for immigrant entrepreneurship research to embrace the field of mainstream entrepreneurship: Ram et al. (2004) note that while existing studies in immigrant and ethnic minority entrepreneurship have drawn upon different theoretical traditions to document the presence of ethnic minorities in business, the field has neglected its appreciation of the dynamics that underpin the growth of such enterprises. Rath and Kloosterman (2000: 669) respond accordingly to this over prominence of non-entrepreneurial orientated studies; "To explore immigrant entrepreneurship, we suggest linking up with a number of current, more theoretically-informed research perspectives. We start with a perspective that sees the entrepreneurs first and foremost as an economic actor." While more embryonic, the same observations have been made of the Swedish immigrant entrepreneurship research: Ahmadi (2003: 3) states "there are few studies of immigrant-owned companies or immigrant entrepreneurs in Sweden. Unfortunately, there are hardly any business administration studies dealing with immigrant-owned companies from a business administration or organisational perspective". Also within the Swedish research context Slavnic (2004: 8) notes that

the credibility of immigrant entrepreneurship research is "severely compromised by its neglect of Swedish small business research in general."

On the back of these requests, Jones and Ram (2007: 440) thus make the seemingly simple request that the study of ethnic minority entrepreneurs "ought to be placed in its own proper context within mainstream literature on the small enterprise." Jones and Ram (2007: 439) argue for a "re-embedding of the ethnic minority owned firms in a broader, and longer established, tradition of small business ownership." While this is understood as sound advice, at the same time any approach must still be sympathetic to the specificity and idiosyncrasy of the characteristics and conditions of immigrant entrepreneurship. Thus, this calls for an integrated approach of both previous immigrant entrepreneurship and mainstream entrepreneurship research, in this particular case, the entrepreneurial firm growth literature.

It is understood that the firm growth literature is not sympathetic and also not adequate on its own to understand growth in immigrant firms. Therefore, merely throwing a blanket of mainstream growth literature over a sample group of growth-orientated immigrant entrepreneurs is not an adequate approach. Existing studies of firm growth were not conducted in the context of immigrant entrepreneurship and thus may not have captured the nuances. Jones and Ram (2007: 439) comment that a more "integrated" analysis in terms of an appreciation of both immigrant entrepreneurship and mainstream entrepreneurship is required for an adequate exposition of the different trajectories of ethnic minorities in self-employment." Sharing the same sentiments, I also recognise the need for an integrated approach to the study of firm growth in immigrant owned firms. This integrated approach needs to adopt mainstream firm growth literature, while at the same time being sensitive to the study of ethnic minority and immigrant entrepreneurs. It has been discussed above the pitfalls of not grounding immigrant entrepreneurship research within the mainstream business literature. Though a failure to ascribe any consideration of previous immigrant entrepreneurship research would be just as unsympathetic. For example, how ethnicity or culture is enacted in the process of firm growth must not be ignored, instead it must still be seen as an active force, though in a nuanced manner. Similarly Rezaei (2007: 94) picks up on the point that immigrant firms are heavily infused with cultural-ethnic elements, which permeate the firm in terms of what they sell, how they are managed, the staff and how they interact with other firms. In addition, it would be just as wrong to dismiss the active role of structure and

the reactive nature of immigrant entrepreneurs in the face of disadvantage in the labour market and especially processes of discrimination. While it has been discussed above that the multidisciplinary nature of previous immigrant entrepreneurship research has led to a lack of a theoretical perspective in entrepreneurship terms and certainly in terms of firm growth, it has on the other hand undoubtedly deepened and widened our knowledge on the phenomenon of immigrant entrepreneurship. What previous immigrant entrepreneurship has highlighted is that immigrant entrepreneurs based upon their configuration of capital endowments (Aliaga-Isla and Rialp, 2013), resource profiles (Kloosterman, 2010) coupled with a perceived different social identity (Ndofor and Priem, 2011) as well as their particular mixed embeddedness, are distinct from mainstream entrepreneurs. Add discrimination and an over-representation in poor non-growth orientated industries to all of this and it would appear to make the conditions and characteristics surrounding immigrant entrepreneurs distinct from the mainstream population of entrepreneurs, this distinction is understood to extend to the processes of firm growth. Therefore, the mainstream firm growth literature is not capable alone to grasp the specific immigrant and ethnic minority elements, which are undoubtedly infused within the growth trajectories of immigrant owned firms that grow. At the same time, the general processes of firm growth are unable to be captured by immigrant entrepreneurship research alone, and therefore demands an integrated approach.

Therefore, firm growth literature and immigrant entrepreneurship literature are not capable separately to 'fill in' all the blanks in our understanding of immigrant entrepreneurship growth. It is understood that the incorporation of these perspectives in an approach to study growth in immigrant firms will enrich the understanding, as well as point to the nuances of firm growth in firms owned by immigrants.

1.2.4 Entrepreneurship In Context

Anchoring entrepreneurial phenomena in the context in which they happen enriches the understanding of the nature, dynamics and the uniqueness of the investigation (Zahra, 2007; Low and MacMillan, 1988; Welter and Lasch, 2008). The importance of an appreciation and understanding of context also extends to the phenomenon of firm growth. Turning the attention to immigrant entrepreneurship research, the importance of appreciating context has not been missed. On the contrary, recent studies in immigrant entrepreneurship have thrust contextual issues to the forefront of

contemporary approaches. Leading this development are Dutch researchers Rath and Kloosterman and namely their mixed embeddedness perspective (Kloosterman and Rath, 2001; Kloosterman et al., 1999; Rath and Kloosterman, 2000). According to the mixed embeddedness perspective, immigrant entrepreneurship must be grounded within the surrounding structural context of markets, the state regime and the wider economic and institutional environment. As Kloosterman (2010: 26) puts it, "businesses are evidently not started in a socio-economic vacuum but in concrete, time-and-place specific contexts." In some respects immigrant entrepreneurship research guided by the mixed embeddedness approach is a couple of steps ahead of general entrepreneurship as it provides a framework in which future research can be undertaken, which emphasises the prominence context has on entrepreneurial phenomena. A more comprehensive discussion and review of the mixed embeddedness perspective can be found in chapter 4. In this thesis, I adopt guidelines from the mixed embeddedness perspective and it is believed that mixed embeddedness has something to offer this thesis and mainstream entrepreneurial research in general. It is understood that the fundamental points raised by the mixed embeddedness perspective resonate well with what Welter and Lasch (2008) have to say on context, in particular, that entrepreneurship is influenced by national cultures and national political and economic environments. Taking stock of this and drawing upon Zahra's (2007) suggestion that a good foundation is to embed an entrepreneurial phenomenon within its national context, this is of particular significance when taking stock of the state of the immigrant entrepreneurship research field, and in particular, the Swedish context.

Research into the phenomenon of ethnic minority entrepreneurship and immigrant entrepreneurship has occurred over the last 50 years. It comes as no surprise that the field is led by researchers in the United States and the United Kingdom; countries with a well-founded history of immigration. While the fertile study of immigrant and ethnic minority entrepreneurship has prospered in these countries research on the phenomenon in Sweden is more immature and has barely scratched the surface. Presently, it is what we could call a blank page with fragmented "bits and pieces" filling the voids at the moment. While this is a start, researchers and policy makers are relying on studies that were conducted with the United States and the United Kingdom in mind. However, the Swedish immigration picture is different to these countries and while studies from these countries may be relevant in some areas, they also fall short in others. The general consensus in the literature that does exist is the

need for more of a full picture of the Swedish situation (Dalhammar, 2004). In his overview on immigrant and small business research, Slavnic (2004) observes that it is a relatively, new and undeveloped field of study. Andersson and Hammarstedt (2010) too acknowledge that more information on the driving forces behind immigrant self-employment in Sweden is needed.

Low and MacMillan (1988) were early advocates of the importance of contextualising entrepreneurial research. Their advice on contextualising entrepreneurship research was to approach entrepreneurship research by synthesising various levels of analysis. This in practise means the "researcher may choose among five levels of analysis: Individual, group, organizational, industry and societal level." (Low and MacMillan, 1988: 151). The consequence of such an approach is greater insights and a richer understanding than a single level of analysis would allow for. Similarly, Welter and Lasch (2008) identify the importance of a focus which intersects the constructs of the individual, the organisation, the opportunities and the external environment. Davidsson and Wiklund (2001), pick up on Low and MacMillan (1988) sentiments; in particularly the notion that the suggested levels of analysis do not impact upon entrepreneurship in isolation but instead complement or are "intimately entwined" with each other. The multi-faceted nature of firm growth has meant that this research domain responds particularly well to the need to understand entrepreneurial phenomenon by focusing on multiple levels of analysis. Storey (1994: 122) shows that the levels of analysis of the entrepreneur, the firm and the strategy are overlapping and intersecting, which needs to be considered not as "wholly independent influences" but as intertwined influences on which venture growth pivots. Baum et al. (2001: 292) in their model of venture growth, suggest the incorporation of the "individual, organisation and environmental dimensions... to provide a more comprehensive prediction of venture development and growth than any one dimension in isolation." Similarly, Smallbone and Wyer (2006: 102) heeding advice from Storey (1994) follow much the same multilevel analysis approach as they consider in their growth framework the "characteristics of the entrepreneur, characteristics of the firm and management strategy, but also the influence of the external environment."

Following the discussion above, this thesis embraces a multi-level analysis. In particular, a focus on the individual, the firm, the industry and the environment and which will aid an appreciation of context. Secondly, the thesis heeds guidance from

the mixed embeddedness perspective, which instils that immigrant entrepreneurship does not occur in isolation but instead is hampered, hindered, stimulated and facilitated by a host of determining factors stemming from political-economic structures of markets, institutional frameworks and state regimes at all levels.

1.3 Definitions of Key Concepts

The discussion that follows introduces and confirms the key concepts and definitions, which will be used throughout the thesis.

1.3.1 Entrepreneurship

Defining entrepreneurship and the entrepreneur has proved problematic; Gartner (1990) identified 90 entrepreneurial attributes, which can be used in a definition of entrepreneurship. It is this ambiguity that has paved the way for many various definitions (Landstrom, 2007). It is understood in this thesis that central to the idea of entrepreneurship as a process is the assumption of an individual recognising and exploiting new venture opportunities. The premise assumed is that in order to have entrepreneurship, you must first have entrepreneurial opportunities (Shane and Venkataraman, 2000). Although a prerequisite of an entrepreneurial act, the discovery of an opportunity is not the finished article of entrepreneurship. The individual or "potential entrepreneur" must take a further step; they must also decide to exploit the opportunity (Shane and Venkataraman, 2000; Shane, 2000). By exploiting the opportunity the potential or nascent entrepreneur becomes an entrepreneur as a new venture is formed.

In accordance with these views, the working definition of entrepreneurship within this dissertation will be the process of a potential entrepreneur(s) discovering or recognising and subsequently exploiting an opportunity in order to create a new venture: Shane (2000: 4) defines entrepreneurship as "an activity that involves the discovery, evaluation and exploitation of opportunities to introduce new goods and services, ways of organising, markets, processes and raw materials through organisation efforts that previously had not existed."

Since this definition of entrepreneurship thrust the concept of the opportunity to the forefront, a discussion on what is meant by an 'opportunity' is also required, since it raises questions to whether entrepreneurs create opportunities where none existed before, or whether opportunities are 'out there' waiting to be seized. To thrash out this issue this discussion calls upon the following three positions from Davidsson (2008):

Objective position: Opportunities exist 'out there' waiting to be found. They vary in size and complexity, but they exist.

Objective–Subjective position: Like above, opportunities exist but it is down to the skill, perception, experience and desire of the nascent entrepreneur to recognise them. Again, they vary in size and complexity, and not all opportunities are apparent to everyone. Skills, perception, experience and desire also impact on whether the opportunity will be successfully exploited or not.

Subjective–Creative position: In this case opportunities do not relate to anything 'out there' but instead relate to the infinite amount of possibilities in an entrepreneur's imagination.

It is understood that the objective position is too simple a position. Though, both the objective–subjective and subjective positions can be considered in tandem. Davidsson (2008), show that, if opportunities do exist 'out there', they are not complete. Instead these opportunities need to be perceived, influenced by and developed based on "technological possibilities and unfulfilled human needs backed with purchasing power". Opportunities can now become venture ideas, which are created in the minds of entrepreneurs. In addition, because each entrepreneur is different in terms of knowledge, skill and motivation, each entrepreneur will differ "from one another as regards what venture ideas they can and will pursue and as regards what external opportunity they can profitable exploit, and how." (Davidsson, 2008: 38). In line with this discussion, the relationship between opportunities, the entrepreneur, the firm, the sector and the environmental context become visible clearer throughout this thesis, in particularly in relation to the concept of opportunity structures.

1.3.2 Firm Growth

The term 'growth' by the roots of its definition refers to an increase in quantity overtime. In its classical sense it is a botanical or biological term, which is used to describe the change in amount (from one size to another) of an organism over time, but also as importantly, the process ascertaining to this change in amount. The word growth is both a noun and an adjective; in its adjective form it denotes an object of growth; a growth firm, a growth industry etc. In its noun form it denotes the act, process or the manner of growing. Look up the word growth in a dictionary and you will typically find it recognised as one of the following definitions: growth as a process of development, whereby an entity becomes larger or more complex; or it can merely be used to portray a change (increase) in amount.

Penrose in perhaps the first seminal work in the field of firm growth makes a distinction in her 1959 book of what can be understood as firm growth. This is clearly of importance for Penrose (1959) as on page one of her book she states "the term 'growth' is used in ordinary discourse with two connotations. It sometimes denotes merely an increase in amount; for example, when one speaks of 'growth' in output, exports, sales. At other times, however, it is used in its primary meaning implying an increase in size or an improvement of quality as a result of a process of development." (Penrose, 1959: 1). Similarly, (Davidsson et al., 2005: 18) guided by advice from (Penrose, 1959) make a distinction between the two connotations of growth when associated to a firm. They note that growth has two fundamental meanings. The first simply being associated with a change in amount, "When a firm grows from a smaller to a larger size." The second meaning according to (Davidsson et al., 2005) refers to growth as a process of organisational change; importantly it is this process or act of growth, which in essence leads to a change in amount. Thus, the definition of firm growth is double-barrelled and denotes both the change in amount and the process that leads to this change.

1.3.3 Immigrants and Ethnic Minorities

The phenomenon of individuals with a foreign background engaging in self-employment in the UK, USA and the Netherlands and indeed most western countries is commonly known as ethnic minority entrepreneurship. This term encompasses all individuals with a foreign background (different to the indigenous population); first,

second and third generations of immigrants who engage in self-employment. In these countries the term immigrant entrepreneur refers to individuals who are immediate immigrants (also known as first generation immigrants) to a new land and on or after their arrival engage in self-employment.

However, in Sweden the phenomenon of a person from an ethnic minority background engaging in entrepreneurship is called immigrant entrepreneurship; regardless if the entrepreneur is foreign born or born in Sweden to foreign-born parents. This is in line with the definitions of the Swedish authorities, immigrants are defined as individuals who themselves, or whose mothers/fathers are born in a country other than Sweden (Brundin et al., 2001). Najib (1994) states that the term "immigrant" in Sweden accounts not only for foreigners, but also Swedish citizens born abroad and also children with at least one immigrant parent. The distinction must be made in Swedish research because the phrase "ethnic minority" is only used in Sweden when referring to the five legally recognised ethnic groups (Swedish Sami, Swedish Finns, Tornedalers, Jews and Roma). This distinction reflects a similar distinction made by Högberg et al. (2014) and like (Högberg et al., 2014) while the term 'immigrant' is used it hasn't remained unquestioned.

While the term 'immigrant entrepreneur' shall be used, this generic term may refer to either first or second-generation immigrants. When the terms 'first generation immigrant' or 'first generation immigrant entrepreneur' and 'second generation immigrant' or 'second generation entrepreneur' are used, it is because an apparent distinction is being made.

Previous literature, stemming from the UK, USA and the Netherlands has tended to use the term 'ethnic minority entrepreneur' (and its variants), therefore existing theories and studies into the phenomenon of ethnic minority entrepreneurship are applicable to the study of immigrant entrepreneurs, and will be applied during the course of this dissertation. Thus, when referring to previous literature, the terms 'ethnic minority entrepreneur', 'immigrant entrepreneur', 'ethnic minority entrepreneurship', 'ethnic minority business' and 'immigrant entrepreneurship' are used. When used in this context they do not relate to the above discussion and are purely the operational definitions used by the author and the particular study being discussed at that time.

1.4 Outline of the Subsequent Chapters

Chapter 2, 3 and 4 review and take stock of the immigrant entrepreneurship literature, beginning with the origins and fundamental theoretical roots. The most participated debate within immigrant entrepreneurship research is the rational for an individual to take the critical decision to engage in entrepreneurship. An increase in immigration to Sweden and most western countries, and thus an increase in self-employment rates amongst these immigrants, have led to a lush area of research into why these individuals are choosing the entrepreneurship option. This fertile research area has led to a variety of explanations into the phenomenon. But in the main the field can be divided into three main perspectives: the cultural, the structural and the mixed embeddedness perspective.

The field of ethnic minority or immigrant entrepreneurship is a field characterised by the intersections, interactions and confrontations of numerous research disciplines. The result is a colourful and complicated mix of definitions, agendas, long-standing theoretical frameworks, methodologies, and discourses, each of which highlight the phenomenon of immigrant entrepreneurship through their own lens or perspective. The field has been of longstanding interest of a diverse range of research disciplines. These disciplines range from political science to economic geography, to sociology, to management and urban studies. This blend of the disciplines, which is of true benefit to the research field, at the same time, causes some difficulty. Not least the number of distinctive theoretical explanations we must contend with. Each discipline brings with it baggage in terms of predispositions, stances and distinctive theoretical explanation, hampering any overarching agreement.

A plethora of theoretical explanations have been put forward and propositioned to help us explain the phenomenon of ethnic minority and immigrant entrepreneurship. Reviewing, sorting and categorising this mass of literature is not an easy task. This task isn't repeated in this thesis; instead these theoretical explanations are critiqued and assessed with reference to their adequacy in accounting for growth. What is presented is a stock take of the field and it's three major approaches and their particular; shortfalls, hinders, impediments, strengths, ability and capability in explaining growth.

Chapter 5, reviews the 'mainstream' firm growth literature. The purpose of this chapter is not to present an exhaustive review of firm growth literature. Instead, this chapter offers an overview of the field of growth and considers how it can be used to aid in the building of an approach capable of understanding growth in immigrant firms. The chapter understands that firm growth is multi-faceted and multi-dimensional. The chapter also considers and adopts a classification of firm growth literature presented by McKelvie and Wiklund (2010) which see firm growth as three separate sub-phenomena: growth an outcome, the process of growth and the outcome (consequences) of growth. It is understood that by considering each of these sub-phenomena a more holistic picture of firm growth is possible.

Chapter 6, systematically reviews the handful of immigrant entrepreneurship studies which deal with firm growth. This chapter has three aims. The first is to stock take what we already know about growth in immigrant owned firms. Secondly, the chapter systematically reviews each of the studies pertaining to growth in immigrant owned firms. Thirdly, this chapter maps out how this thesis can build upon these previous studies. The review reveals a number of inadequacies. At the same time the review uncovers a small body of knowledge, which has begun to emerge regarding the phenomenon of immigrant and ethnic minority firm growth, though the topic still warrants further study.

Chapter 7, moves towards an approach to how firm growth in immigrant owned firms can be understood. By combining and integrating both previous immigrant entrepreneurship research and 'mainstream' firm growth research the integrative approach makes a contribution in terms of providing a perspective capable of understanding firm growth in immigrant owned firms. This chapter does not present a model of firm growth in firms owned by immigrants; rather it presents an approach assumed to be capable of understanding firm growth in firm owned by immigrants. Throughout the chapter a number of research propositions are made and discussed, the culmination of which is a suggested research agenda for firm growth in immigrant owned firms.

Chapter 2: The Cultural Perspective

The field of immigrant entrepreneurship is often characterised by the debate between agency-vs.-structure; "a battle between those emphasising internal communal resources as a unique business advantage and those who see the external political-economic context as the ultimate shaper of ethnic entrepreneurial outcomes" (Barrett et al., 2002: 11). In their study, Masurel et al. (2004: 77) explain the particulars the city as a context has on immigrant entrepreneurship. "In recent years we have witnessed an avalanche of literature on ethnic (or migrant) entrepreneurship in the city, either from a structuralist or a culturalist perspective." These conflicting views have been addressed, as Jones et al. (2000: 37) put it, "in a voluminous, proliferating and somewhat confusing literature. At the extremes, explanations range from the entreprogenic properties of traditional religious beliefs imported by migrants into modern society as part of their cultural baggage (Werbner, 1984); to self-employment as a last-ditch survival option." The debate, in sum, focuses around cultural rationales, which tell us that immigrants have an inherent skill for business or hail from a culture, which promotes entrepreneurial activity. The cultural approach lays its foundations around the idea that individuals will have a culturally determined disposition, which propels them to favour self-employment over wage employment. Rath and Kloosterman (2000) plot the history of the development of the field of ethnic minority or immigrant entrepreneurship, and show early studies focused on what was considered to be the ethnic nature of immigrant businesses (Bonacich, 1973; Light, 1972). Consideration was given to how this ethnic aspect permeated the market, the product and the clientele of the entrepreneurs as well as cultural or ethnic propensities towards self-employment. In this chapter, I will outline the fundamental theoretical roots, discuss why the perspective is relevant for this thesis and critique the perspective in terms of how it has approached firm growth. Finally, I will discuss how the perspective can be applied in this thesis. In chapter 3 and 4, the same exercise is performed for the structuralist and the mixed embeddedness perspective.

2.1 Theoretical Roots

The most established, and very popular, approach to immigrant and ethnic minority entrepreneurship is the cultural perspective. It is largely understood that the roots of the thesis stem back to Weber (1958) and his work ”The protestant Ethic and the Spirit of Capitalism” in which Weber discussed the observed tendency of Protestants due to, amongst other reasons, their beliefs and values (the protestant ethic) to be more economically inclined when compared to Catholics. Stemming from (Weber, 1958) the cultural perspective in its understanding of immigrant entrepreneurship embraces; cultural values, which lend themselves to commerce and venturing such as industriousness, austerity and initiative, which are understood in the cultural perspective to offer prerequisites to ease entrepreneurial activity. Early probes into to ethnic minority entrepreneurship focused on culture and heritage to explain the higher occurrence of entrepreneurial activity among ethnic minorities, when compared to the indigenous population. This stance attempts to describe an individual’s inborn propensity for business, or that the individual’s country of origin effects the individual’s attitude towards entrepreneurship (Light, 1972; Light, 1984). Cultural theories suggest that immigrants gravitate towards self-employment as they are equipped with ethnic specific attributes (dedication to hard work, acceptance towards risk, strong value system, solidarity and loyalty towards other co-ethics and an emphasis towards self-employment), which encourage entry into self-employment.

Moving on from these early works, an abundance of both Swedish and international findings continue to point to the prevalence of the cultural perspective: Hammarstedt and Shukur (2009) acknowledge that different self-employment traditions in the home countries of immigrant entrepreneurs from different origins directly effects each groups’ tendency to engage in self-employment in the immigration country. In support of this is Yuengert’s (1995) findings. He found that immigrants from countries with large self-employment sectors had high self-employment rates in the United States. Clark and Drinkwater (2000), although critical of the cultural perspective, elaborate further on the idea of culture having an effect on self-employment amongst ethnic minorities; they support the hypothesis that those who come from a particular religious background, which hold beliefs supportive of self-employment, are more often self-employed. Regarding the Swedish case, Hammarstedt (2004) found that immigrants from different regions tend to have differing self-employment traditions. This in turn effects the probability of becoming

self-employed in Sweden. Hammarstedt (2004) goes on to describe that these individuals are more culturally likely to possess business skills. Najib (1994) adds to the Swedish case, and shows that some ethnic minority cultures may view self-employment with more value than other groups.

Cultural factors are best illuminated by studies which compare different ethnic groups and their respective self-employment rates. Supporting the cultural argument, Barrett et al. (2001) credit Chinese immigrants as possessing specific values and a family structure that lends itself to enterprise. Barrett et al. (2001) also recognises South East Asian entrepreneurs in the UK as enjoying a communal and family solidarity, giving the UK South East Asian community a competitive edge in business. Basu and Goswami (1999b: 252) present a view which uses these strong Asian cultural virtues that "encourage thrift, hard work and the reliance of family labour." Wong (1987) explains the reasons for this to be cultural; the Chinese showed a better aptitude to be business-like, relied more on the family and other co-ethnic labour, and often merged their business and household budgets together.

Although it is easy to remain cautious about the notion of a cultural propensity towards entrepreneurship, it is also easy to acknowledge that on some levels these studies have been quite persuasive in their arguments. These arguments are particularly highlighted when the cultural approach is used as a determinant for variations in entrepreneurship amongst different ethnic groups. Others too, such as (Ram and Jones, 2008b; Rath and Kloosterman, 2000; Ram and Jones, 1998), also raise concerns about the cultural perspective. The main arguments driving the objections towards the cultural approach are, as Ram and Jones (2008b: 354) put it, "the fallacy of ethnic exceptionalism" and an "absence of context." The critique lies in a rejection of an entrepreneurial 'X-factor', which stems from an ethnic culture to run and own a business.

2.2 The Cultural Perspective and the Relevance for this Thesis

In 'mainstream' entrepreneurship research, a resource framework for new ventures is often eluded to. This framework is composed of the essential resources needed to drive the birth of a new firm. These resources are human, social, physical, organisational and financial capital, and are the main ingredients required to start and

grow a firm. When we look at the cultural perspective from a resource framework perspective, we do not find discussions on all of these traditional types of resources. We do find voluminous discussions on social capital, though it is prefixed by the terms 'culture' and 'ethnic', suggesting that it is a specific type of social capital. We also find discussions on types resources that we do not find in mainstream entrepreneurship literature, called ethnic or cultural capital. What follows is a discussion on these forms of resources and how their inclusion in this can aid the explanation of growth in immigrant firms. Ethnic and cultural resources are a socio-cultural and demographic feature of a particular ethnic group from which co-ethnic entrepreneurs actively or passively benefit (Dalhammar, 2004; Light, 1984). Light and Gold (2000) also suggest some ethnic resources, like marriage systems, relationships of trust, cultural assumptions, religion, native language, a middleman heritage, entrepreneurial values, rotating credit associations, social networks and a generous pool of unemployed and disadvantaged co-ethnic workers, may be of benefit. Put in to practise, a common native language may be a resource as it could become a competitive advantage in sourcing stock. As can religion; who better to source and serve their peers with halal or kosher meats than a butcher who understands and shares the same religious beliefs as his customers? This ideal moves away from an inherent cultural trait for business, and instead, emphasises close-knit social relations and a common ethnic comradery. These strong relationships or ties are thought to, as Waldinger (1995: 557) states, "lubricate economic interaction." At the heart of these lubricated economic interactions is bounded solidarity and enforceable trust, which are suggested to be the sources of social capital among immigrants (Portes and Zhou, 1992). Bounded solidarity among immigrants is a result of their perceived foreignness or an awareness of the cultural difference or distance. Bounded solidarity has direct consequences for immigrant entrepreneurship as it provides specific consumer preferences for ethnic goods, co-ethnic employees who prefer ethnic employers, and co-ethnic investors who prefer ethnic businesses. In particular, the preference of loyal, cheap and reliable co-ethnic labour has been highlighted as a form of competitive advantage.

A related element of the cultural and ethnic resource framework is the role of ethnic networks. Light et al. (1993) point out that these networks may enhance immigrant entrepreneurship. Networks may supply co-ethnic labour, information relevant to business opportunities and processes, and mutual aid and assistance in addition to information. Contribution of such resources is especially amplified in ethnic enclave

economies. It is through these ethnic networks that aspiring and nascent immigrant entrepreneurs may gain access to crucial information about the best industries to enter, pricing, technology and business methods (Chotigeat et al., 1991). Business information derived from co-ethnic networks is credible due to mutual trust. In some cases "ethnic chauvinism" encourages immigrants to deliver important messages solely to co-ethnics (Light et al., 1993). Basu (1998) found that informal networks of advice, information and finance played a crucial role in determining the nature of entrepreneurial entry among Asian entrepreneurs in Britain. The same conclusion emanated from a study of Turkish, Indian/Pakistani and Moroccan immigrants in the Netherlands (Masurel et al., 2002). These authors make a distinction between three variations of what they call the "socio-cultural network." Firstly, the network plays an important role in the incubation of potential ethnic firms; this includes the relationships with clients, co-ethnic labour and co-ethnic financial arrangements. Secondly, in the context of kinship relationships and social bonds, Masurel et al. (2002) explain that it appears plausible that there exists a special kinship bond between ethnic minority entrepreneurs and their co-ethnic customers, which bolster potential competitive advantages as these socio-economic bonds appear to create a higher than average level of loyalty between the firm and the customer. Thirdly, Masurel et al. (2002) recognise the labour and capital conditions within immigrant firms. They note that a strong part of the network relationship with the co-ethnic group stems from inputs of labour and finance.

With all this in mind, it would appear that bounded solidarity and kinship is an important mechanism, which enables business relationships between co-ethnic minorities. So in other words, according to the cultural perspective the important ingredients for entrepreneurship, and indeed competitive advantage, within immigrant firms appear to mostly stem from cultural capital or ethnic resources. In sum, the cultural perspective highlights the importance of cultural and ethnic resources and the prevalence of ethnic social capital or ethnic networks. These forms of resources and their utilisation according to the cultural perspective appear to be a source of competitive advantage for immigrant entrepreneurs. It is this particular ethnic and cultural resource framework, which I understand to have something to offer this thesis and the understanding of growth within immigrant firms. This particular set of resources are particular to immigrant entrepreneurs, and thus they have been overlooked by the firm growth literature. Though they must be included in an understanding of firm growth within immigrant owned firms.

2.3 Critique of the Cultural Perspective

The main critique of the cultural perspective is that it generally fails to acknowledge immigrant entrepreneurs as economical actors. This in the main is a result of this part of the research field being dominated by researchers from a non-business/entrepreneurship background. The knock on effect of a lack of business/entrepreneurship scholars is that a great deal of interest then has been paid towards the ethno-cultural characteristics or traits of the immigrant entrepreneur and in the main immigrant/ethnic minority groups. Rath and Kloosterman (2000: 668) comment the "absence of economists, general and business, has resulted in a neglect of underlying economic processes and a narrow focus on (real or alleged) ethnic factors." So while business or entrepreneurship scholars have failed or chosen not to participate in this sub field, those within the cultural perspective have failed to engage with theories and concepts of a more entrepreneurship or business nature. Ram and Jones (2008b: 356) pick up on this point when they state that the cultural approach appears to have downplayed "the political – economic context in which EMB (ethnic minority businesses) operate, the external world of markets, and other key institutions and actors." This view is mirrored by Rath and Kloosterman (2000: 666) who present the one-sidedness of cultural determinism or ethno-culture approach based research, which focus disproportionally on aspects, which relate to ethno-cultural traditions, reducing "immigrant entrepreneurship to an ethno-cultural phenomenon existing within an economic and institutional vacuum." The cultural perspectives failure to adopt an approach which sees the immigrant entrepreneur as first and foremost an entrepreneur, instead of the cultural determinism ideal, stems directly from a failure to locate ethnic minority entrepreneurs within the general body of entrepreneurship research. By taking this standpoint, the cultural perspective tends to suggest that the processes of entrepreneurship by immigrants and ethnic minorities is an ethno-cultural phenomenon and not an economically driven action. Arguably, firm growth is pretty high on the list of economically driven orientated aspects of entrepreneurship. Thus, it is not really a surprise that the cultural perspective has failed to explain and understand entrepreneurial growth in firms owned by immigrants. It is not that the cultural perspective totally ignores firm growth. Due to the theoretical antecedents of the perspective it just fails to acknowledge growth at all, as it lacks the sufficient theoretical foundations.

A second critique of the cultural perspective lies with the level of analysis. The perspective is often championed for taking into account the agency of the immigrant entrepreneur when explaining ethnic entrepreneurship. Though it does not account for individual agency, instead it adopts as Pütz (2003: 558) puts it, the "very problematic processes of 'ethnisation', I.E., the attribution of collective identities by others based on the belief that a homogeneous community of origin exists." Simply put, the cultural perspective aggregates ethnicity and culture as a level of analysis. The perspective tends to recognise immigrant entrepreneurship as a group level phenomenon, often absent is the recognition of individualistic agency (Kim and Hurh, 1985; Vinogradov, 2008; Yoon, 1991). Firm growth literature indicates that individual level determinants are quite prevalent in explanations of growth within firms. The fact that the cultural perspective almost totally misses this level of analysis is quite problematic and indicative of why the perspective has, been unable to account for growth in immigrant firms.

A final critique of why the cultural perspective fails to account for firm growth is that the perspective appears to be preoccupied with the small-scale immigrant business, and is clear in its disregard to the question or issue of growth. It could be interpreted that the approach has relegated immigrant business to those which only offer ethnic products or serve local ethnic communities. In fact, this is a critique, which can be shared with the structural perspective and the mixed embeddedness perspective. Each of these perspectives dedicate a lot of emphasis to the business entry trajectories of immigrant entrepreneurs. Volery (2007: 32) notes "the business entry decision has had a strong impact on the development of theories in ethnic entrepreneurship. Much attention has been given to the question whether cultural or structural factors influence the business entry decision and therefore are reasonable for the rise of ethnic entrepreneurship." It is this focus upon business entry and inclusion, which has resulted in part to the neglect of what happens next in some cases in the entrepreneurship process, or in other words, firm growth.

2.4 Application of the Cultural Perspective in Explaining Growth in Immigrant Firms

Although the discussion above has presented the dangers of attributing too much emphasis on ethnicity and culture, and how it affects entrepreneurial propensity, it is

at the same time as harmful to totally negate culture and ethnicity of immigrant entrepreneurs. It is understood that a total dismissal of the influence that ethnicity and culture may or may not have on firm growth in immigrant owned firms maybe just as misleading. A failure to ascribe any consideration to how ethnicity or culture is enacted would be as unsympathetic. Therefore, elements of the cultural perspective may still be appropriate for the study of firm growth in immigrant owned firms, albeit maybe operationalised in more nuanced and tangible ways. Immigrant owned firms are naturally infused with ethnic-cultural elements, these elements are understood to permeate the firm in terms of what they sell, how they are managed, the staff and how they interact with other firms (Rezaei, 2007). In this respect, good advice comes from Rath and Kloosterman (2000) who, while providing a warning against reducing immigrant entrepreneurship to an ethno-cultural phenomenon, are at the same time far from dismissive of the possible effects of culture and ethnicity, and how these are enacted within firms owned by immigrants. Following the above advice, this thesis does not dismiss the role the cultural perspective and its theories may play in understanding, explaining and accounting for growth in immigrant business. Thus, this thesis adopts the relevant parts of the perspective as it works towards an approach that will enable the study of growth-oriented entrepreneurs. In the main, this has not been done. This thesis offers to understand and explain the relative importance ethnicity and culture plays in growth orientated immigrant businesses.

It is also noted that the role of ethnicity and culture may well play a negative role in business growth. A strong prevalence of cultural capital and reliance on an ethnic network may actually hinder immigrant owned firms (Ram and Deakins, 1996). This thesis then offers a perspective in which the role of ethnicity and culture need to be operationalised in a more nuanced way. Despite the vast abundance of literature on firm growth from an entrepreneurial perspective, a set of literature which often chooses to focus upon the individual entrepreneur, his personal characteristics and how these shape how he perceives, exploits and implements opportunities throughout the lifecycle of his business, the strand of literature does not cater for the notion of ethnicity or culture as a determinate for firm growth. It is understood that an understanding of the role and influence of ethnicity and culture is necessary to understand growth in immigrant firms, and thus will be taken account of in the integrated theoretical approach.

Chapter 3: The Structural Perspective

The structuralist perspective suggests that external factors in the host country account for the business entry decision of immigrants, in that they push the individual to create a firm, in the most part, to avoid unemployment.

Structural perspective studies have considered structural rationales which entailed argumentation to build around the suggestion that immigrants are drawn towards self-employment in response to discrimination in the labour market and the disadvantages they face that are associated with poor language skills, non-transferable qualifications, their status as immigrants and racial discrimination. It has been noted that this is manifested in an over-representation of immigrants in self-employment. This perspective is now presented below in terms of its fundamental theoretical roots and why the perspective is relevant for this thesis. It is then critiqued in terms of how it has approached firm growth, and finally how the perspective can be applied in this thesis.

3.1 Theoretical Roots

The structural perspective also advocates that it is true that immigrants have a propensity towards self-employment, though unlike the cultural approach, this propensity has little to do with any kind of cultural virtue. Instead, this propensity is not imported from the immigrants' country of origin, it is reactive to a situation that offers few alternatives to making a living, rather than 'business as a way of life' (Najib, 1994). In this light entrepreneurship is seen a survival strategy to avoid unemployment and has little to do with a cultural flair for business. Ram (1997: 149) substantiates this; "ethnic minority businesses often arise out of a context of disadvantage, and that the adverse 'opportunity structure' carries greater explanatory power than speculations on 'culture' and so-called 'ethnic resources."

The structural perspective presumes that racial exclusion and discrimination at the societal level construct and produce structural impediments, which block immigrant and ethnic minorities from competing equally in the common labour market, and also latterly in the field of business. This includes the hangover from the initial blocked mobility, which means ill equipped individuals that lack the key resources needed for a successful career as an entrepreneur, have been pushed into self-employment as a pure survival mechanism to avoid unemployment. The terms 'Petty Bourgeoisie' and 'Lumpen Bourgeoisie' are often referred to in the literature and are a testament to the discrimination and structural hinders faced.

The predominate doctrines of the structural perspective we know today were influenced by Bonacich (1973) in her seminal paper "A theory of Middleman Minorities". While Bonacich (1973) makes sense of the plight of the sojourner; an immigrant who plans only to live temporality in a host country. Her discussion is also pertinent for permanent settlers. One can also draw similarities between the middleman perspective and the cultural perspective, in that it highlights the strength of collective community of co-ethnics in host countries, though different from the cultural perspective this collective community is used to offset, their prevalence in low value sectors and discrimination/host country hostility and blocked labour market mobility. We find these fundamental assumptions throughout the literature on the structural perspective. For these reasons the perspective today is deep rooted in the political economy literature, and emphasises the negative structural barriers for immigrant entrepreneurs throughout the process of entrepreneurship. A number of researchers, especially those from the UK, have gone to great lengths to shift theoretical attention from internal ethnic and culture driven explanations to the role of the external environment.

Diving a little deeper into the structural perspective as we now know it, as well as into these three notions identified in Bonacich (1973), we find an overwhelming amount of literature (both international and within a Swedish research context) pointing towards structural rationales as a primary motivation which pushes immigrants into self-employment in response to poor or non-existent labour market opportunities (Kloosterman, 2010; Ram and Jones, 2008b; Ram et al., 2008; Barrett et al., 2002; Rath and Kloosterman, 2000; Clark and Drinkwater, 2000; Carlsson and Rooth, 2007; Feldman, 2006). The approach has been investigated under many guises; the reactive, structural, push or negative effects approach. In essence they all state the

same conclusions, that an over-representation of immigrants or ethnic minorities in small low order stereotypical firms, who suffer from high levels of competition, are a product of blocked mobility suffering discrimination in the larger employment market. These entrepreneurs endure discrimination throughout their business activities.

The amount of literature around the structural perspective is quite vast. In the next sections, the literature in the structural perspective is discussed in terms of the relevance for this thesis, critiqued in terms of how they explain growth in immigrant firms and how the perspective will be applied in this thesis.

3.2 The Structural Perspective and the Relevance for this Thesis

The structural perspective shifts our theoretical attentions away from the individual or group level cultural processes. Instead, the attention is placed on the external structure and the opportunities and hindrances this creates for immigrant entrepreneurs. Though, this being said, the structural perspective views self-employment or entrepreneurship in a different manner to the mainstream discourses surrounding the entrepreneur. The structural perspective views the act of entrepreneurship not as a sign of success, but instead a survival mechanism to avoid unemployment in the primary labour market. This view has a number of core theoretical foundations relevant for this thesis. Firstly, it assumes discrimination as a push motivation towards self-employment. The structural perspective encapsulates the disadvantaged position of many immigrants. In general, the perspective highlights that inadequate host language skills, non-recognised education qualifications, legal restrictions, racism, or limited knowledge of local culture can lead to discrimination, which in turn creates hindrances, barriers or limits access in terms of being at the end of the labour queue. This results in an inability to compete with natives on equal terms in the primary labour market. Thus, this structural barrier encourages immigrants to be pushed (rather than pulled) towards entrepreneurship (Clark and Drinkwater, 2000). The fundamental argument being that by creating their own job by the act of creating a firm, the individual is able to circumvent some of these discriminatory obstacles they may have encountered in the primary labour market (Kloosterman and Rath, 2003; Phizacklea and Ram, 1995).

Ram et al. (2008) explain that the level of immigrant owned outlets continually outstrip the level of customer potential. Historically this is the consequence of the structural displacement of workers into self-employment as a last resort. Barrett et al. (2002: 17) comment that as an end result of self-employment being the last resort choice for many unemployed ethnic minority nascent entrepreneurs, that this has both quantitative and qualitative significance: "not only does it throw unfeasibly large numbers of labour market refugees into entrepreneurial competition, but it also ensures that many of them are ill-equipped and inappropriately motivated." Barrett et al. (2002) find that they are in agreement with Brüderl et al. (1992: 229) who state that in the negative predicament of unemployment, people with few human capital resources are often forced into self-employment." This has consequences on the quality of the opportunities available to these labour market refugees. These opportunities, not surprisingly, are those which are the least promising. Deakins and Freel (1999: 94) explain that there is little doubt "that a history of disadvantage and discrimination has led to the concentration of ethnic minority firms and entrepreneurs in marginal areas of economic activity."

The second theoretical assumption then made by the structural perspective is that immigrant entrepreneurs gravitate towards, and are overrepresented in, low order businesses in poorly endowed market sectors. The assumption is reinforced by the notion that entrepreneurship founded upon push motivations, ensures that it is the least promising of opportunities that are available for immigrant entrepreneurs. Previous studies suggest these sectors in the main are characterised by low barriers to entry in terms of capital required and educational qualifications, cut-throat levels of competition, high levels of failure, a tendency to employ informal business practices, tendencies to promote vacancy chain openings, trades which are in decline and sunset industries, low margins, low liquidity and those sectors which rely upon the need for hard work and cheap labour (Volery, 2007; Kloosterman et al., 1999; Barrett et al., 2002; Chaganti and Greene, 2002). Barrett et al. (2002) find that immigrant firms are largely confined to sectors such as low order retailing and consumer services, which is rather indicative of the hostility of the socio-economic environment that these entrepreneurs find themselves in. Masurel et al. (2004: 78) find that "ethnic enterprise have a predisposition towards small business activities with low entry thresholds." Ram and Jones (2008a: 64) state that "while numerically impressive, EMBs are decidedly less so in terms of performance, being lamentably skewed towards a narrowly constricted range of poorly rewarded and fiercely competitive

sectors – catering, clothing and low-order retail sectors." Rusinovic (2006) shows that typical immigrant firms "are tiny self-employment units in which profits are low and working hours long for the owners." Waldinger et al. (1990: 14) see the typical immigrant enterprise "as confined to peripheral positions offering only low return and little potential for growth." Barrett et al. (2002: 17) show that the characteristics of the typical ethnic minority sector "are highly labour intensive and usually only provide lean rewards." This all suggests that immigrant entrepreneurs behave in a manner which goes against the grain in terms of many discourses of the entrepreneur; instead of the combining of resources in novel ways as to create something of value, the typical immigrant entrepreneur reproduces and replicates old offers. This reproduction is most evident in the retail and service sectors, where most ethnic entrepreneurs are found (Waldinger et al., 1990). Entrepreneurship in these instances is not a case of successful upward mobility, but instead a horizontal shift from blocked mobility or unemployment towards that of the petty bourgeois (Barrett et al., 2002).

The third theoretical assumption of the structural perspective is an adoption of a survival orientation by immigrant entrepreneurs in the characteristic sector outlined above. In light of these rather unfavourable conditions, immigrant entrepreneurs have adopted certain survival strategies to stave off threats and to keep their ventures and their source of income alive. Long working hours is of course one such strategy; it could be understood, that while the limited amount of earning may be somewhat acceptable, it is in fact the long working hours that pose the largest strain to the typical immigrant entrepreneur. Barrett et al. (2002) point to the long working hours with meagre return which immigrant entrepreneurs must endure. In extreme cases, some ethnic minority entrepreneurs are driven to cut legal corners. Ram and Jones (2008a: 64) states that not only do the sectors attributed to the survival orientated entrepreneurs "demand punishing work for poor rewards, but prospects for business development are threatened by competitive market pressures." Ram and Jones (2008b: 366) state that "a major constraint upon EMBs in Britain has always been inadequate markets – too many firms with too few customers," and this imbalance is amplified in specific typical immigrant sectors, such as low-order retailing. Rusinovic (2006) adds that immigrant businesses tend to dominate certain business lines and tend to be more concentrated within deprived inner city areas. Ram and Jones (2008a: 61) mirror this sentiment when they discuss the fact that ethnic minority businesses tend to be largely "concentrated at the bottom end of the value chain and

located in some of the most deprived areas." Barret and Jones (2001; 241) state that "ethnic minority businesses are shown to be typically small, to compete in saturated spatial markets and to be concentrated in economically vulnerable sectors." The knock on effect of operating and being stuck in a highly competitive market space, as identified above, are as Ram and Jones (2008) show undercapitalisation, long working hours, an intensive utilisation of familial and co-ethnic labour and, not least, a constant struggle to survive. It is clear that a real consensus regarding the typical immigrant or ethnic minority entrepreneur in previous literature has emerged. This consensus of opinion explains that far from being prosperous money making ventures, typical immigrant firms are as Chaganti and Greene (2002; 130) state "survival mechanisms". Similarly, Ram and Jones (2008b) discuss that typical ethnic minority entrepreneurs are more akin to survival rather than growth or profit maximisation. Ram et al., (2004) suggests that ethnic minority entrepreneurs adopt a survivalist orientation as a consequence of being unwilling or unable to break out of an unsatisfactory market environment, in a sense coming to terms with a situation which would otherwise, if an alternative existed, be unsatisfactory. Ram et al., (2004; 126) continue this line of reasoning when they refer to typical immigrant entrepreneurs as 'steady state survivalists', "whose agenda is dominated by staving off threats to their very existence" rather than a contemplation of further growth.

The fourth theoretical assumption then, relates to the low growth potential of immigrant owned firms. The structural perspective posits that the conditions, characteristics and experiences of immigrant owned firms are fundamentally different from that of other entrepreneurs. It is understood that immigrant owned firms deal with different constraints and structural hindrances, this could be referred to as a class issue rather than an ethnic issue. Never the less, class or ethnic issue, the discussion above has shown that immigrant owned firms tend to be located in the least promising sectors of the economy in terms of growth orientation. Basu and Goswami (1999b) discuss that the nature and type of business immigrant entrepreneurs own and run also affects the propensity towards any future growth. Basu and Goswami (1999b) found that those owning business in the retail sector showed significantly lower growth rates. While appreciating the limited knowledge of immigrant entrepreneurial growth, Chaganti and Greene (2002) show that immigrant firms are less likely to grow. They attribute this to the types of business sectors which hinge on low margins, intense competition and the fact that these businesses have been designed with survival in mind, which impacts on their growth propensity as a lot of

their time and energy is expelled on staving of threats and merely surviving. Only seldom do these typical immigrant business grow into larger and more profitable businesses (Rusinovic, 2006). Ram et al. (2004) add that although the capabilities (lack of resources, lack of extended network, lack of new information) definitely restrain any chance of growth for most ethnic minority entrepreneurs, this is also in fact compounded by the lack of will to grow.

The relevance of these four major theoretical stances of the structural perspective is also pertinent for the Swedish context. An overwhelming amount of Swedish based literature points directly to labour market impediments and emphasises discrimination as a precursor for immigrant entrepreneurship. Slavnic (2004), discusses that the structural impediment thesis is also relevant for the context of Sweden, and it is the lack of alternative opportunities which can best explain why immigrants in Sweden start their own businesses. Khosravi (1999) presents the startling prevalence of well-educated, middle-class Iranian immigrants in Stockholm, who have no previous business experience, but yet are 'so' attracted to running their own small, vacancy chain business in a highly competitive sector of which they have no previous knowledge. Surprisingly, this is not a product of a change of goals and aspirations that the individual had on their way to Sweden, but instead are a consequences of unemployment, poor language skills, perceived inferior education and even racial discrimination. Najib (1994) shows that the prevalence of immigrants involved in entrepreneurship in Sweden is down to impediments such as poor Swedish language skills, inadequate or inappropriate skill sets, and disadvantage and discrimination. These impediments in turn force immigrants into self-employment as a means to make ends meet, despite the pitfalls and risks associated with the small business sector. Feldman (2006: 89), confirms that immigrants in Sweden (and particularly the engineering sector) often find that their "qualifications have been undervalued in professional occupations." Feldman (2006) explains that this is in part because potential employers feel it is risky to accept foreign credentials. Hammarstedt (2001: 20) explains that often the human capital (in terms of educational and professional achievements) are not always fully adjusted to the Swedish labour market. Carlsson and Rooth (2007: 1) present evidence of employment discrimination amongst men with Arabic sounding names in Sweden, their results show "that every fourth employer discriminates against the minority". Slavnic (2004: 6) shows that as a result of this discrimination, "we are witnessing that emergence of an impoverished class of immigrant entrepreneurs (in Sweden)." Khosravi (1999)

finds that the 'choice' to engage in entrepreneurship is an attempt to maintain one's dignity in the face of adversity. Najib (1994) finds that the principle negative reasons why immigrants enter entrepreneurship in Sweden are the need to escape disadvantage, humiliation and frustration. In terms of sectorial distribution, again international research findings are also replicated in the Swedish context. In addition, Najib (1994: 42), in his study of immigrant entrepreneurs in Uppsala, Sweden, shows that immigrant businesses are concentrated in "retailing food shops and groceries, restaurants/cafes and take-aways, news-agencies, tobacconists/video-hiring and related activities, and clothes shops." A study by the Swedish agency for Economic Growth (Tillväxtverket, 2012) also shows that entrepreneurs with a foreign background are over represented in transport, retail, local manufacturing, hotel and restaurants, construction, outsourcing of business services and health care. Swedish research also points towards a survival orientation and low growth orientation of immigrant firms. Hjerm (2004) shows that typical self-employed immigrants are only marginally better off in terms of disposable income when compared to the unemployed in Sweden.

In conclusion, the structural perspective highlights the importance of the structural characteristics and conditions in which immigrant entrepreneurship is fused. The perspective is of upmost relevance to this thesis, not least in how these structural conditions and circumstances emerge in growth orientated immigrant firms. It is relevant as the foregoing discussion suggests that this is the reality, the characteristics and the conditions of many immigrant entrepreneurs from a structural perspective.

3.3 Critique of the Structural Perspective

While the structural perspective highlights the severe structural impediments imposed upon nascent or fledgling immigrant entrepreneurs, it fails to ascertain what happens next. While having made a real theoretical impact upon the field, and not least this thesis, the structural perspective is limited in its ability to explain what happens to immigrant firms after start up, how they perform and, indeed, if or how they grow. This sentiment has also been picked up by Volery (2007: 32), who states that the "business entry decision had had a strong impact on the development of the theories in ethnic entrepreneurship." The structural perspective is deep rooted in the political economy literature, which in turn has had a significant impact. The perspective views immigrant entrepreneurs and their firms as small-scale survival orientated units,

which rest precariously on the fringes of the economy. As many immigrant firms are therefore born out of necessity to avoid unemployment, they will in all likelihood be small, imitative and operating in saturated markets, will have adopted a survival orientation and thus not achieving any growth. It comes as no surprise then that this over-representation of immigrants in small business is more prevalent in certain sectors, namely small retailing of ethnic or convenience goods, small scale catering and small-scale transport. Typically these businesses will have low barriers to entry; they require very little capital, no particular skills, low language skills and often have an existing market. The critique in this respect then is that the theoretical and methodological considerations, especially sampling considerations, have neglected to understand any sort of growth orientation within the immigrant entrepreneur population, and has instead been preoccupied with the rich research areas pointed to above. Growth simply has not been on the research agenda, which in turn means the structural approach is deficient in its explanatory power to understand growth, as its theoretical foundations are insufficient. The fundamental assumptions of the structural perspective contends that firms owned by immigrants cannot (Waldinger et al., 1990; Chaganti and Greene, 2002), should not (Basu and Goswami, 1999b; Rusinovic, 2006; Kloosterman, 2010) and do not have the will to grow (Ram et al., 2004).

One of the strengths of the structural perspective is also a critique in terms of its ability to understand growth, in that the perspective over-emphasises and overplays the structural dimension. The structural approach does not account for individual entrepreneurial agency, and by doing so it fails to understand the true dynamics of entrepreneurship and by overpaying the structure, it is unable to explain the process of growth. This is not to say that structure does not matter, instead it should be understood as an interplay of agency and structure. Pütz (2003) calls for an understanding of the interdependence of structural conditions and the strategies and the goals of action orientated individuals. Thus, by over-emphasising the structural level, the perspective undervalues the agency of the entrepreneur. Mainstream growth literature on the other hand understands firm growth by synthesising various layers of influence, including the individual, the firm, the industry and the regional and national environment.

It is supposed that the structural perspective and its theoretical antecedents are insufficient and the perspective on its own cannot be used to understand what

happens beyond the start-up process of immigrant firms. Why do some firms remain small, and others show a greater propensity towards growth? It is a question the perspective is not able to answer. There is a clear chasm and an absence of a theoretical means to deal with questions surrounding entrepreneurial growth within immigrant firms.

3.4 Application of the Structural Perspective in Explaining Growth in Immigrant Firms

Although the discussion above warns against attributing too much emphasis on structural effects, at the same time the perspective highlights a number of key considerations which this thesis understands are important to understand firm growth in immigrant owned firms. The structural perspective attributes and characterises immigrant firms as being steeped in the following impediments: discrimination, push motivation, poor sectors, low margins, intense competition, entrepreneurs with low human, social and financial capital, survival oriented firms. Not surprisingly, mainstream growth literature views these obstacles and limitations as counterproductive for firm growth and quite far removed in terms of the characteristics of firms primed to grow. Indeed, previous literature in immigrant entrepreneurship explains that these hindrances result in a mass of firms, which should not, cannot and will not grow. At the same time, the same stream of literature asserts that these characteristics are the reality for immigrant firms and thus intertwined and woven into the fabric of immigrant entrepreneurship. This being the case then, these hindrances, obstacles and handicaps should also be present in immigrant firms, which do grow. What we do not know is how these characteristics are manifested, replicated and overcome in immigrant firms that do grow. Simply, the narrow theoretical antecedents of the structural perspective are not suitable to understand the growth phenomenon on their own. This thesis takes the necessary steps to understand the process of growth in immigrant firms, by integrating the major theoretical foundations of the structural perspective with a mainstream growth perspective, leading to an approach to understand the particular case of growth in immigrant firms. By doing so this thesis investigates the claims, that immigrant firms, should not, cannot, or do not have the will to grow.

Chapter 4: Mixed Embeddedness

The most recent perspective we have witnessed in the immigrant entrepreneurship research field has been the emergence of the mixed embeddedness perspective (Kloosterman et al., 1999). The term and concept of mixed embeddedness first appeared in the 1990's and was introduced by Dutch scholars, Rath, Kloosterman and Van der Luen. The mixed embeddedness perspective has attempted to replace the discourse of cultural vs. structural determinants. It is understood that the mixed embeddedness perspective fuses elements of both the cultural and structural perspective, and has captured the complexity that the phenomenon of immigrant entrepreneurship deserves. Under the mixed embeddedness perspective, immigrant entrepreneurship is viewed as an interaction between internal and external forces. The approach does not disregard the influences of group culture and the resources connected to it, but instead integrates this with market conditions, which may set the limitations on what can take place in terms of entrepreneurship in a specific context. All of this is baked together with the political and regulatory structures at local regional and national levels and offers a multilevel framework, which promotes and/or hinders various opportunity structures. Kloosterman et al. (1999: 257) describe the mixed embeddedness perspective as follows: The mixed embeddedness perspective encompasses "the crucial interplay between the social, economic and institutional contexts. In this view, the rise of immigrant entrepreneurship is, theoretically, primarily located at the intersection of changes in socio-cultural frameworks on the one side and transformation processes in (urban) economies on the other. The interplay between these two different sets of changes takes place within a larger, dynamic framework of institutions on neighbourhood, city, national or economic sector level."

The concept of mixed embeddedness has enjoyed theoretical revamps during its thus so far relatively short realisation. During the last 20 or so years the mixed embeddedness concept has appeared to higlight some theoretical components and downplay others as the concept has been theoretically developed. This chapter follows these developments. This perspective is now presented below in terms of its

theoretical roots and why the perspective is relevant for this thesis. It is then critiqued in terms of how it has approached firm growth and finally how the perspective can be applied in this thesis.

4.1 Theoretical Roots

The mixed embeddedness perspective can be traced back to four theoretical roots; the first, the interactionalist model (Waldinger et al., 1990), the second Granovetter's (1985) adaption of the concept of embeddedness, the third Esping-Andersen's (1990) take on institutional frameworks, and finally Sassen's (1991) contribution regarding structural change in advanced economies. These theoretical antecedents overlap and intercede with one another in terms of theoretical contributions. Some of these antecedents were present in early versions of mixed embeddedness, while others and their influence appeared a little later. Each of these roots are now discussed including how they have shaped the face of the mixed embeddedness perspective.

4.1.1 The Interactionalist Model

The first theoretical antecedent of the mixed embeddedness perspective addressed in this section is the interactive model of Waldinger et al. (1990). Who took important steps in the theoretical development of the field by going beyond the above mentioned monocausal explanations; Waldinger et al. (1990) introduced the interactive model. The authors argued that a more interactive perspective was necessary to understand immigrant entrepreneurship and thus the perspective attempted to provide a composite perspective, which combined the cultural/ethnic, and a structural economic-political perspective. Waldinger et al. (1990), suggested a conceptual model, which attempted to combine the elements such as the opportunity structure, the limited opportunities open to immigrants (structural perspective) and the entrepreneurial mobilisation of ethnic resources (cultural perspective).

Despite being an important step towards a more comprehensive understanding of immigrant entrepreneurship, however, the model has not withstood criticism. Rath (2002) views the model more as a static classification rather than an explanatory model. The model has also been criticised for offering too narrow a focus with regards to opportunity structures. In this respect, the model limits its attention to markets

being ethnic or non-ethnic. Access to ownership is understood through the process of vacancy chain openings. Finally, the model does not grant enough attention to the whole host of regulatory, institutional and policy frameworks of the host country, but instead confines these frameworks to be limited to the rules and regulations which are specific to immigrants, and not entrepreneurs in general (Bonacich, 1993; Light et al., 1993). The interactionalist model has also been criticised for confining ethnicity and culture as a group level phenomena and focusing too heavily upon ethnic networks. Rath and Kloosterman (2000) further critique the model as placing immigrant entrepreneurs in a "priori categorisation" and in doing so the model assumes immigrant entrepreneurs are different from mainstream entrepreneurs. Oliveira (2007) further comments that the model pigeonholes immigrant entrepreneurs as being different than the so-called mainstream entrepreneur.

Despite the criticisms and limitations, the interactionalist model makes an important theoretical contribution to the field, and has acted as a benchmark upon which the mixed embeddedness perspective has been elaborated and developed. In particular, the incorporation of the influence of institutional frameworks and an appreciation that both the structure and 'the agent' need to be included in any understanding of immigrant entrepreneurship. Building upon these limitations, the mixed embeddedness perspective conceptualises the complicated manner in which immigrant entrepreneurs are embedded socially, culturally and institutionally at neighbourhood, city and national contexts. By doing so, mixed embeddedness exposes the full array, variation and scope of the institutional frameworks and in effect the opportunity structure (which is also theoretically developed by the mixed embeddedness perspective) all of which were underexposed in the interactionalist perspective.

4.1.2 Embeddedness

The mixed embeddedness perspective also builds upon theoretical antecedents outside the field of immigrant entrepreneurship. One major theoretical building block is the concept of embeddedness. Kloosterman et al. (1999) review the concept of embeddedness, in doing so they appreciate that embeddedness has become a crucial component in explanations of entrepreneurship, though when used the concept of embeddedness is almost always used in singular and almost exclusively used to imply social embeddedness. Kloosterman et al. (1999: 8) ascertained that this circumscribed

use of the concept, "neglects the wider economic and institutional context in which immigrants are inevitably inserted or embedded." Thus not content with this narrow and one-sided use of the concept of embeddedness, Kloosterman (2010), draws upon Granovetter (1985) who untangles the notion of embeddedness into two further distinct forms, relational embeddedness and structural embeddedness. Relational embeddedness includes all social interaction amongst an economic actor (entrepreneurs) and their surrounding network; suppliers, customers, competitors, financial institutions, and those who impose laws and regulations. Structural embeddedness on the other hand appears to "transcend direct personal relationships" (Kloosterman, 2010: 27) instead pointing to the notion of implications of the structural as well as the institutional context in which these economic actors are embedded. Granovetter (1985: 487) points out the essence of the concept of embeddedness "…actors do not behave or decide as atoms outside a social context, nor do they adhere slavishly to a script written for them by the particular intersection of social categories that they happen to occupy… their attempts at purposive actions are instead embedded in concrete, on-going systems of social relations." Despite the merits of the theory of embeddedness according to Kloosterman (2010) the notion of opportunities is notably absent.

By embracing and building upon the concept of embeddedness, Kloosterman et al. (1999) therefore proposed their concept of mixed embeddedness. The mixed embeddedness perspective according to Kloosterman et al. (1999) includes the social, economic and institutional contexts and their interaction and configuration, an understanding of which can aid our understanding of entrepreneurship and immigrant entrepreneurship in particular. According to Kloosterman et al. (1999: 8), the phenomenon of immigrant entrepreneurship then is theoretically placed "at the intersection of changes in socio-cultural frameworks, on the one side, and transformation processes in (urban) economies and the institutional framework on the other". The level of context and institutional frameworks at these levels, in which there is interplay between these sets of changes, are also important in order to understand immigrant entrepreneurship under the mixed embeddedness perspective. Kloosterman et al. (1999) suggest the following levels; neighbourhood, city, national and economic sector and argue that these levels are important, as are the roles of their institutional contexts and frameworks, since it is these institutional contexts, which in part determine opportunity structures and essentially economic activities. How they determine opportunity structures depends precisely upon the particular configuration

of the mixed embeddedness. Effecting a configuration of a particular mixed embeddedness Kloosterman et al. (1999) includes an understanding and appreciation of the impact of welfare systems, how markets are organised and under what conditions, the framework of rules and regulations including how they are enforced.

4.1.3 Institutional Frameworks

In more recent conceptualisations of the mixed embeddedness perspective, it is also possible to find two further theoretical influences. The first being the works of Esping-Andersen (1990), Kloosterman and Rath (2003: 8) demonstrate how the mixed embeddedness perspective is "strongly influenced by Esping-Andersen", especially in regard to how the mixed embeddedness perspective adopts and adapts the notion of the opportunity structure. Drawing upon (Esping-Andersen, 1990; Esping-Andersen, 1999), Kloosterman and Rath (2003) understand that different national institutional frameworks impinge and disturb processes of post-industrial employment trajectories. Paraphrasing Esping-Andersen, Kloosterman (2003; 8) argues that "various institutional frameworks also bring about divergent post-industrial self-employment trajectories and hence different opportunity structures for entrepreneurs, local and migrant alike." In relation to this Kloosterman and Rath (2003) discuss two processes of institutionalisation and how they may hinder or facilitate various opportunity structures. Firstly, at the level of national institutional framework, is the relative size of the public sector vs. private sector. If the state is responsible for specific activities which would otherwise be low wage activities, the space for small business in these sectors is naturally constrained. Kloosterman and Rath (2003) argue that varying institutional frameworks determine the scope of opportunity structures and thus the market openings availability and their appeal for small businesses. Secondly, other formal and/or informal institutions may encroach upon how opportunity structures create "concrete" openings, how they occur and if they are accessible and appealing to nascent entrepreneurs. A point of departure here is the relative thickness of the institutional context with respect to rules, regulations (including informal) which repress, constrain and enable entrepreneurship and immigrant entrepreneurship in particular. The contribution made by the works of Esping-Andersen (1990); Esping-Andersen (1999) to the development of the mixed embeddedness perspective is the importance to grasp trajectories of self-employment and an understanding of institutional frameworks, including laws and regulations. It

is understood that these institutional frameworks dictate what is possible and what is not, in terms of entrepreneurial activity within national frameworks. It is also understood that this is particularly salient when the entrepreneur has an immigrant background. Thus the mixed embeddedness perspective adopts the view that institutional frameworks matter because opportunity structures and thus entrepreneurship, immigrant owned or not, is contextually time and space specific within specific national institutional frameworks.

4.1.4 Structural Change in Advanced Economies

The last theoretical root of the mixed embeddedness perspective is that of Sassen's (1991) book *The Global City.* Sassen's (1991) view on the processes of structural change in advanced economies adds to the theoretical development of the mixed embedded perspective. Sassen highlights two important structural changes in advanced economies, the first being the increase of immigration from less-developed countries as a whole (the supply side). The second process relates to the post–industrial transition, which has eroded the prominence of large production and manufacturing, favouring small-scale production and flexibility instead due to fragmented and diversified consumer tastes and hence depleting the hold of big industry. In addition, the post-industrial transition has also promoted and expanded the service sectors, witnessed by the increase in subcontracting and post-industrial political agendas, which include processes of deregulation and privatisation. These post-industrial transitions (the demand side) have expanded and created opportunities for entrepreneurs and small businesses. Taking this as a point of departure, the mixed embeddedness perspective thus accounts for characteristics of the supply side of immigrant entrepreneurs, but also the demand side of the equation in the form of the shape of the opportunity structure, and the mediating influence of institutions between nascent entrepreneurs and accessible and appealing entrepreneurial openings, at various levels of the institutional, political and economic frameworks. This demand part of this equation appears to resonate in recent conceptualisation of the mixed embeddedness perspective. According to Kloosterman and Rath (2001) this demand side of immigrant entrepreneurship has been neglected all too often. Kloosterman (2010) places much more emphasis on the "demand" side of immigrant entrepreneurship. The "demand" here relates to the pool of possible opportunities, which are discoverable and exploitable by nascent immigrant entrepreneurs. These

opportunities are shaped and conditioned by macro structures of the socio-economic and politico-institutional environmental context. This is precisely what the mixed embeddedness perspective understands to be the opportunity structure. Adopting Sassen's view has reiterated for the mixed embeddedness perspective the importance of the opportunity structure. What this theoretical antecedent does for the mixed embeddedness perspective is to emphasise the importance of the market dynamics and opportunity structures.

4.1.5 Concluding the Roots

These four theoretical antecedents have culminated in the conceptualisation of the mixed embeddedness perspective: An approach, which critiques but also builds on the limitations of the interactive perspective, appreciates the forces of the institutional frameworks, links the demand and supply side of immigrant entrepreneurship (in particular highlights the importance of markets), underscores the critical component of opportunity structures and not least that entrepreneurship is contextually embedded in socio-economic and politico-intuitional contexts.

4.2 The Mixed Embeddedness Perspective and the Relevance for This Thesis

When compared to the cultural and structural perspectives, the mixed embeddedness perspective can be understood to be less theoretically and even less empirically mature. Nonetheless, the perspective has become almost inescapable when reading recent work on immigrant and ethnic minority entrepreneurship. The perspective was originally conceptualised in response to the limitations of previous approaches in the field of immigrant entrepreneurship. The perspective of mixed embeddedness was put forward to provide an analytical framework, which subscribes to the importance of combining the "micro-level of the individual (and their resources), with the meso-level of the local opportunity structure and link the latter in a more loose way, to the macro-institutional framework" (Kloosterman, 2010: 25). Kloosterman et al. (1999: 257) presuppose that in order to understand the phenomenon of immigrant entrepreneurship we must understand the "wider economic an institutional context into which immigrants are inevitably inserted." Similarly, while adopting the mixed

embeddedness approach, Ram et al. (2008: 428) state that immigrant entrepreneurs are embedded in "the surrounding structural context of markets, competition, and crucially the state regulatory regime." Therefore a key and crucial element of the mixed embeddedness perspective, is the concept of the opportunity structures. This concept is fundamental to the understanding of what mixed embeddedness is and means. In paving out the concept of opportunity structures and in essence mixed embeddedness, Kloosterman et al. (1999) show that opportunity structures contain market openings for would be entrepreneurs; these openings are dependent upon the socio-economic and politico-regulatory institutional frameworks of a particular context. At root this means that opportunities for entrepreneurs are not the same everywhere and at every time, instead they hinge upon time and place specific contexts. Kloosterman (2010: 26) shows that "business are evidently not started in a socio-economic vacuum but in concrete time-and-space specific contexts." This is the mixed embeddedness perspective in a nutshell and for this reason the discussion below focus upon the opportunity structures and its conceptualisation and relevance for this thesis.

Kloosterman and Rath (2003: 3) build upon earlier discussions of opportunity structures and in doing so they encourage an understanding of the role the institutional framework plays in enabling and hindering openings within opportunity structures. The mixed embeddedness perspective exhibits how the opportunity structure can be problematized, be researched and become a unit of analysis. According to Barrett et al. (2002: 11) opportunity structures sets out the "parameters on how much and what kind of ethnic enterprise can exist, which are themselves constrained by political-legal regulatory structures." Razin (2002: 162) shows that the opportunity structure according to mixed embeddedness emphasises the "opportunities offered by the economic environment at national and local contexts. Such opportunities are an outcome of the structure of the local economy and of legal-institutional factors that influence the position of the small-business economy in general and the access of immigrants into small-businesses in particular." Kloosterman et al. (1999) understand that the opportunity structure is a function and outcome of the state of technology, the cost of production factors, the nature of demand for products, and the institutional framework (amongst others). All of which may or may not determine, when, where, how, by whom and to which extent particular market openings will occur.

The mixed embeddedness perspective outlines some crucial intertwined components, which aid in an understanding of the opportunity structure. The first is the demand side of the immigrant entrepreneurship equation which stated in other words means the market (Kloosterman and Rath, 2001; Kloosterman, 2010). The second component is that of the institutional framework, rules and regulations. These components are intertwined and dependent upon, but are not limited to, one another. Rath (2002: 17) shows that "the dynamics of markets is contingent on processes of regulation." These components are now discussed in terms of their relevance to this thesis. A discussion is also presented outlining how the concept of an opportunity structure can be treated as a more concrete entity, capable of being researched.

The first component then is the market. Kloosterman (2010) highlights the importance of market openings as being pivotal for an understanding of entrepreneurship. Jones et al. (2000: 38) underscore the importance of the market component of the opportunity structure and choose to conceptualise the market as a pattern of demand (or lack thereof) for goods or services. According to Jones et al. (2000: 38) the opportunity structure "ought to be interpreted as embracing a very wide range of elements; a total commercial environment made up of numerous economic institutions (banking, finance, insurance, real estate), together with social elements and political actors such as the state itself, whose interventions can be crucial on all manner of levels, from national policies for enterprise promotion to local planning practices." Though over and above this is the pivotal role of the customer, "the fountain head from which all else flows", which punctuates the demand (or lack of) for a product or service. Everything else means nothing if no one is prepared to open their wallets as it were, and buy the end product.

The second interrelated component is the role of the institutional framework, rules and regulations. Kloosterman (2010), draws upon Esping-Anderesen's (1990) contribution that national institutions shape post-industrial trajectories of self-employment. In particular that intuitions, including their laws and regulations, inform what is commodified and what is decommodified (marketable and what is offered outside the market) affect market openings and opportunity structures and thus the particular mixed embeddedness of a particular context. Kloosterman and Rath (2001) also point out the importance of national institutions in determining

thresholds for market entry; this may include amongst others difficulties registering a firm and more specific qualifications required to start a firm in a particular industry.

Rath (2002) emphasises that the role of institutions and regulation is not just a matter of repressing and constraining what is possible within a particular opportunity structure, but it is also a matter of enabling and facilitating. He contends that markets are regulated one way or the other, stipulating the conditions of market exchange, in terms of which commodities can be sold and which actors have legitimacy to sell them and under what conditions. According to Rath (2002: 18) a whole array of actors and agents play a role in this "regulation process" of market exchange at all regulatory levels manifesting itself in "complex packages", although it would be impossible to grasp every instance or manifestation of the impact of the institutional framework upon entrepreneurship. The mixed embeddedness perspective emphasises that institutional frameworks and rules and regulation do in fact bear down on entrepreneurship; restraining but, importantly to note, also enabling entrepreneurship.

An understanding of intuitional frameworks, rules and regulations and an emphasis on how these bear down upon entrepreneurship is relevant for this thesis. Adopting the mixed embeddedness approach allows an appreciation of the role of institutional frameworks since the mixed embeddedness perspective emphasises the role of the institutional context, particularly in relation to the macro-economic, political, and regulatory environment. Entrepreneurship cannot be understood by focusing solely upon the micro level of the entrepreneur. The mixed embeddedness perspective hints that this macro level might bear down particularly heavily on immigrant entrepreneurs or that immigrant firms may for various reason be more sensitive to regulatory pressures.

Earlier discussions in the introduction chapter identified the need for entrepreneurship research to place entrepreneurial phenomenon within context. What the mixed embeddedness perspective does very well is locate immigrant entrepreneurship within the many relevant contexts of the market: local, regional as well as national contexts. The perspective also embeds immigrant entrepreneurship within particular institutional frameworks, socio-economic settings and within particular political and regulatory regimes. The above review of the relevance of the mixed embeddedness for this thesis has shown that the perspective lacks empirical

testimony and instead the section draws upon theoretical and conceptual works in the approach. It should also be noted that I was unable to locate any empirical work within the Swedish context.

4.3 Critique of the Mixed Embeddedness Perspective

The first major limitation of the mixed embeddedness perspective is that it is understood in this thesis to have become too structuralist in nature. Despite being an integrative approach in that it combines agent level perspectives and structural perspectives, somewhere along the conceptualisation of the approach the individual and the firm have become lost. The concept of the opportunity structure has become a key component of the mixed embeddedness perspective. As discussed above, the opportunity structure places opportunities and market openings at centre stage, it is supposed here that it does so at the expense of missing the individual and firm level of analysis. These are the levels of analysis at which these opportunities are recognised, seized and exploited, and they are crucial elements of the immigrant entrepreneurship phenomenon. The mixed embeddedness perspective does not for example explain how an individual and/or firm respond and react to these supposed "out there" opportunities. What are the objectives and the strategies made by individuals in response to these opportunity structures? Pütz (2003: 557) discusses that approaches to (immigrant) entrepreneurship, which focus too heavily upon opportunities, "remain limited for the analysis of a more precise understanding of the origin and development context of entrepreneurial decision making or action." Pütz continues that opportunity centric perspectives leave it unclear why unemployment amongst immigrants leads some to entrepreneurship but not others. A similar question might ask why do some immigrant entrepreneurs grow and others do not? In the year 2000 Rath and Kloosterman, indicated that more emphasis on the individual as an economic actor was needed in immigrant entrepreneurship research. However during the past 14 years this emphasis appears to have weaned within the mixed embeddedness perspective. The mixed embeddedness perspective has evolved and is now more concerned how that individual is located and placed within the intuitional, political and economic context. Rath and Kloosterman (2000) adopted a Schumpeterian view of the innovative entrepreneur; under this definition, the entrepreneur is viewed as an innovating actor, who is able to avoid the dictates of the market. Layering the meso and macro layers, including the socio-economic, politico-

regulatory and institutional framework, on top of the individual entrepreneur, and their firms, has dissolved the focus on entrepreneurs and firms. Since the opportunity structure has become a central concept in the mixed embeddedness perspective this becomes problematic, neglecting "the differentiated reality of acting individual entrepreneurs." (Pütz, 2003: 557). Rath (2002) understands that entrepreneurial agency matters, but argues that the role of the economic opportunity structure deserves more attention; perhaps this imbalance has no swung too far in this direction. Mixed embeddedness outlines the conditions for entrepreneurship but it misses how entrepreneurial actors act in the face of these conditions.

While there are real merits of the mixed embeddedness approach and its concept of the opportunity structure, the above discussion has shown that it has had the counter effect of reducing the focus upon entrepreneurs and their firms. What we really miss is an understanding of the actual entrepreneurs and the firms, grasping, negotiating and manoeuvring through these opportunity structures.

It will be discussed below what the mixed embeddedness perspective brings to the table of mainstream research, but here the discussion focuses upon what mixed embeddedness can learn from mainstream research. Mainstream research in entrepreneurship, and in particular mainstream growth literature, has taken a stance where it views the entrepreneur and the firm as the primary levels of analysis. It is argued in this thesis that there is a need to re-insert, re-embed the entrepreneur and the firm into our understanding of immigrant entrepreneurship, through the lens of mixed embeddedness. Ram et al. (2008) remind us that the relationship between agency and structure is one with multiple feedbacks. Not only does the structure bear down upon the individual but also the individual and firm bear upon the structure. This resonates well with the line of thought of this thesis.

The second critique is that ethnicity and culture also appear to be downplayed or lost in recent articulations of the mixed embeddedness perspective. Again this may be due to the increasingly structuralist nature of the perspective. This has two further parts, the first, which is rooted in the cultural perspective, is that the mixed embeddedness perspective has been particularly critical of the cultural perspective, going as far as warning against reducing immigrant entrepreneurship to an ethno-cultural phenomenon. Thus the mixed embeddedness perspective only extends its theoretical stretch to the internal benefits obtained from social embeddedness within co-ethnic

networks. Rezaei (2007: 94) advocates that immigrant entrepreneurs "are usually heavily infused with cultural-ethnic elements influencing what they produce, how they are managed, the composition, of the staff, how they relate to other businesses, and how they build their international relationships." How ethnicity and culture is infused and used is largely missing from recent versions of the mixed embeddedness perspective. The second part, which is rooted in the structural perspectives, is that while the mixed embeddedness perspective insists that the external social, economic and political regulatory contexts, it is somewhat weak in terms of understanding discrimination and its effects. Both culture and ethnicity and the role of discrimination are assumed in this thesis to be pertinent in firm growth in immigrant firms and ought to be included in an approach that understand firm growth in immigrant firms.

A third critique is that the mixed embeddedness perspective needs to be empirically strengthened. Even Kloosterman and Rath (2003) acknowledge that the perspective requires further empirical elaboration and application. Though the complexity and breadth of the perspective makes it challenging to be embraced in its theoretical totality, this brings up another critique. Razin (2002) criticises the concept of (mixed) embeddedness and opportunity structures as becoming fuzzy concepts, making them difficult to verify. The concepts lack clarity and this in turn makes operationalisation particularly troublesome. Wang and Altinay (2012) comment that the concept of embeddedness is in danger of becoming meaningless, as it becomes overextended to include everything. The mixed embeddedness perspective can also be associated with this criticism, since the perspective too is in danger of being too outstretched, difficult to grasp and problematic to empirically test, which of course has implications if the concept is to be used to understand firm growth in immigrant firms.

The fourth critique regarding the mixed embeddedness perspective is that it was conceptualised under the research context of the informal economy located at the lower end of the market (Kloosterman et al., 1999). The concept was initially shaped, moulded, theorised and conceptualised within this very specific research context. Peters (2002) questions the relevance of the perspective in other settings. Without much further elaboration however, the perspective has been applied and generalised in other contexts. This thesis must ask if the mixed embeddedness perspective is relevant for the study of growth orientated immigrant entrepreneurs.

4.4 Application of the Mixed Embeddedness Perspective in Explaining Growth in Immigrant Firms

The mixed embeddedness perspective illustrates that immigrant entrepreneurship is shaped and moulded by particular time and space contexts. It was commented above that the mixed embeddedness perspective is in danger of being limited to the theoretical realms of the immigrant entrepreneurship field, and that difficulties and a complexity involving the various layers of analysis have resulted in a neglect to fully operationalise the perspective empirically. However, recently the mixed embeddedness perspective has offered a number theoretical frameworks, models, guidelines, which should alleviate much of the intricacy. Unravelling some of this complexity, this section draws upon theoretical guidance from the mixed embeddedness perspective. Below, three major components of the mixed embeddedness are presented in terms of how they offer direction to empirically explore and understand immigrant entrepreneurship through the lens of mixed embeddedness. It was discussed above that central to the mixed embeddedness perspective is the conceptualisation of the opportunity structure. Therefore, firstly this section focuses upon the opportunity structure including institutional frameworks and how they can be researched. In addition, to further understand opportunity structures and how they are shaped, research also needs to better approach and understand the concept of the market appropriate to immigrant entrepreneurship and also the role of the institutional frameworks including the role of rules and regulations. Thus the market and rules and regulations are also discussed below in terms of how they are applicable in immigrant entrepreneurship research, including how these are linked to the opportunity structure concept and how they can aid the understanding of firm growth in immigrant owned firms.

4.4.1 Opportunity Structures

Accessibility and Attractiveness

Kloosterman and Rath (2001) understand that opportunity structures are time and space specific and that entrepreneurs are faced with, and embedded in, different opportunity structures. Kloosterman (2010) provides an analytical framework (figure 4.1), which presents typologies of market spaces based upon their accessibility and growth potential. He bases the accessibility element of the typology on the threshold

of human capital of an entrepreneur and the growth potential on whether the market opening is characterised by long-term growth or structural decline, in other words sunset or sunrise industries. The framework offers important insights into a hierarchy of market openings and that all market openings are not open and/or attractive to all. To better understand the attractiveness and accessibility of a particular market space, Kloosterman (2010) advocates a stance that appreciates and attempts to understand the array of factors and circumstances, which shape opportunity structures and thus markets, including their openings and their attractiveness. These dimensions and their underlying forces must be understood in terms of their embeddedness in various levels of the institutional frameworks, such as the welfare system, structure of the market, the framework of rules and regulations, all of which affect the nature of opportunity structures (Kloosterman et al., 1999). These antecedents of the market dictate who is able to enter what market and thus are an integral part of the mixed embeddedness perspective and an integral part of an understanding of the immigrant entrepreneurship phenomenon.

Figure 4.1 *A Typology of the Opportunity Structure: Markets Split According to Accessibility and Growth Potential*

		<Growth Potential>	
		Stagnating	**Expanding**
<Human Capital>	**High threshold**		Post-industrial/high-skilled
	Low threshold	Vacancy-chain openings	Post-industrial/low-skilled

Source: Kloosterman (2010: 30)

Opportunity structures can thus be understood if we first understand their accessibility and attractiveness. Kloosterman and Rath (2001: 194) state that "different opportunity structures have to be examined along these two yard sticks." Though these two crucial aspects are also shaped by the role of the institutional framework and by their spatial context, both of which are now discussed.

Institutional Frameworks

If it is understood that the kind of businesses immigrant entrepreneurs start (and grow) is contingent on the particular opportunity structure in which they are embedded. The size and shape of these opportunity structures are "essential components in understanding both the number of immigrant entrepreneurs and their potential trajectories of incorporation" (Kloosterman, 2010: 37). The size and shape of an opportunity structure is dependent on the broader institutional framework, irrespective of the type of opening as opportunity structures are embedded within institutional frameworks (Engelen, 2001).

Due to the complexity of this relationship, a comprehensive model is in reality beyond scope. Instead Kloosterman (2010: 37) presents a number of dimensions to consider when attempting an understanding of how the broader institutional frameworks may impinge upon a particular opportunity structure. Included in this understanding are the ways in which different welfare regimes create or block market openings, based upon the distribution of ways of provisions, what is commodified and what is decommodified (i.e. public vs. private childcare) (Kloosterman, 2010). In this way, different state regimes create different opportunity structures. The second dimension accounts for the level and type of state intervention and regulation in the labour market. Interventions such as minimum wage rate and the level of social benefits changes the appearance of particular opportunity structures. The third dimension accounts for state intervention and regulation at the level of the firm. These interventions can be manifested at industry level in the form of sector specific regulations (education qualifications, permits etc.) or at a national level in the form of regulations that are appropriate for all firms. The above discussion has highlighted that, it is evident that entrepreneurs do not operate their firms in context free vacuums, but instead in concrete time and space specific contexts; part of these contexts is the opportunity structure and inevitably the institutional framework. Kloosterman (2010) has shown that the "dimensions provide a framework to identify institutional drivers of change in the opportunity structure." By doing so he shows that the opportunity structure and institutional frameworks are capable of being problematised and thus becoming a unit of analysis. Following this reasoning, this thesis proposes that in order to understand firm growth in immigrant owned firms the institutional framework needs to be accounted for, as does the opportunity structure.

Spatial Levels

Kloosterman and Rath (2001) describe how differences in "opportunity structures can be examined on three different spatial levels": national, region/urban and neighbourhood the authors thus offer a three level approach to get to grips with the shapers of opportunity structures, or as they (2001: 194) put it, "a more methodical handle on the forces that shape opportunity structures." Since it is understood that access and growth potential of market spaces are influenced by all levels, it is deemed appropriate to include all levels in any analysis of opportunity structures. Not surprisingly, the role of the national level in shaping opportunity structures in Kloosterman and Rath (2001) and the role of Institutional frameworks in Kloosterman (2010) overlap in terms of the effect of state provisions, labour market regulations and regulations which govern firms. Missing from Kloosterman's (2010) framework is the level of the regional/urban and neighbourhood level of analysis. Kloosterman and Rath (2001) choose to include these levels in their framework, since it is understood that cities and regions can deviate from each other in terms of how they may shape an opportunity structure. City and regional level governments have a certain degree of leeway in terms of policy matters. The final level to explore is that of the neighbourhood, Kloosterman and Rath (2001) choose to include the neighbourhood level as it implies proximity.

4.4.2 The Market

Going beyond the role of institutional frameworks and their relationship with opportunity structures, it is also applicable for an understanding of growth to consider that opportunity structures are shaped by drivers beyond institutional frameworks. Markets and their dynamics also matter, inevitably constantly changing and exerting various pressures upon opportunity structures. This thesis now draws its attention to the conceptualisation of the market and how an understanding of the market can advance an understanding of growth in immigrant firms.

Kloosterman and Rath (2001) point out that central to the understanding of opportunity structures is the understanding of the market. According to Kloosterman (2010: 28) "opportunities for entrepreneurs in capitalist societies are intrinsically linked to markets. Opportunities occur in markets: there has to be a sufficient (perhaps as yet still latent) demand for a certain bundle of products otherwise no

entrepreneur can make a living. Markets are, thus in our perspective, the crucial components of the opportunity structure. Setting up a shop in a particular market, consequently, entails a delineation of a specific set of products, opting for a specific set of possible production processes, and targeting more or less identifiable groups of clients delimited in time and space."

In line with this statement, this thesis will draw upon Engelen (2001) who problematises and conceptualises the market.. Engelen (2001) proposes that the market should be viewed as both a social and a historic construct, and that markets should be considered institutions in their own right, each with their own demands in terms of capital combinations. Engelen (2001) proposes the following dimensions which should be analysed in pursuit of understanding a market: (1) the objects of trade, (2) the subjects of trade, (3) the structure of the market, (4) its level of institutionalisation, (5) the locality of the market, (6) its degree of embeddedness, and (7) mode, level and subject of market regulation. The dimensions deal with the who, the what, the how, the where and under which terms of market transactions.

According to Engelen (2001) objects of trade, are anything that can be bought or sold. Different entrepreneurial opportunities exist within different markets, each requiring different combinations and levels of human and financial capital. It is understood that technologically advanced, intellectually advanced or sophisticated objects of trade will offer higher thresholds to entry, as will producer markets over consumer markets. Markets will also vary in the extent of the degree of substitutability and the degree of so-called gaps might induce new market spaces (Engelen, 2001). Market objects are the tangible item upon which market transactions are based, and must be understood in an approach to firm growth in immigrant entrepreneurship research.

The subjects of trade concerns the who or the what, that can enter a market. This incorporates two crucial but different actors as the provider of market objects. This can be individuals or legal entities such as the firm, but also stretches to include the customer, the consumer of these objects of trade. Markets simple do not exist if either of these actors are not present. Therefore central to the understanding of a market is an understanding of both these market subjects.

The market structure refers to the subjects of trade in numerical terms on both sides of the equation. The number buyers and suppliers is one demarcation. The structure

of the market impacts upon the shape of market opportunities (Rath, 2002). In simple terms; markets may have one buyer, a few buyers or numerous buyers. Likewise, they may have one seller, a few sellers or numerous sellers. The composition of the relationship of exchange in terms of the number of buyers to sellers may be any combination of the above. In addition, the relative threshold of entry barriers to particular markets impinge on the structure of the market, for example markets with low barriers are compounded by high levels of competition.

Institutionalisation does not refer to the regulatory frameworks imposed on particular markets, instead, it is concerned at gaining an understanding of the patterns of transaction procedures; in layman's terms how objects are bought and sold. Naturally different markets will have differing degrees of institutionalisation and this must be understood in an analysis of immigrant entrepreneurship.

Engelen (2001) shows that an appreciation of the market place should refer to both the self-evident "place", the physical attributes of the market, but also the "extent" of the market. By introducing both these dimensions it is possible not only to understand markets where spatial physical location matters but also markets where physical location is relatively less important, such as in more national or even international markets.

The next dimension under which Engelen (2001) shows markets can be analysed is the dimension of embeddedness. According to Engelen (2001) embeddedness in this respect means social embeddedness. However for Engelen (2001) this social embeddedness extends beyond the concepts of social capital and social networks and includes also motivations, orientations and/or attitudes of the individual actor and how these dimension fit with the expectations of the market.

The final dimension acknowledged by Engelen (2001) is that of market regulation, Engelen (2001) comments on the mode, the level and the object of regulation. Engelen (2001) is quick to point out that regulation should not be misunderstood as being the same as legislation. Regulation also does not just mean state regulation; it also can encompass regulation from local, regional levels as well as from associations such as trade union, non-profit associations and everything else in-between. These regulatory frameworks of markets can be determined by their relative thinness or thickness or, in other words, the degree of regulation. This is defined as the subject of regulation. There is no market untouched by some form of regulation, and if it is

supposed that an understanding of a market is crucial for an understanding of firm growth in immigrant firms, an understanding of the regulatory framework which shapes markets is needed.

The importance of further conceptualisation and understanding of the market is clearly crucial for a grasp of immigrant entrepreneurship. Rath (2002: 12) comments that "different markets, in short, offer entrepreneurs different opportunities and obstacles, demand different skills, and lead to different outcomes in terms of business success or, at a higher level of agglomeration, an ethnic division of labour. This is why we need to get a clear picture of the market dynamics and the impact on immigrant entrepreneurship." While the concept of the market is quite often approached in immigrant entrepreneurship research it is done so on the basis of an ethnicisation of the market; markets are seen as being either ethnic ordinated or mainstream orientated in terms of clientele or in terms of products offered (Rusinovic, 2006). An approach to firm growth in immigrant firms must go beyond this limited market scope and attempt to fully understand what a market entails for firm growth.

4.4.3 Rules, Regulations and Policy

The section below expands upon the appropriateness of an understanding of regulatory frameworks as the shapers of markets and opportunity structures. Unravelling regulatory frameworks and how they bear down upon opportunity structures, markets, firms and individuals is important in an understanding of firm growth in immigrant owned firms. Ram et al. (2008: 428), shows how immigrant entrepreneurship is embedded in the surrounding context of markets, competition and crucially the state regulatory regime. These powerful forces and in particular the regulatory regimes cannot be dismissed as "some sort of inert backcloth," instead it should be considered as an active system which instils parameters upon what is possible. This view is confirmed by Kloosterman and Rath (2010) who understand that rules and regulation shape the trajectories of immigrant entrepreneurship. Rules, regulations and policy measures come in different complex packages and define what is possible in a market; these complex packages are not only concerned with restraining and constraining but also of enabling. Kloosterman and Rath (2010) continue that these different forms of regulation can be seen as "sticks," "carrots" and "sermons." 'Sticks' refer to legislation, which governs what is allowed, 'carrots' refer to the various incentives or disincentives and 'sermons' refer to forms of regulatory

persuasion, this includes business support programmes. Regulation does not always refer to state regulation, Kloosterman (2010) shows that a multitude of actors are active in regulation processes, these include local, regional, national or international governments, unions, non-profit organisations, voluntary organisations, and everything in-between. Regulation can be manifested in thin or thick ways. It can also have direct and indirect consequences upon opportunity structures. Kloosterman and Rath (2010: 113) shows that "different types of capitalist economies generate types of opportunity structures" and this generates different types of incentives to become an entrepreneur. This means differing levels in terms of how commodification effect the scope of certain markets, for example if child care is provided by the state then the opportunities to privately offer child care facilities is limited. On the other hand if the state does not offer childcare provision, then the opportunities for an entrepreneur to offer child care are much less limited. With this example in mind then, one significant implication of regulation and policy are the processes of deregulation and privatisation.

Policy can also be directed "to create more room for (small) entrepreneurship in general by enlarging markets (privatisation) and by removing barriers to set up businesses (deregulation)" (Kloosterman and Rath, 2010: 116) . In addition, Rath (2002: 17) comments that the "dynamics of markets is contingent on processes or regulation," and therefore regulation and policy have implications for opportunity structures. Kloosterman and Rath (2010) understand that policy interventions can influence the emergence of entrepreneurial opportunities. This being the case, an understanding of rules, regulations and policy has a place in an understanding of firm growth in immigrant owned firms. However, it would not be "feasible to examine each and every instance of regulation and its impact on business opportunities" (Rath, 2002: 19). Instead a focus on a limited number of regimes is an alternative, Rath (2002: 19) suggests "a convenient alternative is to focus on a limited number of regulatory regimes. These regimes are actually sets of institutions and involve rules, laws, measures and policies governing immigration, the market and welfare." It is understood that an understanding of rules, regulations and policy matters for an understanding of immigrant entrepreneurship and this extends to firm growth in immigrant firms, and therefore has something to contribute to this thesis.

Chapter 5: Firm Growth

Early discussions in this thesis highlighted how the immigrant entrepreneurship research field has by and large neglected questions surrounding growth of immigrant owned firms. To this end it has been deemed necessary to drop the "immigrant" prefix and call upon previous literature from the vast area of small firm growth. The purpose of this chapter is not to present an exhaustive review of firm growth literature. Instead, this chapter offers an overview of the field of growth and considers how it can be used to aid in the building of an approach capable of understanding growth in immigrant firms. This chapter firstly presents what is meant by firm growth; secondly, how previous research has approached the subject matter of firm growth is presented. In this discussion, three overarching approaches to growth are presented. Throughout the discussions below, the various contributions are presented in terms of what firm growth literature can offer towards an integrated approach of immigrant owned firm growth.

5.1 Introduction

The study of firm growth has been growing in popularity in recent years and firm growth has long been a topic of interest to scholars. By investigating the causes of firm growth, it is understood that we may gain insights into the key drivers of economies (Birch, 1979). Research interests are in part guided by policy makers and policy bodies, who are attracted by the benefits of creating an environment that promotes and maintains small firm growth. In his book Understanding the Small Business Sector, Storey (1994) shows that fast growing firms have a significant effect on job creation. In fact, in an earlier work Storey et al. (1987) asserted that if you selected 100 firms, 4 of these firms would be fast growing firms, who would be responsible for around half of the jobs created within the group. It is in fact the potential for job creation that has become the major benefit of small firms, who are active in growing (Dobbs and Hamilton, 2007). In addition, Dobbs and Hamilton (2007) introduce a study by Robbins et al. (2000) which shows that small businesses

are responsible for 55% of innovations and 95% of all radical innovations. A rather staggering figure is introduced in Storey and Greene (2010) who present a study by Jovanovic (2001), which shows that the four largest companies in the U.S were firstly less than 20 years old and secondly had a total valuation equivalent to 13 % of the US GDP (the companies where Microsoft, Cisco Systems, MCI and Dell). In a Swedish context Wiklund (1998) states that many of the best known and most successful Swedish companies, such as IKEA, SKF, Tetrapak, AGA and Electrolux, were founded and developed based on individual innovations. These are of course extraordinary examples, however they illustrate the power and the attraction to understand questions surrounding firm growth. Though, as it was problematised in chapter 1, questions surrounding an understanding of firm growth when the firm is immigrant owned are conspicuous in their absence. The remainder of this chapter will outline what previous firm growth can add and contribute to the study of firm growth in immigrant owned firms.

5.2 What is Firm Growth?

Firm growth is part and parcel of entrepreneurship, but it is not the norm. In fact, it is atypical, most firms are born small and stay small. Storey (1994: 112) states, "the numerically dominant group of small businesses are those which are small today and, even if they survive, are always likely to remain small-scale operations." Davidsson et al. (2010: 7) are keen to point out that when reading the literature on growth it is easy to distil an opinion that growth is the norm. They show that on the contrary "most firms start small, live small and die small." McKelvie and Wiklund (2010: 268) poignantly state that research on growth "involves studying the exception rather than the rule."

Firm growth in this thesis was defined in chapter 1 as relating to the word 'growth' in both noun and adjective form. The word 'growth' in adjective form describes an object of growth or an object which is growing or has grown. In the form of a noun the word describes the act or the process of growth; both forms are relevant for this thesis. Understood in this sense, firm growth is both the change in amount over time and the process ascertaining to that change (Penrose, 1959). Despite the duality of the term 'growth', most of the previous research has "been directed at explaining

differences in the amount of growth and neglected other issues in the process of growth" (Davidsson et al., 2010: 3).

In this thesis then, firm growth refers to an increase in quantity over time as well as the process pertaining to this change in amount. This simple statement is loaded with a number of theoretical considerations which must be overcome, for example, what is growing, how is the rate of growth measured and how it is achieved? These considerations are not as straightforward as they appear at first glance. In fact, the study of small firm growth is far from straight forward, instead it "presents a significant challenge for scholars" (Delmar, 2006: 62). One of the key problems in developing an adequate understanding of business growth is its level of complexity. This inherent complexity has led to a variety of perspectives and a disconnected, rather than comprehensive or general corpus of theory. This complexity is so great that Davidsson and Wiklund (2006: 39) dedicate an entire chapter to the "conceptual and empirical challenges in the study of firm growth." Delmar et al. (2003: 192) state "the study of firm growth is, itself, heterogeneous in nature. The variation in measures used in organisational growth studies, the variation in growth indicators, the variation in the measurement of firm growth over time, the variation in the processes by which firm growth occurs and the variation in the characteristics of these firms and their environments are all important features of organizational growth as a phenomenon." These theoretical considerations are presented below, at the same time it is the intention that by discussing these considerations, it is possible to paint a picture of exactly what is meant by 'firm growth'.

5.2.1 Mode of Growth

The first consideration that needs to be addressed is that of the mode of growth or how the firm growth is achieved. Firms can grow in a number of ways, they can grow organically through an expansion of their current activities, they can grow by acquiring another existing firm and they can grow by diversification. Furthermore, firms can grow by franchising or licensing, they can also grow by forming strategic alliances and partnerships, or they can grow by internationalisation. The way a firm grows can be somewhat attributed to its demographic characteristic, its age, its size and its industry context. These factors determine the growth path a firm takes (Delmar et al., 2003).

In the main, previous studies have assumed and have been concerned with understanding organic style growth (McKelvie and Wiklund, 2010). It could be viewed that organic growth by its very nature is the continued creation of new economic activity. Growth through acquisition, on the other hand, is more pertinent to transferring existing activity from one firm to another. Davidsson and Wiklund (2006) argue that a distinction between organic and acquisition growth should be made. "Theoretical considerations are necessary in order to determine whether organic or total growth is more interesting to the researcher. From an entrepreneurship perspective, concerned with the creation of value and combinations of resources, organic growth is most interesting. From a management perspective, on the other hand, the total resources and activities are of greater interest regardless of how they became part of the firm" (Davidsson and Wiklund, 2006: 57). This suggests that the fundamental processes for achieving organic versus acquisition growth are at root ultimately different, as are the characteristics of the firms who pursue each of these modes. McKelvie and Wiklund (2010) contend that if the processes are different then we can also expect variations in the sets of resources as well as the types of demands they place upon the entrepreneur and/or manager.

Though as was mentioned above in the introduction to his section firms can also grow in other modes other than organic or acquisition type growth, McKelvie and Wiklund (2010) choose to call these other methods of growth hybrid modes; since they are neither organic or acquisition types of growth instead they fall somewhere in-between. The word hybrid is used as these growth modes consist of a contractual relationship with external actors, while at the same time the firm retains some degree of ownership and control. McKelvie and Wiklund (2010) show that included as hybrid growth modes are franchising, licensing and joint ventures/strategic alliances. In addition, though not mentioned by McKelvie and Wiklund (2010) as a hybrid mode of growth, firms can also grow by diversification. Growth by diversification could also be organic stylised growth and it may also overlap into acquisition type growth. It may also overlap into the three hybrid modes mentioned above. Davidsson et al. (2010) and Levie (1997), discuss that this diversification can take three different forms. Firstly, firms can grow by 'related diversification' by expanding into new "non-overlapping product market", this new market space will still be related to the firm's skill base in terms of their technology or marketing. Secondly, a firm can diversify by integrating other previously outsourced parts of the value chain, this is known as vertical integration. Thirdly, the most extreme type of growth via diversification

occurs when a firm diversifies its activities into new non-related activities, this is known as unrelated diversification.

A consideration of the mode in which firm growth is achieved is an important factor. It is understood that different growth modes place different demands upon the entrepreneur, the firm and its managers. Delmar et al. (2003: 211) states that "the causes and consequences of growth may also be different for different forms of growth." Therefore it is also understood that the conditions and characteristics of growth will vary with each particular growth mode and that these characteristics and conditions ought to be understood if we are to understand the full complexity of firm growth. McKelvie and Wiklund (2010) state that questions surrounding the mode of growth should be of primary interest in future firm growth research. Thus, if we are to understand how immigrant firms grow then a consideration of the mode of growth must be included.

5.2.2 Growth Indicator

A rather exhaustive discussion can be found in the small firm growth literature surrounding the considerations which need to be made when selecting an indicator of growth. Previous studies of growth have selected among and between sales growth, growth in employees, growth in profit, growth in equity/assets, the growth of franchises and the growth in the geographic region covered, as well as industry specific measurements. Shepherd and Wiklund (2009: 107) in an article dedicated to the choice of growth of indicator, demonstrate that the choice of growth measurement or indicator is a justified consideration as various indicators "will capture different aspects of growth." Delmar et al. (2003) also found that many firms, which could be classified as high growth firms according to the use of one measure, are not necessarily classified as high growth firms with another measure.

Even in 1959, Penrose noted that "there is no way of measuring an amount of expansion, or even the size of a firm, that is not open to serious conceptual objections." It would seem that as Penrose stated more than half a century ago the search for an all-encompassing indictor of growth which is suitable for all purposes will never be found. The main problem associated with the choice of indictor is that different measures or indicators are not interchangeable, which of course creates some problems when it comes to comparing results. Davidsson and Wiklund (2006),

propose that the lack of advancement in our understanding of small firm growth is in part due to a lack of comparability across studies.

McKelvie and Wiklund (2010) in reviewing the literature show that that sales growth appears to be the most effective choice of indicator as it translates easily across countries and industry contexts. Sales growth is also widely considered to be the measure used by entrepreneurs themselves and is often externally available through tax records. However, there is also an argument, which suggests that the choice of indicator be guided by what the research topic is and what the research wants to achieve. Shepherd and Wiklund (2009) show that progress can be made in our "knowledge accumulation when future research makes deliberate and informed choices about their use of indicators." Delmar et al. (2003) explain that no single indicator is perfect, on the contrary, each indicator has its extrinsic weaknesses. Gilbert et al. (2006) explain these weaknesses; they show that sales growth as its nature, relies on the sale of a product or service, but research intensive industries such as pharmaceutical companies or biotech companies may spend years developing a product. These companies do not make any revenue but may grow in terms of employees. Using employment growth as a sole indicator also creates some problems, the main being it does not take into account the increasing use of technology in production, where manpower is replaced by machines. Market share is also a popular growth measure. Its weakness however lies in that fact that a firm's market share simply increases quite extensively if one of their competitors pulls out of the market; and thus indicates growth by default. There are even problems when profits are selected as the sole indicator; Davidsson et al. (2009) were able to show that it is possible to grow by both sales and employment, but remain unprofitable. There is some support for advocating the use of multiple measures of small firm growth. The rationale behind multiple measurements is that "they are likely to provide a more complete picture of any empirical relationships as well as provide a way to test the robustness of an theoretical model" (Dobbs and Hamilton, 2007: 312). Davidsson and Wiklund (2006) also agree to the use of multiple indicators of growth, viewing this method as giving richer information and thus when used correctly may be better than a single indicator. Delmar et al. (2003), conclude their discussion on the heterogeneity of growth indicators and discuss that there appears to be no one best overarching measure, which is appropriate for all studies. Final advice comes from Gilbert et al. (2006), who state that the context of the study should drive the consideration of which measure is most applicable.

Concluding all of the above discussions, it is clear that not all firms grow in the same prescribed manner. Firms will have different paths to growth, different growth processes and achieve growth through different modes and different indicators will capture different characteristics of these processes. All of this needs to be considered in an understanding of firm growth.

5.3 Approaching Growth

Davidsson et al. (2010: 70) show that many researchers have put considerable effort into the field of firm growth "thus little by little uncovering the true complexity of the phenomenon." McKelvie and Wiklund (2010) express that because of the importance of understanding firm growth, it has meant that it rightly stretches beyond the field of entrepreneurship into management and economics. Coad (2009) also shows that the fields of economics, management and sociology have embraced firm growth as a point of study; each making valuable contributions. Wiklund (1998) advises that it would be unwise to ignore the multitude of various approaches to firm growth. Though, it would also appear that an attempt to synthesise these various approaches within the large body of growth literature is no easy task, unfortunately various methodological theoretical and empirical hurdles as well as the severe complexity of firm growth as a phenomenon has hindered any general theory of firm growth, despite the huge accumulation of literature. Davidsson et al. (2010: 12) state that most firm growth research has "undoubtedly been directed at explaining differences in the amount of growth." These types of approaches have appeared to dominate the firm growth literature; McKelvie and Wiklund (2010: 264) in their review and classification of the growth literature tell us that this approach is "conceivably the largest." Dobbs and Hamilton (2007) comment that there are many studies in this genre of research whereby researchers apply multivariate techniques to large cross sectional data sets, to test the significance of associations between a wide range of determinants and the growth rates in small businesses. Coad (2009) shows that the heterogeneous nature of small firm growth means that the outcomes of these previous studies add little to the general body of research and instead portray firm growth as to be largely random. This is mirrored in McKelvie and Wiklund (2010: 263) who stress their disappointment as the collective emergent message in these types of studies is that growth appears to be a random process. The vast variations in this deterministic approach to firm growth make it difficult to challenge notions that

growth is a random phenomenon, as the stochastic part of the variations by far outweighs the systematic part. Smallbone et al. (1995: 44) concede that there is "no single theory which can adequately explain small business growth and little likelihood of such a theory being developed in the future…This is partly because the heterogeneity that exists in the various types of SME but also because of the range of factors that can affect the growth of SMEs, it is unlikely that a comprehensive model with predictive capability will emerge." Dobbs and Hamilton (2007) further criticise the deterministic approaches and state that the characteristics of firms that grow may well just be factors, which accompany firm growth, but not necessarily those that have contributed to it. Further criticism comes from Wiklund et al. (2009: 351) who state that deterministic reviews of firm growth only "cover a fraction of the variables considered important in other studies." The trouble is the sheer amount of variables or determinants which have been identified to affect growth. Dobbs and Hamilton (2007: 297) comment that "there are a huge number of these variables, some making for growth, others causing decline, but together acting randomly on the sizes of firms."

In response, to this deterministic approach to firm growth Gilbert et al. (2006: 926) explain that perhaps too much emphasis has been paid to the antecedents of firm growth at the expense of excluding how and where this growth has occurred. It was discussed above that firm growth is characterised by extremes of heterogeneity, and that this heterogeneity extends to the process by which firm growth is achieved. There is not a standard recipe for how, why or where a firm grows. Illustrating this point is the study by Delmar et al. (2003) which focused on all businesses in Sweden with over 20 employees. The study tracked the development of these firms between 1987 and 1996. The real novelty of the study was the finding that "there is no such thing as a typical growth firm." (Delmar et al., 2003: 181). Delmar et al. (2003: 179) show that "organization growth can be achieved in a number of different ways, and the pattern of firm growth, over time, can look very different across all growth firms." McKelvie and Wiklund (2010: 261) can be added to the growing list of authors who have expressed their frustration with the development, or lack of it, in the field of firm growth. As they see it a major reason for "this lack of development is the impatience of researchers to prematurely address the question of 'how much?' before adequately providing answers to the question of 'how?'." This has meant that the vast majority of firm growth research has been concerned with explaining the differences

in growth rates amongst firms, and in doing so they miss that there are fundamental qualitative variations in how firms actually achieve growth.

Davidsson et al. (2010: 12) state that since "the major body of literature on small firm growth is based on quantitative research, and takes growth related measures as dependent variables to explain growth as an increase in amount." This provides an over-simplified understanding of firm growth and overlooks the process by which this growth is achieved. Returning to the definition of growth in this thesis, which is defined as a dual term, meaning both the change in amount over time and the process ascertaining to that change (Penrose, 1959), then the deterministic approach only provides a half explanation. There has been a recent movement in the firm growth literature which advises going beyond merely studying growth as a change in amount and instead extending the focus to the process(es) of growth (McKelvie and Wiklund, 2010; Davidsson et al., 2010; Gilbert et al., 2006). This thesis follows this movement, and it is understood that understanding the process of growth, what has happened to induce growth, where has it happened, how did it happen, why did it occur and what were the consequences of this growth, should be included in a approach to understand firm growth in immigrant owned firms. This is not to say that the large body of deterministic stylised growth literature, which exists, is not useful, it is understood that this too has a contribution to make to an understanding of growth immigrant owned firms, though it ought to be understood in relation to the process of growth.

To help clarify the vast body of firm growth research McKelvie and Wiklund (2010) sort the field into the following three distinct and easier to digest streams; 'growth as an outcome', 'the process of growth' and 'the outcome of growth'. Taking McKelvie and Wiklund (2010) classification and as a point of departure, each stream is now discussed in terms of their approach to firm growth, their limitations and how they can be utilised by this thesis in building an integrated approach to understand growth in immigrant firms. The growth as an outcome stream is the same as the deterministic approach discussed above, where it was acknowledged that this is where the majority of growth studies fall. The outcome of growth stream and the growth as a process stream overlap and intercede each other in a number of places. These overlaps are highlighted as and when they appear in the discussions. The classification by McKelvie and Wiklund (2010) is adopted as a guide in this thesis as it relates to the aim of understanding growth in terms of the process of growth, what has happened to

induce growth, where it has happened, how it happened and what the consequences and outcomes were.

5.4 Growth as an Outcome

The first stream discussed is the growth as an outcome stream, and this is where the majority of growth studies fall. In the main, this stream is characterised by quantitative studies, which place growth as the dependent variable and use a set of independent variables or antecedents of growth to understand and explain the variation in growth rates (McKelvie and Wiklund, 2010); in this respect, growth is viewed as the output. The vast range of theoretical lenses used in this stream of research has resulted in a particularly wide range of determinants, which have been found and used to explain variations in growth. Leitch et al. (2010: 254) note that despite this vast array of theoretical lenses and numerous variables, "it has not been possible to isolate those which have had a consistent effect on growth." The growth as an outcome approach unwillingly paints the picture that firm growth is largely random or stochastic. The main problem lies in the accusation that this stream of research "prematurely addresses the question of 'how much?' before understanding the question of 'how'" (McKelvie and Wiklund, 2010: 261). The field has addressed the questions regarding the increase in amount, at the expense of overlooking the elements of the process of firm growth. It provides a snap shot image of firm growth, in essence, treating growth as an over-simplistic phenomenon. Penrose (1959: 2) herself stated that "size is but a by-product of the process of growth". The deterministic growth as an outcome approach generally assumes growth as an organic process, and fails to acknowledge that firms can grow in other modes than organically (Gilbert et al., 2006). By focusing only upon organic based growth, the perspective overlooks acquisition, diversification modes of growth and thus also overlooks part of the firm's strategy for growth as well as the process pertaining to the growth. This failure to appreciate the distinctions between various modes of growth is another limitation of this stream of firm growth research. Furthermore, the growth as an outcome stream assumes that growth occurs in linear fashion, whereby firms grow from small to large. Firm growth is viewed as one giant leap between two periods of time, in this manner the nuances of how the pattern of growth looks is overlooked. The rate of growth may vary in terms of fast or slow, it may be steady, it may even decrease. The growth as an outcome stream fails to illustrate and understand this

'story' of firm growth. Despite these limitations it is assumed that this stream of literature is relevant to understanding firm growth in immigrant firms. The following discussions outline how and why the growth as an outcome stream can make a contribution. Approaches within the growth as an outcome stream can be merited with offering a multilevel appreciation of the phenomenon of firm growth, as well as acknowledging that growth can be influenced by a multitude of factors. By appreciating the deterministic outlook, as well as the various levels of analysis, it is assumed that this will better inform an understanding of growth in immigrant owned firms.

5.4.1 A Multi-level Analysis Approach to Firm Growth

It would be unfeasible to present a discussion on every single determinant which has been shown to influence firm growth. Wiklund et al. (2009: 351) state that "a striking feature of reviews of studies of firm growth is that each study only covers a fraction of the variables considered important in other studies." Davidsson et al. (2010) remark, that every possible variable which has ever been applied has been shown to effect growth somehow. It is also not the intention of his section to provide a comprehensive literature review on the determinants of firm growth, instead the intention is to contribute to a approach to understand growth in immigrant owned firms. What follows is a discussion pertaining to a number of studies, which present a review and/or model of firm growth, which could be considered as being from a growth as an outcome stance. Each study presents a long list of antecedents identified as influencing firm growth, and these are presented in appendix 1. An overwhelming plethora of factors have been attributed to affect firm growth, the result is that an overarching grasp of the phenomenon of firm growth from the 'growth as an outcome strand' is complex. Easing this complexity though the authors of the studies presented below categorise this myriad of variables into more palatable groupings based upon their respective level of analysis. These various levels of analysis or categorisation are now presented.

Davidsson et al. (2010) review the factors, which facilitate or hinder growth in small firms. They show that a whole range of factors have been put forward as determinants of growth and break these variables down into the categories 'internal' and 'external' determinants. Within the internal, Davidsson et al. (2010) categorised the variables further into those related to the entrepreneur, those related to the structural

characteristics of the firm and those factors related to firm strategy. External determinants were defined as those, which related to the industry and the location of the firm. Dobbs and Hamilton (2007) reviewed 34 studies of small business growth and these studies featured between them around 30 key variables. Dobbs and Hamilton (2007) categorise these variable based upon management categories, characteristics of the entrepreneur, environmental/industry specific and the characteristics of the firm. In his review, Storey (1994) identifies hundreds of studies of firm growth using a deterministic approach; he declares that despite the popularity, such studies have not been able to isolate those factors which have a regular affect across the studies. Though in reviewing the studies Storey (1994) is able to distil the vast array of variables to 35 'elements' which influence growth in small firms. Storey (1994) merits growth in small firms to span three levels of analysis; the starting resources of the entrepreneur, the firm and the strategy. Storey and Greene (2010) make use of Storey's (1994) classifications, but reorganise the variables based upon whether they affect growth at 'pre start-up', 'at start-up', and 'post start-up'. Gilbert et al. (2006) review the literature on new venture growth and study 48 works published since the 1980's. They report the findings of these studies and in particular what factors these studies have identified to influence growth. Gilbert et al. (2006) are able to condense this huge amount of information into six overarching factors: the entrepreneur's characteristics, resources, geographical location, strategy, industry context and organisational structures and systems. Chrisman et al. (1998) build upon an earlier model of new venture performance by Sandberg and Hofer (1988), who determined that new venture performance was a function of the industry structures, venture strategy, and the entrepreneur. Chrisman et al. (1998: 5) suggest that this model needs to be extended to include "the resources and the organisational structure, processes, and systems developed by the venture to implement its strategies and achieve its objectives." Baum et al. (2001) propose a multi-level model of growth, which encompasses personality traits, general competences, specific competences, motivation, competitive strategies, differentiation and the environment. Wiklund et al. (2009) integrate the levels of entrepreneurial orientation, the environment, resources and attitude.

From the studies presented above, it is easy to distil then, that the study and understanding of small firm growth should be approached as a multi-dimensional and multi-level phenomenon. While the eight studies presented above have utilised different classifications and categorisations of the various factors deemed to affect

growth in firms, unfortunately there is not one single unifying grouping of the various factors. However, making sense of the factors identified in the various studies, they appear to extend and relate either to the individual, the firm, the industry or the environment. It was discussed in the opening chapter about the paramount importance of approaching entrepreneurship research as a multi-level phenomenon (Welter and Lasch, 2008): Multi-level in the sense that the constructs of the individual, the organisation and the external environment each in their own way influence 'entrepreneurship'. These constructs do not act in isolation but instead are intimately entwined (Low and MacMillan, 1988; Davidsson and Wiklund, 2001). This discussion of course has not been missed by studies of firm growth; in fact recent studies of small firm growth have pioneered the multi-level approach. Each of the growth works included in the discussions above have indicated the importance of a multi-level approach to growth, what they have not agreed upon is what we should call, and how should we define, the various levels. Storey (1994) shows that there is no secret recipe for growth, but it is likely that when the various components overlap in a specific manner, which is still guided by the heterogeneous nature of small firms and their context, growth will occur. It is understood that growth happens at the intersection of various variables, which span various levels of analysis. Easing this complexity, Davidsson et al. (2010: 41) offer the advice that "some abstracted sense-making is needed, i.e., the grouping of the many specific variables under a smaller number of overarching themes." The standpoint adopted in this thesis is that firm growth is a function of a combination of factors influencing: the individual, the firm, the industry and the environment. By embracing this multi-level approach it assumed that a more holistic picture of firm growth, and not least growth in immigrant owned firms, is possible.

5.4.2 Contributions of the Growth as an Outcome Approach

Studies that fall into the growth as an outcome stream, have been concerned with predicting or retrospectively proving varying amounts of firm growth based upon a testing the affects of various determinants. It is understood that, for the time being, this exercise does not need to be repeated, Davidsson et al. (2010: 70) state that "there is little need for further studies that try to identify factors that facilitate, predict, or hinder growth." It is understood that the heterogeneous nature of the population of firms, together with the heterogeneous nature of how growth could be

achieved, does not make this a meaningful exercise. There exists a particularly long list of determining factors, which have been suggested in the growth literature. Given the sheer mass of variables, it would be unfeasible to include every single determinant in an approach to understand growth in immigrant owned firms, nor are these determinants sensitive to specificity of firm growth in immigrant firms. It is not the purpose of this thesis then to utilise previous studies on the determinants of growth to create a model to be tested to predict or to retrospective prescribe the amount of firm growth. Instead, the contribution and relevance of this stream of research can be placed elsewhere in providing the 'big picture' of firm growth. In the main the contribution has been that firm growth ought to be approached as multi-level phenomenon, and in particular that approach should span the levels of the individual, the firm, the industry context and the environmental context.

It is also understood that by approaching growth with a stance which takes into account these levels of analysis, then this stream of research is well placed to interact with and inform the growth as process literature, the result of which will promote the understanding of the relationship between antecedents of growth at these layers of analysis, and their effects on the process of growth. It is understood in this thesis that understanding the relationship between these antecedents and the process of growth is a worthwhile activity in the pursuit of understanding growth in immigrant owned firms. In addition, while the sector and environmental levels are undoubtedly important, by including the individual and the firm levels of analysis, in an integrated approach to understand growth in immigrant owned firms, it is seen to alleviate much of the limitations, which were associated with previous immigrant entrepreneurship research, namely the structural and mixed embeddedness perspectives. The inclusion of the industry and the greater environmental context is especially relevant, especially in response to recent calls in the entrepreneurship literature regarding the contextualisation of research (see chapter 1).

We learned in discussions above that failure a to unite these findings of particular determinants across studies, has led to the view that we may as well just view growth as a random process. This being said, we continue research in this random process. However, looking at the big picture which views growth as a complex, multilevel and heterogeneous phenomenon, which is context specific, we can dispel much of this randomness or at least we can acknowledge the heterogeneity of firm growth.

5.5 Growth as a Process

The second stream identified in this chapter is growth as a process ; this stream is less well researched compared to the growth as an outcome stream. Achtenhagen et al. (2010) in their literature review of the field were only able to identify a few studies, which could be classified as relating to growth as a process. Davidsson et al. (2010: 73) comment that it is a "sorely under-researched area". This stream is very much interwoven with an appreciation of the mode of growth, which of course is part of the process of growth since the mode of growth concerns how growth has been achieved. It was noted that a firm can achieve growth by a number of different modes such as organically and acquisition stylised growth. Firms can also grow via hybrids of these modes, such as franchising, licensing and by forming partnerships. In addition, firms can grow via the mode of growth of diversification, which has three-sub modes; related diversification, unrelated diversification and vertical integration. This diversification growth can be either organic or acquisition based, or both. One final mode of growth is that of growth via internationalisation, again this mode can take the form of either organic or acquisition type growth. It was also discussed that each of these modes places different demands upon the firm, the management and the entrepreneur. In addition, it was noted that each mode of growth is more or less applicable depending on the firm characteristics such as age, sector and size. McKelvie and Wiklund (2010: 280) stress and emphasise the need for "a better grasp of the answer to the question of how firms grow, i.e., what mode of growth firms use and why." McKelvie and Wiklund (2010) argue that this altered focus has real implications for understanding firm growth; this perspective is adopted in this thesis and the mode in which firms grow will be an important issue to acknowledge in an understanding of growth in immigrant owned firms. The method and manner in which growth is achieved, i.e. through sales, profits or growth in employees, is also related to the mode and process of growth, and thus should also be included.

Other studies which fall into the growth as a process stream have adopted a life cycle or stages model to explain the process of growth, Davidsson et al. (2010: 55) state that "these types of study attempt to provide a more dynamic view on the development of organizations and their growth." Stage or life cycle models of growth or firm development adopt a metaphor of human or organism ageing, the assumption being that in the process of growth, growing firms pass through each stage from infancy to adulthood or maturity. McKelvie and Wiklund (2010) decide to classify

these stage models into the outcome of growth stream, though others such as Davidsson et al. (2010) choose to categories these studies as process approaches. Showing that the studies can overlap into one or more streams, the process of growth by its nature should actually permeate all aspects of firm growth. The outcome of growth stream assumes that when a firm passes through each stage of growth, it experiences problems or issues (the outcomes of growth) which need to be overcome before the firm can transition to the next stage; this is discussed in the next section. In this section, stage models are discussed on their fundamental assumption that firm growth is enacted as a firm proceeds through the various stages of growth assumed by these stage models, or in other words, firm growth is shown to be some sort of interconnected process. Despite the appeal of these types of study they have not really withstood recent criticism. After reviewing, analysing and critiquing the lifecycle and stages of development literature Levie and Lichtenstein (2010) conclude that stages of growth modelling have hit a dead end. In the main, they find the 104 models they review lack a cumulative agreement on the characteristics and the number of stages of growth, there is also a lack of consistency in the conceptual origins of various models and an absence of consensus between models. In a further damming of stages approaches Levie and Lichtenstein (2010: 329) state that "overall, it appears that the stages theory is not appropriate for understanding business growth." The only thing Levie and Lichtenstein (2010) find is that each of the models they reviewed claim that firms display definable states at different times in their growth path or history. Levie and Lichtenstein (2010), advise the abandoning of the biological based model of previous stage and lifecycle models and replace it with a model more apt to understand firm growth. This is because firms differ from organisms in that they are not predetermined by an unchangeable genetic program. Instead, firms are reactive and proactive to changes in their environment. Levie and Lichtenstein (2010) advise that stage models should be replaced with a dynamic state model or approach, the main assumptions of which are that firms attempt to create the optimal relationship between the firm's business model and the external environment. Since this is a continual process, the number of states is also unlimited. Each state represents the managers (or entrepreneurs) attempts to efficiently and effectively match the internal capacity with that of the external driven customer or market demand. This process can work both ways. If the market or demand is growing then the internal capacity of the firm changes accordingly. If however the demand shrinks, the internal capacity of the firm must adjust to the "right size". This infers that the process of growth is not as it was understood in previous stage models, it is not linear and one directional.

Instead, it is a process with multiple feedbacks whereby an opportunity tension exists. This creates a relationship between market potential and the desire to capitalise on that potential. Each enactment of this relationship in essence creates a new state and the firm grows (or shrinks). Ultimately, the dynamic states approach offers a more process-oriented view, which combines an array of individual level, firm level and environmental level elements, and is very much in line with the multiple level approach to growth advocated by this thesis.

One further ingredient of the growth as process stream begins with the fundamental assumption made by Penrose (1959) that firms are administrative entities made up of potentially valuable resources. Building upon this, McKelvie and Wiklund (2010) discuss the concept of the "productive opportunity set"; it is understood that this is determined by the countless ways a firm may organise or use its resources. It is assumed that in the day to day running, a firm's opportunity set is never used to full capacity, thus creating 'slack' resources that can be exploited elsewhere. Though, these slack resources do not organise themselves, instead they require entrepreneurial capabilities such as imagination, but also managerial capabilities that are based upon the practical execution of ideas. McKelvie and Wiklund (2010) state that entrepreneurial capabilities are required but are not sufficient on their own for growth, instead they need to be joined by managerial capabilities. In simple terms, growth of a firm in this manner is understood to be guided by the extent of the opportunity set, and the extent of the managerial and entrepreneurial capabilities. Growth is not influenced by sheer volume in these opportunity sets and the managerial and entrepreneurial capabilities, instead it is governed by the match between the combination of resources and the ability of the entrepreneur and/or manager to see and act upon perceived opportunities. In addition, the opportunity set can be expanded and shaped by the capabilities of the entrepreneur and/or manager in relation to how they are growing. McKelvie and Wiklund (2010: 272) use the above discussion to distinguish and illustrate the different processes of organic and acquisition modes of growth. In the main, they find that as a firm grows organically its "potential resource combinations expand with it." However, sustained organic growth can place excessive demands upon entrepreneurial and managerial capabilities of the firm, as well as the firm's opportunity set, creating a "potential barrier to sustained organic growth" because the firm begins to exhaust the organic growth opportunities (McKelvie and Wiklund, 2010: 272). Acquisition stylised growth may allow a firm to grow by providing the firm with a new acquired opportunity set as

well as new managerial and entrepreneurial capabilities, which can be used to exploit new opportunities. Though with these benefits comes the price of new challenges for the firm in terms of adjustment costs, which in turn may hamper any future organic growth as management capabilities are utilised to manage the integration of the acquired firm and its resources. The main contribution of this discussion is that the each mode of growth leads to fundamentally different processes, and these can be understood by appreciating the interconnection between opportunity sets and managerial and entrepreneurial capabilities, in relation to the particular mode of growth. This approach is appropriate for modes of growth beyond organic and acquisition, which were presented as examples above (McKelvie and Wiklund, 2010).

5.5.1 Contribution of the Growth as Process Approach

The intention of this thesis is to present an integrated approach capable of understanding growth in immigrant businesses. It is deemed that a process account of growth, is one mean through which this approach can be realised. In the main, the process of growth literature appears to suggest growth is a change process. It would be an "oversimplification to assume that nothing else but size changes" (Wiklund, 1998: 87), instead this section has shown that if we take the view of growth as a process view of firm growth, it is possible to understand the underlying mechanism and means, and ultimately better approach the study of firm growth by considering the questions of how, why and where firms grow. This is in line with the definition of firm growth in this thesis, which understands growth as a change in amount but, importantly, also as the processes ascertaining to this change. Naturally, this is also pertinent of course for an understanding of growth in immigrant owned firms. Penrose (1959: 1) stated that "size is but a by-product of the process of growth," and despite this fairly potent statement made over half a century ago, it was discussed above that the process of growth was under-researched (Davidsson et al., 2010). Though, it is understood in this thesis that approaching firm growth by focusing foremost on the process of growth would result in gaining a more in depth grasp of the bigger picture of firm growth, and not least that of growth in immigrant firms whose processes, manner, conditions and the characteristics towards which growth is achieved may well be different to that of non-immigrant owned firms. Currently these processes are largely unknown, and this will be addressed further in the next chapters.

Levie and Lichtenstein (2010) introduce the concept of dynamic states. This approach is seen as a contribution to the understanding of the process of growth. The noteworthy contribution of Levie and Lichtenstein (2010) for this thesis is the need to understand the relationships between market potential, the desire and capability of the firm and the entrepreneur to capitalise on this opportunity tension by matching the internal capacity of the firm to the external market demand, and that this is a constant process. In particular, this appears to fit rather neatly with the concept of opportunity structures discussed in chapter 4. It is understood that, the dynamic state approach like the concept of opportunity structures, will aid an understanding of growth in immigrant owned firms. The relationship between these two concepts, could be a fruitful approach since both deal with opportunities and market potential, though the opportunity structures concept deals with this on macro level, i.e. the context of the opportunity. The dynamic states approach deals with the capability of the firm and the entrepreneur to exploit these opportunities and the tension this creates in relation to the perceived opportunity. And thus it is understood that these approaches could compliment each other.

Another important contribution made by the growth as a process stream comes from McKelvie and Wiklund (2010) who reintroduce Penrose's concepts of opportunity sets and the capabilities of the entrepreneur and manager. These concepts and their relationships are relevant to understanding firm growth, especially in immigrant firms, as these firms may have different forms of capital and thus different opportunity sets.

To assist an understanding of the process of firm growth, McKelvie and Wiklund (2010) suggest that a focus on the growth mode can advance firm growth research. They understand that by focusing on the mode of growth we can gain better insights into the mechanisms of firm growth. A focus on the mode of growth, as part of the greater focus on the process of growth, is also supported in this thesis. By doing so, it is possible to both understand how businesses grow in terms of their processes, while at the same time acknowledging the heterogeneous nature of firms and their varied processes of growth. It is also apparent that there is a need to embrace this heterogeneous nature of firms; the focus on the mode of growth may be the key to this. Different modes of growth are assumed to expose different characteristics and conditions of the process of growth, which should be understood if we are seeking a more holistic understanding of firm growth. In addition, different modes of growth

will place different demands upon the firm, the entrepreneur, and this must also be understood. The mode and the process of growth can also be linked to the context of the sector and/or the environmental context. Different contexts will support and favour different modes and process, and again this needs to be included if we are to truly understand the big picture of firm growth. This becomes particularly relevant in immigrant owned firms, who we know from previous research have their own specific characteristics and conditions.

Also relating the process of growth is that of how growth is actually achieved. What is it that has grown? Was it sales, profits, employees or a combination? Like differing modes of growth, the method of how growth was achieved is also pertinent for an understanding of firm growth. Growth measured by a growth in sales may or may not have the same implications as a growth in the amount of employees. Similarly, a growth in staff levels may or may not result in a growth in profits. Again this can be related to some of the issues raised in the previous paragraph, in that each growth 'indicator' will place different demands upon the firm and the entrepreneur, and that different contexts will support different types of growth.

In sum, the process of growth is understood to be the fountainhead from what everything else relating to firm growth flows, and thus it is a crucial part of the puzzle of growth in immigrant owned firms.

5.6 The Outcome of Growth

The outcome of growth stream is interested in the consequences of growth, these approaches treat growth as the input rather than providing an explanation of how and why growth occurs. Unlike the growth as an outcome approach, here growth is not itself the outcome, it is the opposite, "growth is not the outcome, but the starting point or cause of whatever phenomenon is being studied." (Achtenhagen et al., 2010: 297). Penrose (1959) shows that in the process of growth, an interacting series of internal changes leads to an increase in size, which is accompanied by changes in the characteristics of the growing object. It is these characteristics that this stream of literature is concerned with. Despite McKelvie and Wiklund (2010) separating the outcome of growth stream and the process of growth, the streams very much overlap (Davidsson et al., 2010; Achtenhagen et al., 2010). The growth as a process section

above shows that process-based studies of growth are usually concerned with the changes or challenges firms face. This means that studies, which approach growth as a process, by their nature, also contribute to the outcome of growth stream; at times the process and the outcome of growth are part and parcel of the same phenomenon. McKelvie and Wiklund (2010: 271) stress that there are a number of overlapping components between the streams. The outcome of growth stream could almost be classified as a sub-theme of the process of growth literature. Though, following McKelvie and Wiklund's (2010) classification, the streams are kept separate but at the same time remain sensitive to the overlaps.

The process of growth has consequences and ramifications, which permeate numerous functions of the firm. Ultimately, in the outcome of growth stream, growth in the firm is seen as creating imbalance, problems or "growing pains" (Flamholtz, 1986) within the firm, which the firm resolves by transforming and changing its characteristics (strategies and organisational structure) and thus progressing and entering the next stage of dynamic state (Levie and Lichtenstein, 2010). The assumption that firms transform through stages of development is not adopted in this thesis due to the criticism first identified by Levie and Lichtenstein (2010), however it is understood that the assumption that firms must deal with the effects and consequences of growth and growing, is an appropriate inclusion. McKelvie and Wiklund (2010) state that this particular stream of research has mostly been concerned with the managerial consequences of growth. Though in this thesis, these consequences are seen to permeate other activities and functions of the firm beyond managerial decisions, this is understood by McKelvie and Wiklund (2010) to be a valuable addition.

Davidsson et al. (2010: 76) understand that the different modes, amounts and processes, in varying combinations, will lead to a differing range of effects and challenges such as "acquiring and coordination a growing resource base, adapting organisational structures and systems and effectively dealing with recruitment, training, promotions and other people issues in a growing firm." Similarly, Achtenhagen et al. (2010: 305) highlight the importance of understanding the internal development of a firm as it experiences growth, Achtenhagen et al. (2010) acknowledge that firms can fundamentally change internally in terms of obtaining certification according to ISO standards, by improving staff qualification and staff training and activities such as the development of intellectual property. These

consequences undoubtedly coincide and are interrelated with the process of growth, which itself should not be seen as a singular process. Instead, it is a continual process, which will present various challenges through the course of growing. Davidsson et al. (2010) state that it is the relationship between these effects or consequences and the various inputs of the mode, the process and the amount of growth, which will contribute to the understanding of firm growth, and thus is also understood to be important in an understanding of growth in immigrant firms. It should also be noted that the consequences of growth could obviously be positive and negative.

5.6.1 Contributions of the Outcome of Growth Approach

If this thesis is to offer an approach capable of understanding a holistic view of firm growth in immigrant firms, then it is also necessary to consider what the outcomes and consequences of growth are. It is assumed that the process of growth causes both positive and negative implications.

It would be unreasonable to assume that nothing else but the size of the firm changes as a result of growth. It is this fundamental assumption, which can make a contribution to the study of firm growth in immigrant owned firms. It was pointed out in earlier discussions that the outcome of growth can have implications and impose numerous challenges, as well as impose a number of internal developments. It is these implications, challenges and developments that need to be understood. How they are manifested and how they are overcome are questions which should be approached. In addition, the relationship between the process of growth, the mode and the manner of growth needs to be understood. Insights into the consequences, outcomes and ramifications of growth and the growth process then is advocated in this thesis. The inclusion of this in an approach to understand firm growth in immigrant owned firms will, it is hoped, deepen our understanding of the reality of a growth oriented immigrant firm and the reality of being a growth oriented immigrant entrepreneur.

5.7 Conclusion

In this chapter, three distinct but overlapping streams of firm growth literature have been discussed. Each of these streams or approaches needs to be understood, as does

the relationship between each of the approaches. Many of the discussions above have centred around the severe complexity of the phenomenon of firm growth. The knock on effect of this complexity has been a number of deficiencies within the firm growth field, however many of these deficiencies are to be addressed if the study of firm growth is reoriented towards understanding the underlying processes of firm growth, as well as the on-going effects of these processes. Classifying the field of firm growth this way has enabled an understanding of the various facets of the of the field in a manner which is close to Penrose's (1959;1) original definition: "The term 'growth' is used in ordinary discourse with two connotations. It sometime denotes merely increase in amount; e.g., when one speaks of 'growth' in output, export, sales. At times, however, it is used in its primary meaning implying an increase in size or improvement in quality as a result of a process of development… in which an interacting series of internal changes leads to increase in size accompanied by changes in the characteristics of the growing object." It is understood that by acknowledging and integrating these three approaches a number of research opportunities in terms of guiding a better understanding of firm growth in immigrant firms is possible. The three streams have presented a mix of advice on how growth has been approached, but more importantly how it ought to be approached. It is the intention that this advice is followed when approaching firm growth in immigrant owned firms.

By adopting the classification of firm growth literature presented by McKelvie and Wiklund (2010), which sees firm growth as three separate sub-phenomena of firm growth, it is understood in this thesis that by adopting a stance that firm growth is best explained by providing an understanding of each of these phenomena, though simultaneously providing an understanding of the relationships between these three aspects of firm growth, each approach must be considered, but importantly so must the relationship between each of these approaches in order to better grasp a fuller understanding of the bigger picture of firm growth, not least that of firm growth in immigrant firms.

This chapter has highlighted numerous contributions the three stream of research can make when it comes to understanding growth in immigrant owned firms. Early in chapter 1 it was discussed that it was necessary to include a perspective of previous firm growth literature in an approach to firm growth in immigrant owned firms. This chapter has provided that perspective by adopting a 'mainstream' firm growth perspective. It is anticipated that this thesis can offer an approach that can understand

the complex and multidimensional processes, causes and effects of firm growth in immigrant owned firms. An approach to firm growth in immigrant owned firms must also take into account previous immigrant entrepreneurship research, and thus offer an integrative approach, which is capable of highlighting specificity of immigrant entrepreneurship from a growth perspective.

Chapter 6: A Systematic Review of Firm Growth in Immigrant Firms

This chapter has three aims. The first is to stock take what we already know about growth in immigrant owned firms. Secondly, the chapter systematically dissects and scrutinises each of the studies pertaining to growth in immigrant owned firms. Thirdly, this chapter discusses how this thesis can build upon these previous studies.

This chapter begins by systematically reviewing the literature related to growth in immigrant firms. By doing so, the following question is addressed: What is the state of the art in immigrant entrepreneurship research in terms of growth? This chapter locates and reviews ten articles published in academic journals. The articles are reviewed based upon their contributions to an understanding of firm growth in immigrant owned firms, as well as their various limitations. The following section describes the methodology used in this review.

6.1 Methodology

A Systematic review of the literature is applied with the aim of providing an academic summary of growth in immigrant firms. The first stage in the search process was to establish the search criteria. The following criteria were established:

A – Immigrant and/or ethnic minority entrepreneurship scope

B – Firm growth scope

C – Published in a peer reviewed international journal

D – Language; English

E – Empirical and/or conceptual approach.

After these research criteria were established, the following steps where taken in the process of searching for the articles: (1) Online research abstract and citation databases of peer-reviewed literature such as Web of Knowledge (Reuters) and Scopus

(Elsevier) were used to identify relevant articles. A key word search was applied to the title, abstract and key words. The search words used were: Immigrant Entrepreneurship, Immigrant Business, Immigrant Entrepreneurs, Ethnic Minority, Entrepreneurship, Ethnic Minority Business, Ethnic Minority Entrepreneurs. Terms which refer to a particular ethnic and/or immigrant group were also used; Asian, Chinese, Indian, African and Caribbean entrepreneurship. (2) These search words yielded many thousands from both the web of Knowledge and the Scopus databases. The word 'growth' was then used to search within the results. This resulted in 108 articles in the Web of Knowledge database and 253 in the Scopus database (in many instances the same article appeared in both). (3) Each title and abstract was read for suitability, according to the search criteria. Many articles were excluded immediately on the basis that the term 'growth' was used to refer to growth in numerical terms of an immigrant population, number of firms, and number of self-employed individuals, growth in ethnic diversity and economic growth. Only those articles that appeared to be concerned with firm growth in immigrant owned firms were selected. (4) This resulted in 22 articles, 8 of which deal explicitly with firm growth as the topic under scrutiny. The remaining 13 do not explicitly deal with firm growth per se, but instead were concerned with performance, business development and market orientation. The decision was made to not 'throw the baby out with bath water', and thus these 13 articles were read in full and examined in relation to their explicit or inexplicit inclusion of topic of firm growth, 2 of these 13 were appropriate to firm growth and immigrant entrepreneurship and permitted in the review. The remaining 11 articles did not deal at all with the topic of firm growth and were excluded. 10 articles were finally selected for this systematic review[3].

These 10 articles were then read, scrutinised, made sense of and coded with the use of an Excel sheet. The Excel sheet was used to analyse and code each paper based upon the theoretical approach, research objective(s), methodology, empirical context, sample, main findings, definition of growth, growth measurement, level of analysis, limitations and the determinants/measures used to consider or explain growth in immigrant firms.

[3] This literature search and selection was carried out in July 2014

6.1.1 Distribution of the Reviewed Papers by Journal

The table 6.1 below shows the articles selected for review on the basis of the above criteria. The articles are organised by the date of publication. The distribution of the articles by the publishing outlet shows that all articles have been published in business journals, despite the orientation of ethnic minority and immigrant entrepreneurship. Most journals are found to have published only one article. Three journals have published two articles: Small Business Economics, International Journal of Entrepreneurial Behaviour & Research and Service Industries Journal. Regarding authorship, the authors Basu and Goswami have published twice. Altinay. L is co-author on four articles and Altinay. E co-author on three. All other authors have published only one article in this particular field.

Table 6.1 Distribution of the Reviewed Papers

Journal	Author (s)	Title
International Journal of Entrepreneurial Behaviour & Research	Basu and Goswami (1999b)	South Asian Entrepreneurship in Great Britain: factors influencing growth
Small Business Economics	Basu and Goswami (1999a)	Determinants of South Asian Entrepreneurial Growth in Britain: A Multivariate Analysis
Service Industries Journal	Altinay and Altinay (2006)	Determinants of Ethnic Minority Entrepreneurial Growth in the Catering Sector
International Journal of Entrepreneurial Behaviour & Research	Altinay and Altinay (2008)	Factors influencing business growth: the rise of Turkish entrepreneurship in the UK
Service Industries Journal	Altinay et al. (2008)	Exploring the relationship between the human resource management practices and growth in small service firms
Small Business Economics	Bhalla et al. (2009)	Exploring Alternative Strategic Management Paradigms in High-Growth Ethnic and Non-Ethnic Family Firms
Entrepreneurship Theory and Practice	Shelton (2010)	Fighting an Uphill Battle: Expansion Barriers, Intra-Industry Social Stratification, and Minority Firm Growth
Journal of Management	Ndofor and Priem (2011)	Immigrant Entrepreneurs, the Ethnic Enclave Strategy, and Venture Performance

International small business Journal	Wang and Altinay (2012)	Social embeddedness, entrepreneurial orientation and firm growth in ethnic minority small businesses in the UK
Journal of business venturing	Neville et al. (2014)	Do young firms owned by recent immigrants outperform other young firms?

6.2 Mapping our Understanding of Growth in Immigrant Owned Firms

It was noted in Chapter 5 that the complexity of firm growth means that it is best understood as a multi-dimensional, multi-level phenomenon. It was also noted that an overwhelming plethora of antecedents have been identified to effect growth; some effecting positively, some negatively and some have been found to have no effect at all. It was also understood that these elements influence firm growth in conjunction with one another. Storey (1994) stated that there is no secret firm growth recipe, instead firm growth was likely to be a function of various components which span various layers of analysis.

The sheer number of variables identified, coupled with the heterogeneous nature of firms and the phenomenon of firm growth has led Davidsson et al. (2010: 70) to state the following;

"We would hold that there is little need for further studies that try to identify factors that facilitate, predict, or hinder growth. A sufficient number of such factors have been identified in the literature already; the likelihood that any important ones would have been neglected is slim. Neither do we think it very meaningful to further explore the relative importance of different factors for the growth of 'small firms in general.' The population of small firms is too heterogeneous for this to be a very meaningful exercise."

While Davidson's comments resonate well with the understanding of firm growth and how it should be approached in this thesis, at the same time it is understood that growth in immigrant firms may be a specific phenomenon. In fact, Davidsson et al. (2010) also offers the advice that a more fruitful approach of what is understood in this thesis as the 'growth as an outcome' stream of research may lie in terms of

studying the antecedents of growth in more homogenous samples. It is not assumed that growth orientated immigrant entrepreneurs or immigrant owned firms that grow are homogeneous enough samples, though the articles reviewed in this chapter appear to suggest that this sample is distinct from the greater population of firms. It is also assumed that specific characteristics and conditions of immigrant entrepreneurship and growth in immigrant owned firms may be shared by the majority of immigrant firms who experience growth. In reviewing these articles selected in this chapter, it is noted that studies of firm growth in immigrant owned firms have identified and tested a distinctively ethnic, cultural or immigrant oriented set of factors understood to influence firm growth in immigrant owned firms. By doing so, the authors of these studies have highlighted that they assume or understand that firm growth in immigrant owned firms is a particular phenomenon. This section presents these antecedents of firm growth in studies of firm growth in immigrant firms.

A discussion on the multi-level nature of firm growth was also brought to our attention in chapter 5, where it was understood that firm growth is a multi-level phenomenon. Chapter 5 highlighted a number of previous reviews and models of firm growth. Each of these works appreciated the role that various layers of analysis play in terms of firm growth and presented different variations of the grouping of the various factors of growth. In reviewing these studies it was deemed that these groupings and the various antecedents each of these studies presented could be synthesised and understood as factors relating to the individual, the firm, the industry/sector and the environmental context. Synthesising the antecedents in this manner, it was also understood that a multilevel approach to firm growth is possible. In this respect, the antecedents identified from the empirical articles reviewed in this chapter have also been arranged according to these layers of analysis.

These antecedents of firm growth in immigrant owned firms are now presented in three tables below, each antecedent is presented in terms of having a positive effect (+), negative effect (-) or no effect (X). Following each table is a more detailed discussion concerning the findings pertaining to the various antecedents and, more importantly, what they mean for and how they can used in an integrated approach to understand growth in immigrant firms. It should be noted that none of the articles reviewed presented any firm growth antecedents relating to the environmental context. While there is no table of antecedents to present, the lack of this crucial element for our understanding of firm growth is discussed. The study by Bhalla et al.

(2009) and Shelton (2010) are excluded from the tables 6.2, 6.3 and 6.4 as these studies do not provide any antecedents of firm growth, Shelton (2010) is a conceptual paper and Bhalla et al. (2009) present and discuss the comparison in a sample group of high growth ethnic and non-ethnic family firms in terms of strategy formation, but when relevant these studies are introduced in the discussion.

6.2.1 Individual Level Antecedents

Table 6.2 Individual Level Antecedents

	Basu and Goswami (1999b)	Basu and Goswami (1999a)	Altinay and Altinay (2006)	Altinay and Altinay (2008)	Wang and Altinay (2012)	Ndofor and Priem (2011)	Wang and Altinay (2012)	Neville et al. (2014)
Education Attainment	+	+	x	+		x		
Professional experience	+					-		+
Years in business	-	-						
Financial commitment at start-up	+							
Number of hours worked	+	+						
Transnational business links	+	+						
Labour market discrimination as entry motivation	-	x	x					
Ethnicity	x	x					+	
Religion	x	x		x				
Host language proficiency			+	+				
Age			x					x
Sojourning orientation			x	+				
Twice migration	x							
Ethnic network		x	x	x				
Fathers occupation		x						
Female owned								-
Growth intention								+
Business family tradition			x					

The most striking feature of the table is the lack of convergence and agreement over the 18 individual level determinants of growth that were identified by this review. Looking in detail at the table this review finds only 9 factors, which have a positive relationship and only 5 of these appear in more than 1 study. Only 2 of these factors appear in studies by different authors. The proportion of agreement is fairly low. The other feature of the above table is the number of gaps; these gaps can also be seen as a limitation in our understanding of growth in immigrant firms.

This being said, there still exists some collective knowledge regarding firm growth in immigrant owned firms, albeit a bit fragmented and scattered. It is the intention of the following discussion to thrash out exactly what this immigrant specific collective body of knowledge can contribute to this thesis in terms of offering an approach to understand growth in immigrant owned firms. To begin with, the individual entrepreneur level of analysis and the pertaining antecedents identified as influencing firm growth in the studies reviewed in this chapter, were cross referenced/compared with the determinants of growth identified in the 'mainstream' firm growth reviews and models identified in chapter 5.

While factors such as age (of the entrepreneur), education attainment, start-up finance, years in business and previous professional experiences are commonly found in mainstream firm growth studies, the following antecedents were found to be specific for the studies of growth in immigrant firms reviewed in this chapter, in that they did not appear in any of the 'mainstream' studies. These are now discussed below in terms of what they can offer a framework capable of understanding growth in immigrant owned firms. For an easy reader overview, these factors are:

- Number of hours worked
- Transnational business links
- Labour market discrimination as entry motivation
- Religion
- Host language proficiency
- Sojourning orientation
- Twice migration
- Ethnic network
- Father's occupation
- Business family tradition

The antecedent of ethnicity was found to be present not only in studies of immigrant owned firm growth, but also in studies of 'mainstream' firm growth. Ethnicity was identified to influence firm growth by three of the studies reviewed in this chapter, Basu and Goswami (1999b) and Basu and Goswami (1999a) found that ethnicity had no effect on growth and Wang and Altinay (2012) found ethnicity had a positive effect on growth. Ethnicity appeared as a growth antecedent in Storey and Greene (2010) but was identified as being "imperfectly covered." In their review, they identify seven studies which include ethnicity as a variable, in the main Storey and Greene (2010: 256) find that in these studies "'ethnicity' has tended to be used in a fairly unsophisticated and limited way." The studies identified by Storey and Greene (2010) which use ethnicity as a variable, tend to reduce it to a binary measure, or in other words, in that someone has some form or 'ethnicity' or not. Looking closer at the studies identified by Story and Greene, ethnicity is used as a demographic feature, much like age or gender, and immigrant entrepreneurship is not the focus of study. The exception being the study by Basu and Goswami (1999a) where ethnicity is actually found to be non-significant in its effects of growth.

Another study which includes ethnicity as an antecedent to growth in immigrant owned firms is Wang and Altinay (2012). In their study, they compare Chinese and Turkish owned small businesses in London in terms of levels of entrepreneurial orientation. Wang and Altinay (2012: 18) find that "Chinese-owned EMSBs were significantly more entrepreneurial (proactive, risk-taking and innovative) than Turkish-owned EMSBs." However, the higher levels of entrepreneurial orientation exhibited by the Chinese owned firms did not translate to higher levels of growth. The authors did not find any significance of ethnicity in terms of the amount of growth, but do find ethnicity to influence the mode of growth, with the Chinese firms more likely to grow by acquiring premises. Even though ethnicity has been identified as an antecedent in a number of non-immigrant entrepreneurship growth studies, given the centrality of the concept of ethnicity to immigrant and ethnic minority entrepreneurship research it is still understood as an antecedent specific to firm growth in immigrant firms. Nonetheless, the reviewed articles in this chapter largely negate the role of ethnicity as having an insignificant effect on firm growth, at least in terms of growth amount, and show limited support for the role of ethnicity in the chosen mode of growth. It was discussed in chapter 1 and 2 that the use of ethnicity and culture as an explanation for immigrant entrepreneurship has largely been criticised for reducing immigrant entrepreneurship to an ethnic-cultural

phenomenon. At the same time, the same discussions highlighted that our understanding of ethnicity in immigrant firms needs to be developed. With this in mind it is understood that ethnicity does permeate other areas and functions of immigrant owned firms, for example, the firms' offer, the co-ethnic employees, networks and suppliers, and these are discussed elsewhere in this chapter. Related somewhat to the antecedent of ethnicity is religion, and this featured in three studies. It was not found to have any influence on firm growth. The contribution of understanding religion in immigrant owned firm growth is limited, and will not be pursued in this thesis.

The number of hours worked in the initial stages was identified to be highly significant in influencing growth in immigrant owned firms by Basu and Goswami (1999a and b) While at first glance the number of hours worked does not strike accord with being a specific characteristic of immigrant entrepreneurship Basu and Goswami (1999a and b), classify it is a cultural factor. They argue that immigrants in general and South Asians (their sample group), in particular survive and grow through "self exploitation by expending long hours" (Basu and Goswami, 1999a: 62). Basu and Goswami (1999b) find that the most frequent answer given by their sample regarding the reason for business success was the hard work they put into the business. Basu and Goswami (1999b) comment that this is in response to, or compensates for, the constraints that immigrant entrepreneurs endure. Similarly, Altinay and Altinay (2008) choose to include the variable 'sojourning orientation', They also comment that immigrants have survived and prospered in their respective host countries through 'self-exploitation'. A sojourner is defined by Altinay and Altinay (2008: 29) as "a stranger who spends many years of his lifetime in a foreign country without being assimilated by it." The economic effect of sojourning according to Altinay and Altinay (2008) is that a sojourner is willing to suffer short term deprivation to hasten the long term objective of returning home. This is understood to be one explanation why sojourners work long hours. While Altinay and Altinay (2008) find a sojourning orientation to have a positive effect, in an earlier study the same authors Altinay and Altinay (2006) found it to have no effect on growth. It is understood that a sojourning orientation and firm growth are two phenomena, which do not complement each other. The fundamental assumption of the theory and the very definition surrounding a sojourner is that at some point they will return to their home country, so this means there is a disconnect with the concept of sojourning and that of the long term objective of a growing firm. However

the sojourning antecedent does provide insights into the need for self-exploitation in terms of long and hard work, in order to overcome and compensate for structural barriers immigrant entrepreneurs may face. Also, if this stance is taken then the sojourning antecedent actually becomes similar to the number of hours of work antecedent identified by Basu and Goswami (1999a and b). Though, it is also recognised that you would be hard pushed to find any entrepreneur who has grown their firm that would state that their success did not equate to some form of hard work. Given the specificity of the structural and discriminatory impediments, which must be endured by immigrant entrepreneurs, the antecedent of hard work is relevant for an understanding of firm growth in immigrant owned firms. Though, while we know a great deal about these processes in immigrant entrepreneurship in general, we actually do not know anything about these processes in growing firms owned by immigrants. Both the hours of work and the sojourning orientation were tested by the above studies in respect to the start-up processes of the sample firms, and thus an understanding of these processes including their role at start-up but, more importantly, extending beyond and into their manifestations in the process(es) of growth, will result in a fuller understanding of growth in immigrant owned firms.

Likewise discrimination as an antecedent is also only tested at the inception of the firm, Basu and Goswami (1999a and b); Altinay and Altinay (2006) test the influence of discrimination in the labour market as being the motivation to become an entrepreneur. Only Basu and Goswami (1999b) find that this negative 'push factor' has a negative impact on the rate of growth, the other studies find no influence. This is an important factor for understanding growth in immigrant firms and the implications of discrimination in the greater labour market were discussed at length as thrusting immigrants into entrepreneurship as a survival mechanism. Since these firms are born out of necessity, they often suffer from lack of a sound foundation in terms of financial, human and to some extent social capital, which in turn is seen to curtail any chance of growth. The limitation of these studies in terms of questions surrounding discrimination is that it is only shown to influence the start-up motivation of the entrepreneur. Although the negative motivation of discrimination in the job market has severe implications which stem further than start-up, as discussed in chapter 3, these are absent in the three studies reviewed here. In addition, discrimination and the processes of discrimination are much more sophisticated, than merely being manifested as a rational for business entry. It is understood in this thesis that discrimination and its processes span deep and wide into the growth process of

an immigrant owned firm. For example, the processes of discrimination can emerge from customers, suppliers, competitors, financers and authorities such as the tax office, it can manifest itself into employee relations and human resource functions. Simply put, these are issues that need to be understood in the study of firm growth in immigrant owned firms. There is scope to understand the extent of practices of discrimination during the process of growth in immigrant firms.

Loosely related to discrimination is the antecedent of level of proficiency in the host countries' language. Not surprisingly, a higher level of host language proficiency was found to have a positive influence in both the studies where it was tested. Both Altinay and Altinay (2008) and Altinay and Altinay (2006) find that English language fluency was highly significant in relation to firm growth. The authors even suggest that language proficiency is a prerequisite for growth, even if the entrepreneur is also a university degree holder. A fluent grasp of the host country language will facilitate communication with important external actors, such as customers, suppliers, financers and other stakeholder groups.

A reasonably well-researched topic in the study of immigrant entrepreneurship is that of the role of co-ethnic networks. It was discussed in Chapter 2 that these co-ethnic networks work to lubricate the exchange of information and processes of trade between individuals with a shared ethnicity, cultural heritage and/or country of origin. Being embedded in a co-ethnic network was not found to influence growth in any of the three studies in which the antecedent featured (Altinay and Altinay, 2006 and 2008; Basu and Goswami, 1999a). Possible explanations for this lack of influence are given by Altinay and Altinay (2008: 39), who explain that immigrant firms "broke out of the ethnic enclave and moved away from traditional Turkish management culture characterised by co-ethnic and family participation." Despite these studies' findings of the non-influence of an ethnic network, and given the weight of the literature on ethnic networks in immigrant entrepreneurship research, the concept is still understood to have some explanatory traction in an understanding of growth in immigrant owned firms and thus provides a fuller picture of the phenomenon.

Related to ethnic networks, albeit on an international scale, is the concept of transnational entrepreneurship. Basu and Goswami (1999a and b) also identify the specifically immigrant entrepreneurship variable of transnational business links as being of positive influence for firm growth. It is supposed that immigrant

entrepreneurs are able to exploit their knowledge of markets, resources and networks in at least two countries, namely the home and host countries. This was particularly pertinent for the more successful firms in the sample, those who exceed sales of 5 million pounds. Basu and Goswami (1999b) comment that this transnational entrepreneurship represents a significant growth opportunity for immigrant entrepreneurs. They also test the variable of 'twice migration'. This was a specific variable used to test the effects of Indian immigrants who had previously immigrated to East Africa, representing 28% of the sample group. It was shown to have no influence of growth. Transnational activities are seen as a potential mode of growth for immigrant owned, firms and in this respect should be explored further.

The final two specifically immigrant firm growth antecedents found in the reviewed studies are that of fathers' occupations (Basu and Goswami, 1999a) and business family traditions (Altinay and Altinay, 2006); neither had any effect on firm growth and will not be pursued by this thesis.

6.2.2 Firm Level Antecedents

The table below highlights the factors relating to firm growth in immigrant firms that have been tested by the reviewed studies. It contains 26 such factors, these are presented below and then discussed in terms of what contribution they can make in providing an understanding of growth in immigrant owned firms.

Table 6.3 Firm Level Antecedents

	Basu and Goswami (1999b)	Basu and Goswami (1999a)	Altinay and Altinay (2006)	Altinay and Altinay (2008)	Wang and Altinay (2012)	Ndofor and Priem (2011)	Wang and Altinay (2012)	Neville et al. (2014)
Delegation of responsibilities to non-family	+	+	x		+			
Reliance on family labour		-					x	
Investment in employee training	+	+	x		+			
Emphasis on employee teamwork	+							
Constant product improvements	+							
Diversification strategy into other industries	+							
Customer service	+							
Reliance on bank finance (at start-up)	-	-						
Firm size							+	
Entrepreneurial orientation							+	
Firm age			x				x	
Formal recruitment procedures			+		+			
Co-ethnic labour	-	-	+	x				
Co-ethnic product			x					
Co-ethnic customer	-	-	x	+		x		
Co-ethnic supplier			x				+	
Co-ethnic capital			x	x				
Co-ethnic information			x	x			x	
Empowerment of employees					+			
Size of start-up capital		-						
Capital-strategy configuration						+		
Exporter (immigrant)								+
External finance								+
Competitive pricing	x							
Employee Incentives			x		x			
Legal status			x					

Similar to the individual level, again a striking feature is the lack of convergence and the number of gaps. There appears to be three main groups of factors, those which are concerned with human resource management, those which pertain to ethnic and cultural factors and the third group are factors which pertain to firm growth strategy. The representation of human resource factors is not surprising considering many of the studies reviewed have a service sector orientation. Many of the antecedents span a number of the studies and at first glance this appears misleading and gives a distorted view on the importance of some of the antecedents. The reason why a number of antecedents are present across the studies is due to three studies sharing the same two authors, four studies share one author and a further two studies share the same two authors. Five of these studies are also built upon the same two data sets.

Performing the same task as was performed for the factors identified as individual level antecedents, the above firm level antecedents were compared with those featured in the eight mainstream growth reviews and models described in chapter 5, the antecedents of which can be found in appendix 1.

- Delegation of responsibilities to non-family
- Reliance on family labour
- Emphasis on employee teamwork
- Employee incentives
- Empowerment of employees
- Formal recruitment procedures
- Investment in employee training
- Co-ethnic labour
- Co-ethnic product
- Co-ethnic customer
- Co-ethnic supplier
- Co-ethnic capital
- Co-ethnic information
- Customer service
- Capital-strategy configuration
- Exporter (immigrant)
- Competitive pricing
- Diversification strategy

As mentioned above, these 'specific' immigrant growth factors can be split into three smaller groups; those pertaining to human resources and human resource

management, those pertaining to co-ethnic factors and those relating to firm growth strategies. The discussion which follows will group the antecedents in that order.

The delegation of responsibilities to non-family members features in four of the reviewed studies, (Basu and Goswami, 1999a and b; Altinay and Altinay, 2006; Altinay et al., 2008). It is found to have a positive impact upon firm growth in three of these studies and no impact in one. While the reliance of family labour is tested as separate antecedent by two studies, it was found to have a negative effect on growth. Basu and Goswami (1999b) discuss that an over-reliance on family labour in the main organisational functions of firm will hinder growth. This is interesting since the typical immigrant firm is one, which is seen as small-scale family unit, where the reliance on the family has been seen as a source of competitive advantage. Altinay et al. (2008) discuss that active delegation to non-family members helps with the 'integration' of the firm in terms of relationships with customers, suppliers and banks, but also the firms are able to exploit the 'outsiders' insights and skills. In addition, by delegating responsibilities to non-family members, the firm is able to increase the probability to recruit higher-skilled employees; in essence the pool of potential employees expands significantly. In a similar manner, formalised recruitment procedures were shown by two studies (Altinay and Altinay, 2006; Altinay et al., 2008), to have a positive effect upon firm growth in immigrant owned firms. These studies build upon past research and the assumption that immigrant firms have tended to rely upon informal recruitment practices and channels. They discuss that immigrant firms have tended to recruit from the family and the extended co-ethnic group based upon subjective referrals. Altinay and Altinay (2006) actually find that a formalised recruitment process is the most influential of all the human resources management strategies they test, and state going beyond subjective referrals of potential employees to a more competence based approach resulted in the firms being much better equipped in the market. Altinay et al. (2008) highlight the positive influence upon firm growth by the use of professional recruitment agencies among their sample of firms, which both formalised and streamlined the process of recruitment and acted as filter. The antecedent of a formalised recruitment processes also appears in the 'mainstream' study of firm growth by Dobbs and Hamilton (2007), though it is included as being a specifically immigrant owned firm growth antecedent on the basis that immigrant firms in many of the studies in this review, and in general, are to be found located in the labour intensive service sectors, with a tendency to recruit from the pool of family and the co-ethnic community. In fact,

this is why all of the human resource management strategies identified in this discussion are seen to be pertinent for an understanding of growth in immigrant owned firms. The importance of the role of human resources management strategies is again highlighted by the antecedent of investments in employee training, which is found to have a positive effect on growth in three of the reviewed studies and no effect in another. Again, these findings highlight the importance of good quality employees in assisting firm growth. A further three human resource management antecedents were identified by the reviewed studies: Emphasis on employee teamwork was found to have a positive influence by one study, as did the empowerment of employees, but employee incentives had no effect on growth in the two studies it featured in. While not strictly a human resource management strategy, the antecedent of customer service can also be added to this list of antecedents. It was found to be positively related to growth by one study (Basu and Goswami, 1999b). While customer service does not appear to be a specifically immigrant entrepreneurship related factor, the fact that many immigrant firms are prevalent in the service sector makes it pertinent in an understanding of firm growth in immigrant owned firms. This above discussion has emphasised the importance of quality labour resources and formalised human resource management strategies in having a generally positive influence on firm growth in immigrant firms. It was noted in chapter 3 that one of the characteristics of the 'typical' immigrant firm was that it tends to be prevalent in labour intensive sectors. The foregoing evidence from the studies reviewed is that, in the main, this still appears to be the case even when the firms grow. It is no surprise then that previous studies of firm growth in immigrant firms have focused upon antecedents relating to human resource management. Thus, it is understood in this thesis that an inclusion of an understanding of human resource practices are necessary in an approach which is capable of understanding the bigger picture of firm growth in immigrant owned firms.

The reviewed studies also identify a number of factors, which pertain to the co-ethnic group of the entrepreneur. Despite being related to the entrepreneur's ethnicity, these factors, 'co-ethnic' factors, are related to firm level forms of capital. Acting somewhat as bridge between this discussion and the human resource management antecedent discussion above is the antecedent of co-ethnic labour which was found to have a negative effect in two studies (Basu and Goswami, 1999a and b), no effect in Altinay and Altinay (2008), but a positive effect on growth in Altinay and Altinay (2006). It was also noted in the HRM antecedents above that moving away from a reliance on

the family and formalising the recruitment process had positive effects on growth. Altinay and Altinay's (2006) finding that a higher prevalence of co-ethnic employees has a positive impact upon growth goes against the grain with previous findings. The rational for these mixed findings is the context of Altinay and Altinay's (2006) study, it is embedded in the context of the catering sector and they find that having co-ethnic employees is a double benefit. The first benefit, given that labour is the largest overhead cost in the catering sector, is due to the labour intensive nature of the sector. Employing co-ethnic employees "keeps wage costs lower and demands less costly." Though, these co-ethnic employees can still be recruited in a formalised manner, thus ensuring quality employees. The second benefit is that recruiting co-ethnic employees, who have knowledge of the ethnic products and who can inform customers about the products the business offers, improves the service level and thus positively influences firm growth. Altinay and Altinay (2006) state that these co-ethnic employees may also add a sense of authenticity or an "ethnic flavour" to the offer. In this manner, providing a nuanced approach on how we may be able to understand ethnicity as a resource in immigrant owned business is understood in this thesis to be a promising approach in understanding the a nuanced role of ethnicity in the processes of growth in immigrant owned firms.

Related elements of the cultural and ethnic antecedents have been prevalent in immigrant entrepreneurship research, this stream of research was reviewed in chapter 2. The foregoing discussion, and the findings of the reviewed studies, show that a great deal a of emphasis is still being been placed upon these factors in immigrant firms which grow. This suggests that these ethnic elements of immigrant entrepreneurship are still pertinent for firm growth in immigrant firms, and thus needs to be understood in an approach that is capable of providing a full understanding of firm growth in immigrant owned firms.

A more traditional view on how ethnicity is manifested and represented in immigrant owned firms is by that of the product(s) and the customers who consume it. The antecedent of a co-ethnic product was only explicitly tested in one study and it was found to be of no influence on firm growth. The antecedent of having a co-ethnic customers or co-ethnic clientele is generally presented to have a negative influence of growth, (Basu and Goswami, 1999a and b). It is understood that having an over reliance on co-ethnic customers is too narrow an approach. Those entrepreneurs who experienced growth were those who had expanded their reach into wider mainstream

markets (Basu and Goswami, 1999a). Basu and Goswami (1999b) suggest that the larger and faster growing business in their sample seem to rely the least upon co-ethnic clientele and the most successful firms are those who deliberately aim at attracting a non-co-ethnic clientele. Altinay and Altinay (2008) choose to call the variable the 'co-ethnic market', in essence it is the same as co-ethnic customer variable. They find that there is no relationship with firm growth and the degree of co-ethnic customers, except in the retail sector where it had positive effect on growth. Altinay and Altinay (2008: 39) state that this finding can be explained by "cultural rationality" in that co-ethnic customers demand ethnic specific products, satisfying this demand leads to a competitive advantage which in turn leads to firm growth. The degree of co-ethnic suppliers generally had a marginal impact upon growth, Wang and Altinay (2012) show that access to co-ethnic suppliers can contribute to growth based upon the low cost nature of these co-ethnic business transactions. The final two ethnicity relevant antecedents tested in the reviewed studies are co-ethnic capital and co-ethnic information, neither were found to have any impact upon firm growth.

The final grouping of specifically immigrant firm growth antecedents found in the reviewed studies are related to the firm's strategy. Basu and Goswami (1999b) test the influence of a competitive pricing strategy. Despite over half of their sample stating that competitive pricing was one of their main strengths, Basu and Goswami (1999b) found a competitive pricing strategy to have no relationship with firm growth. In the previous chapter the need to understand the mode of growth and the relating process(es) was discussed at length. Basu and Goswami (1999b) test for the outcome in terms of growth of diversification strategies. They find that diversification strategies are most prevalent in the medium sized firms of their sample, with the smaller and the larger firms opting not to diversify. While a diversification is not a specific immigrant growth antecedent, it is included in this review due to the perceived value and possible contributions it can make to a fuller understanding of growth in immigrant firms. Basu and Goswami (1999b) understand that issues surrounding diversification strategies and immigrant firm growth merit further investigations. Neville et al. (2014) test another mode of growth, the actual process of how the mode, in this case exporting, is not in focus. Instead, it is presented as an antecedent that affects performance. The antecedent of exporting tested by Neville et al. (2014: 55) was found to be significant for firm performance. They found that "young immigrant owned exporter firms outperformed young domestically owned firms whether or not they exported." Young immigrant owned firms who did not export

underperformed against other young firms. The contribution of these findings is similar to that of the antecedent of transnational networks, in that immigrants have specific access to international networks that can be used as a competitive advantage for firm growth. Though, it is understood that this would be specific only to product markets. The specificity of these findings warrants inclusion in a study that approaches firm growth in immigrant owned firms.

The final antecedent presented here regarding the firm level influences on growth is that of the "capital-strategy fit" identified by Ndofor and Priem (2011). In their study, they find that neither pursuing an ethnic enclave strategy or dominant strategy (non-enclave strategy) has any influence on firm performance in terms of profitability. Ndofor and Priem (2011) indicate that the effectiveness of either of these two strategies is instead dependent upon how matched the capital endowments of the firms are when considering the requirements of the pursued strategy. Illustrating how this works, Ndofor and Priem (2011: 789) provide two ideal archetypal typology examples of capital-strategy fit; "(a) high economic and high human capital, combined with weak ties outside the ethnic community and a dominant market strategy and (b) high social capital, combined with strong ties within the ethnic community and an enclave strategy." The important contribution of Ndofor and Priem (2011) is that they highlight that it is possible for an immigrant owned firm to grow, even when pursuing a strategy which targets a co-ethnic market, though the success of this strategy is dictated by the relevance of the capital framework of the firm.

6.2.3 Sector /Industry level Antecedents

The final table presented (table 6.4) concerns factors, which are shown to have a relationship with growth at the industry or sector level of analysis.

Table 6.4 Sector /Industry level Antecedents

	Basu and Goswami (1999b)	Basu and Goswami (1999a)	Altinay and Altinay (2006)	Altinay and Altinay (2008)	Wang and Altinay (2012)	Ndofor and Priem (2011)	Wang and Altinay (2012)	Neville et al. (2014)
Nature of the industry	+	+						
Service sector			x					

This appears to be a lesser-considered level of analysis in the studies reviewed. Table 6.4 presents a striking lack of an understanding of sector level explanations to firm growth in immigrant owned firms. It was highlighted in chapter 5 that growth is a multifaceted and multi-level phenomenon and thus we need to approach firm growth in a similar multifaceted and multi-level manner, though it would appear that this stance has largely been overlooked in previous studies of firm growth in immigrant owned firms. Only two sets of authors have approached sector level antecedents of growth and only two antecedents have been accounted for. Basu and Goswami (1999a and b) include the nature of the industry; Basu and Goswami (1999a) limited their scope of analysis to wholesale, retail or manufacturing. Basu and Goswami (1999a) find that those firms located in wholesale achieve higher rates of growth compared to firms in retail and manufacturing. One possible explanation provided is that firms within wholesale may have expanded into international trading and thus achieved growth. Also, the firms located in the retail sectors have experienced

increasing competitive threats posed by large domestic and foreign enterprise, thus accounting for their poor rates of growth. Basu and Goswami (1999b) also find that the firms in wholesale achieved higher growth rates and those in retail achieved the lowest growth rates. The study by Altinay and Altinay (2006) focuses upon the catering sector. While the authors do not provide an explanation on the role of the sector and firm growth, they do highlight the characteristics of the sector. They state "ethnic minority entrepreneurs who strive to achieve growth in this highly competitive industry, in which consumer eating and drinking habits change rapidly, should bear in mind that they work in a customer focused industry. This implies that their survival and growth highly depend on meeting the expectations of existing and future customers" (Altinay and Altinay, 2006: 217). What this statement highlights is that the role of the sector or industry is extremely relevant for the study of firm growth, not least that of firm growth in immigrant firms, which we know based upon previous research is in the most part located in some of the least rewarding sectors of the economy.

One further study, though not included in this table, is the study by Shelton (2010). It was excluded from the above three tables as it was not an empirical paper, but will anyway be briefly presented here. Shelton (2010) discusses how certain industries can create racialised social barriers to expansion. Shelton (2010) provides a theoretical model of ethnic minority growth based upon the resource based view, the expansion barriers framework and processes of social stratification. The paper is driven by the question of 'which social and institutional forces exist that affect minority firm growth?' The model highlights the social and economic barriers faced by ethnic minority owned firms. The model understands that minority firms face the same economic barriers as all firms, but their growth potential is often restrained by particular industry social structures. Gatekeepers to these social structures are resources providers, government bodies, other gatekeepers and particular industry practices. Shelton (2010) argues that these actors play an important role in shaping opportunity structures, in some instances constraining and in some instances expanding opportunity structures for ethnic minority firms. Shelton (2010) discusses that when socially motivated industry practices and policies become institutionalised, they act as an "intra-industry social stratifications" in turn splitting firms into advantaged and disadvantaged groups. The paper by Shelton (2010) makes a contribution to the understanding of the impact of the industry social context and how it plays a part in determining the rate of growth and performance. Shelton

(2010) proposes that everything else being equal in all other aspects of the entrepreneur and the firm, ethnic minority firms will face additional impediments to growth over white owned firms due to discriminatory practices. Shelton (2010) suggests that this is amplified in industries with "substantial wealth creation potential." Shelton's paper makes a contribution in that it bakes in processes of discrimination into an understanding of how the industry level of analysis can play a role in firm growth in immigrant owned firms. It is understood in this thesis that this is a valuable contribution to the understanding of firm growth in immigrant owned firms.

To understand the holistic picture of firm growth in immigrant firms, an appreciation and understanding of sector and industry level of analysis is essential, though it has largely been overlooked by previous studies of firm growth in immigrant owned firms. Prior research in 'mainstream' growth has centred on the role of the industry context, if the sector is growing in maturity or declining and the dynamics related to this. This has not been replicated in studies of firm growth when the firm is immigrant owned. Despite recent advice stemming from the mixed embeddedness perspective on the importance of understanding the role of institutional frameworks, markets and their dynamics and structures, not to mention rules, regulations and policy which impact upon sectors and industries and the role of opportunity structures, including their accessibility and attractiveness in terms of growth potential, it would appear that there are more unanswered questions than answered. It is hoped that the integrated approach to firm growth in immigrant firms provided by this thesis will provide a basis for these issues to be better understood.

Moreover, an even more serious limitation of our knowledge in growth in immigrant owned firms is that previous studies have completely missed the role of local, regional or national contexts, or any mention of the external environment. It was understood in the previous chapter that an understanding of firm growth must have an appreciation which spans various levels of analysis. The standpoint adopted in this thesis is that firm growth is a function of a combination of factors influencing: the individual, the firm, the industry and the environment. By embracing this multi-level approach, a more holistic picture of firm growth, and not least growth in immigrant owned firms, is possible. However, the role of the external environment and context has been overlooked and only the surface has been scratched in terms of our understanding of the sector or industry. Only one of the empirical papers reviewed

mentions the mixed embeddedness approach, despite the popularity of the perspective in immigrant and ethnic minority entrepreneurship studies of late. The reviewed studies also fail to give an appreciation of context; this is the result of the lack of an understanding of the industry and environmental levels of analysis. Firm growth is not a phenomenon enacted in a vacuum, like entrepreneurship in general it is enacted in a number of particular contexts. These contexts have been largely overlooked in previous studies of firm growth in immigrant owned firms, and thus must be understood in future studies if a complete picture of firm growth in immigrant owned firms is to emerge.

6.2.4 Concluding the Antecedents of firm growth in Immigrant firms

The above sections regarding the individual, the firm and to some extent the industry level of analysis, has presented the various antecedents specifically relevant for growth in immigrant owned firms, found present in the studies reviewed in this chapter. What these studies of firm growth in immigrants firms can contribute to this thesis, in terms of providing an integrated approach capable of understanding growth in immigrant firms, is an augmented approach to firm growth. This section has presented various antecedents of firm growth that highlight the specificity of the phenomenon when it occurs in immigrant firms. A quote from Davidson et al. (2010) highlighted, that there was no need for studies to identify anymore growth antecedents, since the likelihood of any important antecedents having being missed was unlikely. Though, this review finds that the particular characteristics, conditions, backdrop and context of immigrant entrepreneurial firm growth show that there are particular factors relevant to immigrant entrepreneurs and their firms, which have not been understood in mainstream firm growth.

However, this specificity is actually two-sided, on one hand this review has identified a number of antecedents which are inarguably cultural and ethnic specific. On the other hand a number of factors are not specific to ethnicity or culture in the slightest. Instead this group of antecedents could be viewed from a class perspective, given they are particular to impoverished and unattractive sectors. While it is acknowledged that these conditions and circumstances will be relevant for all entrepreneurs in these sectors, it is acknowledged that these circumstances are particularly applicable for an understanding of firm growth in immigrant firms due to the over-representation of immigrants in these particular sectors. Amplifying these mediocre sectorial

characteristics and circumstances are the numerous structural hindrances, coupled with a poor history of social mobility, continued discrimination and racism. It is therefore proposed that while these antecedents are not specific to firm growth in immigrant owned firms in terms of ethnicity or culture, in terms of class they can be considered to be particularly relevant for firm growth in immigrant firms.

6.3 Sampling

This section reviews the sampling considerations of the reviewed studies on the basis of the growth orientation and the sectorial distribution of the sample. Table 6.5 presents an overview of the various sampling considerations made by the studies reviewed, including firm size, how growth was actually considered in terms of measurement and time frame (if stated), the sectorial context and the 'ethnic' nature of the sample groups. The study by Shelton (2010) is excluded on the basis of being a conceptual paper.

Table 6.5 Sampling Characteristics

	Firm Size	Growth Measurement	Sector Context	Sample Group
Wang & Altinay. L (2012)	74% micro firms (2 – 9 Employees) 24% Small firms (10 – 49 Employees)	Not Stated	Traditional sector – 62.8% (catering and retail) Professional sector – 37.2%	124 Chinese 134 Turkish
Altinay and Altinay (2006)	Micro firms (2 – 9 Employees) Small firms (10 – 49 Employees)	Owner reported compound employment growth	Catering Sector Fast food – 33.3% Ethnic restaurants – 29.7% Cafes - 36.9%	Turkish Speaking small businesses
Altinay and Altinay (2008)	Micro firms (2 – 9 Employees) Small firms (10 – 49 Employees)	Not Stated	Service –15.4% Retail – 15.8% Import/Export – 19.8% Catering – 48.8%	Turkish Speaking small businesses
Altinay et al. (2008)	Micro firms (2 – 9 Employees) Small firms (10 – 49 Employees)	Owner reported Sales growth	Catering – 57.1% Retail – 24.4% Professional services – 18.3%	Turkish Speaking small businesses

Basu and Goswami (1999b)	Sales 38.1% 2 million GBP– 5 million GBP 61.9% More than 5 Million GBP Employees 10.9% - Below 10 25.5% - 10-24 38.6% - 25-99 24.4% - 100+	Compound annual growth rate in sales since start up - Over 50% exhibit 10 times growth. 2/3 experienced 10% growth in sales and employment	Wholesale – 46.6% Manufacturing – 20.7% International trade – 28.4% Other services – 26.2%	South Asian
Basu and Goswami (1999a)	Minimum annual sales of 2 million pounds or a minimum of 10 employees	Compound Sales and Employment Though actual growth rates are not stated	Retail, catering, medium and large scale manufacturing, wholesaling, hotels, international trade, shipping, tourism, medical care, property, international commodity brokerage.	South Asian
Bhalla et al. (2009)	Average turnover 11.7 million pounds Average number of employees is 45	Continuous sales growth of 25% over the previous three years	Wholesale food & drinks – 76.3% Software consultancy and supply – 6.5% Outwear clothing – 17.1%	76 Family owned firms (39 South Asian 37 non-ethnic owned)
Ndofor and Priem (2011)	Not stated	Owner reported net profit Though no growth rate stated	Business & professional services – 60% Property & construction – 19% Retail & distrib – 12% Manufacturing – 4% Transport– 2%	Black, Asian and Hispanic
Neville et al. (2014)	Average number of employees – 3.26	Mean growth rates between 2004 – 2008 Employees: 0.24 Revenue: 128,660 CAD Profits: 25,301 CAD	Goods – 21% Services – 71% Knowledge based – 8%	Recent immigrants to Canada & young Canadian owned firms

6.3.1 Growth Orientation of the Sample

This section explores the sampling considerations made by the authors of the reviewed papers. The studies by Altinay and Altinay (2006 and 2008); Altinay et al. (2008) and Wang and Altinay (2012) all in essence use the same the same sample group. The growth orientation of this sample can be questioned, since the growth rates of these firms are never made available. In addition, in each of these four studies data was collected in one hour face to face structured interviews. By definition this is a single data collection point which relied upon unprepared, self-reported (owner), recalled retrospective growth rates of sales, employment and premise growth rates. How accurate these growth rates are highlighted by the authors, who themselves admit the unwillingness and doubtful accuracy of self-reported growth rates, more so when dealing with particular ethnic groups. In addition, in the sample by Wang and Altinay (2012) 74% of the firms employ less than 9 employees. It could be argued that this 74% of the sample is not very representative of being a growth-oriented firm. While the other studies also sample from firms which have either 2 – 9 or 10 – 50 employees, the actual number of each is never explicitly stated, though Altinay and Altinay (2006 and 2008); Altinay et al. (2008) do use more or less the same data set.

In their study Ndofor and Priem (2011) purposely sample firms who have an ethnic enclave orientation in the USA. Firstly, they use company lists from two state procurement lists to assist immigrant owned firms to be certified for state procurement. The programs are: a state run program by the Small Business Administration and the disadvantaged business enterprise initiative run by the Department of Transportation. Secondly, Ndofor and Priem (2011) state that the companies from these lists "do not capture ethnic minority entrepreneurs with lower economic and human capital who may be escaping the secondary labour market." In this respect, the authors also sample from the Hispanic, black, and Hmong (Chinese) chambers of commerce. These sampling considerations are aimed to include ethnic minority entrepreneurs with lower thresholds in economic and social capital, who are assumed more likely to pursue enclave strategies. The knock-on effect of these sampling considerations are that they likely exclude growth-orientated firms.

The studies by Basu and Goswami (1999a and b) capture growth oriented firms. Though the study by Basu and Goswami (1999a) does not explicitly state the growth

rates of the sample, they are assumed to be similar to Basu and Goswami (1999b) since both studies appear to use the same sample group.

Basu and Goswami (1999b) use self-reported current sales and current number of employees, these were then cross verified with published company statistics that both of these studies display. The sample of the study by Bhalla et al. (2009) actually represent the highest growth rates of all the studies reviewed. Incidentally this study Bhalla et al. (2009) does not test the rate of growth, instead the growth rate is used as demographic feature of their sample. Rather, they are interested in exploring the management strategies in high growth firms owned by ethnic and non-ethnic family firms.

The final study reviewed in this section is the one by Neville et al. (2014). In their study they test the performance difference between young firms owned by new immigrants and those owned by non-immigrants. Neville et al. (2014) provide the mean levels of growth of the total sample group. While the firms are growing it can be argued that the growth is marginal, for example on average the sample firms grew by 0.24 employees over a four-year period.

This review highlights a number of problems with sample methods, decisions and compilations of the above studies. Firstly, many of the studies reviewed fail to capture a sample of growth firms. The sampling of the above works really begs the question; have previous studies in immigrant owned firms growth really been studies in growth orientated entrepreneurs? Arguably only the studies by Basu and Goswami (1999a and b), Neville et al. (2014) and Bhalla et al. (2009) sample high growth firms.

Putting these above growth rates and sampling considerations into perspective against firm growth in the 'mainstream' literature, Delmar et al. (2003) explore the heterogeneity in how firms achieve high growth. Using a population of all firms in Sweden who employ more than 20 employees (some 1501 firms met the search criteria) over a 10 year period, the authors then categorise the growth rates of the top 10% of all these firms, based on six different growth measurements. The growth measurements and the studies' mean values from each measurement are as follows:

- Absolute employment growth – 6.1 employees
- Absolute organic employment growth – 2.26 employees

- Absolute sales growth – 40 954.54 SEK
- Relative total employment growth – 146.3%
- Relative organic employment growth – 143.76%
- Relative sales growth – 532.74%

These growth rates from Delmar et al. (2003) are not directly comparable to the growth rates of the studies reviewed in this chapter, given that these are the highest growing top 10% of all firms in Sweden. However, the comparison provides a real striking difference between how growth firms are viewed in the mainstream growth literature and how they are currently viewed in the immigrant entrepreneurship literature, with perhaps the exception of Bhalla et al. (2009).

The second limitation of previous growth studies appear to be their lack of consideration in terms of the time period in which they measure firm growth. Many of the studies above present growth rates from start-up to when the data was collected (and some do not state account for a time period at all). The problem is that such a growth calculation views firm growth as one giant leap, Achtenhagen et al. (2010) comment that this one giant leap calculation is especially problematic since firm growth does not follow a standardised linear pattern. In effect, these studies are overlooking the process of growth during these prolonged time periods.

There are also other innate problems with the calculations used in the reviewed studies, such as how growth is achieved (organically or via acquisitions), the indicator used as different indicators may capture different aspects of growth and making comparisons of studies with different indicators. In addition, previous growth literature has shown that growth can be calculated as absolute or relative, which highlights different types of growth and rates of growth.

A third problem relates to how the data on growth rates were collected. Around half of the reviewed studies utilise owner reported growth rates. The data presented by the owners may be inaccurate or incorrect, the respondent may be ill-prepared for the question, may recall the information incorrectly, may artificially exaggerate, increasing or decreasing the rate for a number of reasons. Achtenhagen et al. (2010) comment that this is compounded when more than one variable is being reported by an individual, as was the case in some of the studies reviewed. This being said some

studies do opt for a combination of both self-reported rates and secondary data, which is seen as more rigorous.

6.3.2 Sector

This review now turns its attention to the industry and sector context of the sample groups in the reviewed studies. It was identified in the first chapter that the prevailing view of ethnic minority and immigrant business is that they are to be found in the least rewarding, vulnerable and competitively saturated sector of the business economy. Table 6.5 also presents the samples of each of the studies in percentage terms based upon the industry affiliation of the sample group (where the data was available). Strikingly, these sample groups are located in typical immigrant industries. These are industries that can be described as highly saturated, low earning and labour demanding. This review finds an over-representation of the sample groups in catering, retail, wholesale and the service sector. In comparison, a systemic literature review of main stream growth literature, Macpherson and Holt (2007), find that the sample group of studies in their review favoured hi-technology and manufacturing sectors, with the service and retail sectors barely represented in the reviewed papers.

A discussion in chapter 1 of this thesis also picked out recent diversification developments, where immigrant and ethnic minority research is beginning to focus upon those firms who have established themselves outside of the sectors viewed as traditionally immigrant. Though, these studies still remain limited. Despite having a rather heavy emphasis on traditional and so called stereotypical industries, the sample groups of the studies do show some signs of diversification in both immigrant and ethnic firms, but also in terms of research following suit. The sample group of some studies reviewed feature firms in professional services (3 studies), import and export firms feature quite heavily, and a smaller percentage of knowledge based and consultancy firms also feature. There has been an underlying assumption in the immigrant literature that in order to grow, immigrant entrepreneurs ought to break out and away from these stereotypical industries. The studies reviewed suggest that this may not be the case, and in fact suggest that growth in immigrant firms may indeed be a more common occurrence in these so called typical industries.

It is difficult to tell whether this sectorial concentration is indeed representative to the phenomenon of growth in immigrant firms or if it is more representative to the sampling considerations of the studies reviewed.

6.4 The Lack of Qualitative Studies

All nine empirical articles employ statistical analysis and quantitative methods. The study by Bhalla et al. (2009) does actually employ a mixed methods approach, though the quantitative data appears to take precedent over the qualitative. This over-representation of quantitative studies actually reflects the growth literature as whole. While the studies reviewed and their findings are no doubt important to our understanding, quantitative approaches alone do not sufficiently capture the dynamics of the 'how' and the 'why' of firm growth (Wright and Stigliani, 2013; Achtenhagen et al., 2010). There are calls from within the mainstream growth literature for the need to focus upon the process of growth, which in-depth qualitative studies could facilitate (Davidsson et al., 2010); these calls also echo in the context of firm growth in immigrant firms. Therefore, this review finds an additional limitation in the growth literature concerning immigrant and ethnic minority firms, namely the severe lack of qualitative studies. This has implications for our collective understanding of growth in immigrant firms. Simply put, some areas of our understanding have been neglected while others are simply still unknown. How does a firm develop internally during growth? How does the firm respond to changing industry conditions? What is the process of growth? What is the role of context? By approaching these questions, we may get closer to understanding the complex and heterogeneous nature of firm growth in immigrant firms. Davidsson et al. (2010: 26) comment that "arms length, quantitative study of determinants of growth does not put much flesh on the bone to understand the issue from a process point of view." The same is also true and relevant for studies of immigrant owned firm growth. Similarly, Achtenhagen et al. (2010) comment that qualitative studies are now needed to gain new, currently unknown, insights to understand the relationships and interactions between levels of analysis. The advice is also pertinent for firm growth in immigrant firms, given the lack of studies in general and the severe lack of those from a qualitative standpoint. However, research into immigrant entrepreneurship and firm growth is not a blank canvas. A small part of the complexity of the phenomenon

has been uncovered, but qualitative studies are necessary to uncover the phenomenon of firm growth in immigrant owned firms even more.

6.5 Approaches of Growth Studies

In chapter 5, a discussion centred primarily on McKelvie and Wiklund's (2010) classification of three distinct streams of growth research; growth as an outcome, the outcomes of growth and the growth process. The point of departure of chapter 5 was that in order to provide an understanding of the holistic picture of firm growth in immigrant firms, an appreciation of each these streams of research is necessary. With the significance of this discussion in mind, this section now reviews the immigrant entrepreneurship growth studies based upon these three classifications or steams of research. In the main, this review finds, unsurprisingly, that the majority of studies are to be found in the growth as an outcome stream. In this stream, growth is placed as the dependent variable and the aim of these studies is to explain varying rates of growth. No studies are found to be part of the 'outcome of growth stream'.

Two of the studies reviewed can be categorised as studies which focus on growth as a process (Bhalla et al., 2009; Shelton, 2010). Bhalla et al. (2009) investigate the differences in the formation of strategies in high growth ethnic and non-ethnic family firms. In the study they find that the role of ethnicity matters when it comes to the formation of strategy, with ethnic owned firms placing more emphasis on the role of the family in making decisions, and that these discussions are often governed "by the customs and mind set of the country of origin." In addition, the role of the community and the implications strategic decisions have upon how the community views the firm were more considered in ethnic owned firms. The second process work is that of Shelton (2010) which is a conceptual paper, which provides insights into how industries can be compounded by racialised expansion barriers. Shelton (2010) is actually the only paper of the studies reviewed which explicitly utilises the concept of opportunity structures. Shelton (2010) understands that opportunity structures govern the potential for firm growth, but opportunity structures themselves are governed by resource providers, gatekeepers and government bodies. In the main, Shelton highlights the difficulties immigrant firms experience in terms of attempting to grow. These difficulties centre around discriminatory practices; these practices are more prevalent in industries with higher wealth creation potential which can in turn

explain the prevalence of immigrant owned firms' relative success in low potential, highly-competitive, labour-intensive industries.

Following the trend of mainstream growth literature, it would appear that there is also an over-representation of empirical studies in immigrant entrepreneurial firm growth that understand growth through the growth as an outcome stream of literature. Davidsson et al. (2010) comment in the mainstream growth literature that there is little need for further studies that fall into the growth as an outcome stream of literature. While this may be the case in mainstream entrepreneurship growth research, research on firm growth in immigrant owned firms does not boast the "considerable body of knowledge" to be found in wider firm growth literature. It was discussed earlier in this chapter that the degree of specificity of firm growth in immigrant firms warranted these growth as an outcome types of studies. This being said, this review does find an over-representation of studies that have approached firm growth from the stance of growth as an outcome. These studies, despite their limitations (which have been highlighted throughout this chapter) offer value to an understanding of firm growth in immigrant owned firms, since they have highlighted the specificity of the phenomenon. Despite their value, the studies that already exist still pose a one sided understanding of firm growth in immigrant firms. Thus, similar to comments made in the mainstream growth literature, there is a need to broaden our understanding of firm growth in immigrant firms beyond the growth as an outcome stance. Wright and Stigliani (2013: 4), commenting on the mainstream literature state, "research focusing on questions such as how firms grow, why they grow according to different patterns, how the decision about whether to grow or not are made by entrepreneurs, and the dimensions of the contexts in which growth occurs have been neglected." In short, there is a greater need to understand the processes that underlie entrepreneurial growth, and this is also relevant for immigrant and ethnic minority firm growth.

In chapter 5, it was discussed that in order to understand a holistic picture of firm growth, firm growth must be approached, appreciated and understood as not just as a change in amount, but also the process(es) which pertain to that change. It was also acknowledged that it would be wrong to assume that nothing else but the size of the firm changes. Therefore, to really understand the big picture of firm growth in immigrant owned firms, the phenomenon needs to be approached beyond growth as

an outcome, where some studies already exist, and into the process of growth and the outcome of growth.

6.6. The Common Body of Knowledge

This chapter thus far has reviewed the previous studies of firm growth in immigrant firms. Ten studies pertaining to the phenomenon were identified and throughout this chapter their contributions to our understanding, as well as their limitations, have been mapped out. Perhaps even more immediately problematic than the other limitations of these studies is the lack of dialogue between them; there exists no common body of knowledge. Instead this review has found the body of knowledge to be scattered, piecemeal and standalone. Far from a comprehensive theory of firm growth in immigrant owned firms, instead there is a severe lack of dialogue and a lack of integration in regards to the various findings of the studies reviewed. Table 6.6 below presents the citations across the respective studies. The table shows that only two studies are cross-cited. This lack of dialogue is understood to have stark implications upon the collective knowledge of the phenomenon of firm growth in immigrant owned firms. One outcome of this chapter has been the gathering of previous research; this was a necessary task towards providing an integrated approach capable of understanding growth in immigrant owned firms.

Table 6.6 Citations Between Studies

Article	Cross Citations
Neville et al. (2014)	-
Wang and Altinay (2012)	Basu and Goswami (1999a)
Shelton (2010)	-
Bhalla et al. (2009)	-
Altinay and Altinay (2006)	Basu and Goswami (1999a)
Ndofor and Priem (2011)	
Altinay and Altinay (2008)	Basu and Goswami (1999b); Basu and Goswami (1999a)

Altinay et al. (2008)	Basu and Goswami (1999a)
Basu and Goswami (1999b)	-
Basu and Goswami (1999a)	-

6.7 Conclusion

The foregoing chapter has presented a systematic review of immigrant and ethnic minority firm growth and the review revealed a number of inadequacies. At the same time, the review uncovered a small body of knowledge, but while being piecemeal, a promising research field has begun to emerge; the phenomenon of immigrant and ethnic minority firm growth warrants further study. The review illustrated that this is a small and embryonic sub-field of both firm growth and of immigrant entrepreneurship. This review has presented a number of methodological, theoretical and empirical challenges. This chapter now concludes by making a number of suggestions for future research in immigrant entrepreneurial growth.

Firstly, this review calls for explorative qualitative studies to understand what growth in immigrant firm actually looks like, in particular the process of growth. The existing studies reviewed give some answers surrounding firm growth as an outcome. They do not, however, answer questions surrounding the underlying processes of growth and how growth is actually enacted in immigrant and ethnic minority firms. Nor do they provide any insights into the consequences of growth. The concept of firm growth understood in this thesis denotes a change in amount, the process by which that change is attained and the consequences of that change. It is understood that a qualitative explorative study would meet these demands. Indeed, it was Penrose (1959) who first made this distinction between growth as a change in amount and growth as a process, and highlighted the consequences of growth. This distinction was made in light of her qualitative case study of the Hercules Powder Company. Thus, qualitative studies into the phenomenon of firm growth in immigrant owned firms would be highly beneficial.

Secondly, this review calls for a greater theoretical connection between immigrant entrepreneurial firm growth and mainstream growth literature and, at the same time, also increased dialogue between studies of immigrant and ethnic minority firm

growth. On the first point, only a few of the studies reviewed make a concrete conceptualisation of firm growth. Mainstream firm growth research has a lot more to offer an understanding of growth in immigrant owned firms. Though, at the same time the studies reviewed reveal a number of specific factors relevant for growth in immigrant and ethnic minority owned firms. These specific immigrant entrepreneurial growth findings should not be overlooked, nor in fact should the immigrant entrepreneurship field in general. However, there is an alarming lack of communication between studies of immigrant firm growth and this must be addressed in future studies.

Thirdly, mainstream entrepreneurship growth literature suggests that firm growth is a multi-level phenomenon. Chapter 5 in this thesis synthesised these levels as the individual, the firm, the industry and the environment. In reviewing the immigrant entrepreneurial firm growth studies, it was the level of the individual and the firm that received the most attention in the studies reviewed. Rather conspicuously, the influence of the industry level is rarely stated in the reviewed studies and, worse still, the level of the environment and context is overlooked completely in the empirical studies reviewed. This finding is striking, especially in light of the mixed embeddedness perspective, which has featured heavily in immigrant and ethnic minority research for the last 15 years or so. Though it is missing in the majority of the studies reviewed, it is understood in this thesis that the mixed embeddedness perspective has something to contribute to the understanding of growth in immigrant and ethnic minority firms, not least the influence of the opportunity structure. Thus, this chapter suggests approaching firm growth in immigrant firms by means of considering a multi-level perspective. Part of this multi-level perspective should be the consideration of previous immigrant and ethnic minority entrepreneurship research, and not least the mixed embeddedness perspective and the concept of the role of opportunity structures.

Fourthly and finally, this review has unearthed some sampling problems in the previous immigrant and ethnic minority firm growth studies. It is understood in this thesis that to answer the question of 'how do we understand growth in immigrant owned firms?' then a study must be embedded and sampled from growth orientated firms owned by immigrants. The review above has exposed that this is not always the case and actually low growth and slow growth firms have been sampled. A second problem with the sampling consideration of the studies reviewed is that the sectorial

distribution of the firms is skewed towards the low value typical immigrant sectors. The recent diversification of immigrant entrepreneurs into so-called non-typical sectors has largely been overlooked by the field and this review makes the suggestion that future studies might consider both typical and non-typical immigrant sectors.

This review chapter has presented the state of the art when it comes to researching growth in immigrant owned firms. It is understood that firm growth in immigrant firms, as well as 'mainstream' firms, is a complex heterogeneous and fragmented phenomenon. It is hoped that this review has highlighted considerations that future studies need to make. Some light has been shed on the phenomenon of growth in immigrant owned firms, especially in terms of the specificity of the characteristics and conditions. When reading the handful of studies, one is left wanting in regards to the question of how we understand firm growth in immigrant firms. It is understood that comprehending the big picture of firm growth in immigrant owned firms calls for an integrated approach, integrated in that it adopts theories and concepts from mainstream growth research, immigrant entrepreneurship research in general and the studies reviewed in this chapter. This approach is presented in the concluding chapter.

Chapter 7: An Integrated Immigrant Entrepreneurship and Firm Growth Perspective

This thesis has thus far demonstrated that both small firm growth and immigrant entrepreneurship are complex phenomena. Despite the complexity of both these literatures, a huge body of knowledge exists in both immigrant entrepreneurship and firm growth. Though on their own neither is capable of approaching the phenomenon of firm growth in immigrant firms. An understanding of firm growth in immigrant owned firms calls for an integration of both these streams of literature. By doing so, it is assumed that the resulting integrative approach will make a contribution in terms of providing a perspective capable of understanding firm growth in immigrant owned firms.

Chapter 5 presented an approach, which takes into account the antecedents of growth, the process of growth and the consequences of growth (McKelvie and Wiklund, 2010), and thus provides a more the holistic picture of firm growth. Such an approach is capable also of an understanding of firm growth in immigrant firms, if it is sensitised to the specific characteristics and conditions of immigrant entrepreneurship. In this respect the three approaches of immigrant entrepreneurship research, the cultural approach, the structural approach and the mixed embeddedness approach, will be discussed in relation to (1) the antecedents of growth which includes an appreciation of the individual, the firm, the sector and the environment levels of analysis, (2) the process of growth and (3) the consequences and outcomes of growth. Throughout the chapter, as a result of combining and integrating the two bodies of knowledge, a number of propositions and future research opportunities are made explicit.

7.1 The Cultural Perspective and Firm Growth

7.1.1 The Cultural Perspective and Growth as an Outcome

Individual Level

The cultural perspective has been critiqued for reducing immigrant entrepreneurship "to an ethno-cultural phenomenon" by failing to recognise the individual as an economic and enterprising actor. Though at the same time, a failure to ascribe any sort of consideration to how ethnicity or culture impacts upon growth would be particularly unsympathetic. Rafiq (1992) understands that culture is important in any discussion on entrepreneurship since it shapes and determines the attitudes of individuals. The immigrant, ethnic and cultural identities of immigrant entrepreneurs may actually permeate how entrepreneurship is enacted. Many of the studies reviewed in chapter 6 highlight a number of ethnic or cultural variables which are understood to influence growth in immigrant businesses. These include transnational business links, country of origin, religion, twice migration, ethnic network, family tradition of business and long hours worked. The criticism of the cultural perspective in explaining immigrant and ethnic minority entrepreneurship is well documented, though it is understood here that it must be included in an understanding of growth in immigrant owned firms, not least should ethnicity and culture be understood and in a more nuanced and tangible manner way, this is discussed below.

Firm Level

Chapter 2 discussed the prevalence of the term(s) 'cultural capital' and 'ethnic capital'. Cultural and ethnic capital are understood to be a socio-cultural and demographic feature of immigrant entrepreneurship, these forms of capital are said to lubricate economic activity between immigrants and ethnic minority entrepreneurs within the same ethnic group. Cultural and ethnic capital and its effects appear to permeate a large degree of business functions, and thus are woven into the ways immigrant and ethnic minority firms accumulate resources, how they recruit employees, receive information and advice, and how they access suppliers. A common culture or ethnicity is also understood to build trust and a bounded solidarity. The review of the previous studies to engage in immigrant entrepreneurial growth also highlighted numerous factors, which are connected to the cultural perspective and

which have been shown to have influenced firm growth, both positively and negatively. This includes a reliance on family labour, co-ethnic labour, co-ethnic product, co-ethnic customer, co-ethnic supplier, co-ethnic capital, co-ethnic information and export strategy. The cultural perspective appears to have featured heavily in many of the findings in the studies reviewed, indicating that a number of authors still accredit culture and ethnicity to be important in an understanding of immigrant entrepreneurship.

Sector Level

The cultural perspective makes only a few but important contributions at this level of analysis. The contributions surround the cultural perspective understanding of an immigrant entrepreneur's propensity to offer ethnic goods or services to co-ethnic customers in a co-ethnic marketplace, the so-called 'ethnic economy' thesis. An alternative perspective to selling ethnic goods to co-ethnic customers is the middleman thesis, which explains that immigrant entrepreneurs may act as a broker between the ethnic community and the mainstream native population, by means of selling ethnic goods to an indigenous clientele. Previous research has understood that a dependence on ethnic customers and an ethnic product may actually restrict immigrant businesses and limit the potential for growth; this is questioned below.

One of the major critiques of the cultural perspective was its inability to locate immigrant firms within the political and economic contexts in which these firms are embedded. In this respect the cultural perspective does not make any contribution to the contextual environmental level of analysis.

7.1.2 The Cultural Perspective and The Process of Growth

Despite warnings that the cultural perspective reduces immigrant entrepreneurship to an ethno-cultural phenomenon, a total omission of the role and influences of ethnicity and culture on firm growth would not be appropriate. The growth process in immigrant owned firms is undoubtedly infused with ethno-cultural elements, which permeate the functions of the firm and we must locate these ethno-cultural influences in order to understand their relationship with the process of firm growth. Presented below are three proposed research opportunities, which infuse both the cultural and the process of growth perspective.

Ethnicity as a Competitive Advantage

In the main, the cultural perspective has offered two market spaces whereby immigrant entrepreneurs can sell 'ethnic' products and services. The ethnic economy theory suggests a local co-ethnic market and the middleman theory builds upon the selling of an ethnic offering to the local mainstream market. It is proposed there is further scope to understand the selling of ethnic goods and services in terms of the process of growth. The proposition is that ethnicity can be manipulated to be a competitive advantage and in essence 'sold' beyond a local mainstream or co-ethnic market. By understanding this commodification of ethnicity and the growth process surrounding it, it thrusts the understanding of ethnicity as being transformed into something with economic value, something which is bought and sold, something which can be branded and something which can be experienced. For example, Altinay and Altinay (2006) find that a prevalence of co-ethnic employees may add a sense of authenticity or an "ethnic flavour" to the firms offer, though the scope of the commodification of ethnicity is proposed to extend beyond this. Key to the understanding of how ethnicity and/or culture can be commodified is an understanding of how one can understand the so-called 'market', it is suggested that a focus upon both sides of transaction is relevant. The framework by Engelen (2001), which was presented in chapter 4 is suitable, in particularly an understanding of the 'object of trade' and the 'subjects of trade'. The 'object of trade' is understood to be particularly pertinent when it is ethnically or culturally infused. Similarly, the 'subjects of trade' which, refers to both the seller and the consumer is obviously important when attempting to understand the selling and consumption of ethnicity. It is proposed that this approach offers a nuanced view on the concept of ethnicity and culture in immigrant owned firms, by offering the concept of ethnicity as a resource with economic value. This is understood to be a strategy employed by immigrant entrepreneurs in the pursuit of firm growth and this is relevant to be understood as part of the process of growth in immigrant owned firms.

An Ethnic Capital Framework

Immigrant entrepreneurs and their firms are understood to have their own particular ethnic or cultural capital frameworks. A capital framework can be alluded to as a bundle of different resources, which are required to start, maintain and even grow a firm. Resources such as human, social and financial are understood to be the key ingredients needed to start and run a firm. If we turn the attention to the cultural

perspective, we find this same capital framework but the forms of capital are often prefixed by the terms 'ethnic' or 'culture', suggesting that there is something specific about forms of capital utilised by immigrant entrepreneurs and their firms.

Ethnic and cultural resources are a socio-cultural and demographic feature of a particular ethnic group from which co-ethnic entrepreneurs benefit, because these types of resources are understood to lubricate all business functions. This is a central topic in the cultural perspective, which strongly emphasises these ethnic and cultural forms of capital as sources of competitive advantage, but these may actually hinder and restrict immigrant owned firms (Ram and Deakins, 1996). The specificity of these ethnic and cultural forms of capital has meant that they have been overlooked by the mainstream firm growth literature. However, they do feature heavily in the few studies of firm growth in immigrant owned firms reviewed in the previous chapter. In the main, the findings were pretty inconclusive in terms of the significance for these specifically immigrant forms of capital and firm growth (see tables 6.2 and 6.3).

One study stands out. Ndofor and Priem (2011) highlight the importance of the "capital-strategy fit" in immigrant owned firms. They show that ethnic and cultural based resources do not impact upon firm growth independently, instead their impact is mediated by the prevalence of a related ethnic market strategy or mainstream market strategy. Thus it is possible for an immigrant owned firm to grow, even when pursuing a strategy, which targets a co-ethnic market, if the capital framework fits with that particular strategy. Ultimately then, it is the alignment and relationship of the capital framework and strategy that shapes performance.

This is in line with McKelvie and Wiklund (2010) who illustrate that firm growth is facilitated by the fit between the combination of resources (opportunity sets) and the ability of the entrepreneur and/or manager to see and act upon perceived opportunities. This process and relationship is proposed to have some explanatory power in grasping the relationship between ethnic forms of capital and opportunities for growth. It is proposed that ethnic forms of capital could be understood as 'ethnic opportunity sets', but as immigrant firms are embedded in a so called 'host' country context it is also relevant to understand the resources and forms of capital which are not ethnically or culturally entwined, or the firms 'non-ethnic opportunity sets'. This in itself could be a potential fruitful approach to understanding the specific relationships between these two distinct opportunity sets, and the process of firm

growth, in terms of understanding when ethnic and when non-ethnic forms of capital are called upon. However it is also possible to add the dimension of ethnic and non-ethnic entrepreneurial and managerial capabilities, in that the immigrant entrepreneur and the immigrant firm can see opportunities in both the ethnic market and the mainstream market contexts, and they may have varying level of capacities to execute these depending on which context.

Transnationalism

Two studies in the previous chapter identified the positive influence of transnational business links (Basu and Goswami, 1999a and b) and one further study identified the positive influence on growth of being an immigrant owned firm that exports (Neville et al., 2014). There are distinct overlaps with these findings and the stream of literature pertaining to the mode of growth, in particular the growth mode of internationalisation. Different modes have varying characteristics and conditions which place different demands and pressures upon the entrepreneur and the firm, all of which should be understood. Transnational activities in particular hinges upon socio-cultural and political economic resources in both the home and host countries (Drori et al., 2009). As does the dual home/host role of networks. Drori et al. (2009: 1002) state specific characteristics for entrepreneurs engaged in transnational activities that "by virtue of their unique geographical affiliations, they may be in a unique position to exploit opportunities either unobserved, or unavailable, to other entrepreneurs located in a single geographical location." In this sense an understanding of the process of growth will span two contexts potentially separated by tens of thousands of kilometres, not to mention two sets of intuitional frameworks of rules and regulations, and not least, the use of culture and ethnicity in these dual locations. It is proposed then that the study of firm growth with regard to the mode of growth of transnationalism will most certainly add to our understanding of growth in (some) immigrant firms, whereby immigrant entrepreneurs leverage their bi-cultural/national characteristics for competitive advantage; in essence, a mode to firm growth specific to immigrant owned firms. By understanding the mode in which a firm grows, it is possible to better grasp the process(es) pertaining to firm growth.

7.1.3 Concluding the Cultural Perspective and Firm Growth

This section has contemplated how the cultural perspective and firm growth research, in particular the growth as process stream, can be integrated to provide an approach to understand the process of growth in immigrant firms from a cultural perspective. The discussion proposed three research approaches and possibilities. Each of these propositions have some overlapping characteristics. Firstly, each identifies that ethnicity and culture can be understood as resources or a form of competitive advantage. Secondly, each discussion highlighted the product market scope of immigrant firms, in terms of focusing on ethnic markets or 'mainstream' markets. And thirdly, each discussion proposed the need to understand the relationships between these two, in terms of the strategic deployment of ethnic or other resources to meet the product/market strategy and the related processes.

Discussions above commented on various product market spaces in which immigrant entrepreneurs are active. The figure below presents these market spaces as typologies, based upon the offer in terms of ethnic or non-ethnic and the clientele again based upon co-ethnic or 'mainstream', and the locality of the market. It is proposed that these market spaces have varying degrees of growth potential, varying degrees of ethnic forms of capital utilised and different modes, manners and process of firm growth, all of which must be understood. Jones et al. (2000) proposed a fourfold typology based upon the dimensions of local vs. non-local, and ethnic vs. non-ethnic. Rezaei (2007) offer the same fourfold typology to describe the process of immigrant entrepreneurs breaking out (Ram and Hillin, 1994) of the unfavourable market space of being locally and ethnically bound. The break out process is discussed in more detail below. Figure 7.1 is an elaboration upon the typologies offered Jones et al. (2000) and Rezaei (2007), since these approaches do not consider the active force of ethnicity and culture as a resource beyond the ethnic enclave and the middleman economy. Both approaches build upon customer ethnicity, and Figure 7.1 adds the dimension of the degree to which the offer can be understood as being specifically ethnic (or not). By adding this dimension, the approach opens up the possibility of the commodification of ethnicity in terms of ethnicity permeating through into the products and services being sold. In addition Figure 7.1 builds upon the spatial dimensions of local and non-local, and adds the international dimension. By doing so, it has been possible to include not only transnational bound entrepreneurship but also international.

Figure 7.1 A typology of the ethnic offer contra market scope: split according to ethnic or 'mainstream' clientele and spatial location

	Ethnic offer/ co-ethnic customer	**Ethnic offer/ mainstream customer**	**Non-ethnic offer**
Local	Enclave	Middleman	Local Mainstream
Non-local	National ethnic	National Mainstream	National Mainstream
International	Transnational	International/ Transnational	International

A note on the cultural perspective and the outcome of growth: I was unable to locate any contribution of the cultural perspective in terms of the outcome of growth. However, the three propositions and the market typologies matrix identified above infer that immigrant firms will grow in different ways. Therefore, it is also understood that the conditions and characteristics, and thus the consequences, of growth will vary with each particular market space and each will place differing degrees of demands upon the entrepreneur and the firm; these ought to be understood if we are to understand the full picture of firm growth in immigrant owned firms.

7.2 The Structural Perspective and Firm Growth

7.2.1 The Structural Perspective and Growth as an Outcome

Individual Level

The structural perspective attributes and characterises immigrant firms as being steeped in the following impediments: discrimination, push motivation, entrepreneurs with low human and limited social capital. Not surprisingly, mainstream growth literature views these as obstacles and limitations and as being counterproductive for firm growth. Indeed, previous literature in immigrant

entrepreneurship explains that these hindrances result in a mass of firms which should not, cannot and will not grow. This being the case then, these hindrances, obstacles and handicaps should also be present in immigrant firms which do grow. They do not vanish when growth begins, but instead are manifested in different ways and thus are a crucial element in understanding growth oriented immigrant entrepreneurship. The discussion below will return to some of these antecedents and how they can be understood in relation to the process of growth.

Firm Level

The notion is given by the structural perspective that immigrant owned firms arise out of a context of disadvantage and discrimination. The structural perspective leads us to understand that these firms are in the most part survival oriented firms, which simply cannot grow. It is understood in this thesis that this is the reality for many immigrant owned firms. If this is part of the explanation of immigrant firms, then it too should be part of the explanation of the growth of immigrant firms.

Sector Level

Previous literature guided by the structural perspective perpetually reminds us of the severe over-representation of immigrant firms in poorly endowed, competitively saturated, low value added sectors. This again indicates the improbability and the little opportunity to grow in these types of sector. Though, if this is where the structural perspective understands the vast majority of immigrant owned firms to be, then perhaps this is also where we may find firm growth in immigrant firms.

Apart from labour market discrimination, process of discrimination and racism already mentioned above, the structural perspective does not add anything more in terms of growth antecedents at the environmental level.

7.2.2 The Structural Perspective and The Process of Growth

One conclusion in chapter 3, which explained why the structural perspective was unable to account for firm growth, centred around the suggestion that immigrant firms cannot, should not and do not have the will to grow. The following discussion picks up on and investigates these claims, and offers some propositions on how the structural perspective may still be relevant if understood in the context and integrated

with mainstream firm growth literature. What we do not know is how these characteristics are manifested, replicated and overcome in immigrant firms that do grow. The fundamental assumption of this section is that despite these structural impediments proclaimed by the structural perspective, firm growth is possible in these so called low value, competitively saturated and labour intensive sectors. It is proposed that by an understanding of the structural perspective and the process of growth in conjunction we can get closer to the complete picture of firm growth in immigrant firms.

Motivation to Grow

The structural perspective, generally speaking, claims that immigrant entrepreneurs are ill-equipped and inappropriately motivated to grow. Immigrant entrepreneurship can be understood as mechanism for survival driven by a lack of any other employment opportunities. This kind of entrepreneurship does not represent an upward shift in mobility by those individuals rich in human capital and other resources, but instead a horizontal shift from unemployment to self-employment by those unprepared for such an endeavour. Coupled with the survival orientation, which evidently compounds many immigrant owned firms, is the constant staving off of threats to this very survival. It can be understood that the lack of growth aspiration is down to the short-term survivalism or "a present rather than a future orientation" (Ram et al., 2004: 120) being given priority over growth aspirations,

While we know a little about the growth capabilities of immigrant entrepreneurs, we know next to nothing about their will, motivation and aspirations to grow. Therefore it is proposed that these claims of a lack of will need to be further explored. Given the prominence of growth motivations and aspiration in the mainstream growth literature, it is surprising that it has been overlooked in the studies, which approach immigrant entrepreneurship growth. Studies which approach the role of motivation and aspirations, and their relationship to firm growth, include Delmar and Wiklund (2008) and Wiklund and Shepherd (2003). These studies highlight the importance of the will to grow as a prerequisite for actual growth. These studies also highlight that the will to grow is not a binary effect upon growth, instead it entwined, mediated and facilitated by the ability of the entrepreneur, any previous growth and the nature of the industry context. These elements too need to be understood in relation to each other in order to uncover the process of growth surrounding an individual's relative will to actually grow their firm.

Continued Discrimination

The structural perspective explains that discrimination is a deep-rooted and prevalent part of immigrant entrepreneurship. It would be wrong to assume that the effects of discrimination disappear post start-up. While labour market discrimination is seen as major motivation which drives nascent immigrants entrepreneurs into entrepreneurship, it is understood that the process of discrimination does not stop when the entrepreneurs file their business registration form, serve their first customer or, indeed, start to grow their firm. Discrimination ought to be seen as a continual process which will shadow the growth process and be revealed, manifested and dealt with throughout the process of firm growth.

In the review of studies on immigrant owned firm growth, the conceptual paper by Shelton (2010) was the only paper to include the notion of discrimination. Shelton proposes that everything else being equal in all other aspects of the entrepreneur and the firm, ethnic minority firms will face additional impediments to growth over white owned firms due to discriminatory practices by so called gatekeepers, and that this process is amplified in industries with "substantial wealth creation potential." In this respect, Shelton introduces the notion of racialised expansion barriers. This notion resonates with Jones et al. (2012: 106) who show that the spotlight of discriminatory practices "falls immediately on the banking system". Similarly, Ram et al. (2003) find a large prevalence of allegations of racism and discrimination against banks by some of the respondents in their study, despite these firms being ones that would be expected to attract support. Jones et al. (2012) also highlight the prevalence of discrimination and racism from white customers and white supplier racism. Shelton (2010) too gives an example of black owned construction sub-contractors losing out on contracts offered over the phone when they meet the white main contractor face to face. Ram (1992) discusses the strategy of immigrant owned clothing manufacturers to use white intermediary companies when dealing with large customers, due to the fear of lost business due to racial prejudice.

These previous findings give support to the notion that continued discrimination saturates various functions of the firm, the understanding of which is relevant for an understanding of the firm growth process. Shelton (2010: 382) states "ethnic minority entrepreneurs often confront a difficult and hostile environment as they strive to grow their firms many of these challenges arise from discrimination." In this respect it is proposed that firm growth in immigrant firms could be understood as a

process of fighting to overcome barriers arising from discrimination and racism. It is this process which must be understood if we are to gain a full appreciation of firm growth in immigrant owned firms. Ram (1992) warned against underestimating the impact that racial discrimination in all its forms may have on the self-employment entry trajectories of immigrant entrepreneurs. Some 23 years later it is proposed that discrimination and racism, and the processes thereof, should not be underestimated and overlooked in the growth process of immigrant owned firms, as should not the adaption strategies these entrepreneurs utilise in the face of this discrimination and racism.

Growth in 'Poor' Sectors

The severe hindrances and restrictions proclaimed by the structural perspective depict the immigrant entrepreneurship not as an ethnic or cultural phenomenon but instead one of an improvised class of entrepreneurs. If this is indeed the reality for many immigrant owned firms, then the process and rise to owning and running a growing firm by one of these 'impoverished' entrepreneurs and firms needs to be underscored in an approach of firm growth in immigrant firms. It is not a surprise that the structuralist perspective has not approached the topic of firm growth. Turning the attention to the mainstream firm growth literature, this portrayal of the emblematic structural perspective immigrant firm defies almost all elements of what is understood to be attributed to the archetypal growth oriented firm. Though, in the previous chapter a number of studies identified that a relative amount of firm growth occurs in these very sectors, which once had been relegated as dead-end, vacancy chain, ends meet, business pursuits. Thus it is assumed that growth is indeed possible in these sectors despite the negative characteristics. It is proposed that immigrant firms do grow even in these disadvantageous sectors under detrimental conditions and while carrying the hangover of being a labour market refugee. While the structural perspective does not offer a growth perspective to understand this process, it does offer a survival perspective. This section will discuss the survival perspective, in particular the various survival strategies employed by immigrant firms, which is also proposed to be relevant for our understanding of the process of firm growth in immigrant firms.

The notion of moving out of unfavourable lines of business often saturated by competition has not been totally overlooked by the structuralist perspective: a contribution is made by Ram and Hillin (1994) and the concept of 'break-out'. The

concept of break-out suggests that being stuck in this often unsatisfactory market space is not fixed. Instead by making a fundamental change in their marketing mix, immigrant entrepreneurs can break out of co-ethnic and or local market spaces and move into more attractive mainstream markets unbound by ethnicity or localism (Ram et al., 2002). Though, the break-out concept only has limited explanatory power for firm growth. Breaking away from the constraining characteristics of a local and/or co-ethnic market does not constitute firm growth, instead it constitutes a development and vitalisation process which may lead to firm growth in the future. Ram et al. (2004) provide three typologies of specific break out strategies in response to extreme competition in their study of the Indian restaurant trade; 'multiple business ownership', 'product differentiation' and 'geographical relocation'. While the break out concept makes a contribution in that it provides an insight into the strategies employed by 'locked in' immigrant firms to better their circumstances, it is understood that these strategies are also relevant in the process and mode of firm growth.

Other survival-orientated strategies employed by immigrant firms include competitive pricing, which is understood to be a characteristic of the nature of the sectors in which immigrant firms are located. Ram et al. (2000) find that while the respondents in their study claim that the nature and the quality of their products and services are the key to success, Ram et al. (2000: 52) state that "it was clear that price was a particularly important determinant." The reliance on low price is understood to be a source of major competitive advantage in terms of survival, though this so-called competitive advantage of low price may come at the high price of restraining any real growth potential. Looking at the studies reviewed in chapter 5 Baum et al. (2001) found that low-cost strategies were negatively related to growth and that in general a lack of price hostility is positive to growth. Similarly, Dobbs and Hamilton (2007) discuss that small firms generally lack the economies of scale one might associate with a successful low price strategy and find that other forms of differentiation are positive to growth while a low price strategy is not. These findings suggest that a strategy focus upon low price does not encourage a firm to growth, though interestingly, other forms of differentiation might.

A number of studies reviewed in chapter 6 highlight the influence of human resource management strategies and their relation to firm growth. These included the delegation of responsibilities to non-family members, which was generally found to

have a positive influence on growth. Likewise, employee training and formal recruitment were found to have a positive benefit for growth, while the tendency to employ co-ethnic employees had mixed effects. In their mainstream firm growth study Dobbs and Hamilton (2007) note that a firm's employees are seen as a critical resource to implement and maintain a growth strategy, and thus, firms must manage their HRM practices carefully. This includes recruitment and training, though we find the continued prevalence of informal recruitment practices, low wages and the tendency to employ temporary and part-time employees all featured as survival strategies for immigrant firms. In addition, Ram et al. (2000) discusses that the prevalence of family labour in immigrant firms can be explained by the perceived loyalty, reliability and cheapness. Human resource strategies are thought to be a further element which needs to be understood in the growth process of immigrant firms. It is proposed that immigrant firms which do grow within these typical 'structuralist' sectors will employ a mix of strategies, some more in line with mainstream growth literature but, importantly, some more akin to the survivalist orientation raised by the structural perspective.

Diversification as a Mode of Growth

Unlike the above strategies diversification doesn't feature in the structural perspective, though it is proposed that this is one further strategy to be relevant for an understanding of firm growth in immigrant firms. Deakins et al. (1997: 327) state that "diversification, coupled with break-out from ethnic market niches are key issues" in immigrant entrepreneurship. Though, not a study of firm growth, the study by Deakins et al. (1997) highlights the unfavourable conditions of immigrant entrepreneurship, and that diversification may be appropriate strategy to escape these conditions. The respondents in Deakins et al. (1997) study highlight the need to diversify into new markets as being high on their list of problems and constraints.

In their study of growth oriented South Asian entrepreneurs in the UK, Basu and Goswami (1999b: 270) understand (vertical) diversification as a cost reduction strategy. They found that this type of diversification had two benefits; firstly, the firms are able to "improve resource utilisation, lower transactions costs and hence reduce unit costs," since vertical diversification involves moving up and down other parts of the value chain. Secondly, by remaining in the same known sector, they are able to reduce the risks and uncertainty associated with growth. How effective this type of diversification is as a strategy for growth may also relate to the nature of the

sector and whether it supports vertical diversification. Basu and Goswami (1999b) also find support for the notion that both related and unrelated diversification strategies are also likely to have a positive relationship with firm growth. Though, unrelated diversification, the most extreme form, whereby a firm will diversify into totally unrelated activities in terms of the product market and the competences of the firms, is not understood to be as relevant for an understanding of the process of growth in immigrant firms. It is proposed to be too resource thirsty, risky and adds to the precariousness of an already vulnerable firm, since it requires the penetration of new unknown markets and the building of, or the acquisition of competences. Related diversification and vertical integrating diversification are both seen as more relevant. Related diversification is a diversification strategy whereby the firm expands into a similar market, but importantly the new market opportunity aligns with the firms resources base and competences. Vertical integration is a diversification strategy whereby a firm can diversify forward or backward within its own supply or value chain.

It is proposed that given high competition, low margins and in essence low growth potential of the sectors in which we find restrained immigrant entrepreneurs and their firms, diversification offers a viable strategy by which constrained immigrant entrepreneurship can consider growth. A discussion in chapter 5 focused on the mode of growth and the need to understand the mode in which firms grow in order to grasp the process of growth; diversification was one such mode of growth.

7.2.3 The Structural Perspective and The Outcome of Growth

Firm growth and its process leads to a series of interacting internal changes in the characteristics of the growth firm. The discussion below proposes such changes or consequences of growth, which can be understood through the lens of the structural perspective.

Precariousness

It is proposed that some immigrant owned firms, which grow, are not able to totally shake of their vulnerable and precarious economic positions. Firm growth is often portrayed as equating to success, but this is not necessarily the case; growth may in fact create a series of hurdles which create friction and hinder normal operating

procedures, which might even lead to complete failure (Davidsson et al., 2009). Markman and Gartner (2002) found that high growth in terms of sales and/or number of employees was not related to firm profitability. This suggests that firms can grow but remain unprofitable and vulnerable. This vulnerability is proposed to be relevant for understanding the outcome of firm growth in immigrant owned firms, especially under the unfavourable sectorial circumstances the structural perspective claims.

Davidsson et al. (2009:309) find that firms which begin their growth trajectory under the circumstances of growth and low profitability "usually do not achieve high profitability as a result of their growth. Instead, as their growth is unlikely to be sustainable, they run an increased risk of becoming low performers on both dimensions." Instead "sound" growth begins with achieving sufficient levels of profitability, "that profitability is the 'horse' that should pull the growth 'cart' rather than the other way round" (Davidsson et al., 2009: 390). Davidsson et al. (2009) discuss that firms, which are characterised by growth but have low profit levels, have likely reached that state due to offering low prices. Such a strategy is neither profitable nor sustainable. This is an important point given the highly competitive nature and low price focus of immigrant firms claimed by the structural perspective. Furthermore, Davidsson et al. (2010) and Davidsson et al. (2009) both suggest that firms in growing industries benefit in terms of both higher growth and higher profit rates. Viewed from the structural perspective Chaganti and Greene (2002: 130) remind us that that "ethnic entrepreneurs tend to enter fragmented business sectors defined by low barriers to entry, intense competition, low margins, and low liquidity." Again, this stresses the importance to understand what firm growth actually means in immigrant owned firms, which have grown.

Precariousness is understood here as business activities which lack sustainably, stability, and which are uncertain and insecure, largely stemming from low profit margins as a result of the labour intensity of industry and a strategy of low price in response to high levels of competition. Precariousness in terms of firm growth is characterised by achieving growth in terms of sales and growth in employees, while remaining relatively unprofitable. To grasp the proposed continued precariousness nature of firm growth in immigrant owned firms, one should look firstly at the manner in which growth has been achieved. Given the labour intensity and service sector nature of immigrant firms (in general), it is assumed that growth in sales and

employees will be a more prevalent manner of growth and thus the outcomes of such must be understood. This must be understood in relation to profits and the sustainability of not just continued growth but the precariousness and, indeed, survival of the firm. This also extends to understand how this precariousness is overcome, negated and dealt with, if it is at all.

Formalisation of HRM Practices

It is also proposed that formalised recruitment and formalised human resource management practices are an outcome of firm growth in immigrant firms. As a firm grows, the process of growth presents a number of challenges which the firm must overcome. The formalisation processes are understood to be one of these challenges, which is relevant under the lens of the structural perspective. Formalised recruitment and HRM practices also featured in the discussion above relating to the process of growth; this discussion is not a repetition of that. Instead, the topic is presented here as a consequence of growth, though it does relate to the process also.

Turning the attention to the studies of immigrant owned firm growth reviewed in the last chapter, it was noted that these studies had given prevalence to a number of HRM factors in their explanations of firm growth. This was understood to be the consequence of, firstly, the over-representation of immigrant firms in the service sector and other labour intensive activities, and secondly, the tendency for immigrant owned firms to recruit from the family and the ethnic community, which was understood to provide loyal and cheap employees. The manner in which the family and co-ethnic employees are recruited tends to be informal and largely made up of referrals and suggestions from within the community. This is coupled with an obligation felt by the entrepreneur and the firm to recruit these family members and friends who do not necessarily bring in the skills and expertise required (Wang and Altinay, 2012: 17). This recruitment of kinship over competence is thought to undermine growth. The studies in chapter 6 agreed that formal channels of recruitment, those which were less subjective and more competence based, were associated with a better chance of growth, while formal recruitment processes were presented as antecedents to growth in the studies. It is proposed here that process of formalisation of the recruitment process is on-going as the firm grows. It is also proposed to extend beyond recruitment into other HRM strategies. It was shown in chapter 6 that a number of studies attributed the prevalence of employee training to

increased growth rates, likewise was the delegation of key functions away from family members.

In a similar manner to the formalisation of HRM practices, it is also proposed that immigrant firms will go through and encounter other formalisation processes as they adapt and formalise various practices and their very characteristics. From a structural perspective standpoint, formalisation strategies in immigrant firms have been viewed in relation to moving from the informal economy or activities towards processes of formalisation and mainstreaming. This is not what is proposed here, but instead, changes to the fabric of the firm because of, and due to, an experience of firm growth. Achtenhagen et al. (2010) acknowledge that firms can fundamentally change internally, in terms of obtaining certification according to ISO standards, by improving staff qualification and staff training, and activities such as the development of intellectual property. These internal changes are an outcome of growth, but they are also proposed to contribute to future growth in that they add legitimacy to the firm and, importantly, build a layer of differentiation.

7.2.4 The Narrow View of the Structuralist Perspective

Much of the discussions above have focused upon the negative characteristics and conditions of being an immigrant entrepreneur, and this has been the consequence of the fundamental assumption of the structural perspective. Though it is known that immigrant firms are also prevalent in more dynamic sectors, which are more supportive and akin to growth, an understanding of this is not dealt with in the structuralist approach.

Three of the studies reviewed in the last chapter presented evidence of diversification and growth outside of the 'typical structuralist perspective' immigrant sectors. Building upon this evidence, it is also reasonable to assume that this is likely more wide spread than empirical studies have previously captured. Baycan-Levent et al. (2009) and Rusinovic (2006) highlight two recent changes in immigrant entrepreneurship, the first being immigrant entrepreneurs setting up their firms in other than 'traditional' sectors and the growing number of second generation immigrants who are deciding to enter a carrier in entrepreneurship. A number of studies have appeared which investigate the prevalence of immigrant firms in the IT and ICT sectors Feldman (2006); Saxenian (2002); Leung (2001). Likewise, Jones et

al. (2012: 93) give insights into the transition of Indian minority entrepreneurs based upon "impressive educational credentials, an increasing presence in the professions and diversification into new and emerging sectors." Ram et al (2008) add that recently we have seen a change in the fabric of ethnic minority and immigrant businesses as they move "away from low level retailing and catering" and into "leading edge sectors of the economy." Naturally, these processes must also be understood if we are to understand the holistic picture of firm growth in immigrant firms. In this respect it is assumed the antecedents of growth and the process of growth, in terms of how it is achieved by which means and by which mode, will vary among all sectors where we find firm growth by firms owned by immigrant entrepreneurs, as will the outcomes and the consequences of this growth. However, too little is known about this progressive trend and the structuralist perspective cannot deal with this phenomenon in its entirety, though the discussion on discrimination and racism is understood to still be pertinent. For these types of firms it is suggested that the specificity of immigrant entrepreneurship research becomes less pronounced and a mainstream growth approach becomes more relevant.

7.3 The Mixed Embeddedness Perspective and Firm Growth

The discussions above have focused upon the interconnection between firm growth and the cultural and structural perspectives. It was stated in chapter 4 that the mixed embeddedness perspective fuses elements of both the structural and cultural perspectives. The discussions which follow, and the propositions made, should not be understood independently. Instead, they should be understood in connection to the previous discussion relating to the structural and cultural approaches to firm growth. The major criticism of the mixed embeddedness perspective in chapter 4 was the lack of focus upon the individual and the firm levels of analysis. Though, turning this criticism around, the main strength of the mixed embeddedness perspective is that it highlights the role of the sector and environmental levels of analysis, which are lacking at times in the both the cultural and structural perspectives. It is here where it is proposed that the mixed embeddedness perspective, and in particular the concept of opportunity structures, can contribute to a holistic view on firm growth in immigrant firms. The mixed embeddedness perspective is now discussed in relation to firm growth.

7.3.1 The Mixed Embeddedness Perspective and Growth as an Outcome

The mixed embeddedness perspective does not make a contribution to individual or the firm in terms of an understanding of firm growth.

Sector Level

At the industry level (and indeed the environmental level) the mixed embeddedness perspective makes significant contributions in terms of how to understand growth in immigrant owned firms. Central to the concept of mixed embeddedness is the concept of the opportunity structure. Opportunity structures span the industry and the environmental levels of analysis, here the industry level is discussed. The mixed embeddedness perspective via the concept of opportunity structures links entrepreneurship more concretely with (changing) market conditions, market structures and market dynamics. Markets structures, dynamics and conditions matter, inevitably changing and exerting various pressures upon opportunity structures. Thus to understand opportunity structures, markets must be understood (Kloosterman and Rath, 2001). According to Kloosterman (2010: 28) "opportunities for entrepreneurs in capitalist societies are intrinsically linked to markets… Markets are, thus in our perspective, the crucial components of the opportunity structure". Kloosterman (2010) claims that some markets, and thus indeed some opportunity structures, are more accessible than others. Likewise, some are more attractive than others and naturally both these yardsticks will influence the propensity to grow and the way in which growth is achieved. This should be understood in order to explain growth in immigrant firms.

Environmental Level

Opportunity structures pivot upon time and place specific contexts, which in turn hinge upon socio-economic and politico-regulatory institutional frameworks. It is understood that particular and various intuitions, including their laws and regulations, inform what is possible to be commoditised and sold. Thus, institutional frameworks, rules and regulations inform about market openings, and thus opportunity structures, and thus the particular mixed embeddedness of a particular context. The role of opportunity structures is understood to be relevant for an understanding of growth in immigrant firms, discussed below in relation to how it interacts with the process of growth.

7.3.2 The Mixed Embeddedness Perspective and The Process of Growth

It is proposed that the mixed embeddedness perspective, and in particular the opportunity structures concept, are relevant for understanding firm growth. An understanding of the interconnection between opportunity structures and firm growth is a crucial part of an understanding of firm growth process in immigrant firms.

In the main, the mixed embeddedness perspective attempts to understand the interplay of various levels of context and how these bear down upon the individual and the firm (while it is recognised that it is not a one way relationship). The main contextual levels proposed under the mixed embeddedness perspective are that of institutional frameworks and politico-regulatory contexts, but also the levels of the industry or market. The approach taken below focuses upon the opportunity structures at the level of the market, since it is assumed that this is where the influence of institutional frameworks and politico-regulatory contexts will be revealed in relation to the process of firm growth.

Opportunity Structures for Growth

Kloosterman (2010) provides a matrix to aid an understanding of opportunity structures in relation to market openings and immigrant entrepreneurship trajectories. It is understood that this matrix is particularly appropriate given its ability to understand firm growth in connection to opportunity structures and thus the following discussion takes the model as its point of departure. The matrix was first presented in chapter 4 (see figure 4.1). It is discussed here again on its perceived ability in grasping firm growth and providing insights into opportunity structures for firm growth. Kloosterman (2010) illustrates that market openings for immigrant entrepreneurs occur in markets that are both expanding and shrinking, and the success of a firm hinges upon the growth potential of the market. Though, not all market spaces are open to all; the 'openness' of a market is delineated by the level of human capital needed to enter. The approach thus characterises market openings in terms of their levels of accessibility and attractiveness.

The matrix makes a contribution firstly beyond what was possible from a structural perspective lens, and to some extent the cultural perspective also, in that it accounts for not only the 'typical' immigrant firms, rooted at the lower end of the economy,

but also 'non-typical' forms of immigrant entrepreneurship in markets with a higher degree of growth potential. However, Kloosterman largely disregards the vacancy chain quadrant, given that the cutthroat competition levels and stagnant nature of these market spaces means that growth is unlikely. Though, vacancy chain openings have been discussed in the structural perspective section above, where in fact it was proposed that growth is indeed feasible in these spaces, and thus have not been disregarded by this thesis. Furthermore, Kloosterman (2010) to his own admission, disregards the stagnating, high-skilled quadrant on the basis of suffering poor growth potential and high barriers to entry. Firm growth is much more likely to occur within both the post-industrial/low-skilled and the post-industrial/high-skilled market spaces.

The post-industrial/low skilled quadrant is characterised by growth opportunities or opportunity structures for growth in markets, which do not require any specific skills or large capital outlays and are likely to be in an early stage of their product-life cycle. This type of market may be personal services and household services, services such as housekeeping, gardening and child day care. According to Kloosterman (2010), personal service markets are expanding due to the increase in personal incomes and largely by the prevalence of two earner households. In addition it is proposed that given the early stage of development of these particular sectors, they may have been the object of recent structural changes which have 'opened-up' opportunities for growth. It is proposed that the process of privatisation and deregulation can create promising market opportunities for immigrant firm growth. As can policy and regulatory changes, Kloosterman and Rath (2010) comment that regulation changes can take the form of 'sticks', 'carrots' and 'sermons'. Sticks refer to what is legally allowed, carrots refer to the various regulatory incentives (or disincentives) and sermons refer to 'regulatory persuasion', which includes business support initiatives. In Sweden, we have recently seen examples of regulatory change and political incentives, which have initiated a change in opportunity structures. The 'ROT' programme was an incentive programme to stimulate activity in the construction sector. The 'ROT' programme allows house owners to receive a tax reduction of 50% of the labour costs (up to 50,000 SEK) in relation to maintenance, repairs, renovations and additions to their property. Similarly, the household services initiative known as the 'RUT' deduction allowed house owners to receive a tax deduction of 50% (up to 100,000 SEK) for household related services, such as cleaning and gardening. In 2006 the elderly care sector, in particular elderly home

service, was privatised but still regulated at regional level. During the 1990's, the taxi sector was also opened up for private firms in Sweden. In addition, recent changes in the prevalence of public procurement coupled with the deregulation of specific industries has opened up sectors once dominated by public authorities. The facility management sectors, which include cleaning, gardening etc., in relation to state owned facilities is now publically procured (among other sectors). In 2011 there was a reform to reduce the VAT payable on food bought from restaurants. The common dominator of these examples of the role of politico-regulatory institutional frameworks, and how they may stimulate economic activity, is that they are all sectors where previous research has pointed to an over-representation of immigrant firms. Furthermore, far from being just examples, these political and regulatory changes are proposed to be actual for creating growth opportunities in the Swedish context. It is understood that political and regulatory changes can form opportunities for firm growth and thus should be included in an understanding of the process of growth in immigrant owned firms.

The second high growth potential market space identified by Kloosterman (2010) is that of post-industrial/high-skilled quadrant. Kloosterman (2010: 32) comments that these types of markets are "usually associated with the brave new, dynamic world of high-technology capitalism where innovative Schumpeterian entrepreneurs can make fortunes within short span of time." These market openings are not limited to high-tech, IT and ICT sectors but may also include producer services. The progressive trend of immigrant firms entering these types of segments is highlighted by Rusinovic (2006), Saxenian (2002) and Feldman (2006). In addition it was also noted that increasing numbers of highly educated second generation immigrant entrepreneurs are entering non-typical sectors (Mascarenhas-Keyes, 2008; Jones et al., 2012: 93). These market spaces take into account high-skilled and positively motivated entrepreneurs, who have largely been absent from immigrant entrepreneurship research. Though these post-industrial/high-skilled market spaces may be beyond most given the large degree of human capital required to enter. While price competition might not be a feature of these sectors, competitive pressures will still be high in terms of product and service attributes.

In reference to the above discussion it is proposed that opportunity structures, which lead to firm growth, are functions of changing consumer demand patterns, changing industry structures in terms of deregulation and privatisation, and changing and

advancing states of technology. Understood in these terms, opportunity structures at the market level are not static entities but are open for change and can become not just opportunity structures but 'opportunity structures for growth'. These opportunity structures for growth take into account growth in both typical and non-typical sectors. It is proposed that a fruitful approach to understanding the relationship between the strategies and objectives of the firm is to adopt the Engelen (2001) conceptualisation of the market and how it can be understood. By doing so it becomes possible to see the market as a unit of analysis, since Engelen (2001) includes the firm, the offer, the customers, the dynamics of the market including its structure, its level of institutionalisation and the impact of regulation. It is understood then that the relationship between the opportunity structure for growth and characteristics of the firms, the customers, the market and role of rules and regulations in relation to the process of growth become apparent.

Opportunity Structures and Opportunity Tension

The discussion immediately above centred on how we can understand the role of opportunity structures in determining the growth potential of the market. It was assumed that changing opportunity structures in various guises could create opportunities for growth; this is understood to be a sound proposition, especially when the market is considered as unit of analysis. However, it does not provide a complete explanation of the process of firm growth. Kloosterman (2010: 26) states that "businesses are evidently not started in a socio-economic vacuum but in concrete, time-and-place specific contexts." In this thesis it is understood that nor are they grown in these vacuums, trajectories of firm growth are determined by the time-and-place specific opportunity structures. Though, at the same it is proposed that a rising tide does not raise all ships equally. There must be other antecedents present, which will result in growth. It was previously discussed that the perspective lacks an appreciation of the objectives and strategies of entrepreneurs and, indeed, firms in response to opportunities (Pütz, 2003). It is therefore proposed that a linking of changing opportunity structures and the strategies employed by the firm to seize these opportunities, and the relationship and processes relating to this, means it is possible to provide a much more holistic approach to firm growth in immigrant firms. Ram et al. (2011: 322) discuss that institutional, political, social economic frameworks are intrinsically linked to entrepreneur and firm level strategies, Similarly, Ram et al. (2008) remind us that the relationship between agency and structure is one with

multiple feedbacks. Not only does the structure bear down upon the individual but the individual and firm bear upon the structure.

While opportunity structures and their development create opportunities for growth, this is only part of the process. It is proposed that opportunity structures for growth can be understood in relation to the entrepreneurs' and the firms' ability to see and act upon these opportunities (Penrose, 1959). This way it is possible to re-embed the role of the entrepreneur and the firm in an approach to understand opportunity structures and ultimately the firm growth process. In chapter 5, a discussion was raised around Penrose's (1959) view that firms are administrative entities made up of potentially valuable resources. It was discussed that these valuable resources could also be understood as productive opportunity set (McKelvie and Wiklund, 2010), and that these opportunity sets could be organised and used in countless ways. Crucially though, these sets of resources require entrepreneurial capabilities such as imagination, but also managerial capabilities, which are based upon the practical execution of ideas. Crucially, it is about the match between the ability and capabilities of the entrepreneur to both see and act upon perceived (growth) opportunities in relation to their particular current combination of resources, or those resources that are obtainable.

Building on this, Levie and Lichtenstein (2010) contribute to the understanding of the process of growth with their dynamic stages model, which assumes that the process of growth can be understood by understanding the relationship between the firm's business model and the external environment. They show that this is a perpetual relationship whereby the managers (or entrepreneurs) attempts to effectively match the internal capacity with that of the external driven customer or market demand. Therefore the process of growth is a process with multiple feedbacks between the firm and market, whereby at the heart of the relationship exists an opportunity tension. This opportunity tension can be understood as "the entrepreneur's projection for the possible growth and scope of the venture. This aspiration reflects an educated belief about the ultimate size of the market (i.e., perceived pool of potential resources) and a commitment/skill/passion for creating the requisite organization that can capitalize on this anticipated energy potential" (Levie and Lichtenstein, 2010: 331).

It is proposed that the concept of opportunity sets, including the matching process of the ability to see and capability act upon opportunities given a set of resources, can be integrated with an approach which understands opportunity structures as creating opportunities for growth. Though in order to understand the process and the relationship between opportunity sets (including the ability and capability to see and act) and opportunity structures for growth, is the concept of opportunity tension which can act as a link to understand the relationship between external opportunities and the decision and rationale of the entrepreneur to pursue the idea, and the strategies and resources employed by the firm to seize the growth opportunity. In this way it is possible to appreciate the currently neglected role of the entrepreneur and the firm from a mixed embeddedness perspective, and move towards one, which re-embeds the entrepreneur and the firm, and, importantly, is capable of offering an understanding of the process of firm growth in immigrant firms.

7.3.3 The Mixed Embeddedness Perspective and The Outcome of Growth

It was discussed above that opportunities for growth are most likely to be possible in post-industrial/high-skilled and post-industrial/low-skilled market spaces. The antecedents leading to growth in each of these spaces is proposed to be different, as is the manner, the mode and process of growth. The labour intensity of post-industrial/low-skilled spaces, which are assumed to be service oriented, means that naturally these firms will grow in terms of employees, more so than firms who grow in the comparable high skilled space. In addition, the mode of growth is anticipated to vary both within and between the suggested growth market quadrants of Kloosterman (2010). With all of these variations in how a firm grows, the mode and the relating process will naturally lead to differing forms of challenges and consequences. This line of thought coincides with Levie and Lichtenstein (2010) dynamic states approach, which discusses that the process of growth creates both positive and negative implications which permeate various functions of the firm. Once these implications have been solved the firm continues to the next process of growth. The process of growth is not a singular activity, which creates onetime consequences; it is understood to be a continual process, which creates continual outcomes of growth. And thus it is proposed that differing processes, modes and manners of growth will lead to differing consequences and challenges. As a starting

point these processes, modes and manners and their outcomes can be compared between typical and non-typical immigrant sectors.

7.4 Revisiting the Research Problems

A number of research problems were identified in chapter 1; these are now revisited in relation to the above discussion.

7.4.1 A Distorted View of Immigrant Entrepreneurship

Discussions above have nodded towards the changing fabric of immigrant entrepreneurship, though, the prevailing view of immigrant entrepreneurs from the structural perspective, as being forced into and then restrained in vulnerable low value added sectors, is still undoubtedly valid. A number of contemporary observations within the field have pointed to a pattern of growth and diversification, which contradicts this one-sided distorted view of immigrant owned firms from a fundamental structuralist perspective. This thesis has offered insights and an approach which can understand immigrant entrepreneurship in relation to firm growth, beyond it being a mere survival mechanism. Though it was also proposed that a hangover or aftermath of a disadvantaged sectorial concentration, poor motivations, precariousness and processes of discrimination and racism, which haunts survival orientated immigrant entrepreneurs, might extend into immigrant firms that do grow.

Viewed from the fundamental cultural stance, the distorted image of immigrant firms is itself one that depicts immigrant owned firms as small micro concerns that are steeped and restrained in a microcosm of co-ethnic suppliers and employees, eco-ethnically dense neighbourhoods and bound by selling ethnic goods to the local co-ethnic community. Ethnicity and culture capital were viewed as advantageous characteristics of immigrant entrepreneurship, which lubricate, facilitate and ease economic and social transactions. This thesis challenged the fundamental notion that ethnicity and culture should not be considered as some kind of compelling predisposition or trait that leads towards entrepreneurship. Though, far from dismissing the role ethnicity and culture completely, their influence was proposed to still permeate and infuse immigrant owned firms, though in a refined fashion.

7.4.2 A Theoretical Inability

One of the fundamental assumptions in this thesis has been that previous immigrant entrepreneurship perspectives have lacked the theoretical capability to explain firm growth in immigrant owned firms. This was found to be the case, though importantly it was necessary not to totally dismiss these previous theoretical stances. When viewed from a mainstream growth perspective in terms of understanding the antecedents of growth, the outcome of firm growth and the relating processes of growth, it was found that previous immigrant entrepreneurship research had some explanatory power to account for firm growth in immigrant firms. However, this relied, and was conditional on, viewing the three major perspectives of immigrant entrepreneurship research through the lens of 'mainstream' firm growth research.

7.4.3 The Specificity of Immigrant Entrepreneurship

Just as it was necessary to look at immigrant entrepreneurship through the lens of previous firm growth literature, it has been necessary to look at firm growth through the lens of previous immigrant entrepreneurship literature. Calls from within the immigrant entrepreneurship literature stressed the need to locate the phenomenon of immigrant entrepreneurship within the larger body of mainstream entrepreneurship research. Despite the appealing nature of such suggestions, it was understood in this thesis that immigrant entrepreneurs and immigrant owned firms are infused with specific conditions and characteristics, meaning that this is not possible. Indeed, the systematic review of firm growth in immigrant firms in chapter 6 identified a number of antecedents of growth pertaining specifically to immigrant firm growth. In addition, discussions found in this chapter also identify firm growth in immigrant firms as a phenomenon that could not have been captured by 'mainstream' growth literature alone.

7.4.4 Entrepreneurship in Context

Assisted by the appreciation of the mixed embeddedness perspective, and particularly the role and influence of opportunity structures coupled with the advocated multilevel approach in mainstream growth research, it is proposed that by understanding these approaches in tandem we are better able to anchor the

phenomenon of firm growth in immigrant firms within a multitude of contexts. This resonates well with Welter and Lasch's (2008) appeal to firstly, embed the study of entrepreneurship within national cultures, national political and economic environments, and secondly, to be sensitive to the importance of a focus which intersects the constructs of the individual, the organisation, the opportunities and the external environment.

7.5 Conclusion and Research Agenda

From the outset, this thesis mused the question: how do we understand growth in immigrant owned firms? Two streams of previous literature were proposed to be applicable.

Firstly, the immigrant entrepreneurship literature which is developing and becoming increasingly more sophisticated. Though despite exhortations that we need a wider span of concepts to explain the increasing heterogeneity, including firm growth in immigrant businesses, firm growth in particular is conspicuous in its relative absence. This conspicuousness is amplified given that immigrant entrepreneurship is growing in its heterogeneity. No longer is it only confined to low value added activities, ethno-cultural niches and arduous survival orientations; instead it is increasingly characterised by successful and growth orientated firms. This thesis has outlined the shortfalls of previous immigrant entrepreneurial research to grasp this progressive trend. In the main, these shortfalls circle around the field's distorted view of immigrant entrepreneurship. Immigrant entrepreneurship is rarely presented and understood beyond business start-ups in marginal sectors or emblematic ethnic sectors. It was proposed that one explanation for this is that the previous perspectives on immigrant and ethnic minority entrepreneurship are theoretically ill suited and lacks the conceptual precursors to study the phenomenon of firm growth.

Secondly, the ever increasingly sophisticated growth literature, which undoubtedly is a useful concept in explaining firm growth in general, has rarely been systematically applied to the context of immigrant businesses, nor is it understood to be sympathetic in understanding the nuances and specificity of firm growth when the firm is immigrant owned, infused with both 'ethnic' characteristics and circumscribed by negative structural impediments. This has meant that it is simply not appropriate to

throw a blanket of mainstream growth literature over a sample of immigrant entrepreneurs. This thesis was able to identify 10 articles published between 1999 and 2014, which approach immigrant and ethnic minority entrepreneurial growth. The review of these studies revealed a severe lack of qualitative studies. Despite giving an insight into the specificity of immigrant firm growth, this stream of literature remains piecemeal, fragmented and undeveloped. This thesis has attempted to overcome these shortfalls and limitations in our understanding of firm growth in immigrant firms by integrating both these streams of literature, therefore presenting an approach steeped in the mainstream firm growth literature, but at the same time remaining sensitive to the immigrant and ethnic minority entrepreneurship literature.

Discussions throughout this thesis have illustrated that "firm growth is not one but several different phenomena" (McKelvie and Wiklund, 2010: 280), and that immigrant entrepreneurship is made up of several interconnected phenomena. Thus, it has not been the intention of this thesis to offer a model to predict firm growth in immigrant owned firms. McKelvie and Wiklund (2010: 280) comment; "firm growth is a complex phenomenon. It is not uni-dimensional. It is hard to predict and assess. Further, it can manifest itself in various ways, and consequently it can have differential effects on several different levels." In addition, the increasingly heterogeneous nature of immigrant entrepreneurship makes a model of firm growth beyond the scope of this thesis. Returning to a quote from Davidsson et al. (2006: 5) who state that there is "no single theory which can adequately explain small business growth and little likelihood of such a theory being developed in the future . . . This is partly because the heterogeneity that exists in the various types of SME but also because of the range of factors that can affect the growth of SMEs, it is unlikely that a comprehensive model with predictive capability will emerge."

Instead then, the result of the fused approach in this thesis has been an exploration of the contributions of both mainstream firm growth research and immigrant entrepreneurship research. By doing so, this chapter has provided insights into the complex and multidimensional processes, causes and effects of firm growth in immigrant owned firms. Throughout the discussion above a number of propositions were made. These are summarised in the table below, which points to a research agenda of firm growth in immigrant firms.

Table 7.5 A Research Agenda For Firm Growth in Immigrant Owned Firms

Research Stream	Proposed Research
The process of growth	The commodification of ethnicity as a resource for competitive advantage.
	The relationship between ethnic forms of capital and non-ethnic forms of capital together with the pursuit of an ethnic or mainstream product/market strategy.
	Transnational activities as a mode of firm growth.
	The relationship between the growth motivations of immigrant entrepreneurs and the process of firm growth.
	The prevalence of continued discriminatory process and racism in the growth process of immigrant owned firms.
	The process of growth in disadvantaged sectors; including the transformation of survival strategies into strategies for growth.
	Diversification as a mode of growth in disadvantaged industries.
	'Opportunity structures for growth' and the changing processes of privatisation and deregulation can create promising market opportunities for immigrant firm growth in 'post-industrial/low-skilled' sectors.
	'Opportunity structures for growth' and the changing state of technology and demand in 'post-industrial/high-skilled' sectors.
	The interrelationship between, opportunity sets, opportunity structures and the opportunity tension they create.
The outcome of growth	The preciousness of growth in immigrant owned firms in 'poor' sectors.
	Formalisation of HRM practices
	Formalisation process as an outcome of growth
	The particular process and mode of growth and its relation to differing consequences and challenges, in both typical and non-typical immigrant sectors.

The growth as an outcome stream is omitted from the table above, this heeds advice from Smallbone et al. (1995: 44) who promote approaching firm growth by providing an answer to the question of how firms grow, in terms of the process. Thus, instead of presenting a list of unconnected possible antecedents, the antecedents at the level of the individual, the firms, the sector and the environment identified earlier in this chapter have been integrated into both the process and the outcome of growth research propositions.

7.5.1 A Final Word

By embedding immigrant entrepreneurship together with a mainstream firm growth literature, this thesis has offered an approach to understand firm growth in immigrant firms and with it suggestions for future research. The work to empirically test the various propositions should now begin. A major limitation of the body of research which currently exists on firm growth in immigrant firms is the lack of any qualitative studies, the outcome of which has been a lack in the appreciation of the complexity of a holistic picture of growth, including its causes and outcomes, and not least the process pertaining to growth. It is suggested that future studies consider a qualitative approach.

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Appendix 1

Antecedents found to influence growth in the studies reviewed in section 5.4.1

Baum et al. (2001)	Personality traits	General competences	Specific competences	Motivation	Competitive strategy	Differentiation	Environment
	Tenacity Proactivity Passion	Organization skill Opportunity skill	Industry skill Technical Skill	Vision Goals Self-efficacy	Focus Low-cost	Innovation Quality / Service	Dynamism Unfence Complexity
Gilbert et al. (2006)	**Entrepreneur characteristics**	**Resources**	**Geographic location**	**Strategy**	**Industry Context**	**Organisational structures and systems**	
	Education Industry experience Prior entrepreneurial experience Number of founders	Human capital (employees) Financial capital Outside resources					
Chrisman et al. (1998)	**The entrepreneur**	**The industry structure**	**Business strategy**	**Resources**	**Organisational structure, systems and processes**		
	Personality characteristics Values and beliefs Skills Experience and education Behaviours and decisions	Structural characteristics Industry rivalry Nature of buyers and suppliers	Planning and strategy formulation Goals and objectives Strategic direction Entry strategy Competitive weapons Segmentation Scope Investment strategy Political strategy	Intangible assets Tangible assets			
Davidsson et al. (2010)	**The Entrepreneur**	**Structural characteristics of the firm**	**Firm strategy**	**External factors**			
	Motivation (to grow) Education Management experience Number of founders Functional skills	Firm age Firm size Legal form	Technological sophistication Market positioning New product introduction	The industry Dynamism Heterogeneity Hostility Munificence Location			
Wiklund et al. (2009)	**Entrepreneurial orientation**	**Environment**	**Resources**	**Attitude**			
	Risk taking Proactiveness Innovativeness	Dynamism Hostility Heterogeneity	Firm resources Human capital (the entrepreneur) Network Resources	Goals Favoured work tasks Expected consequences of growth Growth intensions			
Storey (1994)	**The entrepreneur**	**The firm**	**The strategy**				
	Motivation Unemployment Education Management experience Number of founders Prior self-employment Family history Social marginality Functional skills Training Age Prior business failure Prior business experience	Age Sector Legal Form Location Size Ownership	Workforce training Management training External equity Technological sophistication Market positioning Market adjustments Planning New products Management recruitment State support Customer concentration				

	Prior firm size experience Gender		Information and advice Exporting				
Storey and Greene (2010)	**Pre start-up**	**At start-up**	**Post-start**				
	Age Gender Ethnicity Education Prior management experience Prior business ownership Partners Unemployment Personality	Initial size Legal Form Sector Location	Formal Plans Workforce Training Sources of Finance Entrepreneurial Skills Innovation				
Dobbs and Hamilton (2007)	**Management strategies**	**Characteristics of the entrepreneur**	**Environmental / Industry factors**	**Characteristics of the firm**			
	Growth objective Employee Recruitment and development Product market development Financial Resources Internationalisation and Business collaboration Flexibility	Motivation Education Experience Size of founding team	Dynamics of the industry sector Level of competition	Age Size			