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Second/Third Generation Asian Business Entrepreneurs in the Uk
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San Juan, Puerto Rico

Available in: http://www.redalyc.org/articulo.oa?id=63190202
Abstract


The “growth” of Asian enterprises has been a much commented feature of the small business population. Asian entrepreneurs have been eulogized by the popular press keen to laud free enterprise heroes. More detached academic commentary has also sought to identify the key success factors for this entrepreneurial minority. This paper seeks to explore the role of the second/third generation of British Asian entrepreneurs who were brought up and educated in the UK. In order to analyze the position of second/third generation Asians in business, a series of qualitative interviews were undertaken with 10 respondents, five men and five women. The questions asked focus upon second generation banking, management style, use of technology and expansion.

This paper sheds light on a number of neglected issues within the increasingly important area of ethnic entrepreneurship. First a clearer picture will emerge of the roles, responsibilities, vision and practices of this new generation of entrepreneurs. Second, methodologically the paper will be novel in so far as the gender and ethnicity issues are both taken into account. Half the respondents are women. Hence the study also aims to examine the hitherto neglected issue of women’s experiences in managing enterprises. Finally, policy makers are increasingly reminded to appreciate the need of the diversity of ethnic minorities in business.

Key words: Ethnic Minority Businesses, UK SME’s, Asian Entrepreneurs, Second and Third Generation Business People, UK Businesses.

Resumen

¿Hacia dónde vamos? Segunda y Tercera generación de empresarios asiáticos en el Reino Unido

Esta investigación explora el rol de la segunda y tercera generación de empresarios asiático-británicos nacidos y educados en el Reino Unido. La herramienta de investigación que se empleó consistió de entrevistas cualitativas a una muestra de 10 participantes: 5 hombres y 5 mujeres. Se les administró un cuestionario que incluyó temas sobre la generación de la banca, estilos gerenciales, uso de tecnología y la expansión. Además, se incluyó el tema sobre los conflictos entre fundadores y sucesores.
La investigación arroja luz sobre varios aspectos desatendidos en el empresarismo étnico, como son los aspectos sobre género y etnicidad. La mitad de los participantes fueron mujeres, con lo que se pretendió explorar la participación de éstas en la administración de empresas, tema que no se había estudiado hasta el momento. Entre las recomendaciones, se insta a todos los que ostentan el poder decisional, a reconocer la importancia de la diversidad de las minorías étnicas en los negocios.

Palabras clave: Empresas de Minorías Étnicas, Pequeñas y Medianas Empresas Británicas, Empresarios Asiáticos, Segunda y Tercera Generación de Empresarios, Negocios Británicos.
Introduction

Asian entrepreneurs have been eulogized by the popular press keen to laud free enterprise heroes. But can the entrepreneurial success and effort of the first generation of immigrants be repeated, or has the process of acclimatization and assimilation gone so far that the cutting edge of entrepreneurial flair has been blunted. The first generation migrants arrived in the late 1960’s and early 1970’s. The ‘second generation’ were brought up and educated in Britain.

The first generation established an environment at home and works where their traditions and values could operate leading to their comfort and security. This approach survived as the culture was heavily interwoven with religious beliefs and there was also no need to integrate with the wider host population. There was great emphasis on the importance of the family unit and the wider community network and children were brought up to respect their elders through duty and obligation. There was an intense relationship between the first generation entrepreneur and his business originating from the

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**Paper presented at the 47th World Conference- International Council for Small Business**

Received: August, 2002; Accepted: March, 2004.
push/pull factors for starting business. The long hours, mentally and physically led to emotional ties with the business. The entrepreneur in many cases spent more time with the business than the family (Janjuha and Dickson 1998).

The next generation, however, were brought up in the West and exposed to two conflicting cultures. There were influences from their schools, the media, and peer groups. The West promotes independence while the Asian culture promotes duty and respect and, for women in particular, passivity. Problems occur when work and home merge. The younger generations are more integrated with the wider population and therefore have very different experiences from their parents. The older generation closed ranks on outsiders and relied heavily on advice from the community or ethnic professionals e.g. Asian accountants. The elders seek community although cautiously and with a touch of envy, youngsters are resistant even hostile (Gidoomal 1997).

Relevant Literature

Issues of first generation Asians included ‘push’ and ‘pull’ factors such as escaping discrimination and enjoying independence (Dhaliwal 2000, Dhaliwal and Amin 1995, Ram 1992, Ram and Jones 1998). Many businesses were set up as a cohesive family strategy. They kept the family members together and in employed. Furthermore, they enjoyed the status of being ‘business’ people which carried weight in the community. This was particularly the case with East African Asians trying to recapture the self-esteem they lost as they were forced to leave their businesses behind to become an unwelcome minority in the UK. The businesses compensated to some degree for the lack of respect from the wider community (Gidoomal 1997).

Cultural characteristics to success for the first generation entrepreneur include thrift, hard work and reliance on family labors (Werbner 1990, Waldinger et al 1990)). These give Asian entrepreneurs a competitive edge on other businesses (Soar 1991). Cultural factors may restrict growth by creating excessive reliance on the local ethnic community market, informal sources of finance and family-controlled businesses (Jones et al 1992, Metcalf et al 1996, Ram
1994, Basu 1999). Basu (1999) analyzes the relationship between long-term growth and four categories of variables - cultural factors, socio-economic factors, background characteristics and expansion strategies. She finds that working long hours, exploiting family labors and serving co-ethnic population is a simplistic explanation of a much more complex reality. Undue reliance on family labors may jeopardize business growth. Similarly, excessive reliance on serving the co-ethnic market will also stunt business expansion. Business growth is positively related to the entrepreneur’s educational attainment, prior business or professional experience, personal financial commitment in starting the business and negatively related to reliance on bank finance at start-up.

Ethnic Minority Business (EMB) tend to be concentrated in low entry thresholds, low value-added activities, which often present limited opportunities for market expansion through the development of non-local sales. There is a need to target younger and second generation entrepreneurs to facilitate more EMB start ups in higher value-added activities (Ram and Smallbone 2000).

There has been much discussion on the use of formal and informal networks by the Asian business community (Ram and Jones 1998, Basu 1999) and its dependence on both community and family for custom, labors and decision making. There was the ultimate desire to give their children a better future (Dhaliwal 2000). Many business people have aspirations for their children to become professionals and well educated and to have better opportunities and choices.

The next generation indeed did achieve this professional status and many graduated from UK Universities. However, many have opted out of employment and into self-employment. Businesses, the economy and Asian entrepreneurs have now evolved from the first generation immigrant. They are more sophisticated, better communicators but have fewer family members to depend on. They are aware of their worth as economic units of labor and realize the value of their graduate salaries. The study, however, reveals a greater degree of complexity than the first generation model. There is a clash of cultures from the first to second generation with the second generation wanting to strike out independently and build a business similar to the family business, but without the need to do things
way one’s parents did them. There is generally less resistance to outside help and businesses have evolved generally so marketing, human resource management and information technology play a crucial role as opposed to the over dependence on family labor with its long hours. Factors such as obligation and the role of the community have changed thus presenting an excellent opportunity for outside support agencies.

Examples of successful second generation Asian entrepreneurs include Shami Ahmed from the Legendary Joe Bloggs Company, who developed his father’s existing garment business taking it forward by developing a brand name and modernizing it with Western business practices. Another, more recent, example is that of the Suman Marriage Bureau whereby the business has developed from its starting point of being a traditional matchmaker within the Asian community to an internet, on-line service instigated by the son coming into the business and modernizing it, having realized that the old business was failing as social traditions amongst young Asians changed.

Conflicts between generations arise as the family boardroom becomes the arena of struggle between one generation’s entrepreneurial instinct and a new generation’s paper qualifications in management (Gidoomal 1997). The transition from one generation to the next leads to conflicts and tensions between the Firm, Founder and Successor (Janjuha and Dickson 1998). Asian businesses find it difficult to move from growth stage to maturity. This is common with most family businesses but the cultural dimensions add to the complexity of change. Problems arise when the young entrepreneur wants to take a much more professional approach to business and wants to bring into the family firm outsiders whose suggestions involve radical changes in hallowed procedures.

First generation Asians prefer to go first to their own networks for funding, secondly to Asian banks and only as a third choice to British banks (Gidoomal 1997). Traditionally, the quality of service, efficiency and specialist expertise were not the reasons, the real issue was because they spoke the same language. The first generations had difficulty communicating their needs and were unfamiliar with the way things were done in the UK. “We’re from the same village”
is not enough to run a business by. UK banks were limited and did not understand or facilitate expansion. The first generation themselves never understood the UK market place and were impatient. “If you don’t get the right support at the right time you miss the opportunity and these do not come back”. The old adage “Time is of the essence” was particularly poignant for this group. The old Asian values of trust and integrity are essential. According to Shami Ahmed, “Lenders in the UK could be more flexible. International banks understand you better because they are used to dealing with communities where trust and track record matters more than the specific figures on your bank balance.”

Shami Ahmed of the legendary Joe Bloggs company is an example of a peaceful leaving of the nest with the support and encouragement of his parents. His father ran a cash and carry, with typical Asian reserve, playing his cards close to his chest, revealing as little as possible of his plans, his business decisions, even his assets. It was partly modesty, and partly because like many Asians he came from a country where corruption in business was common and it was good commercial sense to cover your tracks (Gidoomal 1997; Dhaliwal and Amin 1995). That approach is not conducive to good business practices today. Shami’s whole business depends on the name Joe Bloggs being marketed and known with maximum exposure in advertising, the media and entertainment. “Branding is communication”. Shami claims, “The biggest failure is that Asians do not know how to market themselves.” Communication and information are vitals, his company enjoys an open style of management, reflected in the young, dynamic staff he employs. He employs large numbers of people from outside their ethnic minority community. His success lies in the traditional Asian family values of persistent hard work, determination and having an eye for the main chance. This second-generation company looks likely to avoid many of the problems that earlier generations faced: succession, professionalization, generational conflict and much more.

The first generation moved into business due to push factors whereas second and third generations place a greater significance on the pull factors (Chavan and Agrawal 2000). Chavan and Agrawal have identified a “productive diversity factor” where EMB are now beginning to recognize the economic benefits and opportunities that
lie in multiculturalism. They are gaining competitive advantage by capitalizing on their linguistic skills, cultural knowledge and business contacts of migrants and ethnic communities. The first generation placed a greater importance on economic necessity and unemployment (push factors), the second and third generations are placing a greater importance on the opportunities that exist within the UK for doing business and links to the country of origin (pull factors). Therefore entry into business is a positive choice not at last resort.

The Female Entrepreneur

Past research shows that Asian women are not strongly represented in self-employment. Jones et al (1992) found that 75% of their sample of 403 was male. Metcalf, Modood and Virdee (1997) found a similar proportion in their sample of 129 people. This is still higher than in earlier studies (Aldrich et al 1981) where women were absent. Jennings and Cohen (1993) assert that figures are misleadingly low as there is a tendency for some women entrepreneurs to be “invisible”, their existence unacknowledged. This is certainly true of the ‘hidden’ women interviewed in Dhaliwal’s study (1998) where the women interviewed openly say it is their husband, father or brother who run the business thus masking the extent of their role even when playing a pivotal role in the management of the business (Ram and Jones 1997; Ram 1992; Phizacklea 1990).

One of the main reasons given in writings on the subject is that many EMB go into self-employment as a response to “blocked upward mobility” (Ram and Jones 1998). This is truer for women who face the double disadvantage of race and gender. Motives for entry were the desire to avoid racial discrimination and the resulting confinement to low status jobs in the labour market (Aldrich et al 1981) or for women confinement in the home. “Push” factors include unemployment, underemployment, job dissatisfaction and/or blocked opportunities, and often for women no opportunities at all. The status argument is strong for men and family businesses (Srinivasan 1992 and 1995) and entrepreneurs are seen as successful role models within their community (Dhaliwal and Amin 1995). The status
argument appears stronger for women (Dhaliwal 1998; 2000) despite their relatively low power base within the enterprise.

It is clear that there are distinctive issues faced by Asian women and their families can help or hinder them. In the study Silent Contributors - Asian Female Entrepreneurs and Women in Business (Dhaliwal 1998; 2000) found that children play a crucial role for these women and are their first priority. The driving force to go into entrepreneurship was as a reaction to their children needing less of their time. The women wanted to utilize their skills and have some worthwhile purpose in the lives. These women rely heavily on family members, normally the husband, for any key business decisions and financial decisions. Their independence as businesswomen is always with the tacit ‘consent’ of their families, particularly their husbands.

Research Methodology

This paper is based on a qualitative study of 10 interviews conducted between January- April 2001. The entrepreneurs are of South Asian origin (Indian, Pakistani, Bangladeshi or East African) and were brought up and educated in Britain. They have an ownership stake in the business and either wholly or partly owns the business. The respondents were approached firstly through personal recommendations. This is a good way to achieve interviews with a population which is difficult to enter and does not ‘trust’ easily. In order to gain depth of information from this difficult population, this was deemed the best approach. The next step was that a snowballing technique was used by asking respondents for names of eligible entrepreneurs. This method proved useful in gaining access to potential respondents within this difficult defined population. All of the respondents were located in the South of England. The sample is representative of many other second/third generation businesses across the country.

The businesses in this study are small, relatively low value-added and require a lot of labor. They are similar to traditional first generation businesses such as retail shops. This enabled questions regarding motives for entry to be more pertinent as the second generation have more choice of career and opportunity.
Face to face interviews lasting about one hour on average where both closed and open-ended questions were asked. All of the interviews were conducted at the respondent’s business premises at their convenience. Firstly, the respondents were asked structured questions such as their age, education, family background. Once the demographics and background were established and the owner was more comfortable with the interviewer, the interview progressed to more open-ended, semi-structured questions which asked respondents about their motives for business entry; the role of their families at both the start-up stage and subsequent management of the business and the factors which facilitated and inhibited their business. The respondents were able to elaborate on these questions and also discuss their current business challenges and their hopes for the future.

The interviews were taped and then key elements were abstracted. The partial transcripts then enabled the main themes to emerge.

Findings

<table>
<thead>
<tr>
<th>Business</th>
<th>Newsagent</th>
<th>Pharmacist</th>
<th>Hardware Shop</th>
<th>Garage (car repairs, tires)</th>
<th>Kiosks - confectionary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age-owner</td>
<td>42</td>
<td>43</td>
<td>48</td>
<td>24</td>
<td>34</td>
</tr>
<tr>
<td>Education</td>
<td>Degree Degree</td>
<td>+Professional Training</td>
<td>Accountant</td>
<td>No formal, mechanic training</td>
<td>Diploma - computing</td>
</tr>
<tr>
<td>Motivate for Entry</td>
<td>Peer</td>
<td>Effort</td>
<td>Independence; lack of opportunity at work</td>
<td>Independence</td>
<td>Took over family business from father</td>
</tr>
<tr>
<td>Pressure</td>
<td>and hard work not rewarded in paid employment</td>
<td></td>
<td></td>
<td>for others</td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>2 f/t</td>
<td>5 f/t; 3 p/t</td>
<td>3 p/t</td>
<td>Cousin (very p/t)</td>
<td>1 f/t; 6 p/t</td>
</tr>
<tr>
<td>Main Problems/Challenges</td>
<td>Hiring labor</td>
<td>Modernize; avoid bureaucracy</td>
<td>Avoid a fall in sales. Competition fierce</td>
<td>Long hours; Working alone</td>
<td>Expanding the business</td>
</tr>
</tbody>
</table>
Findings - Men

Background

The ages of the respondents ranged from 25 and 50 years. Most of the respondents had family members in business, normally siblings. These more established siblings often facilitated entry into the business through financial and other advice and resources. “My brothers had businesses so it was in our blood. It was the most natural thing to do.” In many cases the idea of running a business is ingrained at an early age (Ram 1992), “My father was a businessman in Kenya, so I was always business minded, I just needed the right opportunity.”

The families of the men play a greater and more positive role in supporting the men and their businesses (Dhaliwal 2000, Basu and Goswami 1999), “The family does help, we are well networked in the community and they give financial and other support, they look after my children.” Their wives also are expected to put the business first, “My family certainly helped me out in the beginning and taught me about the business. I got married and my wife has been a great support to me. She does the day to day running of the business and I try and develop my ideas to expand the business.” Community support is expected and relied upon, “I belong to the Shah community who are always willing to help.”

Most of the respondents were well educated with degrees and professional qualifications. Some had training in their specialisms, which was less academic, but more relevant and vocational e.g. car mechanic.

Motive for entry

The motive for entry into business was almost always as a result of family and community pressure or of fulfilling family obligations and dreams, “It was my dad’s ambition to own a shop”. The community network was strong and efficient (Ram and Smallbone 2000) “The community put me in touch with the previous owner of this pharmacy when word got out that I was looking for a business.”

Many were disillusioned with their experiences in employment, “I had worked in many pharmacies around the country, it was hard work, I’d rather put that effort into my own business”; or “I was really disappointed”
explains another respondent who worked in industry prior to his move into the business, “I felt I was discriminated against for being Asian in a white-dominated job.” This was in the Ministry of Agriculture. Many could not settle into careers, “I did work but I got bored easily and I could not settle down.” Having control over your work was a major factor, “I love the independence.”; and “The biggest thing was that I did not like working for anyone. I was prepared to work eighteen-hour days for myself.” These findings reinforce earlier ‘push’ literature (Ram and Jones 1998, Ram 1994).

The families of the respondents both facilitated and hindered the development of the business. “My family helped my decision to enter the business but they hinder progress, it’s a constant battle of wits”. Attitudes to risk differ, “They have old-fashioned mentality of running the business, but I want to take more risks. They put a lot of pressure on me so if my ideas don’t succeed they say “we told you so”.” There is a heavy price to pay for being in business, “We have strong family links. My family life suffers because of the business.” Finances are nearly always privately procures to start up the business, “I used my savings to buy the business, I did not get a loan”; and there is an expectation for the family to help any male child, “I used my mothers money, well its all in the family.”

Finance

The respondents were very cynical about financial institutions, “Banks give financial aid but it is always to their benefit not ours.” Another respondent is equally negative about banks, “They call it a partnership but it is quite lopsided but without them you cannot expand. If there was an alternative I would go for it.” The first point of call is always personal and family money but for growth external sources of finance are essential (Gidoomal 1997). “It is difficult to start up in business unless you have rich parents or relatives.” Another deterrent to external finance and support is the bureaucracy involved, “When grants and aid are mentioned the paperwork to fill in the forms is ridiculous that I don’t even try.” The respondents were angry that their efforts were not acknowledged by the bodies, “We are creating employment all the time for the economy. But there has not been anybody who has come up to me and said thank you and how can we help you as well!”
Main Challenges

Time and the amount of work are a constant challenge faced by all the respondents, “I work 70 hours per week”. There is, however, an attempt to ‘work smarter rather than harder’; “We are slowly working towards more efficient labor management where we can go out more”. The respondents are averse to the excessive bureaucracy and legislation surrounding their time-consuming enterprises. The pharmacist, for example, has to deal with professional (medical) accountability, National Health Service (NHS) regulations as well as employment legislation and regulation, “My business and professional roles are in conflict. From a business perspective, there are employment regulations, Inland revenue forms, as a pharmacist there is clinical governance, new journals to read each week to keep abreast of the latest information. Being a pharmacist and a business man is a difficult marriage.” Others echo similar issues, “Employing people legally is a nightmare, there is so much paperwork to fill in, there are regulations for everything I spend more time filling in forms than running the business sometimes I wish I did not have to employ anyone.” There is an enormous difference between employing people outside the family and getting help from family or community contacts, “Employees must have regular breaks, lunch hours etc. The family members just juggled all this, it was never an issue.” Employing workers appears to be the most stressful part of the business and is a great deterrent for expansion, “The business has taken its toll.”

Consequently, many businesses opt to remain small and in the owner’s control. One respondent had a very narrow customer base, “Most of my customers are Asian cab drivers, I am totally reliant on them for my customers. They always want a good deal though so the profit margin is narrow.” Despite this he claims, “I don’t want to expand.” Others are more defensive about their businesses and how they are viewed, “As a business, people see my shop as new agents with dead end prospects. I have diversified into other areas e.g. photo processing, telephone cards, money transfers.” Niche marketing is vital for the survival of these businesses, “For me finding a niche in this competitive sector was important and so we specialize in disability products. We can market ourselves with agencies and have different outlets.”
Findings - women

Background

The ages of the respondents varied from 35 to 50 years. Some of the businesses were hobby related, for example, two respondents are beauticians bringing Eastern techniques to the West; another runs a catering company serving Asian meals for weddings and parties. These roles reinforce Dhaliwals (1998) earlier findings as many

SPINDER DHALIWAL

Table 2: Females

<table>
<thead>
<tr>
<th>Business</th>
<th>Finance to expand.</th>
<th>Husband concerned.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newsagent; Sandwich shop; Money transfers; Mobile phones (all in same premises)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Catering</td>
<td></td>
<td></td>
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<tr>
<td>Beautician</td>
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<td></td>
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<tr>
<td>Property Management</td>
<td></td>
<td></td>
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<tr>
<td>Hair and Beauty Salon</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age</th>
<th>Qualifications</th>
<th>Business</th>
<th>Education</th>
<th>Employment</th>
<th>Main Problems/Challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>35</td>
<td>‘A’ levels</td>
<td>35</td>
<td>1</td>
<td>7 f/t 9 p/t</td>
<td>Not taken seriously by sales reps etc.</td>
</tr>
<tr>
<td>50</td>
<td>Computer Course</td>
<td>42</td>
<td>Courses (various beauty related)</td>
<td>2 f/t; 1 p/t</td>
<td>Having to make all major decisions by myself</td>
</tr>
<tr>
<td>42</td>
<td>Courses</td>
<td>35</td>
<td>Law Degree (incomplete)</td>
<td>none</td>
<td>Getting clients; Marketing my business</td>
</tr>
<tr>
<td>44</td>
<td>‘O’ Levels; Beauty courses</td>
<td>44</td>
<td></td>
<td></td>
<td>Juggling my work and my children</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employees</th>
<th>Finances to expand.</th>
</tr>
</thead>
<tbody>
<tr>
<td>7 f/t 9 p/t</td>
<td></td>
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<tr>
<td>2 f/t 1 p/t</td>
<td></td>
</tr>
<tr>
<td>none</td>
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<tr>
<td>3 f/t 2 p/t</td>
<td></td>
</tr>
<tr>
<td>2 p/t</td>
<td></td>
</tr>
</tbody>
</table>

Findings - women

Background

The ages of the respondents varied from 35 to 50 years. Some of the businesses were hobby related, for example, two respondents are beauticians bringing Eastern techniques to the West; another runs a catering company serving Asian meals for weddings and parties. These roles reinforce Dhaliwals (1998) earlier findings as many
women choose roles which are an extension of a role associated with women. Another respondent runs a newsagent shop jointly with her husband; and another business was a property letting agency where the main clients are students looking for accommodation, thus so serving the local community. The husband also played a large role in the development and running of this company.

The women on the whole were less qualified than the men and tended to focus on professional and skill based courses. Academic background varied significantly ranging from a beauty course to the more traditional ‘A’ levels; one of the women did attempt a law degree but personal and business commitments did not allow her to finish it. Some of the women developed skills after the business was up and running e.g. the computer course by the catering owner.

The majority of women had family members in business. Even if the family were not in business, their role was significant in terms of moral and financial support. The greatest source of support other than financial was childcare, “I live with my mother-in-law and she helps me look after the children.” Another woman is more concerned about juggling her roles, “I find it difficult to build up the business and bring up my children, I am torn in two.”

One woman relied on friends from her own community, “I had several friends in business who could give me practical advice and assistance.” She added, “My children did help me initially and if I need any help my mother and brothers are always there.” The constraint of family was also clear in this case when they stop facilitating and start to hinder progress and creativity, “I am very independent and like to go forward but every time I have new ideas and want to expand the family say No, why do you want to take risks? My mother really worries about me.”

One respondent faced hostility from her husband and family when she located her first beauty salon, “My husband said that it was not going to work out, the children needed me at home.”

**Motive for entry**

The reasons for entry differ for each case. The husband plays a great role in supporting and encouraging the business and in some cases the woman’s business evolves from her husband’s, “My husband...
put the idea together to form a letting company and I left my job to run it.” One respondent married the husband and the business; there was an expectation that she would partner the business as well as the husband, “I married into the business.” For the beautician the motive for entry was to use her natural knowledge of the beauty business together with some courses she took and see it as a paying hobby, “I wanted more control over my life.” Similarly for the caterer, “When I entered the business, cooking was a hobby. I started by cooking for my friends and it just took off from there and grew as a business.” A few escaped from paid employment, “I worked in a lot of dead-end jobs that bored me”.

Employees

The number of employees in addition to close family members ranged from none to under 10. Recruitment methods varied from word of mouth, the local newspaper and the job centre. The respondents had a positive approach to investment in training, “We encourage our employees to go for training. For example, one of our employees is on National Vocational Qualifications (NVQ) training. The sandwich making staff all has health and hygiene certificates.” There was an emphasis in keeping up-to-date, “We try and train our employees in-house but sometimes we have to bring people in from outside to train all of on Institute Technical (IT) skills and new software.”

The employees in each case were not all co-ethnic. In the catering business the woman claims, “Most of my employees are recruited by word of mouth. Most of the employees are Asian women and they feel more secure working with other women. My driver is male. I am planning to recruit another five employees this year.”

Finance

The majority of women rely on private and family money to develop the business, “Today I am faced with the challenge of increasing my client list I can get the finances to expand from my husband but I want to try and get a bit more business myself and generate the money to expand first and use my husband as a last resort.” Only one of the respondents
had no start-up money from private sources and approached the banks, “It was quite difficult at first because I had nothing and was starting from scratch. Luckily I had a good bank manager in Barclays who was very supportive and offered me a £20,000 loan.” Before approaching the bank manager she had done a lot of work and research and presented him with her plan, “I showed him my plans and he was impressed.” She did not have the same level of support from the Business Link, “I did go to the Local Business Link and they were not very enthusiastic about my idea to start a catering business.” Since establishing her business she has received some management training from them.

Community

The community is less significant and helpful for women who are setting up their own businesses, it tends to favor the men and so the joint family businesses benefited the most from support and help from their own community. One of the respondents is a member of the Chamber of Commerce. For the catering company owner the community played a greater part in the early stages of establishing the business, “The community has played a great part in my business but now my customers are not only Asian. I have many white customers; I cater for functions at the council, local banks. Indian food has become quite popular in the last few years. Now even at Christmas parties people want Indian food. The Asian community in particular has helped me in generating my business.” The beautician is less favorably disposed to her own community, “The Asian community has not helped my beauty business, and nearly all my customers are white. They appreciate Eastern techniques and are open to new and alternative methods. Asians do not want to spend money on them and think beauty treatments are too extravagant.”

Main Challenges

There was mixed reaction to being a woman in business, “I am not taken seriously by sales reps, they want to deal with my husband although I am quite capable of making decisions myself.” The property letting woman says, “I think that it is easier the fact that I am a woman. It helps me deal with the customers a lot more easily.” On the whole, dealing with clients
seems too advantageous for being female but any external dealings e.g. business representatives, accountants among others proves more challenging. It takes time to establish you and to be taken seriously as a businesswoman “A woman on her own in a competitive catering sector was a challenge. Others think that you don’t stand a chance of success. However, now people have realized that I have proved myself and made my mark.”

The main challenges facing these women are both personal and business related, “I hate having to make all the major decisions by myself.” Difficulties arise in roles overlapping, “Juggling my business and my children, I just don’t have enough time”. There is also conflict between the traditional roles assigned to a woman and her need to prove herself in the marketplace, “Family is important to me and it was not easy to manage the children when they were young, but as they grew they have been a great support to me and the business. Now that they are independent I have more time to devote to the business. “Business challenges, like any other small business, were to do with growth, “I am expanding my catering business and looking for new units.” Problems remain in key areas of business growth, “Procuring clients; marketing and developing my business”; or in developing the customer base, “I’m too reliant on my small group of existing clients.”

Conclusion

The first generation placed a greater importance on economic necessity and unemployment (push factors), the second and third generations are placing a greater importance on the opportunities that exist within the UK for doing business and links to the country of origin (pull factors). Therefore entry into business is a positive choice not a last resort. Despite these ‘pull’ assertions second generation Asians are still entering businesses with long hours, low value-added, low growth potential and highly dependent on family finances.

The research points to two levels of involvement by ethnic women in small enterprise: firstly, ethnic women co-owning and operating their business with their spouses, where male is the dominant decision maker, and secondly ethnic women partly or wholly owning the business and having entire control of the operations and decision
making. Ethnic women feel they are weak in finance and marketing skills and strong in the area of dealing with people. Attributes to success include customer service and willingness to work hard. The main barriers to success are male chauvinism, preferential treatment by banks and the perception that women lack knowledge. The source of start-up is their own savings; they do not have easy access to start up funds from banks and financial institutions. However, more and more women are approaching financial institutions with business ideas.

These businesses offer an excellent opportunity for training organizations and legislative bodies particularly in the area of employment. The one point made about the first generation EMB community was that there was a lack of communication and dialogue between business service providers and the Ethnic Minority (EM) community. The new generation of business owners are fully integrated into the community, have been educated here and are fully versed with Western practices so business support providers need not complain about distrust, closed doors and a lack of interest. There is a great opportunity to learn from these businesses.

There are issues of skill shortages that can be addressed, the women in particular seek out and attend courses they feel will help with their business and their own style of management, the men appear more reluctant to do so. The potential for ‘breakout’ still exists as many of these businesses are relying on narrow, co-ethnic markets for custom. Growth is a challenging factor. Nearly all the respondents interviewed are eager to expand; they are hindered by lack of available finance or the time and labor to expand. These businesses, despite being low value-added and labor intensive do have an enormous potential for growth particularly by diversifying into other areas as the news agency has done (mobile telephones, sandwiches, money transfers etc.). This research adds to the body of growing literature on the diversity of ethnic minority businesses.
Bibliography


SECOND/THIRD GENERATION ASIAN BUSINESS ENTREPRENEURS...


