

The Dynamics of Ethnic Entrepreneurship: Vietnamese Small Business in Victoria

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Doctor of Business Administration Declaration

"I, Jenny Katis, declare that the DBA thesis entitled 'The Dynamics of Ethnic Entrepreneurship: Vietnamese Small Business in Victoria' is no more than 65,000 words in length including quotes and exclusive of tables, figures, appendices, bibliography, references and footnotes. This thesis contains no material that has been submitted previously, in whole or in part, for the award of any other academic degree or diploma. Except where otherwise indicated, this thesis is my own work."

Signed: Jenny Katis

Date: 9 January 2017

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ABSTRACT

Small businesses represent by far the largest proportion of business entities within Australian business, and as such represent a vital component of the country's economic structure (ABS, 2016). There has been a significant increase in the Australian population due to immigration from a range of countries. In fact, Australia is now very diverse, with migrants arriving from more than 200 countries across the world. There are approximately 5.3% of all small businesses that are run by Vietnamese entrepreneurs in Australia (ABS, 2016). It is clear from this figure that Vietnamese small businesses make up a significant proportion of this sector in Australia.

This thesis examines the dynamics of Vietnamese migrants in small business in Victoria. The consideration of environmental and personal factors in understanding Vietnamese migrant business start-ups, survival and Ethnic Entrepreneurship theories has been the focus of discussion for this study. Firstly, there is a general consensus of *what* contributing environmental and personal factors influence the Vietnamese migrant in business start-up. Secondly, the thesis looks at *how* these factors are associated with the Ethnic Entrepreneurship theories identified in the literature. Lastly, the work identifies *what* factors have contributed to the Vietnamese migrant in sustaining their small business.

This study presents a research framework that emphasises the complex relationships between the start-up and survival phases of a small business, and shows how environmental and personal factors can be analysed using established Ethnic Entrepreneurship theories. A model diagram was developed from the literature on the interrelationship of the Ethnic Entrepreneurship theories of Blocked Mobility, Ethnic Resources, Ethnic Enclave, Social Capital and Social Network. The complexity of this diagram indicates how the influencing characteristics of small businesses identified by these Ethnic Entrepreneurship theories are interrelated.

To provide empirical data for the study, a semi-structured interview approach with qualitative methods was used to investigate how Vietnamese migrants have started and sustained their small business operations in Australia. The study results indicate that a number of environmental and personal factors have had a major contribution to these

migrants starting and sustaining their business. The use of a theoretical lens related to the model developed for the research framework, reveals that ethnic resources were considered a strong facilitator in business start-up potential. These resources were closely linked to social support related to ethnic community networks, which showed the importance of environmental factors in establishing such a business.

There are managerial implications arising from the results of this research for future potential small business owners. This research recommends that business and government sectors who want to encourage ethnic migrants into small business ensure that access to affordable, industry-specific business functions and events are available. The Ethnic Entrepreneurship theory map developed in this study provides guidance for policy makers and intending entrepreneurs as support mechanisms to encourage and sustain a small business.

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CHAPTER 1

Introduction

1.1 Introduction

Small businesses comprise a substantial component of the Australian business sector, and represent up to 96% of all businesses (ABS, 2016). This figure clearly indicates that small businesses have a significant and important effect within the Australian community. They represent by far the largest proportion of business entities within Australian business, and as such represent a vital component of the country's economic structure. Small businesses make a significant contribution to Australia's gross domestic produce (ABS, 2016), with some 4.8 million people employed during 2009-2010 in this industry sector. It has been further claimed that the small business sector has generated over one third of the key industry metrics (ABS, 2016).

The Australian Bureau of Statistics (ABS, 2014) has indicated that from this group of small businesses, around 29% are considered to be 'ethnic businesses'. An implication of these observations is that the country's small business activity requires specialised understanding to preserve its key role in raising national revenue and also in providing significant community employment. Arguably, the processes of starting up and maintaining a small business are quite different to those in medium-sized and large businesses, and, in particular there are issues related to the fast revenue turnover of small businesses (Reijonen, 2008). Therefore, this study, which is related to aspects of small business, will provide a useful and timely contribution to the understanding and encouragement of ethnic entrepreneurship in Australia. It will have a particular focus on the Vietnamese community, who have made a significant contribution to the Australian community and economy in recent years, the study of which will provide valuable knowledge for future management and enhancement of ethnic small business in general.

1.2 The Social Context

The modern Australian community involves the interplay of a number of contributing social factors, such as the effect of increasing population growth from migration, the

changing professional background of the population, and the entrepreneurship preferences of immigrants as well as their religious and cultural beliefs. These issues are particularly important to the multicultural Australian context, and in this regard, many of these factors rely upon the success of ethnic small businesses and their potential positive effect on national economic stability (Collins, 1995; Chrysostome & Lin, 2010).

There has been a significant increase in the Australian population due to immigration from a wide range of countries. In fact, Australia is now a very diverse country, with migrants arriving from more than 200 countries across the world. The Australian Bureau of Statistics (ABS, 2016) reveals that the Australian population has grown to more than 23 million, whereas without expanded migration policies it would only be 13 million. At present, data shows that almost 27% of the population are first generation migrants and 20% are second generation migrants (ABS, 2016).

Kaplan (2010) has suggested that when you bring people into a country, there is more production, more demand and more wealth created; it is claimed that this is due to migrants being big contributors to national economic growth. Thus, it is clear that this high level of migration has been an important influence on contemporary Australian society. The Department of Immigration and Citizenship (DIAC, 2012) showed that the net economic contribution of migrants was around \$880 million in their first year of residence. This statistic underpins the further observation that, as immigrants settle in their new homes, their capacity to build the national economy increases, being estimated as a net fiscal benefit of over \$10 billion in their first 10 years of settlement (DIAC, 2012).

In addition, Collins (1991) revealed that the change in immigration policy in the 1980s was specifically aimed at improving labour market outcomes for immigrants. This led to a wide recognition of the economic and social importance of migration and migrants' contribution to the Australian economy. It is estimated that migrants accounted for 65% of job growth between 2009 and 2011 and, further, there is a 75% of workforce participation for those who arrived within the six months, as compared with 67% participation for the national average (ABS, 2016). These figures demonstrate that immigrants contribute to the Australian economy through such activities as their own spending, business expansion and their valuable contributions to the labour force. More importantly, in relation to this study, immigrants bring new skills and capital into

Australia, they develop a range of new businesses, and they contribute to the diversity of knowledge related to foreign business markets, particularly in the Asian region.

Furthermore, Light and Rosenstein (1995) observed that in high immigration countries such as Australia, Canada and the United States, the immigrants manifest a higher self-employment and entrepreneurship than their non-immigrant counterparts. Consequently, Liebig (2006) argued that in Australia, there is therefore value in assisting migrants to start their own new businesses since this supports these newer migrants in obtaining employment. Research shows that migrants from non-English speaking backgrounds are comparatively more successful in establishing small business ventures and have lower rates of failure compared to those with English-speaking backgrounds (Refugee Council of Australia, 2010).

These contributions thus add significant value to Australian society, and it has been observed that a large number of small businesses in Australia now are owned and run by people from ethnic communities (OECD, 2010). There are approximately 43% of the Australian workforce who are foreign born, and many of these have had a job since their arrival and have received some form of help to find their job from family and friends (ABS, 2009). These figures clearly indicate the significant synergistic involvement of migrants in small businesses, since these businesses in turn support the Australian economy (Collins, 1997).

Whilst the foregoing statistics underline the contribution of migrants to the small business sector and therefore the importance of ethnic businesses, the reasons for migrants being so successful in small businesses is currently not widely understood. If this is to be a growing trend in the Australian economy, there is a consequent need to understand the nature of these entrepreneurial operations within ethnic communities (Theophanous, 1996). The importance of understanding the complexity of these issues is that there are many different ethnic groups represented in Australia's small business community, and each community has specific needs. By developing an understanding of the specific needs of each group, this will allow Federal and State Governments to provide targeted assistance to start-up enterprises and thus bring stability to this area by sustaining the involvement of migrants groups in small business.

Although there has been some understanding developed regarding this area (Collins, 2003b), there still needs to be continuing research in order to further clarify the establishment of successful small businesses, the factors that contribute to these business establishments and lastly the sustainability of these small businesses. Collins and Low (2010) examined why some immigrants have higher rates of business involvement as compared to others having lower representation, and it is anticipated that this work will be of some significance to this issue.

As indicated earlier, it is contended that a better understanding of small business operations by migrant groups will allow better structural support of this sector. In this investigation, theories of Ethnic Entrepreneurship will be used as a guiding framework. It will particularly look into the dynamics of ethnic business entrepreneurship in Victoria, with special focus on cases of sustainable Vietnamese small businesses. There are 5.3% of all small businesses which are run by Vietnamese entrepreneurs in Australia (ABS, 2007). It is clear from this figure that Vietnamese small businesses make up a significant proportion of this sector in Australia, and consequently they make a disproportionately large contribution to the economy relative to the general population (Collins, 1995). The genesis of this significant entrepreneurial group is that, due to the Vietnam war, there was considerable migration of boat people, refugees and migrants to Australia in the late 1970s (ABS, 2008). Many of these migrants clearly had entrepreneurial skills, with the result that Vietnamese small business became very visible in Melbourne, particularly in the streets of Footscray and Richmond.

1.3 Definitions and Terms used in This Thesis

The following terms, with their given definitions, have been used throughout this thesis:

Migrant: a person who has moved from their birth country to another country.

Immigrant: a person who comes to live permanently in a foreign country.

Minority: a small group of people within a community or country, differing from the main population in race, religion, language or political persuasion.

Co-Ethnic: a person who is sharing a common and distinctive culture, religion or language.

Small Business: defined as an actively trading business with 0-19 employees (ABS, 2011). Actively trading businesses are businesses with an Australian Business Number (ABN) and actively remitting in respect of a Goods and Service Tax (GST).

Ethnic Business: a business where the owner is from a distinct social and cultural background to that of the host country.

Vietnamese Small Business Operator: is recognised as one who is born in Vietnam and considers themselves ethnic Vietnamese.

1.4 The Case of Vietnamese Migrants

In 1975, after the Vietnam War ended in Vietnam, the first group of Vietnamese migrants arrived in Australia. Up until 1975, there were fewer than 2,000 Vietnamese-born people in Australia. Following the takeover of South Vietnam by the North Vietnamese communist government in April 1975, Australia, being a signatory to the Convention Relating to the Status of Refugees, agreed to resettle its share of Vietnamese-born refugees under a refugee resettlement plan between 1975 and 1985. After the initial intake of refugees in the late 1970s, there was a second immigration peak in 1983-84. This was most likely a result of the 1982 agreement between the Australian and Vietnamese governments that allowed relatives of Vietnamese Australians to leave Vietnam and migrate to Australia. A third immigration peak in the late 1980s seems to have been mainly due to Australia's family reunion scheme. Over 90,000 refugees were processed, and entered Australia during this time (ABS, 2016). By the 1990s, the number of Vietnamese-born people migrating to Australia had surpassed the number entering as refugees with more family sponsored migrants. At the most recent census, there are over 70,000 Vietnamese-born migrants who have settled in Victoria (ABS, 2016).

Viviani (1984) states there is ambiguity in the use of the term Vietnamese; it generally refers to those people who left Vietnam. Among those who left Vietnam were both ethnic Vietnamese and ethnic Chinese. The distinction between the two is a crucial one and is indicated in the thesis by the use of the word ethnic in the appropriate context. In this context, ethnicity refers principally to the differences between ethnic Vietnamese and ethnic Chinese. The notion of class and culture is used to indicate the relevant Vietnamese values regarding the various aspects of settlement.

It has been observed (Peters, 2002) that one of the fastest growing small business groups in Australia is managed by migrants arriving from Vietnam since 1978. Collins, Gibson, Alcorso, Castles and Tait (1995) stated the majority of businesses in Melbourne were bought in the 1980s from Greek migrants who were leaving Richmond and relocating to adjoining suburbs and areas away from the city centre. There are a number of Vietnamese pharmacies, butcher shops, fruit shops, bread and cake shops, fabric shops, Asian grocery shops, book shops and abundant Vietnamese restaurants in Footscray and Richmond. The customer base of a number of shops are predominantly Asian; in others, especially the cake and hot bread shops, the customer base is mixed and/or predominantly non-Asian (Collins et al., 1995).

Bates (1989) contends that successful entrepreneurs tend to be highly educated, their firm has a sound capital structure and exhibit growth characteristics in the small business sector. The uniqueness of the Asian immigrant business community lies in the type of business that these entrepreneurs are in small scale low-yielding retail and personal services sectors. For example, in the US, a large number of self-employed Asian migrants work in the restaurants, grocery stores and laundries (Bates, 1997).

Further examination of the success measures of self-employment among Asian immigrants have been analysed in several instances; Boyd (1991) studied their earnings from self-employment and Bates (1994) investigated the survival patterns of small firms. Neither study supported the stereotype of business success. Empirical studies most commonly sought to explain the variation rates of self-employment exhibited by the immigrant groups (Blanchflower, 2004). Studies are often descriptive (Bonacich & Modell, 1980), focusing on the owners' traits as well as the operating environments of the immigrants' businesses (Min & Bozorgmehr, 2003).

This thesis will undertake a study of Vietnamese small businesses operating in Melbourne. This study aims to contribute to a greater knowledge of the Vietnamese small business in terms of generating a better understanding of the ethnic community and issues related to Australia's ongoing migration. Lessons learnt in this study may provide new knowledge to help future migrant groups with their entrepreneurship ventures. A model will be developed to characterise the establishment and sustainable operations of Vietnamese small businesses. This study will facilitate an improved

understanding of the issues and will be of value to all levels of government, business advisers and other groups in the community such as ethnic chambers of commerce.

The justification for studying ethnic business in Australia will be contributing to the available research in this area, yet ethnic businesses represent a major part of the economy. This study of small business owners' views about their development and sustainability is significant because their responses may influence government policy on ethnic small businesses. Thus, the research has implications for the enhancement of economic policy benefits for Victoria.

1.5 Research Proposition

The study will examine ethnic minority businesses in Australia, thus providing support for explaining ethnic minority business growth in Victoria. According to the Australian Bureau of Statistics (ABS, 2007) there were approximately 31,000 Vietnamese small businesses in Australia. This study will provide a significant contribution to the body of knowledge by generating a greater understanding of the establishment and sustainability amongst the Vietnamese small businesses. Ethnic business has been of interest to banks, academics, business professionals, governments and policy makers (Dhaliwal & Gray, 2008). This research will enable practitioners, educators and policy makers to gain insight into the possibilities and limitations in the Australian environment for ethnic small businesses. The findings of this study will help to improve entrepreneurial education and policy on these minority groups (Ekwulugo, 2006).

The gap identified in the literature is that there are a limited number of studies of Asian entrepreneurship in Australia. In one of the few studies, Collins (2002) outlined the necessity to investigate how ethnicity has shaped the changing dynamic patterns of entrepreneurship in Australia. More particularly, given the significance of the numbers of Vietnamese immigrants in Australia and their visibility as small business operators in Victoria, it is logical to study their experiences in small business.

1.6 Aim of the Research

This study will aim to examine the environmental and personal factors that influence the Vietnamese migrant into starting up, and sustaining, a business. It will also identify the

relevant Ethnic Entrepreneurship theories from the literature to determine the start-up and survival of these small businesses.

The main questions directing this research are as follows:

- 1.6.1) *What* are the factors that lead to the start-up of Vietnamese small businesses?
- 1.6.2) *How* do these factors link to existing Ethnic Entrepreneurship theories identified in the literature?
- 1.6.3) *What* are the contributing factors that may explain why some Vietnamese small businesses are more sustainable than others?

1.7 Outline of the Thesis

This thesis contains seven Chapters and nine appendices. The aim of Chapter 2 is to present a review of the literature on the examples of different migrant groups around the world and the success factors of an ethnic small business.

Chapter 3 presents the conceptual framework in which the research objectives are identified, the development of the ethnic entrepreneurship theories is shown, the research questions are posed and the framework detailed. Following on from the logic presented in the framework, Chapter 4 contains the research methods and the methodology adopted for the operation of the case study approach. The application and use of qualitative methods for data collection is described in the research process.

Chapter 5 presents the results and findings of the business start-up for this research and Chapter 6 presents the results and findings of the business survival of Vietnamese small business owners.

Finally, Chapter 7 completes the study with a summary of findings of the Vietnamese small business owners in Footscray and Richmond. A reflection of the significance of the research findings and the contribution of this study to other immigrants in small businesses are covered. This is followed by constraints to be considered and, lastly, policy implications and opportunities for further research and practice are included.

CHAPTER 2

Literature Review

2.1 Introduction

This study provides a review of the literature that is pertinent to the study of migrants in small business and, in particular, small business operators from a Vietnamese background. According to census statistics, about 0.12% of the population of Australia was born in Vietnam (ABS, 2016). The Australian Bureau of Statistics (ABS, 2016) indicated that there were around 72,000 people of Vietnamese background living in Victoria, in particular in the Melbourne suburbs of Richmond and Footscray. The strong prominence of Vietnamese small businesses concentrated in these suburbs justifies the importance of studying this particular group of migrants for this investigation into immigrant entrepreneurship.

However, only a few researchers have covered this ethnic group in their work in the last three decades, and to date, there have only been limited studies investigating small businesses operated by the Vietnamese in Australia (Lever-Tracy, 1991; Collins, 1997; Peters, 2002). For example, Peters (2002) conducted a study on immigrant enterprise in Western Australia. His study found that for Vietnamese entrepreneurs, an important indicator of their success was their work ethic and quest for knowledge. The Vietnamese group identified in the study was mainly self-employed and worked at home-based jobs. Lever-Tracy (1991) conducted a study on the Vietnamese 'boat people' based on their journey to Australia and how they have settled into the country using their entrepreneurial skills.

This Chapter starts with Section 2.2 providing a broader picture of small business in general and describes how it differs from entrepreneurship. In Section 2.3, it examines motivations for small business establishment, as this is the first step in becoming a business owner. Section 2.4 represents ethnic migrants in small businesses from around the world and Section 2.5 discusses the factors associated with success in ethnic small business. Lastly, Section 2.6 concludes with a summary of the literature review, highlighting some gaps in the literature.

2.2 Small Business Context

In the last two and half decades in Australia, there has been a shift towards an entrepreneurial economy boosted by growth in small business. The main reason for the emergence of this entrepreneurial economy is related to policies stemming from investments in new knowledge, intellectual property and human capital (Audretsch, Keilbach & Lehmann, 2006). Furthermore, policies central to the entrepreneurial economy such as deregulation, privatisation and labour market flexibility, have encouraged the growth and development of small businesses across many western countries (Audretsch & Thurik, 2001). This in turn, has resulted in small business and entrepreneurship becoming the focus of research and discussion both internationally and in Australia (Storey & Greene, 2010).

Given the economic significance of small businesses in Australia and other countries (Walker & Webster, 2007), they are often seen as the answer to economic inactivity and unemployment, and to provide regeneration stimulus (Angove, Cresswell, Akhtar, Rolfe, Brooksbank, & Thomas, 2008). Small businesses help to diversify the country's economic base and provide an opportunity to respond to a variety of changing market conditions. They offer an element of control and accountability while effectively creating niche markets that are often ignored by large organisations. Small businesses also provide much needed competition for each other and larger companies, and assist in the development and growth of new technology and innovation (Beaver, 2002).

Small business is an important and thriving source of gross domestic product, employment and revenue (Storey & Greene, 2010). Australia has a healthy business community that cultivates the creation of small businesses in Australia (ABS, 2010). However, the lack of knowledge, time and resources often limits small business owners from conducting regular business analyses in order to recognise potential threats and to detect and capitalise on opportunities (AusIndustry, 2007). Some of the major challenges for business include Australia's overall economy, taxes and regulation, attracting and retaining a quality workforce, education and training, finance and global competition. As small businesses are increasing their investments in technology, governments are strongly supporting them by promoting entrepreneurship among minorities and migrants in the United States and by advancing education and training (Moutray, 2009).

Of interest to this investigation is that Australian research distinguishes between the terms 'entrepreneur' and 'small business owner', whilst American researchers use these terms interchangeably. Further, the meaning of the word 'entrepreneur' is not widely agreed upon, and is used variously in the literature. One definition of entrepreneurship is the process of initiating a business venture, gathering the necessary resources and taking the associated risks and rewards (Samson & Daft, 2009). The word entrepreneur originates from the French word 'entreprendre' which means to undertake (Oxford Dictionary, 2015), but it is based on an ancient notion that can be both simple and complex, depending on the situation.

Whilst small businesses are universally considered to be an important segment of the business community, different countries have developed their own classification and definition of small business that reflect the character and make-up of their economy (Walker & Brown, 2004). For example, the UK defines small business as those with zero to 49 employees (Carter & Evans, 2006), but, on the other hand, the European Commission's definition is based solely on the number of employees and defines small business as those that employ 10 to 99 people (Beaver, 2002). In Australia, however, the Australian Bureau of Statistics initially defines small businesses as those who have fewer than 20 employees (ABS, 2010b), then it further classifies these small businesses into three different types:

1. Non-employing businesses: sole proprietorship without employees;
2. Micro businesses, employing fewer than five people and including employing businesses;
3. Other small businesses, employing five or more people but fewer than 20 people (ABS, 2010b).

This research, on ethnic small business, focuses on Vietnamese small business owners with or without employees, which could thus involve the investigation in each of the three sub-categories above.

As indicated earlier, even though the terms 'small business owner' and 'entrepreneur' have much in common, and the words 'small business' and 'entrepreneurship' are frequently used in the context of small business, there are major differences between

entrepreneurial activity and small business (Breen, 2004). That is, rather than being primarily involved in generating income that replaces traditional employment, as in the case of a small business owner, a successful entrepreneur creates considerable wealth, often over a short period of time (Silver, 2009). In addition, the risks involved for entrepreneurial businesses are often greater for small businesses. Finally entrepreneurship often involves significant innovation in products, services or the processes used to deliver those services or products (Baycan-Levent et al., 2006). This innovation gives the entrepreneurial business a competitive advantage that often results in wealth creation (Mason, 2011). Despite their differences however, entrepreneurs may be thought of as small business owners with higher degrees of creative and intuitive personal qualities, innovation and risk-taking (Samson & Daft, 2009).

Although this research was conducted in Australia, it also refers to the American literature and acknowledges the similarities between entrepreneurs and small business owners. However, given the differences mentioned above, and the Australian context within which this research is being conducted, the research distinguishes between the terms 'entrepreneur' and 'small business owner' and the phrase 'small business owner' in this thesis refers to owner/manager of a small business or micro business.

As the number of trading businesses increases in Australia (ABS, 2016), the motivation for people who choose to start their own business continues to be the focus of research and discussion both domestically and internationally. The research questions in this study go further, as they are not only designed to explore the reason why Vietnamese small business owners choose business ownership, but also consider the complex relationships that exist between business start-up and business survival.

2.3 Motivation for Small Business Establishment

For the purposes of this study, a small business start-up is defined as the first appearance (birth) of an establishment or purchase of an existing establishment through a business district (Baker, 1995). Storey (1994) brings together a number of definitions for the 'birth' of small firms over time, space and sector. A distinction is made between the work of industrial economists, focusing on the structure-conduct-performance paradigm and labour market economists who examine new business start-up as a decision exercised by the individual in the context of the labour market. In making such a

decision, the individual is influenced by a variety of factors including work experience, motivation, personality, family environment and societal norms. These latter influences have been the prime focus of explanations of new business start-up provided by non-economists, and it is this approach of the motivations for new business start-up that has been adopted in this study (Storey, 1994)

Research using the labour market economists' approach is largely derived from the work of Knight (1921), who argued that an individual could exercise choice by being in one of three situations: unemployment, paid employment or self-employment. In certain circumstances, changes in the relative income levels might induce some individuals to move from one situation to another. In such a case, an individual has to consider income levels associated with seeking new paid employment, becoming self-employed or remaining unemployed. If unemployment is high, that person will be more likely to consider either self-employment or unemployment.

Knight's (1921) framework draws our attention to the influence of "push" factors in the decision to start a new business. Similarly, Mayes and Moir (1990) argue that the relative attractiveness of self-employment and setting up small firms increased as it became difficult for the large number of unemployed to find work. Self-employment may be riskier, and may result in a lower level of earnings, than full-time paid employment with an established business. Nevertheless for some people, when there is a choice of being unemployed and receiving a government benefit, self-employment and small business start-up may be considered more attractive.

Furthermore, with "push" factors one needs to take into account the fact that some individuals are more likely than others to become self-employed due to a variety of "pull" factors. For example, Gray, Healy, Crofts (2003) state that the lure of personal independence is an important "pull" factor in the decision to seek a career as a small business owner although "push" factors such as redundancy, recession, and blocked promotion can play a stronger part for many self-employed.

Similarly, Rath and Kloosterman (2001) referred to this issue as immigrant entrepreneurship and mixed embeddedness. Embeddedness has become a crucial concept in explaining the success of entrepreneurs in general and that of immigrants in particular (Waldinger, 1995). Kloosterman et al., (2001) defined mixed embeddedness

as a concept that is much closer to the original meaning of embeddedness as intended and encompassing the crucial interplay between the social, economic and institutional contexts.

In this situation, the mixed embeddedness focuses on the demand side of the opportunity structure which confronts the potential immigrant entrepreneur in starting-up a new business. The importance of this is that the immigrant entrepreneur has to accept the specific socio-economic make-up of their new place of living (Rath, 2000). In socio-economic terms, immigrants have long been depicted as workers; however, this has been more recently shifted towards immigrants from less-developed countries that start their own businesses (Rath & Klosterman, 2003). Arguably, by starting their own businesses, immigrant entrepreneurs create their own jobs.

In contrast Peters (2002) argues that, while the mixed embeddedness explanation gives a more comprehensive explanation than previous models, it nonetheless fails to explain the wide-ranging inter-ethnic variation in entrepreneurial concentration observed among immigrant groups around the world. It contends that the reasons for this are the model's lack of historical perspective and focus on the lower end of the market.

Other research focuses on human capital factors in the decision to become self-employed. For example, Evans and Leighton's (1990) empirical work in the US presents consistent evidence that, all things being equal, educational attainment levels are positively associated with a move into self-employment or new business formation. Birley and Westhead (1993) found that the incubator organisation provided personal contacts, market knowledge, managerial skills and industry knowledge. This had significant influence on the location and characteristics of the business and the decision to start-up.

It is expected that these factors may be an important motivator for business start-up among the group of small businesses in this study. However, it will be interesting to discover whether these factors are also an important motivator amongst the group. The motivation for start-up is likely to have implications for the types of support services and training needs required by small business owners and may also have a bearing on their ultimate success or failure in business ownership around the world.

2.4 Ethnic Migrant Groups in Small Businesses

The literature relevant to this study has been generated over the past three decades. There have been a number of studies conducted with various ethnic migrant groups, and these have been carried out in the United States, the United Kingdom, Europe, Australia, New Zealand and Asia. The literature available in the area of ethnic migrants in small business, together with ethnic entrepreneurship theories, are discussed below using geographical categories.

2.4.1 The United States

There have been several studies conducted in the US on ethnic entrepreneurship. Research related to ethnic small business in the US has been conducted with Cubans, Chinese, Koreans and Vietnamese over the past 30 years. Portes and Wilson (1980) who studied the Cuban business sector in Miami, suggest that the Cuban workers earned more for working in a co-ethnic firm. Some of the workers later became self-employed or ran small co-ethnic businesses. Portes and Wilson (1980) observed that a minority group was able to survive through ethnic support in their local community by clustering in the same location. They also found that self-employment in an enclave environment appears to be well remunerated for Cubans in terms of building their capital wealth. In addition, co-ethnic networks were used to manage businesses, noting that employers, employees and many customers are from the same ethnic group living in nearby enclaves (Pfeffer & Parra, 2009). Pfeffer and Parra's findings indicated that enclave workers had distinctive characteristics based on a return of past human capital investments, but these characteristics were absent among those immigrant workers in the secondary labour markets.

In addition, Light (1984) studied minority ethnic enterprises from the perspective of ethnic resource theories. These theories suggest that immigrants developed higher than average rates of entrepreneurship because they drew upon special resources which native groups (non-immigrants) lacked. Success in ethnic small business inevitably requires ethnic resources, with some evidence indicating that immigrant and ethnic minority groups are overrepresented in small business because of this access to ethnic resources which permits them to compete favourably with the native workers. In addition, Gold (1992) used the theories of Blocked Mobility and Ethnic Resources to study Soviet Jewish and Vietnamese refugee entrepreneurship. Gold (1992) discovered that there

was distinguishing characteristics evident within these refugee groups relevant to their participation in small business. These characteristics included, amongst others, their skills, education and industry experiences.

Kim and Huhr (1989) examined the high proportion of Korean immigrants involved in self-employed small businesses. Their findings suggest that ethnic resources facilitate the immigrants' business entry, and give them a competitive advantage by having their families support them financially. The results also indicated that while ethnic resources provide the Korean immigrants with business entry, there are problems that arise due to intra-ethnic business competition.

In a similar study conducted by Yoon (1997), ethnic resources were used as an explanation for ethnicity and class in contemporary Korean immigrant businesses in Chicago. The study assessed the relative contribution of ethnic resources to Korean immigrant businesses and observed how the relative implication of ethnic resources changes over the course of business development. Yoon's (1997) empirical results indicate that there was a significant contribution of ethnic resources (i.e., financial resources, information on business advice from family members, friends or credit associations) in the initial stages of business development. However, the findings indicate that these resources are less important in determining business success at the advanced level. Although ethnic resources are important at the initial start-up phase of business, they become irrelevant or insufficient at a more advanced stage.

On the contrary, Smith, Tang and Miguel (2012) studied Arab Americans and discovered several pathways to success which were important to Arab American immigrant entrepreneurship such as: the amount of start-up capital provided by families and friends; previous training and education; local Arabic support networks; and support organizations in Detroit. Smith et al.'s (2012) results provided an insight into business success and development in the US, applying the concept of Enclave theory as a useful explanation for Arab American entrepreneurship also in Detroit. Smith et al.'s (2012) findings are consistent with the US findings of Portes and Wilson (1980) in terms of clustering in the same locations and having the support network of the families. This observation signifies the importance of the ethnic enclaves and the impact it has on their business development. Furthermore, the findings of Smith et al. (2012) and Portes and

Wilson (1980) indicate overlaps between the theories of Ethnic Resources and Ethnic Enclave.

In another study, Portes and Zhou (1992) stated that immigrant enterprise can spin off new kinds of economic opportunities such as immigrant business establishment, with direct consequences for the ethnic economy. Similarly, a later study conducted by Portes and Zhou (1999) identified Chinese and Africans as minority immigrants in the US. Their study identified that ethnic minorities represent a major pathway for economic mobility in immigrant entrepreneurship. They also found that ethnic resources used in small businesses are like a family affair and that women's participation in these businesses are crucial to the success of the small business. Their findings further suggest that the presence of small immigrant concerns can provide incentives for other immigrants to try their hand at the same lines of businesses. More recently, Portes and Zhou (2012) examined Mexican and Chinese businesses in US. Their study found that there is an important developmental synergy produced by the rising interactions between immigrant organizations and the host country. The Chinese that are concentrated in large communities in New York and Los Angeles have a greater likelihood of being self-employed than Chinese in the United States overall (Portes & Zhou, 1999), suggesting that it is easier for people to exchange business information if they are concentrated in enclaves.

In addition, Waldinger (1993) looked at the debate over the Ethnic Enclave theory. He examined the Cubans in US through the immigrant network, revealing that the immigrant employers' risks were reduced as their ethnic networks widen their workers' contacts. The findings of his study showed that there was improvement in the chances for business success through obtaining appropriate employment skills. Waldinger's (1993) thoughts are consistent with the other US studies of Light (1984) and Portes and Zhou (1992) in that they all had similar findings on the idea of employing the right people for business success. By finding out new events quickly, coethnic employers and employees reduce risks associated with investment (Waldinger, 1996). Next, business people find a protected market in enclaves. In the same way, Portes and Zhou (2012) studied the Mexicans and Chinese in the US and how they used aspects of issues covered by Ethnic Enclave theory to manage their businesses.

In summary, the findings from the US draws upon a few similarities of the notion that most migrant groups use ethnic resources and rely on their family and friends to start-up their businesses (Light, 1984; Kim & Hurh, 1985; Yoon, 1997; Gold, 1988, 1992). On a different note, some researchers have recently found that migrants also use ethnic enclaves to support their business developments in the US (Smith et al., 2012; Portes & Zhou, 2012).

2.4.2 The United Kingdom

Basu and Goswami (1999a) studied the South Asians' entrepreneurship growth in the UK with relation to Social Capital theory. Their findings suggested that migrant business growth depends positively on personal savings invested at start-up, educational attainment, hard work in the initial stages, and the delegation of responsibilities to non-family members. Further analysis indicates that later entrants into business had relevant prior work experience and focused on serving non-Asian customers, factors which have significantly contributed towards their success. Altinay and Altinay (2008) studied the factors influencing Turkish migrants' entrepreneurship in UK. Their findings showed that there is a relationship between fluency in English and business growth in all sectors. They found that education appears to be an important factor for the business growth of the firms in the catering and service sectors. Also, reliance on the co-ethnic market is a key contributor to growth of firms in the retailing sector.

Furthermore, Ekwulugo (2006) studied Africans as a new emerging migrant group in the UK, and investigated how they started up their businesses through the lens of Ethnic Enclave theory. Their studies found that Africans, as emergent migrant entrepreneurs, had potential for growth of their businesses in the UK. The outcome of the study provided useful insights to policy makers and other researchers studying new migrant group entrants to business. Ekwulugo (2006) reinforced the challenges of African small businesses in the UK and attempted to understand their nuances. This study established that black Africans have a great deal of entrepreneurial potential, and results suggest that the Africans worked well to generate information and knowledge about setting up a business. Supporting the ethnic enclaves and businesses does not mean reinventing the wheel, but rather the application of the same principles of support and marketing generally available in the community to these minority groups of small business owners.

Finally, Bagwell (2008) has identified a UK Vietnamese business community, arising from a refugee community, which contains a relatively new group of ethnic minority entrepreneurs. This group has been establishing businesses in significant numbers during the last seven or so years. As the fastest growing Vietnamese business sector in the UK, it was recently found to account for over half of all Vietnamese businesses in London (Bagwell et al., 2008). This study explored how family networks start-up their business and develop their ideas within UK. It refers to the theories of Social Capital and attempts to explain why the Vietnamese refugees continue to enter such a competitive market. The study's results indicate the importance of transnational family networks within all aspects of the business, and suggests that these links can sometimes provide a fertile source of new business ideas. The existence of groundbreaking and well-educated members within the entrepreneurs' strong-tie network, appeared to inspire more successful business development amongst the Vietnamese refugees.

There were similarities between authors who suggest that ethnic community and/or family networks are an influential factor towards entrepreneurship growth (Basu & Goswami, 1999b; Bagwell, 2008, Altinay & Altinay, 2008). However, limitations on the success of these minority immigrants have been derived from authors who focused on new migrant communities such as the Africans and the Vietnamese in the UK, which have to date received little attention in the entrepreneurship literature (Ekwulugo, 2006; Bagwell, 2008).

2.4.3 Mainland Europe

Leung (2003) studied the Chinese restaurant trade in Germany and the use of ethnic social networks. His research focused on their impact on immigration and migrants' employment options. Leung's findings revealed that these entrepreneurs face market challenges, have difficulty in obtaining access to institutional financial support, and advice regarding self-employment in optimising their performances. His findings suggested that successful entrepreneurs adopted strategies towards the modification of their business operations and a range of products as well as tapping their resourceful ethnic social network for venture capital, necessary information, and other forms of support.

Constant, Shachmurove and Zimmermann (2005) studied the factors that drove self-employment among Turkish immigrants in Germany. The reason behind self-employment for these immigrants in Germany is the desire for upward social mobility, to avoid unemployment, and to build their financial status. Overall, his findings suggest that the effects of stability and longevity of a small business comes from the performance of the business and the earnings achieved by the immigrants. In contrast, Pécoud (2004) discusses the impact of self-employment on Turkish immigrants' incorporation in Germany with the focus of Blocked Mobility and Ethnic Enclave theories. His research is ambivalent about the impact of self-employment as a way of achieving upward social mobility and as a path towards harmonious integration in the host country. There is some evidence that these immigrants suffer from socio-professional vulnerability that may then lead to ghettoization, and given the globally inferior position of Turkish immigrants, being involved in business even in a strong enclave, might not be enough to enable them to catch up to the native entrepreneurs.

On a different note, Katila and Wahlbeck (2012) focused their work on the business start-up process of Chinese and Turkish restaurant owners in Finland. Their research examined the role of social capital in establishing a restaurant business and how variations in access to bonding and bridging social capital can explain differences between the two groups. Their findings showed that regardless of the general similarities of the groups, there were differences between the start-up processes and business activities which indicated that relevant social capital can be accumulated in different ways depending on the migration pattern.

There were a few differences found between migrants in business in the European countries. The authors had various suggestion on the type of ethnic theories explaining factors impacting on migrants in their business operations such as Social Network from the Chinese migrants in Germany (Leung, 2003); Blocked Mobility and Ethnic Enclave from the Turkish migrants in Germany (Pécoud, 2004) and Social Capital from the Chinese and Turkish migrants in Finland (Katila & Wahlbeck, 2012).

2.4.4 Australia /New Zealand /Asia

Research has shown interest on the topic of ethnic migrants in small business in Australia (Collins 2010; Peters, 2002; Selvarajah & Masli, 2011). Collins (1995, 2002, 2008) studied the Chinese, Greeks, Italians and the Lebanese in Australia. Collins

(1995) found that Greek and Italian migrants relied heavily on ethnic resources such as the support of their local community to promote their businesses to their customer base. Similarly to these Greek and Italian migrants, Chinese migrants used ethnic resources such as family labour in their businesses, and the majority of them used small business as a launching pad to greater business and community success. Collins (1995) investigated the emergence of ethnic small businesses in Australia as part of the global process of change and its local effects. His most recent study revealed the political economy of the social transformation of Australian suburbs (Collins, 2015). Collins also noted that the alignment of the Australian immigrant intake has varied considerably since the post war period, with Asian immigrants dominating the intakes in the past thirty years. His research on Asian females in small-medium business in Australia incorporates the theories of Social Capital and Ethnic Resources (Collins & Low, 2010). These findings indicate that female immigrant entrepreneurs draw on their human capital, community and family networks, and their small business experience is shaped by broader societal responses to minority immigrants.

Lever-Tracy et al. (1991) studied Asian entrepreneurs in Australia, focusing on the Chinese and the Indian communities in Brisbane and Sydney. Their findings showed that these migrant groups served primarily their own co-ethnic customers, and have relied heavily on ethnic resources to succeed in their small business operations. On another note, Peters (2002) studied various immigrants that were self-employed and had home-based jobs in Western Australia. His findings revealed that an immigrant group's entrepreneurial behaviour must bring together not only the determinants of ethnic resources and the host country's socio-cultural, economic and institutional context, but also the various types of migrants' contribution to self-employment.

Similarly, Selvarajah and Masli (2011) studied the Chinese in Australia, looking at their maintenance and growth within their own ethnic enclave. Their findings showed that: the Chinese entrepreneurs contained high educational and professional competence; they focussed on hard work, persistence, maintaining cultural linkage with countries of origin; and they maintained independence and sense of freedom as the key driving force. It was revealed that there was almost no assistance from government agencies, but there was a strong belief in providing employment and making a contribution to society. Another study conducted by De Vries and Kantor (2012) studied the Indians in New Zealand in

relation to the Blocked Mobility theory as an ethnic minority business. Results of the study identified many of the common Indian ethnic minority traits such as a strong cultural work ethic, adaptability and a predisposition for employment. He revealed barriers in discrimination and job dissatisfaction. However, the study also revealed country-specific characteristics such as a lack of enclaves and differing business drivers amongst the Indians migrants that matched the New Zealand context (De Vries & Kantor, 2012).

Lastly, Chan and Chan (2011) looked at the Thais in Hong Kong using the Ethnic Enclave theory in terms of clustering ethnic minority businesses. In Hong Kong, ethnic minorities constitute only about 5% of the total population, and, of these, the Thai population is only 0.17%. From these statistics, their study suggests that the Thai business circle has been established in the form of an ethnic enclave (Chan & Chan, 2011). This study revealed that the Thais' ethnic networks and business clusters facilitate the business development of restaurants and grocery shops. The findings strengthen the discourse of ethnicity, ethnic enclave and migration by suggesting that the Thais prefer to develop their businesses within their own ethnic network. This was supported by the size of the Thai population and their entrepreneurial presence in Hong Kong. Chan and Chan (2011) found that Thais in Hong Kong formed a cohesive community having strong co-ethnic ties that played a role in promoting the ethnic enclave. It was revealed that the location provides opportunities and cut costs for the Thai business owners. Nevertheless, the development of ethnic enclaves required sufficient capital and initial entrepreneurial skill as well as continuing renewal of the ethnic labour force (Portes & Wilson, 1980).

Overall, this literature on ethnic migrant groups has revealed that whilst most studies on ethnic entrepreneurship were reported in the US, there were a limited number of studies on the Vietnamese ethnic group found in the US, or indeed in UK, Slovakia and Australia. The most frequently covered ethnic group found in this literature review were the Chinese, who have been studied in most of the countries covered. This is a good indication of their strong prominence in ethnic small business around the world. The most recent studies on small migrant entrepreneurs were found in the US and were based on the Mexicans and Chinese (Portes & Zhou, 2012). These migrant groups will be further discussed in more detail in the subsequent sections of ethnic

entrepreneurship theories because they will be used in the conceptual framework to help understand the business start-up strategies used by the Vietnamese migrants.

2.5 Factors Associated with Success in an Ethnic Small Business

The following section looks into the success factors of ethnic small businesses. The reason for inclusion of this section is to provide an insight into how well ethnic immigrants have performed in small businesses in host countries around the world. These points relate to the next chapter, which develops a conceptual framework for interpreting sustainability levels based on these success factors.

Osborne (1993), Ray (1993) and Teng, Bhatia and Anwar (2011) have looked into what constitutes sustainability in terms of business success in a small business. Osborne (1993) recommended a shift from a focus on the personality of the business owner to the firm's underlying business concept and capacity to accumulate capital. Osborne suggested that the business owner needs to have prior understanding of how customers will assess the products and must have sufficient capital when starting up a business. In addition, Ray (1993) suggests that there is no ideal personality type or marginal set of attributes that guarantee success for a new venture. According to Ray (1993), three key elements must be addressed: personality or attributes; background and experience; and skills. The probability of launching a successful business is not based on a fixed set of attributes but on an infinite variety of combinations in which an individual's positive attributes might outweigh their negative attributes. In a recent study, Teng et al. (2011), investigated small businesses in Singapore and found that the overall contribution to sustainability in the lead-up to business success can be found from employment training, prevalence of good products and services and excellent relationships with customers.

It has been claimed that with respect to ethnic businesses, ongoing sustainability "lies in their ability to branch out from their ethnic enclave economy" (Basu & Goswami 1999a, p. 253). More generally, Altinay and Altinay (2008) argue that it is important for ethnic minority small business owners to effectively manage their relationship with their local market. They suggest that, irrespective of their ethnic origin, the ethnic small business owner needs to analyse both their internal and external business environments, in order to be able to achieve sustainable growth. Furthermore, they have found that the growth of Chinese entrepreneurship is a direct result of hard work, reliance on family labour and

community networks. On the other hand, the Lebanese migrants, who arrived in the post-war period as a chain migration sponsored processes, appear to have been employed as unskilled workers in Australia. However, some Lebanese migrants did initially go into small business and became quite successful, most prominently in the clothing industry.

Chaudhry and Crick (2004) examined the successful entrepreneurs in the UK, in particular using a case study of Indian entrepreneurs. Their study found that people from an ethnic background tend to move into self-employment because of the need for 'independence' and 'autonomy'. The need for Indians to focus on successful ethnic entrepreneurs was to facilitate entrepreneurial activities and to act as role models for the other immigrant groups (Chaudhry & Crick, 2004). Their studies concluded that the success of the Indian entrepreneur was attributed to breaking out of serving their cultural mainstream market and addressing the wider market community. They found that ethnic minority groups tend to move into self-employment because of a preference for independence and autonomy. This preference may assist in maintaining a particular lifestyle. Their findings are consistent with that of Basu and Goswami (1999b) who found serving non-Asian customers may have contributed to their success and the constant product improvement and employee training has influenced their growth.

This study by Basu and Goswami (1999b) identified the factors influencing South Asian entrepreneurial expansion in UK and this validates conventional insight which attributes their success to cultural factors. The authors suggest that entrepreneurial growth depends positively on educational attainment, hard work in the initial stages, personal savings invested at start-up, owners with prior work experiences, and the delegation of responsibilities to non-family members. Similarly, Chavan and Agrawal (2002) studied the changing role of ethnic entrepreneurs in Australia. Their research revealed the use of language, ethnic skills, resources and networks for economic benefit had made the ethnic entrepreneur accustomed to these factors for entering into and succeeding in small business. On the other hand, some authors view business success from an entirely different perspective. For example, Osborne (1993), in a study of entrepreneurial success, rejects the idea that success is originated from the owner's competence. He recommends a shift in focus on the personality characteristics of the business owner to the firm's underlying business concept and capacity to accumulate capital. In starting a business, he further suggests that entrepreneurs should start or buy a business which

has a hospitable environment, understand the economics in which the firm operates and be cautious about starting a business where capital requirements are exorbitant.

As highlighted in the literature review, a multitude of factors can impact on the business outcomes. In this section, we discuss the literature which is pertinent to certain business performance namely, success. Research has sought to discover if there are any clear characteristics shared by owners of small businesses that distinguish them from other members of the population and what characteristics are conducive to small business success. The general conclusion appears to be that there is no simple pattern. Rather, the evidence points towards a complex set of interrelated factors that increase or decrease the chance that the individual will become the owner of a successful small business (Stanworth & Gray, 1991). Ray (1993) suggests that there is no ideal type of personal factors that guarantee success for a new venture. In order to understand why some are more successful than others, according to this author, there are three key elements: personal attribute, background experience and skills. Finally he points out that the probability of launching a successful business is not based on a fixed set of factors but a variety of combinations in which individuals can possess.

2.6 Summary

In summary, research has shown that small businesses play an important role in the economy and that there has been growth in the ethnic small business sector. The fact that these ethnic entrepreneurs have become more prominent in society was an important reason to investigate Vietnamese small businesses as there have been limited studies conducted on them (Barrett & Burgess, 2008). Therefore this study has acknowledged the previous work of this group of ethnic entrepreneurs and their use of ethnic entrepreneurship theories. Another aspect of this chapter covered the success factors of ethnic small businesses. These factors were an important element in which added value to the understanding and development of the framework to follow.

The next chapter introduces the research framework that is used for this study. A research model is presented together with three research questions developed from this literature review. Together, these form the foundation of the ethnic entrepreneurship theories used to analyse the motivations and the sustainability levels of the Vietnamese small business.

CHAPTER 3

Research Framework

3.1 Introduction

Chapter 3 focuses on a consideration and evaluation of Ethnic Entrepreneurship theories. By reflecting on a range of previous studies of migrants in small businesses as examples of the application of these various theories to support research in this field, this chapter provides a critical review of these previous studies in order to inform the framework development of the present study. A key intention here is to use and explore the research questions introduced in Chapter 1 with a view to developing a suitable conceptual framework for this investigation.

The literature review in Chapter 2 has identified several theories that have been used in an effort to explain ethnic entrepreneurship. Among these are the theories of: Blocked Mobility (Singh & DeNoble, 2004); Ethnic Resources (Basu, 2004); Ethnic Enclave (Waldinger, 1994); Social Network (Ram, 1994); and Social Capital (Waldinger, Aldrich, Ward, Ward & Associates, 1990). An important concern of this research is to consider to what extent these theories of ethnic entrepreneurship might help illuminate underlying aspects of Vietnamese migrants' motivation for entering into small businesses, how they went about establishing their business, and finally how they ensured that the business achieved stability.

This research is motivated by the desire to more deeply explore Vietnamese migrant behaviours based on their personal experiences in small businesses in Victoria and to ascertain to what extent Ethnic Entrepreneurship theories are consistent with these stories. In particular, this researcher is interested in what specific desires, planning, and resource generation characterises successful existing practices.

Previous research has established how migrants developed their businesses in relation to the various theories of ethnic entrepreneurship (Waldinger et al., 1990; Collins, 2002; Witt, 2004; Bagwell, 2008). Waldinger et al's. (1990) work covered the issue of ethnic resources related to employment and the emergence of ethnic community support.

Waldinger et al. (1990) also identified the importance of an ethnic enclave in terms of involvement of the co-ethnic population. Collins (2002) studied the existence of blocked mobility in relation to migrants' development on the basis of them having limited skills suitable for employment. Witt (2004) considered the application of social network theory in terms of migrants being able to gather a business network association, whilst Bagwell (2008), reviewed aspects of social capital, particularly in relation to the needs to access financial capital for business start-up activities.

This research will build upon these careful observations of previous groups to investigate, in terms of the Australian Vietnamese community, *what* factors influenced and promote their initial business decision and *how* their businesses have survived. It is envisaged that, since this cohort have not been closely studied in the past, that this study may be able to develop a novel theoretical framework that can be used by researchers studying similar migrant groups in small business.

3.2 Research Objectives

Ethnic entrepreneurship is a complex term that has been analysed in the literature from perspectives as diverse as sociology (Portes, 1995), economics (Waldinger et al., 1990) and management (Ram, 1997). As a result, it is not surprising that a number of possible theories have been identified which explain the factors associated with entrepreneurial behaviour (Singh & DeNoble, 2004). The research objective identified for this study on ethnic entrepreneurship is to assist in developing a particular framework that explains the establishment and operations of sustainable Vietnamese small businesses in Victoria. The specific aims are:

- 3.2.1) To investigate factors which influence Vietnamese migrants to establish a small business.
- 3.2.2) To consider the link with various Ethnic Entrepreneurship theories.
- 3.2.3) To identify factors that contribute to the survival of Vietnamese small businesses in Victoria.

3.3 Research Framework

Sociology and labour economics literature have each contributed to the development of theoretical frameworks by addressing the effect of ethnicity and race on entrepreneurship (Harvard Schaper & Volery, 2004). Research into ethnicity and entrepreneurship can be traced back to the classic work of Weber (1930), whose work has continued to influence subsequent literature about the study of ethnic entrepreneurship. This model of ethnic entrepreneurship usually starts when a person begins operating a business for members of their ethnic community by satisfying specific ethnic needs (Greene & Owen, 2004). In this regard, the work of Mazzarol, Volery, Doss and Thien (1999) provides a useful business formation model that can be used to examine the data collected as part of this research. The model shows the relationship between the Environmental factors and Personal factors to Business Start-up.

The research framework to be used in the current study is depicted in Figure 3.1 and was adapted from Mazzarol et al.'s (1999) model. Figure 3.1 shows various factors that can impact on Vietnamese migrants starting a small business. The arrows show that both environment and personality factors of the entrepreneur may influence their intentions to decide on the formation of a business, and that individuals are inclined to conceptualise entrepreneurial activities based on a combination of these environmental factors and personal factors. First, there are the '*Environmental factors*', which represent important considerations in the business environment, specifically relate to issues of social, economic, political and infrastructure development. Second, there are the '*Personal factors*', which relate to the individual traits and background of the Vietnamese small business operator. Each of these factors will be discussed below.

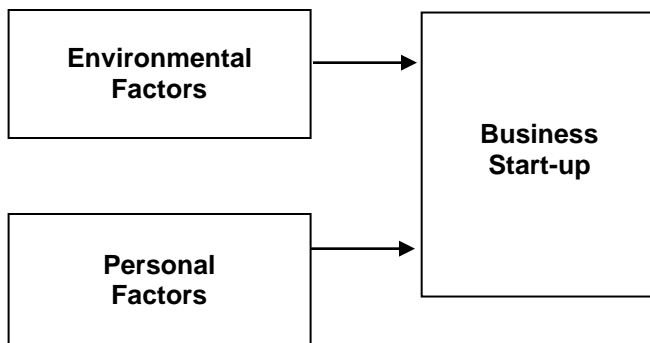


Figure 3.1: Adaptation of Mazzarol et al.'s (1999) Business Start-up Model

As indicated, these environmental and personal factors were based on Mazzarol et al.'s (1999) framework which emphasised the centrality of these two factors on the intentions for business start-up based upon studies of Bird (1988). This research has consequently adopted the environmental factors to support the external side of the business owner's intention for business start-up and the personal factors for the examining influence of demographics and internal background on the business owner's particular approach. These environment factors adapted from Mazzarol et al.'s (1999) model are used in this research model to provide an understanding of the foundation of the social aspect of the business start-up.

Whilst Mazzarol et al.'s (1999) personal factors included personality traits and background information, this research will only apply the background aspects of the personal factors as it was felt that the traits of the individual business owners are not relevant for this study. The background personal factors depicted in this research framework incorporate characteristics such as age, family experience, education, migration type, self-funding, industry experience, Vietnam region, year of arrival, and religion. Bonacich and Modell (1980) identified personality and achievement motivations, which are based on social and structural conditions, as being the most significant criteria for entrepreneurial establishment. Findings from these personal and environment factors will assist in developing an understanding of the first research question by allowing exploration of business start-up decisions in accordance with their background and surroundings.

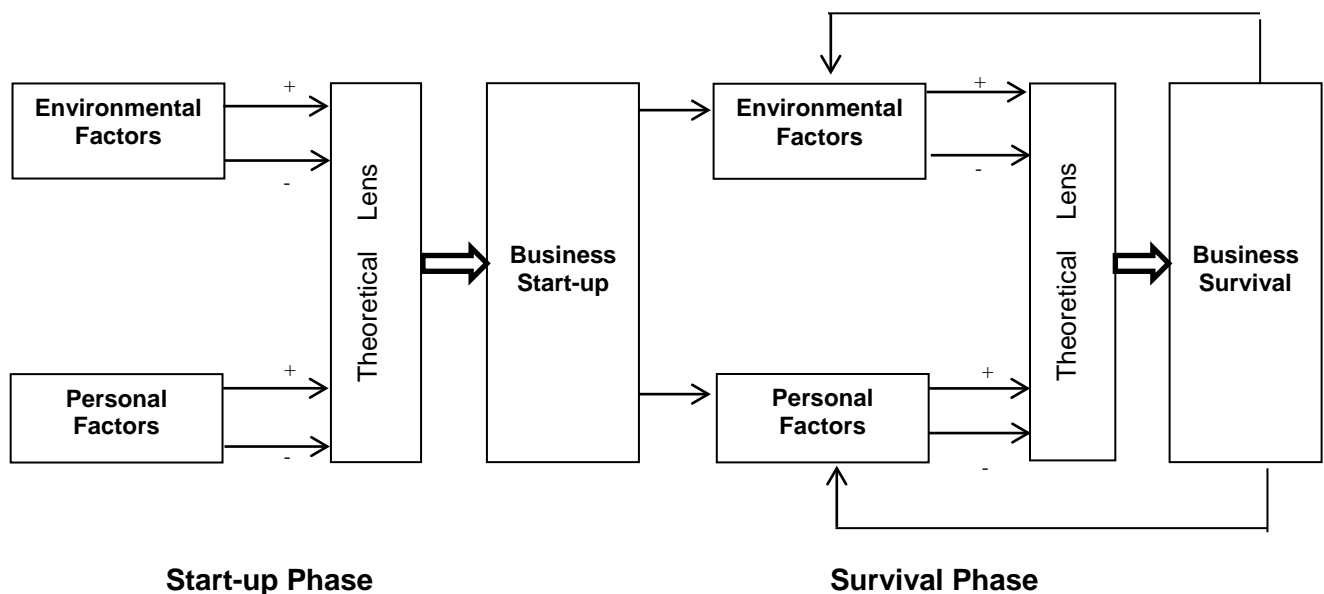


Figure 3.2: The Start-up Phase and Survival Phase of the Research Framework

The framework depicted in Figure 3.2 illustrates the two phases of this study associated with small business start-up and survival when the entrepreneurs are recent migrants. The first phase is an adaptation of Mazzarol et al.'s framework (1999) which identified the concepts of environmental factors and personal factors as being the key antecedents of successful start-up activities. An understanding of this model suggests that these two factors can have both a positive and a negative impact on small business development. This perspective arises from an analysis of the environmental and personal factors when viewed through the elements characteristic of available theories in this area. This researcher has labelled this breakdown of factors as a 'theoretical lens', since it has aided to see the key facilitators and barriers to small business success for migrant entrepreneurs. In this extended diagram, the positive sign indicates that there are facilitators for business start-up potential associated with these factors, and the negative sign indicates there are also barriers to business start-up potential.

The theoretical lens in this diagram has been built from the well-respected ethnic entrepreneurship theories previously mentioned in this Chapter. These are Blocked Mobility (Singh & DeNoble, 2004), Ethnic Resources (Basu, 2004), Ethnic Enclave (Waldinger, 1994), Social Network (Ram, 1994) and Social Capital (Waldinger et al., 1990). By examining the environmental factors and personal factors through this composite theoretical lens, it will assist a more deeply understanding of the business start-up potential for migrant entrepreneurs.

The survival phase noted on the diagram is a logical continuation of the elements involved in the start-up phase of the business. Once the business has been established, this researcher suggests that environmental and personal factors will continue to have both positive and negative impact on business as seen through the theoretical lens. Again, positive impact refers to elements contributing to the facilitation of migrants' business survival and the negative sign represents potential barriers, but the separation of the survival phase from the start-up phase is because of the balance of factors which operate will be different. These environmental and personal factors in the survival phase will also be analysed through the theoretical lens to help understand how they have survived. The continuous developmental nature of business survival is reflected by the feed-back loops to the environmental factors and the personal factors indicating that not only is business survival dependent upon different issues compared with start-up, as the

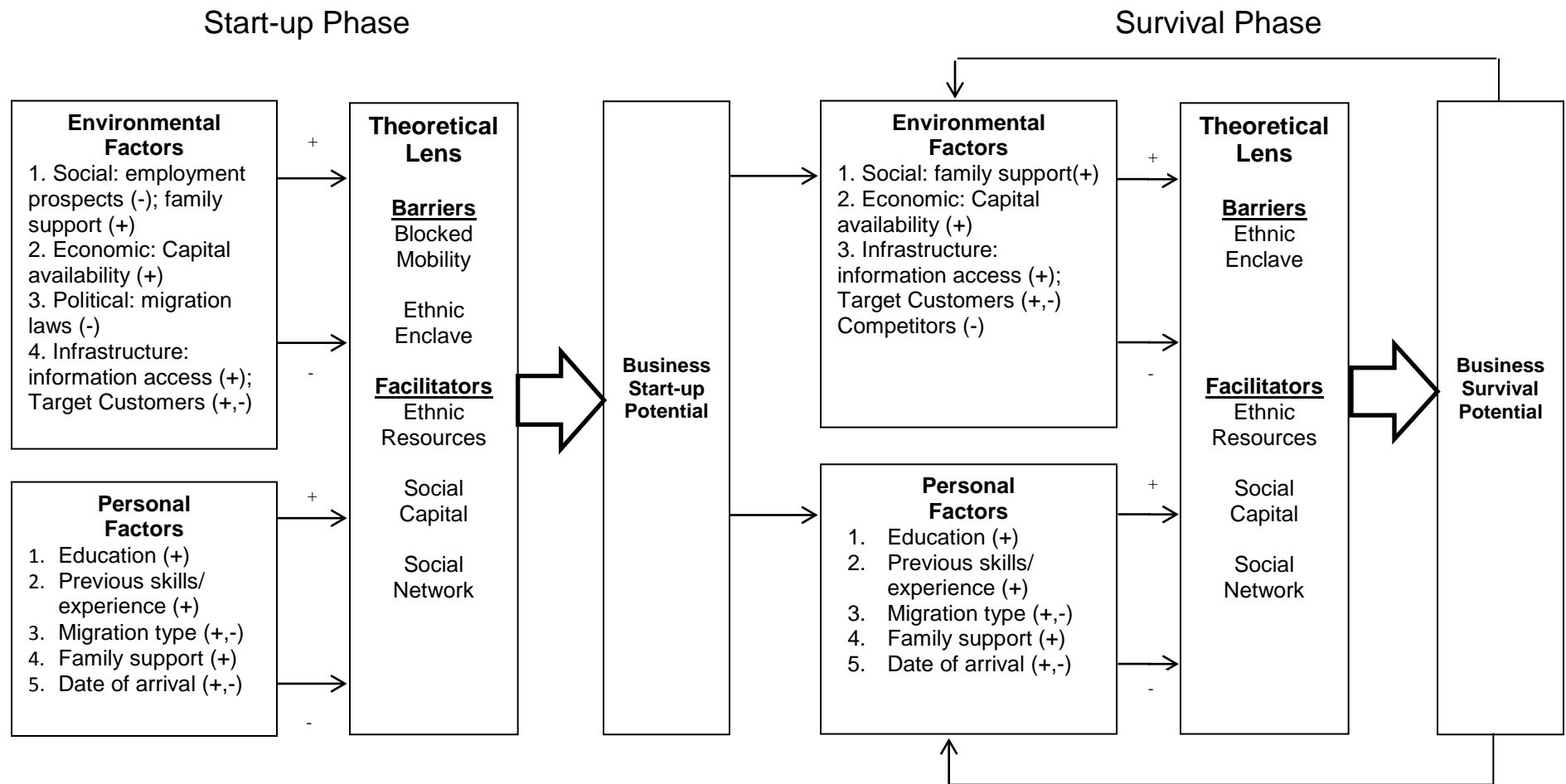
business matures there will be changing perspectives and activities required to maintain market survival.

This initial framework given in Figure 3.2 is now further developed to present details of the research study in the context of the literature and empirical observations. Accordingly, Figure 3.3 is presented as the working research framework of this study, and it emphasizes the complex relationship between the many concepts involved in small business development. Figure 3.3 displays the key factors identified by Mazzarol et al. (1999) as the pertinent environmental factors and personal factors. The environmental factors adapted from Mazzarol et al. (1999) include; social (employment prospects which are considered as a barrier to the migrant, and family support which is considered as a facilitator to the migrant); economic (capital availability through the family is considered as a facilitator to the migrant); political (migration laws are considered as a barrier to the migrant) and infrastructure (information access is considered as a facilitator whilst target customers are considered as either a barrier or facilitator, depending on the reliance of their own ethnic customers). The personal factors adapted from Mazzarol et al.'s (1999) work include; education (considered as a facilitator); previous skills (considered as a facilitator with more knowledge of the industry); migration type (is considered as either a facilitator or a barrier depending on their arrival type) and date of arrival (is also considered as either a facilitator or a barrier depending on the year that the migrant arrived in Australia).

The theoretical lens is introduced into this scheme as a way of using existing ethnic entrepreneurship theories to investigate antecedent environmental and personal factors, and this has been aided by grouping them into theoretical 'barriers' and 'facilitators'. Clearly, these considerations have identified that Blocked Mobility and Ethnic Enclave theories both focus on the various barriers in other aspects of their life which lead the migrant to small business as an alternative to 'traditional' employment. By comparison, the other three theories of Ethnic Resources, Social Capital and Social Network focus on the facilitators which support the migrant's entry into business start-up. Through the analytical perspective provided by the theoretical lens, it can begin to be more clearly understood of the particular issues faced, and successfully negotiated by, the cohort of Vietnamese migrants who have completed the start-up phase of a small business.

Once the small business has been successfully established, the environmental factors and the personal factors will be re-analysed through the use of the theoretical lens to indicate what issues are pertinent to business survival potential. The environmental factors for the survival phase include; social (family support which acts a facilitator); economic (capital availability is considered as a facilitator) and infrastructure (information access is considered as a facilitator and target customers can be either facilitators or barriers). Note that considerations of political issues are no longer in the environmental factors as this only applies to the start-up phase. However, in the future, any government policies targeting ethnic small business could be a political issue to consider. We assume that the personal factors for the survival phase are similar to the start-up phase, although they may be manifest in different ways. These include education (considered as a facilitator); previous skills (a facilitator); migration type (either a facilitator or a barrier depending the arrival type); family support (is a facilitator) and date of arrival (is considered as either a facilitator or a barrier depending on the year that the migrant arrived to Australia).

Furthermore, the environmental and personal factors will continue to have both a positive (facilitator) and negative (barrier) impact on business as seen through the theoretical lens. The theoretical lens in the survival phase is grouped into theoretical 'barriers' which are included in the notions of the Ethnic Enclave, and theoretical 'facilitators' which include the Ethnic Entrepreneurship theories of Ethnic Resources, Social Capital and Social Network. Note that in this analysis, the considerations relating to Blocked Mobility under the heading of 'barriers' in the theoretical lens has been removed due to the fact that it only applies in the start-up phase. Through the analytical perspective provided by the theoretical lens, we can begin to comprehend the particular issues faced and sustainably negotiated by our cohort of Vietnamese migrants who have completed the survival phase of a small business.



Key: (-) Negative are barriers to business start-up and business survival potential
 (+) Positive are facilitators to business start-up and business survival potential
 (+,-) Positive or negative are either barriers or facilitators to business start-up and business survival potential

Figure 3.3: Research Framework for this Study

3.4 Ethnic Entrepreneurship Theories

The term *ethnic entrepreneurship* has been defined as “a set of connections and regular patterns of interaction among people sharing common national background or migration experiences” (Waldinger et al., 1990a, p. 3).

Ethnic entrepreneurship is an important sub-field study of entrepreneurship, and is characterised by certain distinctive features. Scholarly contributions to this sub-field have provided explanations on the nature and involvement of ethnic minority group members in entrepreneurial activities (Barrett, Jones & McEvoy 1996). Barrett et al.'s suggestions are important for this research as it will assist in developing the theories that apply to Vietnamese migrants starting up a small business.

The literature on ethnic entrepreneurship, especially in the sub-field of ethnic relationships, grew out of a larger concern with economic advancement and social mobility of ethnic minorities in developing countries (Rettab, 2001). Unfortunately, literature on the role of ethnic entrepreneurs and their contribution to the national economy is limited. Some social scientists have devoted considerable attention to the study of ethnic entrepreneurship, focusing on the group characteristics and opportunity structure that favours ethnic business creation (Waldinger et al., 1990). Waldinger et al. (1990) stated that the new ethnic populations have grown at a time when Western economies are in a phase of slow financial growth and immense technological challenge, and the phenomena of mobility and ethnic adaptation are becoming central issues to economic research.

Research on immigrant entrepreneurship has become increasingly popular and the importance of social context and connections has been acknowledged by many scholars (Bates, 1995; Menzies & Paradi, 2002). The rationale for the five theories chosen for this research was based on the observation that Blocked Mobility, Ethnic Resources and Ethnic Enclave have been widely used in studies reported in other ethnic businesses literature (Light, 1984; Gold, 1992). However, the other two theories, Social Capital and Social Network, have not been widely used by others as such, but recent research has stated that there seems to be a relationship between Social Capital (Flap & Bert, 2000) and Social Network theories in ethnic minority business (Ram, 1994).

This section discusses the influences of Ethnic Entrepreneurship theories on the immigrant small business owner and uses examples from around the world, incorporating the previously selected theories of Blocked Mobility, Ethnic Resources, Ethnic Enclave, Social Network, Social Capital and opportunity structure.

3.4.1 Blocked Mobility

Collins (2002) highlighted that the “paths of ethnic immigrants into entrepreneurship in Australia are much more diverse today than in the past. Some still attempt the increasingly difficult path from unskilled wage labourer to small shop or restaurant owner” (p. 129). Lever-Tracy et al. (1991) provided evidence to support the theory that immigrants often face difficulties in having their professional skills recognised in the Australian labour market and, as a result of this, many Southeast Asians commence their own small business. The Blocked Mobility theory, in essence, contends that immigrant groups commence a small business because they have restricted (or blocked) access to the primary labour market (Collins, 1995).

In the Blocked Mobility theory, ethnic groups that are disadvantaged in the labour market due to racial discrimination, low education and qualifications, or language difficulty concentrate their entrepreneurial activities into marginal niches in the economy. This helps their members not only to overcome such barriers, but also provides them an avenue of upward social mobility (Wauters & Lambrecht, 2008). In support of this theory, Hussain and Matlay (2007) stated that immigrant individuals may encounter negative experiences within traditional organisational settings. These can be cultural barriers that block their advancement in mainstream economic markets that may “push” them out of organisations, and channel them into entrepreneurship as an alternate route to personal success and economic prosperity. Similarly, Chaudhry and Crick (2004) agree that these disadvantaged groups are forced to accept whatever residual jobs or opportunities are available.

In contrast, Phizacklea and Ram (1995) argue that racial discrimination factors push immigrants towards self-employment, since the reasons stated most often for setting up ethnic migrant businesses in France and Britain were difficulties in gaining employment and limited opportunities to find work. Hence, entrepreneurship, according to the “Blocked Mobility” theory, is seen principally as an escape route from unemployment,

low wages or restricted labour market opportunities (Singh & DeNoble, 2004). Entrepreneurship and self-employment holds the promise that individuals' career achievement will depend on their own qualities and efforts, and not on the prejudice of others in the corporate work setting. In addition, it will also be a route to cultural assimilation and a way of 'making it' in the host country (Constant & Shachmurove, 2006). These authors contend that immigrants commence their business activities immediately after arrival because of difficulties in having their skills recognised and facing a language barrier. Overall, the key characteristic of blocked mobility is restricted access to the primary labour market (De Vries & Kantor, 2012).

3.4.2 Ethnic Resources

Waldinger et al. (1990) identified the importance of family and the co-ethnic community as sources of finance, employment and a ready customer base in support of these ethnic entrepreneurs. The family is an important source of finance and business advice among Vietnamese-born entrepreneurs, and community networks have played a major role in finance through the 'rotating credit system' (Collins, 1990), a similar feature also observed among Chinese and other immigrants in other countries (Collins et al., 1995). Furthermore, Collins (2002) proclaimed that family resources and ethnic resources will be critical to any such entrepreneurial sustainability.

Ethnic Resources theory suggests that the ethnic community provides a vital and reliable source of labour for ethnic migrant businesses, access to training, credit and capital, valuable market and business information about opportunities and threats that would otherwise be inaccessible to immigrant entrepreneurs (Light, 1984; Deakins, Ishaq, Smallbone, Whittan & Wyper, 2007). In fact, Chaudhry and Crick (2004) advocate that ethnic entrepreneurs (Asians, Koreans, Chinese, Japanese, Cubans among others) make use of extensive networks of identity, family and community resources to acquire business information and inside knowledge of market opportunities that facilitate business start-ups. Ethnic resources are vital at the business start-up phase, when immigrant entrepreneurs need to gain access to scarce financial and human resources especially in the absence or insufficiency of external sources (Deakins et al., 2007). Hussain and Matlay (2007) suggest that the majority of ethnic migrant businesses have never had access to any forms of business and financial support from banks and other

financial institutions and hence have had to rely on personal savings and ethnic social resources.

In addition, economic and social niches in the host society provide immigrants with self-employment opportunities and more unprejudiced compensation than immigrants who work in local enterprises and industries (Marger, 2001). Immigrant workers employed in ethnic migrant businesses can gradually acquire the necessary skills, experience and capital to secure their living in the local community (Waldinger, 1999). A further review of the pertinent literature suggests that ethnic businesses are, in the majority, owned and managed by members of the family (Iyer & Shapiro, 1999). Further, family background plays a two-fold role in entrepreneurship. First the new entrepreneur has previous experience of the effect of entrepreneurship from their own family experiences, and second, family support can be critical to the creation, sustenance and development of ethnic migrant businesses (Basu, 2004).

3.4.3 Ethnic Enclave

Chan and Chan (2011) defined co-ethnic networks as bringing together those ethnic minority groups living in the same neighbourhood. An ethnic or migrant enclave is a settlement or part of a city's spatial concentration of a minority ethnic group. On a similar note, Salaff, Greve and Ping (2002) point out that immigrants turn to entrepreneurship when blocked from the mainstream and they can find a protected niche in the ethnic enclave.

In these enclaves, immigrants can retain their traditional cultural values. According to Portes (1987), the immigrants already established in the enclave would exploit newly arrived immigrants for cheap labour, but would provide them with human capital and training so they could create their own small businesses in the future. In this way, immigrants can sustainably attain upward social mobility within the enclave. Ethnic business enclaves are best located where they can take advantage of a large co-ethnic population to become self-employed (Waldinger, 1994; Bates, 1995). Potential entrepreneurs can expand their contacts and share information relatively easily in a concentrated space. An established business community of earlier immigrants sends signals to newcomers, indirectly promoting entrepreneurship. Light and Bonacich (1988) refer to this signaling as 'ethnic facilitation'.

Furthermore, the opportunities that the enclave opens for small businesses lie further in matching. While producers look to the enclave for employees, they need potential employees to look to them as for bosses to work for (Light et al., 1993). This involves saturated spatial markets that require low financial or human capital which have been largely ignored by mass retailing enterprises due to security problems or low-purchasing power of the unattractive and poorer minority areas (Raijman & Tienda, 2003). Culturally-based tastes for particular goods and services (e.g. ethnic food products) generate special consumer demands and entrepreneurial opportunities that merchants from the particular ethnic group can largely satisfy, due to the inside knowledge that the group has (Basu & Altinay, 2002). The Ethnic Enclave theory argues that immigrants usually create enclaves by concentrating in specific geographic areas which provide opportunities for ethnic migrant businesses to act as a training system for the young ethnic entrepreneurs, generate network linkages and informal communications of market opportunities, and an evolving cadre of ethnic business institutions (Basu & Goswami, 1999; Chaudhry & Crick, 2004).

According to Rath (2002), these ethnic migrant businesses, which show a preference for ethnic enclaves, focus on low-order retailing, services, the garment industry, catering, grocery stores, confectioners, newsagents and tobacconists and other low-rewarding sectors of the economy. Rath (2002) defines an ethnic enclave as an area with high ethnic concentration, thus these areas are culturally distinct from the larger receiving society. On a similar note, immigrant entrepreneurs usually avoid the mainstream market and focus on ethnic closed markets that exhibit minimum interethnic competition, are characterised by import/export and retail of ethnic goods, or where governmental policies favour small business development (Singh & DeNoble, 2004).

3.4.4 Social Networks

It has been suggested that “social networks are uncomplicated resources; they have the potential to act as a constraint on management, family and community networks and were important in explaining the start-up and market position of ethnic minority business” (Ram, 1994, p. 43).

In a social network, solidarity is important. It enhances, for entrepreneurs, the channeling of information and encourages mutual aid among business owners (Waldinger, 1986).

Similarly, Bygrave and Minniti (2000) state that networking implies reducing transaction costs and has positive spill-over effects and, thereby, a concentration of entrepreneurial activity in specific areas and communities. There seems to be a similar idea between the authors that a social network provides the business owners with a network of contacts and business information.

Networks refer to the relationship between the firm or the individual and the myriad links with organisations and other individuals in the wider environment, and it is stated that “Social networks based on kinship, friendship and community mediate between individual actors and larger structural forces” (Boyd, 1989, p. 661). These networks have been studied both at the level of large firms, for example business clusters and industrial districts, and at the level of the individual entrepreneur (Blundel & Smith, 2001). Networks may also be formal, defined as intentionally formed groups of companies, generally operating in close proximity to each other, or consist of an informal collection of organisations and individuals who have an interest in, or links with, the firm and its owner (Kingsley & Malecki, 2004). The network approach to entrepreneurship is based on the hypothesis that Founders use their personal network of private and business contacts to acquire resources and information that they would not be able to acquire on markets (Witt, 2004). Davidsson and Honig (2003) found that nascent entrepreneurs who were members of a business network such as a Chamber of Commerce were likely to have a more rapid start-up. In a similar way, Witt (2004) has highlighted the importance of networks to business development.

Social networks are defined as being made up of the family, friends and personal contacts of the entrepreneur, and have also been found to have an important influence on the business by providing access to resources not available internally (Ostgaard & Birley, 1996). These social networks are important not only for providing information and access to important physical and financial resources, but also for accessing human and social capital (Rath, 2002). Taking a similar view, Fadahunsi, Smallbone and Supri (2000) found that personal and community-based networks are used both to mobilise resources and to generate sales by business owners in all groups. However, not all network ties are of equal value to the entrepreneur. Granovetter (1973) developed a model of strong and weak ties within the network. Family and friends are defined as strong ties, which were seen as being reliable and are likely to hold similar views, beliefs

and problem solving techniques, whereas weak ties are seen as having minimal resources and networks available to the entrepreneur.

An ethnic entrepreneur is often seen as a member of supportive peer and community subgroups. These networks assist in the creation and successful operation of firms by providing social resources in the form of customers, loyal employees, and financing. Bates' (1995) study provides evidence that the success and survival patterns of Asian immigrant firms derive from their large investments of financial capital and the impressive educational credentials of the business owners. Bates further argued that heavy use of social support networks typifies the less profitable, more failure-prone small businesses of Asian immigrants.

In contrast to Ethnic Resource theory, Granovetter (1973) claims that weak ties act as bridges to information sources not necessarily contained within an entrepreneur's immediate network. The central proposition in the social capital literature is that there is a connection with social networks of relationships that lead to resources that can be used for the good of the individual (Dakhli & De Clercq, 2004). Social network is a subset of social capital, which comprises loosely coupled acquaintances offering skills, knowledge and insights that reduces the importance of family members (Renzulli, Aldrich and Moody, 2000). Ram (1994) argues that, although social networks are important in explaining the success of small businesses, this must be viewed in the context of the wider environment of racism in which they operate. Contrary to the prevailing view of ethnic business literature, Ram (1994) stresses that family businesses and networks may arise through necessity rather than as a positive strategic choice, and that the obligation of family involvement can work as a constraint as well as a resource.

3.4.5 Social Capital

Social Capital theory proposes that due emphasis must be placed on contacts and networks. Family, friends, relatives, and social networks among immigrant groups, have played a major role in financing and undertaking migration (Rettab, 2001). These factors were also found to determine the business perspectives of the migrants (Zimmer & Aldrich, 1987). On another note, Lin, Cook and Burt (2001) examined Social Capital as both concept and theory that has drawn much research and interest in the past two decades.

Ethnic entrepreneurs can also contribute different forms of social capital than just immigrant workers to the immigrant ethnic communities. This is due to their links with suppliers and customers, and ethnic entrepreneurs can be useful in building bridges to other networks outside the inner circle, thus improving their chances of upward mobility (Waldinger, 1986). Entrepreneurs from the same ethnic group will get easier access to business capital in the enclave than will outsiders. They will be in an advantageous position to exploit ethnic capital, and those that are established in ethnic networks can do best. On the other hand, the ethnic community can become spaces and places of solidarity where social capital circulates to benefit its members (Vasta, 2004). However, social capital has a combination of strong internal and weak external group ties that can lead to the exclusion of knowledge and resources, thereby weakening the capacity to respond to new challenges (Balaz & Williams, 2007).

Bagwell (2008) proposes that new immigrants must first gain recognition, and they may have trouble integrating themselves into existing ethnic networks. They may not be recognised as similar to the established immigrants in some important cultural traits. In addition, a business that depends on ethnic relations establishes value chains within the ethnic community to gain social capital. For instance, ethnic clients seek special cultural products, and employees with inside language abilities and other cultural traits are in demand in such ethnic businesses. Non-ethnic clients may recognise ethnic products from symbols, as in the advertised name, product, or location (Fong, Chen and Luk, 2012). They may look for these products by following through the firm's value chains. In a chain of ethnic firms, the entrepreneur may attract other ethnic firms in terms of gaining social capital, and therefore these products and issues form an important connection to social capital.

3.5 Research Questions

The key research questions for this study have been developed from the objectives outlined in Section 3.2. The focus of this research is to determine how Vietnamese small businesses become established and have survived by considering environment factors, personal factors for business start-up. Through a review of the existing literature has indicated that it has not previously included the concept of survival. Due to the

exploratory nature of the study and the perspective taken by this researcher, the following research questions will focus the research process:

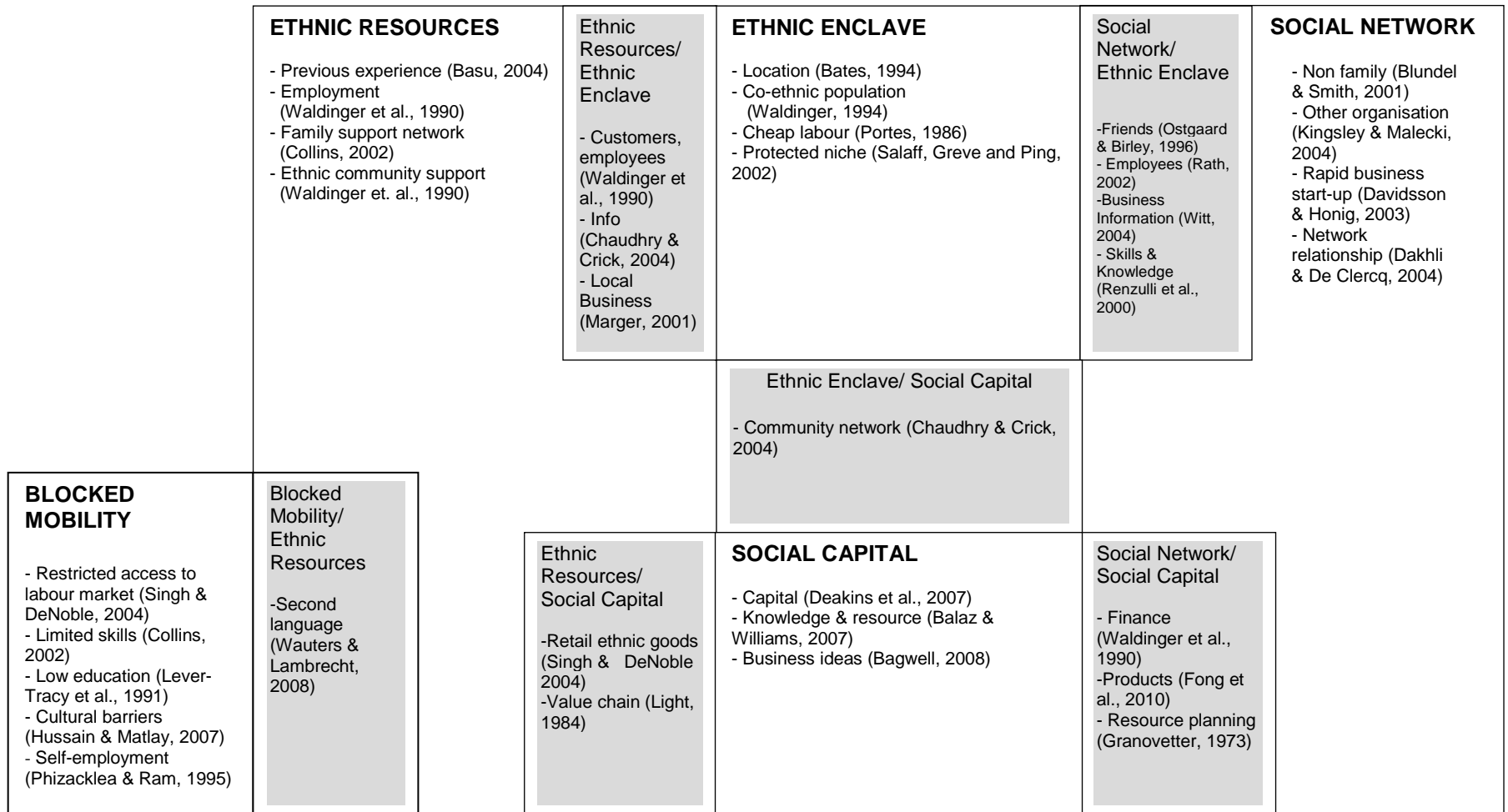
- 3.5.1) *What* are the factors that lead to the start-up of Vietnamese small businesses?
- 3.5.2) *How* do these factors link to existing Ethnic Entrepreneurship theories identified in the literature?
- 3.5.3) *What* are the contributing factors that may explain why some Vietnamese small businesses are more sustainable than others?

3.6 Research Contribution

This study is intended to contribute to the existing body of knowledge relating to small business literature, business start-up, Ethnic Entrepreneurship and business survival, by being one of the first to integrate business start-up with ethnic entrepreneurship theories among the Vietnamese small businesses in Victoria.

The investigation has been designed to examine the following areas. First, by examining the environmental and personal factors which have influenced business start-up, it will be able to determine which factors were influential and had motivated the migrant. Finally, it looks at which survival factors have impacted on the existing operating businesses, and attempts to link these factors with the success level of the operation.

It is recognised that in a small business context, the business owner is the greater part of the business, and thus it is this individual's motivations and perceptions that are the major drivers of success. Hence, the environmental and personal factors such as their social and economic environment, as well as their own demographics such as age, education and experience, all contribute to the driving of the small business owner's perception of the existing opportunities and their motivations for starting a business. This research framework aims to provide insights into these factors for successful Vietnamese small business owners, in order to allow for more reflective business practices to assist others to achieve business survival.



Key:  Interrelationship between the two theories

Figure 3.4: Interrelationship of the Influencing Characteristics of Ethnic Entrepreneurship Theories

3.7 Interim Comments

As an outcome of the analysis of the literature, Figure 3.4 shows the interrelationship of the five Ethnic Entrepreneurship theories and the characteristics of each theory. This diagram was derived from the literature review and the discussion in the previous sections above, and collects all these theories into a scheme which shows the interrelationship and the connections between them. Each of the five theories has a positive (facilitator) and a negative (barrier) in each of their characteristics. As seen through this theoretical lens, the notions of Blocked Mobility and Ethnic Enclave are perceived as being a negative aspect of ethnic entrepreneurship. This implies that that elements of these two theories appear to act as a barrier for the migrant in establishing a business due to having limited relevant employment skills (Collins, 2002), minimal education (Lever-Tracy et al., 1991) and representing a cheap labour force (Portes, 1986). By comparison, factors within Ethnic Resources, Social Capital and Social Network theories are perceived as a positive aspects, as they facilitates the migrant's small business by providing reliable family and ethnic support (Collins, 2002; Waldinger et al., 1990), knowledge and resources (Balaz & Williams, 2007) and network relationships (Dakhli & De Clercq, 2004).

There is an important connection between Blocked Mobility theory and Ethnic Resources, which is the second language issue (Wauters & Lambrecht, 2008). This area is shaded in grey in Figure 3.4 to indicate the overlap of the two theories. The reliance on, and facility with, a second language, is seen here as a negative (barrier) when linked with blocked mobility and a positive (facilitator) when linked with ethnic resources. This is due to migrants having limited employment opportunities in traditional areas because of their inadequate language skills, whereas it is seen as positive in ethnic resources due to using their language to communicate and gain employment within their ethnic community. In addition, there is a clear connection between Ethnic Resources and the Ethnic Enclave theories, which is a protected niche (Salaff & Greve, 2002). It is suggested that this connection between Ethnic Enclave and Ethnic Resources is through communications with their customers and employees (Waldinger et al., 1990), and relevant shared information and operations' management with local businesses (Chaudhry & Crick, 2004; Marger, 2001). This means that the shared interrelationship characteristic is seen as a positive characteristic when related back to availability of

ethnic resources and a negative characteristic when linked back to problems arising from an ethnic enclave.

Furthermore, Ethnic Enclave theory also shares a connection with the Social Network theory through the following elements: friends (Ostgaard & Birley, 1996); employees (Rath, 2002); information (Witt, 2004); and skills and knowledge (Renzulli et al., 2000). This connection here is shaded in grey in Figure 3.4 and indicates that the characteristics are depicted as negative when linked with ethnic enclave and positive when linked with Social Network. On the one hand, Social Capital theory has a connection with Ethnic Resources through capital (Deakins, 2007), retail ethnic goods (Singh & DeNoble, 2004) and value chain (Light 1984). These characteristics are shaded in grey to show that there is a positive interrelationship when linked with both Ethnic Resources and Social Capital. Thus, there is an added connection between Ethnic Enclave and Social Capital in the form of Community network (Chaudhry & Crick, 2004). This connection is shaded in grey to indicate that when it is related back to ethnic enclave it is depicted as negative, and when it is linked with social capital is viewed as a positive characteristic. They note that the arrival of a first wave of immigrants often with significant economic, human and social capital, settle in a certain area and set up a large number of businesses and companies. Consequently, these authors claim, "From here they are supplied with cheap labour, taking advantage of the successive wave of co-ethnics who arrive and thanks to the concentration, an integrated cultural component is also generated based on ethnic solidarity" (Olmos & Garrido, 2009, p. 202). Moreover, Social Capital theory also shares a connection with Social Network through the common elements of finance (Waldinger et al., 1990), products (Fong & Chan, 2010) and resource planning (Granovetter, 1973). This is depicted in grey and indicates that these characteristics are viewed as positive under the both theories of Social Network and Social Capital.

Overall, the theory implication of this diagram indicated that there are five relevant Ethnic Entrepreneurship theories which contain both positive and negative characteristics which help to interpret ethnic business success or failure.

3.8 Summary

To systematise this investigation, a research framework has been adapted and developed from Mazzarol et al. (1999). This was done to illustrate the relationship between environment factors, personal factors and entrepreneurial theories when considering Vietnamese small business start-up and survival. Using the available literature on Ethnic Entrepreneurship theories has also contributed to the development of an understanding of the interrelationship of these theories as illustrated in Figure 3.4. The complexity of this investigation was managed by using a qualitative approach to undertake this research. These qualitative techniques will be used to gather semi-structured information from Vietnamese migrants in small businesses to enable deeper appreciation of the issues, barriers and approaches to start up and sustainability of specific enterprises.

The next chapter discusses the qualitative research methods used in this study with the epistemological stance of an interpretivist paradigm, along with the data collection of interviews and analysis, to address the three research questions.

CHAPTER 4

Methodology

4.1 Introduction

In the previous chapter, the research problem and questions addressed in this study were embedded in the research framework. The research framework identified environmental and personal factors and how these impact on business start-up by examining Ethnic Entrepreneurship theories and how the business has survived (Research Framework, Figure 3.3). In order to provide the depth of understanding required of the research questions identified in Chapter 3, and given the experiences and background information provided by the respondent migrants as the major focus of this study, an interpretivist approach has been preferred (Patton, 2002).

For this interpretivist approach, this research uses in-depth interviews to investigate perceptions of Vietnamese migrants in small business and how the business was established and how it has survived. Qualitative methods have been used to analyse the collected data to contribute to gain a deeper understanding of the responses to research questions.

In Section 4.2, a brief overview of the research paradigm and the relativist, constructionist and interpretivist approach is presented. Section 4.3 examines the methodological perspectives available to researchers and the rationale for choosing a particular research design is justified, Section 4.4 discusses the sampling method and associated procedures, and Section 4.5 describes what interview techniques are used. This is followed by Section 4.6 that explains the approach used for data collection. In this section, Phase 1 and Phase 2 of the research design are articulated. Section 4.7 deals with the approaches adopted for data analysis. This is followed by Section 4.8 that explains the quality of the data, while Section 4.9 looks at the role of the researcher in this study. Section 4.10 addresses the ethical considerations of doing such a study and, finally, Section 4.11 summarises the chapter.

4.2 Research Paradigm

Neuman (1994) states that a research paradigm includes the basic assumptions, the important questions to be answered, the research techniques to be used and examples of what the intended research looks like. It account for how researchers think and determines the ways that research is conducted and how knowledge is derived (Guba, 1998).

The major research paradigms are positivism and constructivism (Collis & Hussey, 2003). A positivist researcher assumes the role of an objective analyst, making detached interpretations about data that have been collected in an apparently value-free manner (Saunders, Lewis & Thornhill, 2007). On the other hand, a constructivist argues that the world is too complex to be mapped and modelled in a reductivist manner, and important insights can be lost in positivist law-like generalisations. Saunders et al. (2007) argue that qualitative data characteristically collected in constructivist research is subjective and is therefore dependent upon the perceptions of the participants in the research. In following the latter course, this study adopts a relativist ontology, an epistemology of constructivism and a theoretical perspective of interpretivism (Crotty, 1998), each of which will be discussed in the next sections.

4.2.1 Relativism

Ontology can be defined as the nature of the reality that researchers investigate (Healy & Perry, 2000) and relates to the way in which an individual views the world (Grix, 2002). In short, ontology is concerned with claims and assumptions that are made of social reality (Guba, 1990). When considering ontology, it was important for the researcher to determine the purpose of the research, which in this case was to analyse the environmental and personal factors through the perspectives of the respondents for aspects of both business start-up and survival. Therefore, this study adopts the relativist ontological approach and is based on the participants' shared beliefs, attitudes and common practice.

4.2.2 Constructivism

In research, epistemology is concerned with how the researcher can adequately know about issues relevant to the research question, which in this case are the selected participants' perspectives (Ponterotto, 2005). Epistemology thus provides the philosophical grounding for the kind of knowledge the researcher is seeking (King &

Horrocks, 2010). Consequently, this research subscribed to a constructivist epistemology as there were individual human contacts behind the behaviour which provided the data for the study, and it was thus important for the researcher to talk to the business owners and discuss the influencing factors on business start-up and survival of each participant as seen by them (Crotty, 1998).

4.2.3 Interpretivism

Theoretical perspective is described as a way of looking at the world and making sense of it (Crotty, 1998). This study follows the theoretical perspective of interpretivism, in which the researchers' objective is to reveal the details of the situation and to understand the respondents' perspective of their reality (Saunders et al., 2007). In essence, this study is about understanding how selected Vietnamese migrants established their small businesses, to appreciate the personal and environmental factors that influenced them along the way, and how these contributed to their business survival. The researcher in this study is neither detached nor entirely objective, which is consistent with an interpretivist approach, and allows for the researcher's perspectives to guide the analysis of the collected data. 'Reality' in this type of research is subjective, and is based on the actions and interpretations of different Vietnamese small business owners.

The aim of this study is to gather detailed qualitative data from Vietnamese migrants in small businesses and acquire an in-depth interview which will help in understanding how they create meaning in their everyday lives. Crotty (1998) suggests that symbolic interactionism is about social interactions, whereby we enter into the perceptions, attitude and values of the community, thus becoming an important vector in the process. As such, symbolic interaction is used in this study as a practical orientation and is concerned with how people have perceived that have managed their affairs in everyday life (Neuman, 2000). Qualitative research implies an emphasis on process and meanings, not measured in terms of quantity or frequency, thus allowing for the collection of phenomena that are often unobservable, such as perceptions and feelings (Hunt, 1991).

4.3 Qualitative Approach

Qualitative research aims at providing an answer to why things are how they are, thus emphasizing research understanding. Whilst qualitative data is generally difficult to

measure, it can reveal valuable attitudes and perspectives that cannot be easily accessed through traditional quantitative approach. The exploratory nature of qualitative research permits the gathering of new information on specific areas of research, very often through an intensive dialogue between the interviewer and the respondent (Broda, 2006). Since fieldwork is done without predestined categories of analysis, qualitative studies provide depth and detail. Qualitative research uses inductive reasoning, proceeding from particular to more general statements. To do this, qualitative research borrows methods from humanistic (e.g. from the social sciences) researchers, who believe in multiple realities and focus on interpreting the interaction between the researcher and the phenomenon (Sayre, 2001).

The purpose of choosing qualitative research for this study was because the research questions are largely exploratory in nature and they will thus allow us to gain an insight into a topic on which little literature exists. This study required access to personal perceptions on the topic of ethnic small business which could not be acquired through a standardised questionnaire with predetermined answer categories as is commonly used in quantitative research. Its aim was to improve understanding of the phenomenon by obtaining information from migrants on personal experiences and critical incidents.

In summary, a qualitative approach will be used to analyse the contributing factors to the sustainability of Vietnamese small businesses in Melbourne. This empirical study will be carried out to include the approach and methodology of this study detailed in the following sections.

4.4 Selection of Sample

There are no specific rules for the determination of non-probability sample sizes in qualitative research. Sample size rather depends on consideration of the researcher related to the purpose of the study, the usefulness and the credibility of the selected cases and, last but not least, on the available time and resources (Patton, 2002). Whilst the nature of qualitative studies generally only permit the inquiry of a few selected cases, such work allows great depth of analysis and attention to detail and context, thus enhancing the meaningfulness of the study.

4.4.1 Sampling Procedure

There are five variables that could be identified as the most important restrictions in sampling: (1) limited time frame, (2) financial restrictions, (3) geographic restrictions, (4) a limited number of interviewers, and (5) limited access to potentially confidential information. The time frame in this study for conducting the interviews was 12 months, with an available budget of \$400. Research was geographically limited to the suburbs of Footscray and Richmond. This was because the sample needed to reflect the various groups that make up the Vietnamese community, and the suburbs chosen for inclusion in this study have a high Vietnamese population and numbers of Vietnamese small businesses. Only one interviewer was available to conduct all the interviews, and it was found that access was challenged by the constraint of limited access to confidential business information.

The strengths of this sampling procedure for in-depth interviews were linked to the way that purposive sampling is likely to produce valuable information regarding the research question due to four reasons; first, environment factors tend to be big factors and are likely to encounter difficulties in small business implementation. Second, personal factors are designed to obtain information about the migrant's experience and demographic background. Third, business start-up examined how the migrant established their business with through the lens of a range of ethnic entrepreneurship theories. Fourth, the survival factors revealed how the migrant has survived in their small business and how they have managed the challenges inherent in a successful venture. With these four points in mind, an initial assessment of the value of respondents' perspectives to the project could be made.

Notwithstanding these benefits of sample selection, it is recognised that due to the pragmatically restricted nature of the sampling procedure, this study does not give a broad range of perspectives as far as the small business side is concerned, since it is focused on locations in only two suburbs. Moreover, because of the restricted resources available to the study, the data collection is limited to investigation in Footscray and Richmond and thus does not claim validity across other surrounding locations. Nevertheless, it is contended that some important insights will be obtained here that are common with other surrounding suburbs which also have high Vietnamese populations.

Most importantly, the results of the interviewing reflect the perspective of, and the experiences made by, the Vietnamese migrants. The businesses perspective is limited

to those Vietnamese small businesses and owners who were interviewed, and medium and large businesses were specifically excluded from the investigation since it was thought that these enterprises would involve significantly different considerations in both the start-up phase and the business consolidation. There are no specific restrictions as far as the industry's perspectives are concerned, since the businesses were selected from a range of fields from retail, manufacturing to education and professionals.

4.4.2 Snowball Sampling

Snowball sampling is a technique for finding research subjects. One subject gives the researcher the name of another subject, who in turn provides the name of a third, and so on (Atkinson & Flint, 2001). This strategy can be viewed as a response to overcoming the problems associated with sampling concealed populations (Faugier & Sargeant, 1997). Snowball sampling can be placed within a wider set of link-tracing methodologies (Spreen, 1992) which seek to take advantage of the social networks of identified respondents to provide a researcher with an ever-expanding set of potential contacts (Thomson, 1997). This process is based on the assumption that a 'bond' or 'link' exists between the initial sample and others in the same target population, allowing a series of referrals to be made within a circle of acquaintances (Berg, 1988).

Snowball sampling can be applied for two primary purposes. Firstly, and most easily, as an 'informal' method to reach a target population. If the aim of a study is primarily explorative, qualitative and descriptive, then snowball sampling offers practical advantages (Blanken, Hendricks & Adriaans, 1992). Snowball sampling is used most frequently to conduct qualitative research, primarily through interviews. Secondly, snowball sampling may be applied as a more formal methodology for making inferences about a population of individuals who have been difficult to access and approach. (Snijders, 1992; Faugier & Sergeant, 1997).

A range of advantages have been claimed for snowball sampling. Firstly, it has enabled access to previously hidden populations. Often, members of such populations may be involved in activities that are considered deviant or they may be vulnerable, making them reluctant to take part in more formalised studies using traditional research methods. Trust may be developed as referrals are made by acquaintances or peers rather than other more formal methods of identification. Snowball sampling has been found to be economical, efficient and effective in this study. For example, snowball sampling has

been used in this study to produce in-depth results relatively quickly through referrals from the sample of Vietnamese small business owners.

Perhaps one of the strongest recommendations for the snowball strategy stems from a distinction between descending and ascending methodologies (Van Meter, 1990). The use of snowball techniques can be used to work upwards and locate those who are needed to fill in the gaps in our knowledge on a variety of social contexts and are therefore purposefully chosen. In this sense snowball sampling can be considered as an alternative or as a complementary strategy for attaining more comprehensive data on a particular research question.

The quality of the data, and in particular a selection bias which limits the validity of the sample, are the primary concerns of recent snowball sampling research (Van Meter, 1990). Because elements are not randomly drawn, but are dependent on the subjective choices of those respondents who were first accessed, most snowball samples are biased and do not therefore allow researchers to make claims to generality from a particular sample (Griffiths, Gossop, Powis & Strang, 1993). Secondly, snowball samples will be biased towards the inclusion of individuals with inter-relationships, and therefore will over-emphasise cohesiveness in social networks (Griffiths et al., 1993). The problem of selection bias may be partially addressed in this investigation by it having a variety of different small businesses drawn from two different locations.

4.5 Interviewing Technique

The interview can be described as a communicative process through which an investigator extracts information from a person or informant. Extracted information will be strongly influenced by the respondent, who acts and interprets the environment on the basis of their previous experiences. In this way, every interview generates a subjective informative aspect which is shaped by the interviewee's experience (Sekaran, 2003).

Based on these considerations, it becomes clear that the goal of qualitative interviewing is to provide understanding of things that cannot be directly observed, such as feelings, thoughts, opinions, attitudes or behaviours of the interviewees. Since qualitative interviewing is based on the assumption that the perspective of others is meaningful and knowable, entering into their perspective becomes a major objective for the qualitative researcher (Sayre, 2001).

Qualitative researchers have proposed different classification systems for interview types. Patton (2002) provides a detailed classification of open-ended interviews, outlining the three basic approaches: (1) the informational conversational interview, (2) the interview guide approach, and (3) the standardized open-ended interview. The most important features of each interview approach are presented in Table 4.1.

Table 4.1: Approaches to Open-ended Interviews (Patton, 2002)

The informational conversational interview	The interview guide	The standardized open-ended interview
Unstructured	Semi-structured	Semi-structured
<p>Questions flow from immediate context; no predetermination of questions, topic or wording</p> <ul style="list-style-type: none"> • Conversational flow as a major tool of fieldwork 	<p>The interview guide provides topics or subject areas in advance, in outline form</p> <ul style="list-style-type: none"> • Within a framework of the guide, the interviewer is free to explore, probe and ask questions • However, focus on particular predetermined subject 	<p>The exact wording of questions and their sequence are predetermined</p> <ul style="list-style-type: none"> • Each respondent gets to answer the same question in the same way and the in the same order, including standard probes
Data gathered will be different for each person interviewed	Data collection is more systematic	Enhanced comparability of data

The format that was applied in this study is the *standardized open-ended semi-structured interview approach*, with the exact wording of the questions and the sequence predetermined during the interview. The advantage of using this approach is that it makes data collection more comparable and ensures that certain topics and issues of interest will be covered (Patton, 2002). Stokes and Bergin (2006) suggest that semi-structured interviews have intrinsic advantages relating to the quality of the research outcome with the ability to uncover important underlying issues. In addition, Wright (1996) demonstrates the value of the semi-structured interviewing technique in empirical research as being an efficient and cost-effective qualitative approach in research.

An in-depth interview guides and specifies important issues and topics related to the formulated research questions that will have to be covered during the interview. In qualitative research, questions need to be open-ended, neutral and clear. There are a number of different question categories, from 'experience' questions to 'background/demographic' questions (Patton, 2002). The interview guide developed for

this study mainly consist of personal experiences, environmental questions as well as opinion questions.

The advantage of using in-depth interviews is that they provide much more detailed information than other data collection methods and that it also provides a more relaxed atmosphere in which to collect information (Boyce & Neale, 2006). Friesen (2010) and Kvale (1996) claim that in-depth, qualitative interviews are excellent tools because they use an open-ended, discovery-oriented method, which allows the interviewer to deeply explore the respondent's feelings and perspectives on a subject. In addition, Sekaran (2003) stated that open ended questions allow the respondents to answer in any way they choose and that these questions will give the researcher a much more detailed data bank for analysis.

All the interviews were face-to-face, semi-structured and conducted with the Vietnamese small business owners at their business premises. Interviews took no more than an hour and were taped using a non-obtrusive tape recorder.

4.5.1 Construction of the Interview

The interviews will be divided into three parts (refer to Appendix D). The first part will contain background information of the interviewee. Such questions include: year of arrival to Australia, education, first job, migration status and any difficulties encountered. Responses from this part will give the researcher some contextual information about the interviewee and help draw correlations between the different small business owners. The second part of the interview contains questions regarding the business in relation to the entrepreneurship theories. Such questions include: the nature of the business, family employees, financial aid, ethnic community contacts, customer base and business experience. Responses from this part will help the researcher draw relationships between the ethnic entrepreneurship theories to determine the classification of blocked mobility, ethnic resources, ethnic enclave, social capital and social network. The third part of the interview contains questions of the business in relation to survival. Such questions include; years of operation, sales, growth, improvements and future prospects.

In total, 35 qualitative in-depth interviews were conducted over a period of nine months (December 2012 – August 2013).

4.5.2 Limitations of the Interviews

In collecting the interview data, there is an understanding that the data is impacted by the researcher, the literature and the participant (Arskey & Knight, 1999). Table 4.2 summarises some of the study's challenges and how they were overcome (Yin, 2003).

Table 4.2: Limitation of Interviews and Actions to Overcome Bias (Yin, 2003)

Limitation	Action to Overcome
The research design imposed limits on possible meanings	This was overcome by using both content and thematic analysis
Some connections are determined without formal support	This is an exploratory study with little existing formal support
The literature influenced the meanings which caused some data to be discarded	No data was discarded because thematic analysis was undertaken after content analysis
The interviewee recalls details in the best light, this is also referred to as the 'halo effect'	In-depth questioning was used by the interviewer.

4.6 Data Collection

Data are collected in two phases as detailed here. Phase 1 of the research design uses a data gathering technique based on an in-depth interview to describe the environmental and personal factors and how they started their business. The second part uses both the interview and secondary data from the literature review to determine which ethnic entrepreneurship theories are linked to their business start-up. Phase 2 uses a similar method to Phase 1, where the data gathering technique of an in-depth interview is used to describe business survival (see Table 4.3).

Table 4.3: Phases of Research Design

Phase 1: Business Start-up			Phase 2: Business Survival		
Environment and Personal Factors (Chapter 5)	Ethnic Entrepreneurship Theories (Chapter 5)	Business Start-up (Chapter 5)	Environment and Personal Factors (Chapter 6)	Ethnic Entrepreneurship Theories (Chapter 6)	Business Survival (Chapter 6)

The method of data collection is a semi-structured interview in both Phase 1 and Phase 2. Interviews are used in this study to gain an in-depth understanding of *which* of the environmental and personal factors steered the migrants in establishing their small businesses and *how* they have survived. Each of these phases will be discussed in more detail below.

4.6.1 Phase 1- Business Start-up

Phase 1 of the research examines the environmental and personal factors, as this is background information required for the business start-up. In this instance, the question *'What are the factors that lead to the start-up of Vietnamese small businesses?'* is posed. The second part of Phase 1 adopts both the data gathered from the interviews and also the secondary data from the literature review on ethnic entrepreneurship theories. In this instance, the questions *'To what extent do ethnic entrepreneurship theories of Blocked Mobility, Ethnic Resources, Social Network, Ethnic Enclave and Social Capital apply to Vietnamese starting up a small business?'* and *'Do those factors link to existing ethnic entrepreneurship theories identified in the literature?'* are posed.

Content analysis and thematic analysis are both used in this second phase of the research to examine the ethnic entrepreneurship theories of Blocked Mobility, Ethnic Resources, Ethnic Enclave, Social Capital and Social Network. One of the advantages of using content analysis is that it can provide an objective and analytical framework for reporting information. A multi-method strategy is employed using techniques of interviewing and secondary data, to gain both broad perspectives of the business start-up and a deeper understanding of how these businesses have established.

4.6.2 Phase 2- Business Survival

In the second phase of the research, the project examines the survival factors. In this instance the question *'What are the contributing factors that explain why some Vietnamese small businesses are more sustainable than others?'* is posed. Phase 2 of the research is designed to obtain the survival factors of the Vietnamese small business.

Content and thematic analysis will also be used in Phase 2 of the research design, to determine how these small business operators have survived. In addition, an analytical framework will be used to process the key issues and concepts that have led these businesses to survival.

4.7 Data Analysis

Miles and Huberman (1994) suggest a framework for analysing qualitative data that has three simultaneous flows of activity: data reduction, data display and conclusion drawing and verification. Therefore in this study, data reduction took place initially through editing, segmenting and summarising data, then coding and looking for themes and patterns through content analysis and explaining. This process continued after the data was collected. Following this, the drawing of conclusions and the verifying stage required speculative conclusions to be formed.

Description of the data analysis techniques used for this section of the research are found in Chapter 5 for the environmental and personal factors together with the business start-up and Chapter 6 for the survival factors. Details of content analysis, thematic analysis and analytical framework used in this research will be explained in the next sections.

4.7.1 Content Analysis

The idea of qualitative interpretation, according to Patton (2002), needs to focus on three aspects: (1) making obvious, or confirming what is already known about the subject, (2) making the obvious dubious, or identifying misconceptions and (3) making the hidden obvious, or discovering things that have not yet been illuminated by others. Content analysis is one of the most important instruments of qualitative data interpretation analysis.

Content analysis, an instrument of qualitative data categorisation based on core consistencies and meanings, serves to identify the most important meaning units. The core meanings found throughout such content analysis are also referred to as patterns and themes. Sekaran (2003) distinguishes the epistemological context of content analysis from pure context analysis, suggesting that in content analysis the text is seen as an instrument by which an analyst can access the content of what has been said or written.

The first step in organising content analysis is the definition of the pragmatic objectives pursued by the investigation. Those have been presented at the beginning of this chapter. On the basis of this pragmatic level, the theoretical level needs to be determined, including the different analysis strategies.

The level of content analysis pursued is: (1) syntactic, (2) pragmatic and (3) semantic. A syntactic level examines the form of the text, with a focus on the use of words and the type of expression used. The pragmatic analysis focuses on the process of communication. Of greater importance for this study is the semantic approach, or the analysis of meanings. The goal of semantic analysis is to examine how expressions are used in order to describe and evaluate the reality. The semantic level is crucial for this study analysis, since the objective was to identify units of meanings that would best describe the phenomenon of business start-up and survival.

The researcher then has to decide to reduce the considered factors while discussing these factors exhaustively to integrate all factors present in the text into analysis. This study also used thematic analysis to identify the themes in the data collected.

4.7.2 Thematic Analysis

Strauss and Corbin (1998) identified that in qualitative research, a thematic analysis of data is used to identify the themes in the data collected. Ezzy (2013) suggests that a thematic analysis is inductive because the themes are not decided upon prior to the coding process but instead are induced from the data. This approach often causes issues and problems to be raised that are unanticipated by the researcher.

Therefore, after sorting through the data, it was thematically analysed. The researcher remained open-minded to the themes being induced from the data as well as to the possibility of moving entries from one theme to another as they emerged. This study also used the analytical framework to detect the factors and discussing them in detail.

4.7.3 Analytical Framework

Once qualitative data has been collected, in the case of this study through in-depth interviews, the gathered information needs to be organised within a certain framework. Analytical frameworks can be processes, key issues, interview questions and sensitising concepts. Indigenous concepts are key phrases and terms used by the people in the setting, which very often provide sensitizing concepts. This implies that qualitative researchers capture the key phrases most important to the respondents (indigenous concepts) and use those key phrases to build categories and fieldwork (sensitising concepts). Although the researcher defines the concepts, it still remains important to determine how people actually experience and describe their reality (Patton, 2002).

For this study, the standardised semi-structured interviews will be analysed through the window of a descriptive analytical framework. The answers from different respondents will be grouped by topics from the interview, and the relevant data for analysis themes will be dispersed throughout the respective interviews.

4.8 Quality of Data

The paradigm of qualitative research can be traced back to the philosophical perspectives of the methodologies based on interpretivism. Interpretivism believes that a theory will always belong to the specific setting and circumstances where and under which it was developed. This approach, based on qualitative research, recognises that the subjective meaning of peoples' experiences is what matters and shapes reality (Lee & Baskerville, 2003). With these philosophical approaches in mind, the alternative criteria for ensuring the quality of a qualitative study can be discussed.

From its interpretivism perspective, its social construction and constructivist criteria, we recognise that an individual respondent's world is a construction - be it a social, political, or a psychological one. Researchers supporting this point of view are rather interested in a deep understanding of specific cases within a particular context rather than in the creation of hypotheses and generalisation. As described earlier, this study recognises the different constructions of reality and thus different perspectives of people regarding certain phenomenon. Social constructivist research criteria therefore constitute a suitable framework for this study. The next section will explain how quality was ensured in this study, according to the constructivist criteria of trustworthiness (Lee & Baskerville, 2003).

4.8.1 Trustworthiness

Lincoln and Guba (1985) suggest trustworthiness, credibility, dependability, transferability and conformability as criteria for qualitative research. It is critical to ensure data integrity so that effective analysis can be made based on these data. An important component for assessing data integrity is represented by techniques and tools to evaluate the trustworthiness of data.

Although many critics are reluctant to accept the trustworthiness of qualitative research, frameworks for ensuring rigour in this form of work have been in existence for many years. In addressing credibility, researchers attempt to demonstrate that a true picture of

the phenomenon under scrutiny is being presented. To allow transferability, they provide sufficient detail of the context of the fieldwork for a reader to be able to decide whether the prevailing environment is similar to another situation with which he or she is familiar and whether the findings can justifiably be applied to the other setting. The meeting of the dependability criterion is difficult in qualitative work, although researchers should at least strive to enable a future investigator to repeat the study. Finally, to achieve confirmability, researchers must take steps to demonstrate that findings emerge from the data and not their own predispositions (Lincoln & Guba, 1985).

4.9 Role of the Researcher

In this study, the role of the researcher was determined by the selection of the research positioning and design (Blaikie, 2000). In the present study, the researcher was familiar with a few of the small business owners reviewed. Yin (2009) highlights that such involvement provides an opportunity to gain access to data not available to external parties, and provides reality from the inside. As a certain amount of bias cannot be avoided, Saunders et al. (2007) recommend that the researcher seeks ways to control their bias. Therefore, to ensure the researcher bias did not distort the findings of the study, the following strategies were employed:

- 1) Use of description to convey findings;
- 2) Use of existing literature to determine whether the literature supported the findings of the research;
- 3) Interviewing a variety of participants in small businesses to compare accounts.

4.10 Ethical Considerations

Due to the involvement of human subjects in this research study, certain ethical issues need to be addressed. Saunders et al. (2007, p. 129) defined research ethics as “appropriateness of your behaviour in relation to the rights of those who became the subject of your work, or are affected by it.” In this study, an ethics application was made to Victoria University Research Ethics Committee which was approved in December 2011. This is necessary to protect the confidentiality of all respondents.

For confidentiality purposes, a code name was used to for each interviewee. All respondents were also informed that at any point of the interview, they could withdraw from the study without being exposed in any way. Interviews were taped and permission

granted by each participant before the interview (refer to Appendices A, B & C). The interview tapes and recordings of responses are kept locked in a filing cabinet as required by the university research committee and will be destroyed after a certain period according to research protocols.

4.11 Summary

In this research, the environment factors that exist in small businesses and the personal factors that attributed to the owners were explored. Using an interpretivist approach and a combination of data analysis methods, has allowed the investigation of how the business was established and how it survived. Table 4.4 summarises this research study, showing key details including the research design, the data gathering procedures and the analysis techniques employed in this study.

Table 4.4: Research Study Summary

Research Issue	Choice of Study
Research Paradigm	Ontology-Relativist; Epistemology-Constructivism; Theoretical perspective- Interpretivism (symbolic interaction)
Research Approach	Qualitative
Data collection	In-depth semi structured interviews and secondary data
Data Analysis	Qualitative, content and thematic analysis, analytical framework and secondary data
Ethical Considerations	Victoria University- Ethics guidelines for the conduct of human research

Data is collected from Footscray and Richmond as the two locations for this study, and there are two phases in the research methods. The first phase employed in-depth interviews to first establish the context of understanding the environmental and personal factors involved in business set up. Following this, the use of content and thematic analysis was introduced to understand how the business was established in terms of a comparison with the Ethnic Entrepreneurship theories' literature. The second phase uses a similar approach to Phase 1, which includes in-depth interviews along with an analytical framework to provide a detailed insight into how the businesses have survived.

Interviews provide an in-depth understanding of the issues of how the environmental and personal factors led to the business start-up and survival. The confidentiality of all respondents who participated in this research project is respected. The interviews were

coded and none of the respondents are identified in any specific ways. Research protocols are followed as per the university research committee's guidelines.

The following chapters report on the interviews. Chapter 5 reports on the business start-up and the application of both the interviews, content and thematic analysis to identify which ethnic entrepreneurship theories applied. Chapter 6 reports on the business survival and are analysed and evaluated respectively. A summary of the results and findings from Chapters 5 and 6 are considered in Chapter 7.

CHAPTER 5

Business Start-up

5.1 Introduction

The aim of this Chapter is to analyse the results gathered from the 35 interviews in order to throw light on the two research questions noted below. In Section 5.2, a demographic summary of the 35 interviews which have been conducted is given to establish, for the reader, evidence for the study's soundness as being representative of the Vietnamese small business community. The next two Sections, 5.3 and 5.4, focus on the environmental factors and personal factors which respondents have seen as pertinent in influencing their business experiences. This is followed by Section 5.5, the analysis of the business start-up, which includes a comparison of the literature on Ethnic Entrepreneurship theories. Section 5.6 introduces the start-up factors developed from the analysis. Lastly, a summary of the results and analysis will be discussed in Section 5.7 at the conclusion of the chapter.

The following research questions were developed to provide perspectives on the business start-up of Vietnamese small business owners. These answers will be provided through the analysis and findings in this Chapter:

5.1.1) What are the factors that lead to the start-up of Vietnamese small businesses?

5.1.2) How do these factors link to existing Ethnic Entrepreneurship theories identified in the literature?

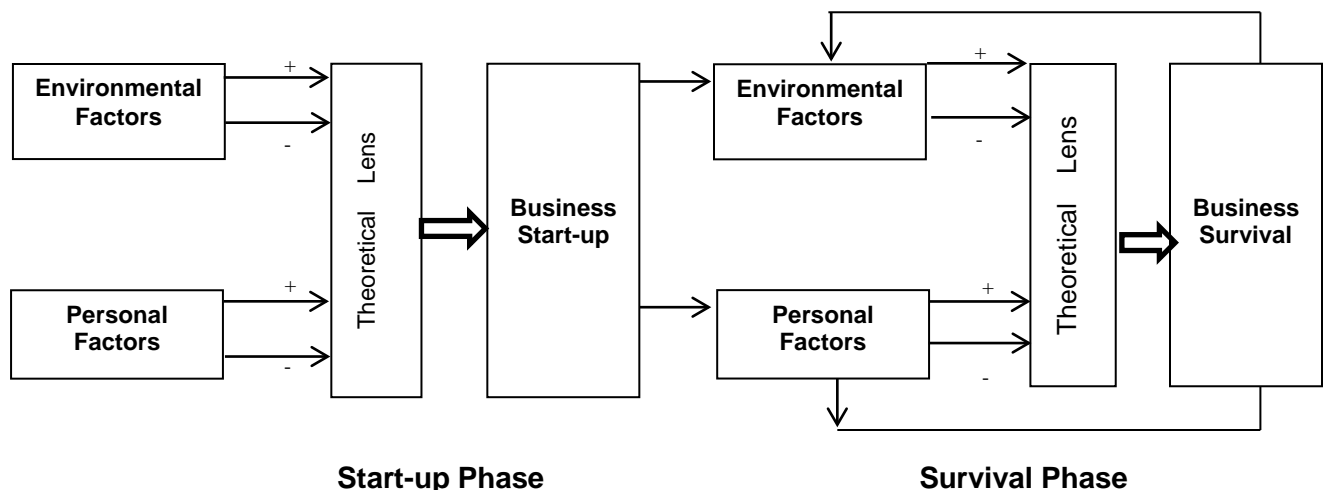


Figure 5.1: The Start-up Phase and Survival Phase of the Research Framework

In Chapter 3, a research framework was developed for this study. This research framework (Figure 5.1) provides the basis for an examination of factors associated with business start-up and also business survival, which is discussed in Chapter 6.

5.2 Demographics

The emphasis is on the ethnic variety of Australia and the role of immigration in building the nation at present. Background information on Vietnamese immigration to Australia was previously discussed in Chapter 1 (refer to Section 1.4 The Case of Vietnamese Migrants). According to Jupp (2001) almost one in four of the population are born outside of Australia, which is considered exceptionally high in international standards. Viviani (1984) stated the entry of a relatively large group of Asian refugees was not only novel, but carried with it some important implication for future Australian foreign policy in Asia. It had a profound effect on the Australian migration policy, in disestablishing the White Australia Policy. Therefore, the effects of Vietnamese migration to Australia were of historic importance in many ways (Viviani, 1996).

Thirty five ethnic Vietnamese small businesses located in Victoria were identified to assist with providing insights into factors seen as important to business start-up and business survival by the respondents chosen for this study. Interviews were conducted with the owners of these 35 small businesses, with each interviewee providing a summary of their personal and business backgrounds (refer to Appendix I). The purpose of this phase was to establish their personal information to allow further investigation of the personal factors which may have influenced their business decisions, to provide information regarding their day-to-day business operations, and to thus provide a sound context for the investigation of their business start-up and survival strategies.

This study was conducted in two locations in Victoria, Australia. There is a significant representation of Vietnamese small businesses operating in the State of Victoria. In this respect, the ABS (2014) indicates that approximately 28% of the Australian population are born overseas, from this there are 230,000 Vietnamese people living in Australia. Although this research uses a snowballing technique to identify and engage respondents for the study, it does however, provide examples across different key industries and migration types. The businesses were selected from these two locations due to the high presence and concentration of Vietnamese migrants. There were 17 small business

interviews which were conducted in Richmond, while the other 18 small business interviews were conducted in Footscray.

According to the demographic data, there were more males than females contributing to the project. The data thus had a preponderance of male perspectives, with a representation of 66% starting up a small business as compared with the female migrants, which is in accord with the overall representation in the area for this study. All the owners who were interviewed at the outset of this investigation have continued operating their small businesses. There were four types of migrations found in this research; these were 40% refugees, 51% family sponsorship, 6% student visas and 3% work visas. With reference to the overall business type characteristic of Vietnamese entrepreneurs, the majority of the refugees operated a retail small business, whereas family, student and work-sponsored migrants have pursued businesses in the retail and service sectors along with obtaining further skills and education. It appears that the most popular type of migration was through family sponsorship as there were 18 Vietnamese migrants from this group which may have relevance to business start-up possibilities. The Vietnamese migrants were asked about their education background, and the results indicated that nine had university qualifications, 12 had post-high school certificates and 14 were educated to high school level. There were seven industry sectors in this study; 18 retail services, five hospitality, five professional service providers and three manufacturing, two home-based, one educational centre and one trade. It is not surprising to see that operating a retail store was the most common type of small business operated by a Vietnamese migrant involved in this study, since this is a feature of the overall area of concentration for Vietnamese entrepreneurs.

Table 5.1: Summary Table of Case Backgrounds Obtained From the interviews (n= 35)

	Number	%
Male	23	66%
Female	12	34%
Refugee	14	40%
Family sponsorship	18	51%
Student visa	2	6%
Work visa	1	3%
Richmond	17	49%
Footscray	18	51%

High school	14	40%
Tafe	12	34%
University	9	26%
Retail	18	51%
Hospitality	5	14%
Professional Service	5	14%
Manufacturing	3	9%
Home-based	2	6%
Education	1	3%
Trades	1	3%
Early arrivals	14	40%
Later arrivals	21	60%

Business start dates ranged from 1980 to as recently as 2007. Fourteen of the businesses had been operating for over 20 years, with the longest years in operation being 32 years. There were two waves of arrivals considered in this study; one being the early arrivals which was prior to 1983 and the later arrivals after 1983. There were 40% of early arrivals and these migrants mainly consisted of refugees whom had escaped their country. The other 60% of later arrivals consisted of migrants supported by family sponsorships, student and work visas. The years of arrival ranged from as early as 1975 to as recently as 2000. The age of the interviewees at arrival ranged from as young as two to the eldest being 37, whilst the majority were aged in their early twenties.

5.3 Environmental Factors

This section addresses the environmental factors and their presumed relationship to business start-up. These environmental factors are considered important for analysis as they outline the underlying issues seen as relevant to the owners to be of influence on them when they established their business. The place of these environmental factors in the research framework is highlighted in Figure 5.2.

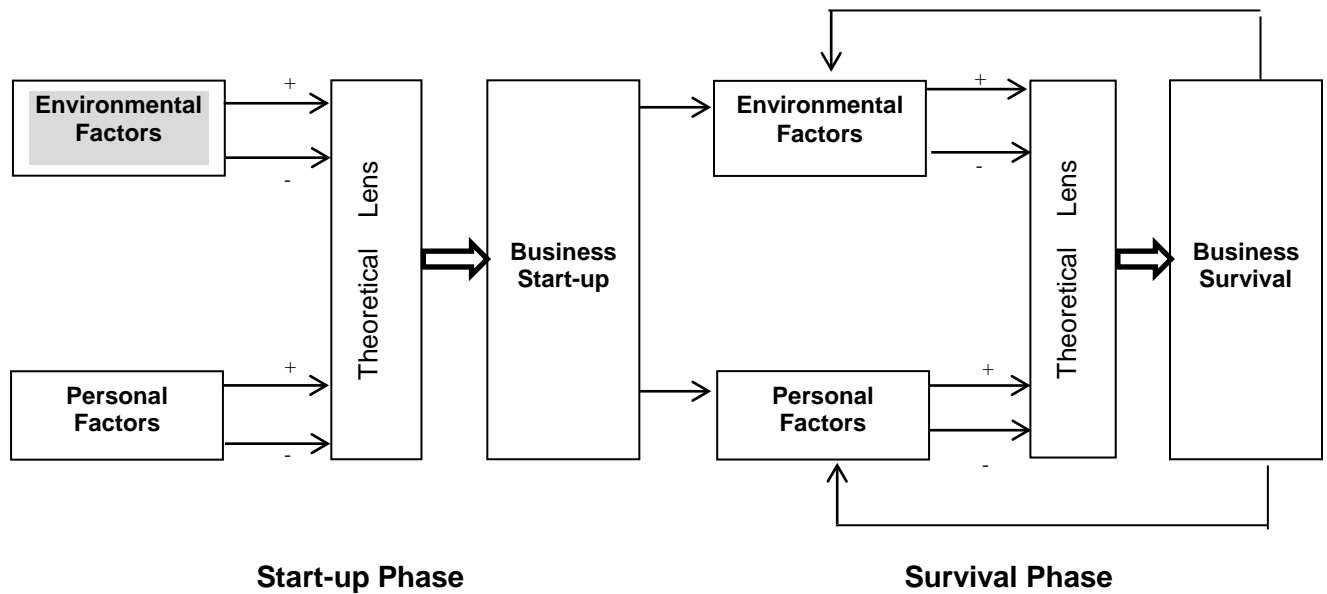


Figure 5.2: Research Framework: Start-up Phase Involving Environment factors

Table 5.2 below represents the eight relevant environmental factors examined here which gave rise to the corresponding questions in the interview guide (refer to Appendix E). The ‘total’ column represents the number of respondents answering ‘yes’ to the question asked out of a total number of 35 interviewees. These results assist the research by indicating which environmental factors had, in their opinion, significantly influenced the owner during business start-up. Each of these environmental factors will be discussed below in more detail.

Table 5.2: Summary of Environmental Influences on Business Start-up

Environmental Factors	Total
Family business skills in Vietnam	26
Bank finance to start-up a business	18
Family finance to start-up a business	17
Importance of ethnic community contacts	28
Family members employed in the business	20
The makeup of Vietnamese customer base at the start of operation is over 50%	28
The present makeup of Vietnamese customer base is over 50%	16
Prior industry experience	31

5.3.1 Family Business Skills in Vietnam

The examined literature reports that prior family business exposure has an important impact on facilitating business start-up (Dyer, 1994). The results show that respondents from 26 businesses have had family business skills obtained in Vietnam. Those nine cases who reported having no family business skills referred to (i) their age when they left Vietnam, (ii) that their families were labourers in Vietnam and (iii) that the owners had prior knowledge and business skills from other sources which enabled them to run their own businesses in Australia. Two respondents, who had a family business in Vietnam, stated that:

"My family had operated a restaurant back in Vietnam. I had gained some valuable experience from back that has helped me in running my own restaurant."

[Interviewee 4]

"I had gained industry experience by seeing my father run his own clinic back in Vietnam. He was the reason why I wanted to be a doctor as well." [Interviewee 12]

Clearly, respondents in this position recognised that these factors have influenced them in the decision to start their own business, especially the confidence gained from having prior skills, experience and knowledge.

A respondent, who had no family business skills due to their age when they left Vietnam, stated that:

"I came to Australia at age 13 in 1988 under the family sponsorship scheme. Before I left Vietnam, I had only completed primary school and had no other experiences." [Interviewee 25]

A respondent, who had no family business skills due to their family being labourers in Vietnam, stated that:

"I didn't have any family business skills before I started my business. My family didn't run any business in Vietnam. My father passed away in the Vietnam War and my mother stayed at home to look after me and my brother." [Interviewee 21]

An important case was where owners came to set up their business using prior knowledge and business skills from other sources, which they claimed enabled them to run their own businesses in Australia. One respondent told us that:

"My aunty had asked me to use the shop to start up a bridal wear business. I didn't have a job at the time and it was hard for me to get a job in my field of dress making studies. That's why my aunty gave me the opportunity to start my own business since I already had the skills in dress making and contacts from my parents to get the bridal dresses over to Australia." [Interviewee 19]

This indicates that while prior business experience is generally the most common, and possibly the most efficient way to enter this area, transferred skills can be brought to bear on business start-up activities. Therefore, it is not necessary in some types of businesses.

5.3.2 Bank Finance to Start-up Business

Storey (1994) states that having access to a bank loan can markedly assist the potential start-up of a business. There were 18 businesses who obtained a bank loan to start up their establishments whilst others used other sources such as personal and family contributions to help fund their enterprises. Clearly, the significant number of owners who were able to get a loan through the banks in order to financially support their businesses, were able to establish enough collateral to satisfy the stringent conditions required to be met by the banking institutions. It appears that many of these successful applicants had contacts from the community to support them to source these funds through formal financial institutions where collateral is an important consideration. In addition, other factors contributing to obtaining a loan include advanced language skills and tangible assets available to the owner, all of which support the establishment of a loan. This has indicated that the ability to set up a bank loan was a contributing factor that assisted the migrant in their business start-up. Two of the respondents reported that:

"I had to borrow money from the bank to finance my business. I was able to save up a bit of money from working in the past and had to put the business loan against my house. This loan has helped me to start my business from scratch and has kept my business running for the past 35 years." [Interviewee 1]

"I financed my business through the banks with a business loan. I had to put up my property as a security asset to obtain the loan from the bank." [Interviewee 21]

The cases here clearly showed that the owners chose to borrow money from the bank because they apparently could not source finance from their families or the community. In these instances, a tangible asset as collateral was seen as the pathway to obtain the loan for their business start-up. These operators commenced their business after building up their assets first.

5.3.3 Family Finance to Start-up Business

Family finance has been shown to be an influence on the owner's ability to start-up a business where they might not have been able to seek out a bank loan otherwise. The results show that 17 businesses obtained funds from their families and friends, whereas the other businesses had obtained funds from other sources such as a bank loan. This indicates that many owners had the support of their own community network to provide them with the funds for their business start-up. In this respect, there are two scenarios. First, it appears that owners who were *late arrivals* had more established families, relatives and friends in Australia, and these people were willing to provide them with collateral. On the other hand, our sample indicates that the owners who were *early arrivals* had less knowledge and contacts in the community to support an application for a bank loan and therefore they were forced to obtain direct family financial assistance if it was available. There were, however, some cases where the operators could not start their business soon after migrating and instead had to build their assets first. The literature supports this fact by acknowledging the key influence of families as a source of support in ethnic businesses (Bates, 1997). The following three respondents, who had obtained finance through their families, stated:

"I had the support of my family and relatives when I started my business. My family had lent me some money to help me finance my business." [Interviewee 29]

"My brother had lent me some money to help me start my business from home. He has assisted me financially in getting my business up and running'. [Interviewee17]

"My English was very limited at the start when I first arrived. I didn't know how to approach the bank for a loan and had only asked my relatives for financial assistance to start-up my business initially." [Interviewee 4]

It was obvious that in an ethnic group, there can be an opportunity for family loans in assisting them in their business ventures. While this is most certainly a cultural norm for

the Vietnamese society, it is important to mention in this study that the respondents were not as informed in the earlier days about bank dealings in general. Also, lack of language confidence meant reluctance with regard to approaching banks or other formal lending institutions, and they preferred instead to turn to their families and friends for financial support.

5.3.4 Importance of Ethnic Community Contacts

The literature indicates the importance of ethnic contacts for the business to thrive in their own ethnic community (Teixeira, 2009). Whilst there were 28 businesses who have directly stated that their ethnic community contacts were important for their businesses, some others have indicated that it was not that important for them to have contacts with their ethnic communities. This illustrates that the ethnic community, in a significant proportion of cases, provides the owner with sources of finance, employment prospects and business information.

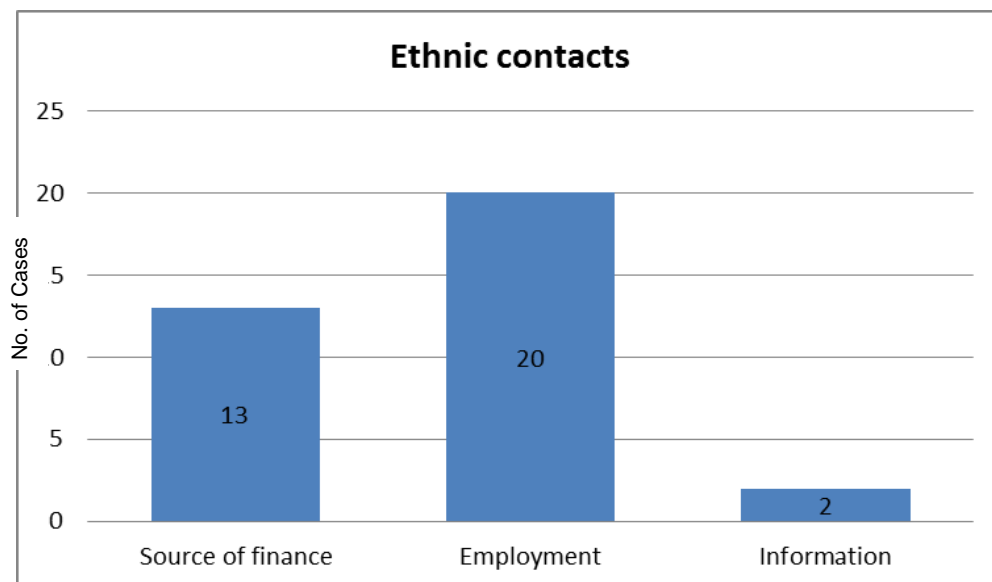


Figure 5.3: Ethnic Contacts

This issue takes into consideration the sharing of resources within the ethnic community, and it relates back to the ethnic entrepreneurship theories of Ethnic Resources and Ethnic Enclave. The ability to share resources has influenced and facilitated a number of owners to start up their own business as the contacts from their ethnic communities have helped them to gain access to potential employees, customers, financial resources and business information. Two respondents reported the importance of their ethnic contacts by stating:

"Most of my customers are Vietnamese and they have been very loyal and have supported me for the past 20 years in business." [Interviewee 22]

"The ethnic community is very important to me as they make up most of my business sales." [Interviewee 8]

Comments such as these show the importance that this opportunity for owners to count on their own ethnic community to both establish and maintain their businesses. Most of their customer base and employees are made up of Vietnamese people, which suggests that the initial business start-up phase certainly benefitted from having easy access to ethnic clientele. Clearly, the nature of these businesses, and the disposition of the owners, is specifically focused on the Vietnamese community, and this has contributed significantly to their continuity.

5.3.5 Family Members Employed in the Business

Dyer (1994) states that ethnic small businesses tend to have family employees as this can assist them in cutting down costs and help out in the business operations without the need to seek (expensive) other employees. There were 20 businesses that have family members employed in their own small business. The other businesses have no family members employed in their businesses and instead have a range of other staff members working in their business. This suggests that the owners will usually employ their family first, then extended family, next Vietnamese workers and lastly other ethnic members, in their business. This strategy is likely to come from an understanding that businesses with a family worker helps the owner to reduce their wages and provides them with the support in the business operations, which has been specifically acknowledged as an influence on the start-up of their own business. Two respondents stated:

"I would have to rotate with my wife and take turns in working long hours. I often do the deliveries which leave my wife and son at the shop to serve the customers."
[Interviewee 3]

"My wife helps out in the office at my business. She has been a great support to me in my business. Having a family worker has helped me to save on wages." [Interviewee 18]

Noticeably, the two cases above have employed their wives as employees in assisting them in their business operation. This not only provided them with reliable support but also helped them to save on wages as well. This seems to be the case with most Vietnamese businesses, where there is an apparent lack of use in employing additional staff to assist the business operators when starting their own business.

5.3.6 Prior Industry Experience

The results show that 31 business owners have had prior industry experience. This shows that the majority of the owners interviewed have gained access in their industry through past work experiences, skills, knowledge or contacts. In addition, this shows that the owners have the support of their local business network within the industry that they are operating in. This takes into account the prior work experiences and exposure in their family businesses which shows a connection with the other environmental factor of family business skills.

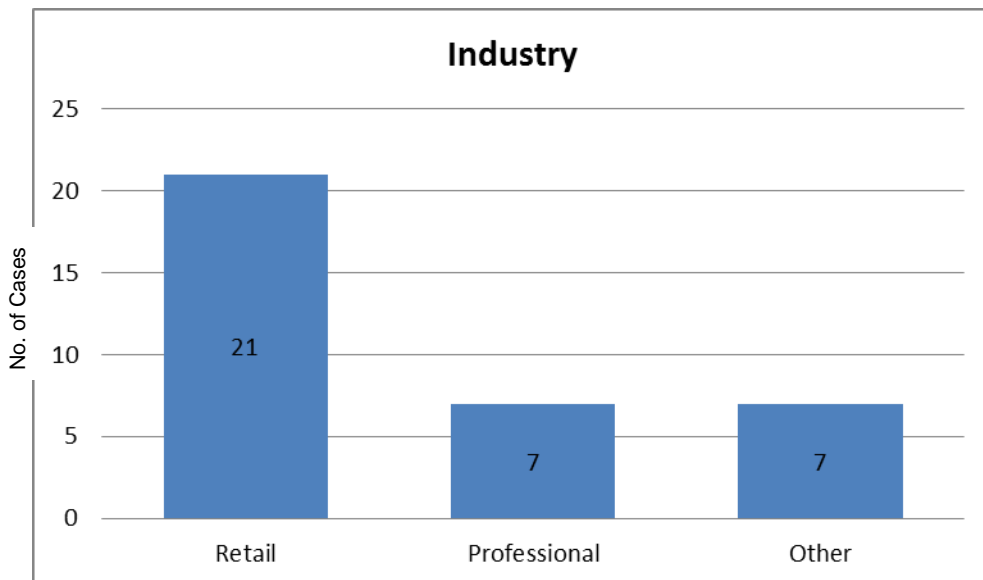


Figure 5.4: Type of Industry Experience

This background experience has influenced the owner to start-up their businesses, as most of the owners have already gained prior industry knowledge which gives them a head start in their business operations. The literature supports this by stating that business owners that have prior business knowledge are more likely to establish their own businesses (Bruderl & Preisendorfer, 1998). Two respondents with prior industry skills stated:

“My first job in Australia was a work placement at a primary school in 1992. I have also worked at a tutoring centre as a part-time job which I was studying in Footscray for 7 years...As I have worked at a tutoring centre for 7 years in the past, this was great experience that I had gained and gave me the skills and confidence to start my own business.” [Interviewee 23]

“It was my first job in Australia working as a jewellery repairer. I got the job based on my experience and skills that I had gained even though I couldn’t speak English very well. I had only needed to work at the back of the store and didn’t need to come in contact with the customers.” [Interviewee 35]

These comments clearly show that by having prior industry skills, it gives the potential owners an advantage in gaining access to their chosen business field. This will ease the start-up burden for the owner with prior knowledge in their transition into their own business establishment. This implies that having prior work experience is vital for the owners, and this investigation suggests indications leading to the conclusion that prior industry skills assisted them in business start-up.

5.3.7 The Make-up of Over 50% of Vietnamese Customers at the Start

The literature states that ethnic businesses tend to have their own ethnic customers supporting their own products and services in their own ethnic community (Waldinger et al., 1990). There were 28 businesses which had over 50% of Vietnamese customers in their businesses at the start of their operation, while only seven other businesses had less than 50% of Vietnamese customers at the start of their business operations. Most of the businesses rely on their local community from the same ethnic group to support their businesses at the initial start-up of their business operations. This observation is consistent with the ethnic entrepreneurship theory of Ethnic Enclave, where many such businesses obtain a start by operating within their own ethnic community to serve their own people. The investigation supports the notion that the ethnic small business owner, in order to start-up their own business, needs to establish the support of their own ethnic customers which will help them in maintaining their business operations. Two respondents reported that:

“When I first opened my business, most of customers were Vietnamese. My business offers Asian grocery products and that’s why I have a strong presence of Vietnamese customers from the start.” [Interviewee 1]

"I had a strong Vietnamese customer base at the start. Being one of the first Vietnamese doctor in the local area meant that a lot of Vietnamese will travel to come and see so that I can consult them in Vietnamese language." [Interviewee 12]

It is evident that these owners had a high reliance on Vietnamese customers to initially start their businesses. This was due to them being comfortable in communicating in their Vietnamese language to their customers, and it implies that the Vietnamese clients showed confidence in the new entrepreneur.

5.3.8 The Make-up of Over 50% of Vietnamese Customers at Present

Bates (1994) suggests that ethnic businesses that can serve the wider community tend to operate better than those that just serve their own ethnic customers. In our study, there were 16 businesses that have over 50% Vietnamese customers at present, while the other businesses now have less than 50% of Vietnamese customers. This shows that the businesses appear to have a lessening of their own ethnic customers as a base than at the start of their business operations. In addition, the businesses are branching out to the wider community and are now deliberately serving more to other ethnic groups and local customers. This influenced the owner to maintain their businesses through expansion by reaching out to other groups of customers. There is thus a developing difference in the cohort when we compare their strategies indicated in the 'environmental factor' of relying on Vietnamese customers at the start of the business operations. Results suggest that there appears to be a consistent drop in the percentage of current Vietnamese customers, which shows that less than half of the 35 businesses now have over 50% of Vietnamese customers. Two respondents with more than 50% of Vietnamese customers at present stated:

"At present my Vietnamese customers make up around 70% of my business. My customers feel comfortable speaking Vietnamese to me." [Interviewee 5]

"Over 80% of my customers are Vietnamese. My customers are generated through friends and word of mouth referrals." [Interviewee 17]

These comments clearly show that these businesses have relied on their Vietnamese customers from the start until the present time for their business establishment. Although there are fewer businesses with more than 50% of Vietnamese customers, these

businesses still, however, make most of their sales from their own ethnic community. Clearly, this implies that the owners are very comfortable with their business operations and have no intentions of wanting to expand to other ethnic groups and the local community.

5.3.9 Interim Comments

The complexity of the issue regarding the effect of antecedent environmental factors on business start-up, has been demonstrated here. Respondents have indicated that there were positive impacts related to environmental factors, suggesting that having developed family business skills in Vietnam, having the opportunity to access family finance, being in a position to tap into ethnic community contacts and use family workers in the business, and finally to use prior industry experience in building the new concern, were very influential in the set-up process. It was generally agreed by the respondents that these six environmental factors have significantly supported the Vietnamese owners in their business start-up. In comparison, the other two environmental factors of needing to obtain bank finance and the presence of Vietnamese customers being more than 50% was considered to have an initially negative impact on the owner towards business start-up. As the results have indicated, obtaining formal bank finance was considered as a challenge for the Vietnamese owner, and this was only used as a second option if family finance was not made available to them at the time of business start-up. Lastly, having a high Vietnamese customer base at the start also indicated a challenge for the Vietnamese owner, in that they were not able to easily expand the business operation to the wider market, but were locked into serving their own ethnic community during the early stages of starting their own business.

The next section addresses the personal factors which respondents regarded as being influential in guiding their business development strategies.

5.4 Personal Factors

This section addresses the relevant personal factors of respondents and their relationship to business start-up. Identifying these factors are important for analysis as this will provide some background information of the owner prior to entering business. In the research framework below, the place of the personal factors is highlighted and a number of contributing elements to these factors are discussed in the following sections.

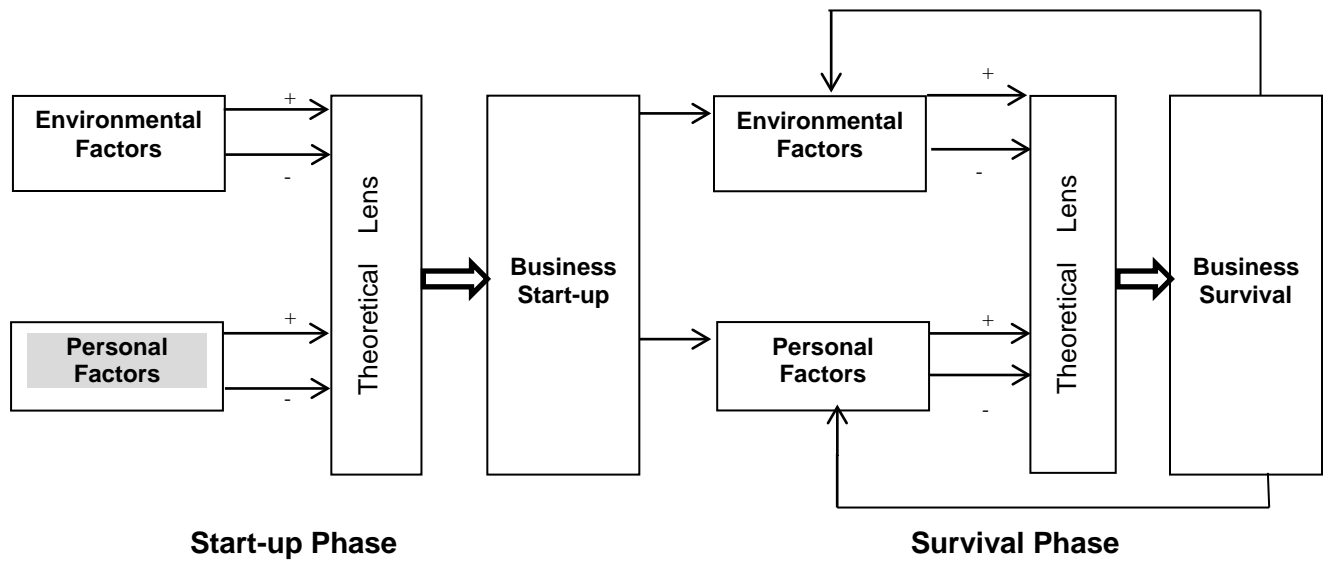


Figure 5.5: Research Framework: Start-up Phase Involving Personal Factors

Table 5.3 below shows the eight personal factors and the corresponding questions taken from the interview guide (refer to Appendix F). The figures in the ‘total’ column represents the numbers of respondents answering ‘yes’ to the related question asked, out of a total number of 35 interviewees. These results assisted in analysing which personal factors were influential in helping the owner in the business start-up phase. Each of these personal factors will be discussed below in more detail.

Table 5.3: Summary of Personal Factors Influences on Business Start-up

Personal Factors	Total
Male Vietnamese owners in small business	23
Age upon arrival in Australia – Migrant was over 20 years old	21
Completion of further studies after high school	22
Work experience in Vietnam	31
Migrated as a refugee to Australia	14
Practised Buddhism as a religion	23
Vietnamese owners from South Vietnam	23
Early arrivals to Australia	14

5.4.1 Male Vietnamese Owners in Small Business

The literature states that there is a gender bias involving business start-up and that females are disadvantaged in financing their businesses (Klapper & Parker, 2011). In the sample chosen for this study, there were 23 businesses operated by male Vietnamese

small business owners, with the other 12 being female Vietnamese small business owners. This imbalance could be due to many factors, including the preponderance of males that have migrated to Australia (ABS, 2008) as compared with the females, but also that many females have to stay at home and look after children, which would severely compromise their ability to set up a business. The observation that there were more males starting a business from the early arrivals to Australia suggests that a driving influence to start a business might have been that the entrepreneur had a family which they needed to support. There is also a connection with the age of arrival and the environmental factor of financing their businesses, with most of the males that arrived in Australia being over the age of 20 years old, and who brought with them the skills and funds to establish a business. Three male respondents stated:

"I arrived in Australia with my wife. Soon after we got here my wife fell pregnant and had to stay at home to look after the kids. It was easier for me to look for work at the time. I decided to start my own business in 1981 to support my family financially."

[Interviewee 11]

"I started off working with my brother and then later decided to venture out and start my own business to make more money as I had plans to start a family and buy a house at the time". [Interviewee 22]

"We were young and just got married at the time we started our business. We had managed to save up for a deposit for our house and top of that the first year lease for the factory. We both have the skills and connection within the industry." [Interviewee 5]

There is commonality between these statements in that the respondents linked starting businesses to the support of their families. In the Vietnamese culture, males are seen as the key figure in the household to raise their family, and thus it was more plausible for them to start a business as compared with the female migrants who stayed home to look after their families. The implication here is that the Vietnamese males were seen as the 'bread winner' of the family. However, there were twelve females in this study that went into business, and it was clear that their experiences were different to the Vietnamese male owners as they had to juggle their families whilst running their business. Here are their comments:

"I started my business at home initially and it worked well around my family and looking after my children. Later as the business grew, I had to open a shop to expand my business by hiring two employees." [Interviewee 13]

"I run my business on a part-time base as I have to take care of my children as well. I had to hire a casual employee to help out around the business when I'm not around." [Interviewee 7]

5.4.2 Age upon Arrival in Australia

Previous research shows that mature-age people more commonly tend to initiate business start-up when compared with those of a younger age. Data suggests that this is due to the more ready access to set-up funds and the existing skills and experience they bring with them into the business (Masurel, Nijkamp & Vindigni, 2004). There were 21 of the owners who came to Australia when they were 20 years and over, compared to only 14 who came to Australia at under 20 years of age. The issues to consider in this preponderance of older owners include the observation that they are more established in that have completed high school and also have had some skills and experiences in a business setting. Interview comments suggest that earlier notions of older migrants having funds with them to start up a business, together with relevant skills, knowledge and experience to establish a business, apply in the case study situation.

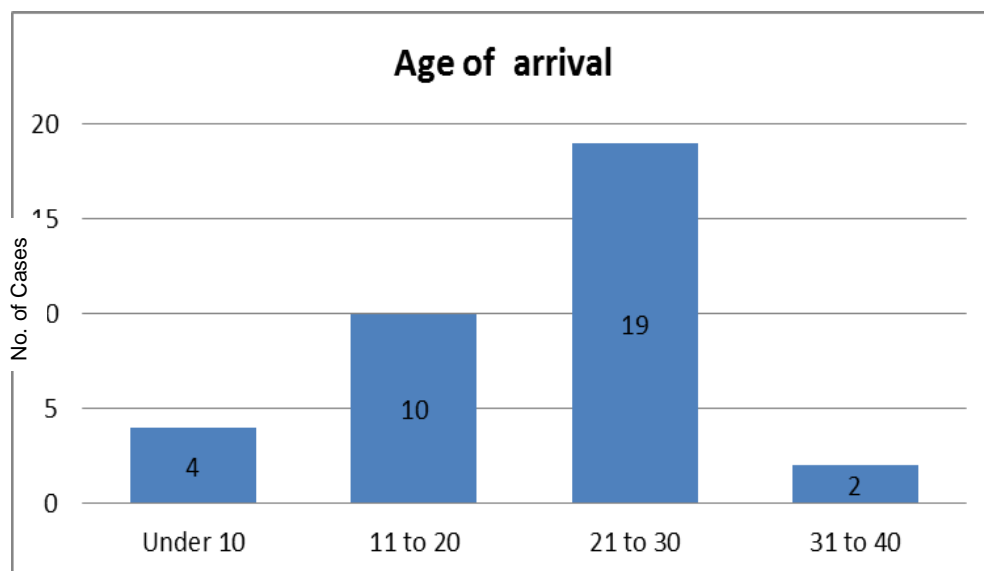


Figure 5.6: Age of Arrival in Australia

Two migrants, being over 20 years old, stated the following:

"I was 37 years old when I first arrived in Australia with my wife and sons. I had been working in my family business back home in Vietnam before I left with my family."
[Interviewee 29]

"I was 23 years old when I first arrived in Australia with my wife. I had completed high school back home in Vietnam and had only gained some working experience at my parents business in Vietnam." [Interviewee 11]

An interesting observation here are the different age groups when they arrive in Australia. The statements clearly showed that these migrants were adults when they first arrived in Australia, and, as noted by Masurel et al., (2004) they came with some skills and confidence which have assisted them in starting a small business. This in itself indicates a different level of maturity upon arrival, suggesting the migrants that arrived after the age of 20 were in their prime time of their lives and possibly knew what they wanted in life. Therefore, it is important to note that these migrants aged over 20 were at an age for optimal entrepreneurial activity, as specified in the Global Entrepreneurial Monitor (2011), further suggesting why they were able to successfully operate in small business.

5.4.3 Completion of Further Studies After High School

There were 22 owners who had completed further studies after high school, with 13 having only studied up to high school level. This suggests that owners who have gained further skills in some field after completing high school were at some advantage. Interestingly, a few of the interviewed owners studied at higher education level and obtained a university qualification which help them pursue a business in that profession, whilst other owners gained trade skills which helped them establish their business.

This sample suggests the younger arrivals had more of a higher chance to complete their studies in Australia and go into further studies. The literature states that business owners with higher education qualifications tend to enter into a professional business start-up as compared with migrants with no further studies after high school, who tend to enter into the retail sector (Gonzalez, 2003).

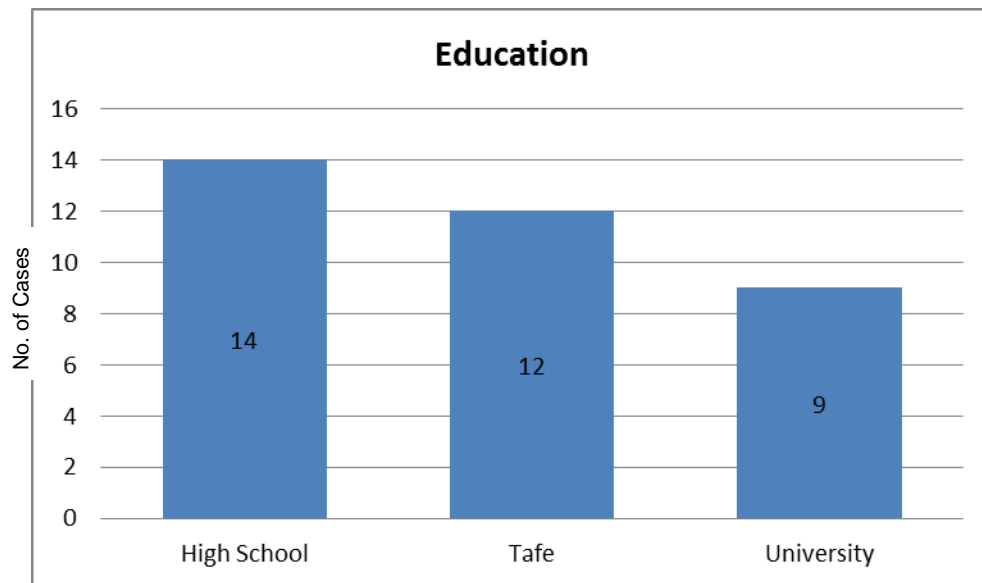


Figure 5.7: Education Levels

Two respondents who completed further studies, said:

"I came over through a student visa and was studying in Australia my teaching degree...I was a primary teacher in Vietnam for two years. I really enjoy working with students of all ages and seeing them develop over the years is great. I later started my own educational centre here in Australia." [Interviewee 23]

"I had completed my doctor's degree back home in Vietnam before I had left for Australia. When I came here, I had to get my qualification recognised. I went to Melbourne University to study and later opened my own doctor's practice." [Interviewee 12]

These two testimonials show that the owners had higher education qualifications from back home in Vietnam which allowed them to further their learning in Australia. These migrants clearly had used their qualification to advance in their profession, with the teacher running an early education centre and the doctor operating a medical clinic. This has implications to this study which suggest that having higher education can favour the migrant in looking for skilled-based jobs which in return can lead them into industry-based businesses.

5.4.4 Work Experience in Vietnam

Dana (1993) suggests that having prior work experience acts as an advantage to the owner as they can bring the skills and experience into their business. There were 31 business owners who had work experience in Vietnam while only four had no previous work experience before reaching Australia. This shows that a majority of the respondents had gained valuable working experience either at their family business before they left Vietnam or working in a relevant field of interest. This factor again overlaps with the migrant's age of arrival, since those who left their country at a later age could therefore have been exposed to work experience whereas the younger arrivals were too young to work. The complexity of these personal factors is evident here, because by having work experience in Vietnam can help the owners to go into business with skills and by assisting the owners with financial funds. The following two statements are from owners with work experience in Vietnam:

"I had gained working experience in Vietnam working in retail fashion store before I came to Australia. It was a field that I was interested in and which I later opened a business in the same field." [Interviewee 6]

"I worked at a supermarket in Vietnam before I was sponsored by my uncle to come to Australia. My first job in Australia here was working at an Asian grocery store." [Interviewee 24]

For the respondents with no previous experience, they had to work for a while in Australia before they started their own business, as is noted here:

"Prior to arriving in Australia, I had only completed primary school. I didn't have any work experience in Vietnam as I came over when I was quite young. My first job in Australia was working at my father's take-away shop. After that I started working at a florist shop and later pursued my business in the same field." [Interviewee 16]

It was obvious from these statements that the respondents with previous experiences had entered into a similar field for their new businesses, whereas those that had no experience back in Vietnam needed to get it here in Australia before they could go into business. This indicates that most respondents had some work experience through their family businesses whilst the balance was still too young to work before leaving for Australia. The implication here is that having prior industry exposure and working

experience was a key factor in assisting the migrant financially and to help them gain access into small business.

5.4.5 Migration Type Category

It is important to mention the different types of migration in this study. Although there are many different types of migration, however, this study found four types of migration in its sample. Figure 5.8 represents the Vietnamese migration type to Australia in this study. There were 14 owners whom have migrated to Australia as refugees, whereas the other 21 owners came to Australia under family sponsorship, work visa or a student visa conditions. The smaller number of owners who came to Australia as refugees appeared to have had little or no financial support and fewer opportunities as compared to the other types of migrants. Earlier arrivals were mainly refugees, and would have faced a number of personal factor barriers prior to 1983. The later arrivals to Australia, after 1983, all appear to be either family sponsored or on other types of visa application.

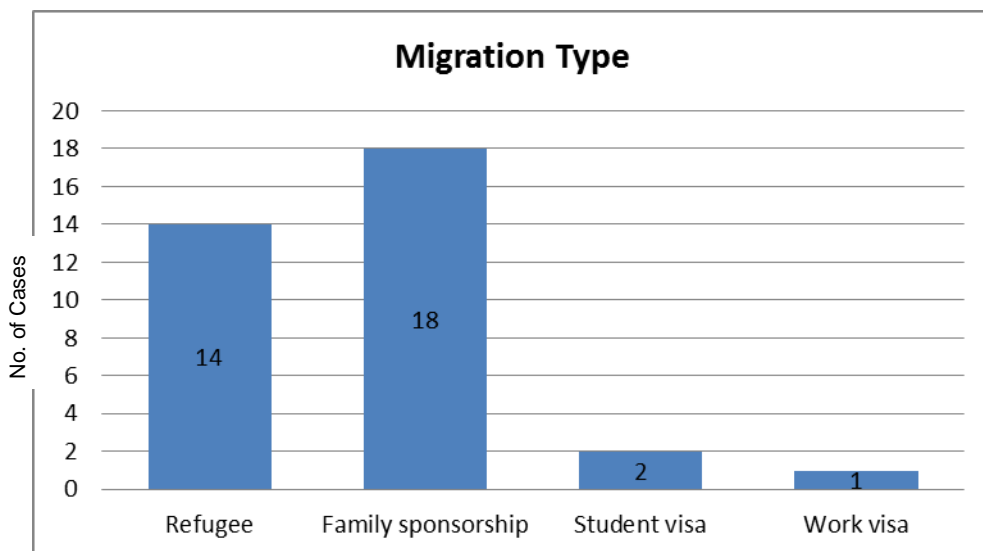


Figure 5.8: Migration Type

This distribution suggests that the migration situation represents some sort of influence on the refugees in starting a business straight away, as there was likely to be blocked mobility which gave them no opportunities to engage in the local employment market. This is evident in the data shown below in Table 5.4, which represents a summary of years in business by migration type. It can be evidently seen that the earliest refugee arrival took six to seven years to go into business and have stayed in business on average 26 years, whereas, a family sponsored migrant took five to seven years to start-up a business and on average stayed in business for 17 years. A student visa migrant

took 10 years to establish a business as they were required to completed their studies prior to starting their own business and have since been in business on average 14 years. Lastly, a work visa migrant went into business after two years of arriving in Australia and has remained in business for 24 years

Table 5.4: Summary of Years in Business by Migration Type

Migration Type	Years of Arrival	Year After Arrival Started Business	Average Years in Business
Refugees	1975 to 1979	1981 to 2006	26
Family sponsorship	1985 to 2000	1990 to 2007	17
Student visa	1992 to 1993	2002	14
Work visa	1990	1992	24

The literature certainly supports this viewpoint, stating that ethnic groups with limited language skills will be faced with blocked mobility and this can lead them to consider business start-up as an option to employment (Clarke, 2007). Three respondents stated that:

"I came as refugee to Australia in 1978 by a boat. The reason I came to Australia was to escape from the war back home and to start a better life here. My parents told me to go into business as they were planning on retire due to health issues."[Interviewee 3]

"I came to Australia as a student visa. I was sponsored by my aunty to come over and study here. After I graduated from my pharmaceutical course I started work at a local chemist. I then came across an opportunity to purchase a chemist. My aunty gave me some advice and helped me in starting my own business."[Interviewee 20]

"I came to Australia with my parents through a family sponsorship. We flew here by plane and arrived in Australia in 1987. When I arrived I had the support of my family and relatives. I took over my brother's business after working there for nine years."[Interviewee 24]

It was found that respondents who were refugees delayed their entry into the business world for a number of years due to lack of financial resources. On the other hand, respondents who arrived under the family sponsorship program had greater support and assistance to establish their businesses within five to seven years. Two respondents who were on student visas started their business after completing qualifications and

gaining some work experience. Lastly, one respondent who migrated on a work visa, started his business two years after arriving in Australia once approved for permanent residency. This has implications for this study as the time of arrival can also impact on when the business commenced.

5.4.6 Practiced Buddhism as a Religion

The literature states that Buddhism is the most common religion practiced in South East Asian countries (Spuler, 2000). There were 23 of the Vietnamese owners who practice Buddhism as a religion, whereas the other 12 (out of 35 respondents) practiced other religions such as Christianity. This is consistent with the observation that Buddhism is the main religion in Vietnam, and that the majority of interviewed owners had continued to practice this religion here in Australia.

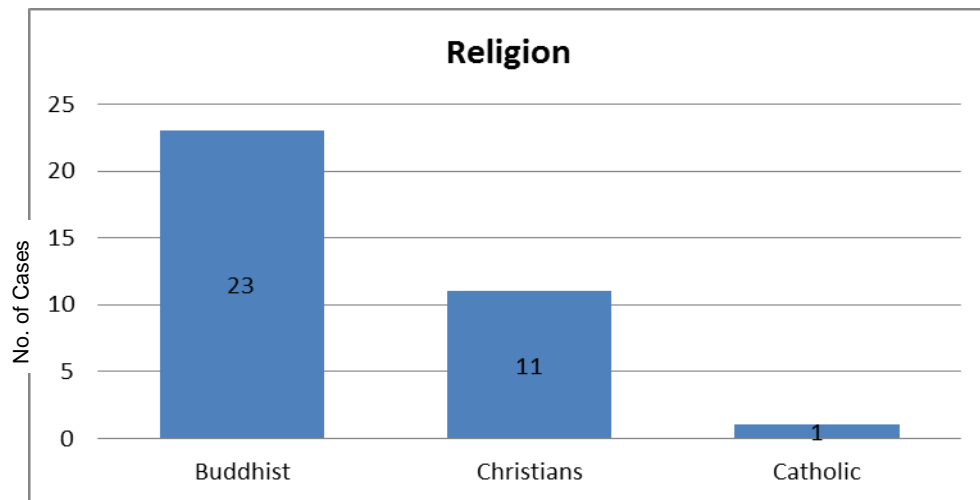


Figure 5.9: Religion Type

For those families who practiced Buddhism in Vietnam, they have carried on their beliefs and traditions into their new country. Of interest is that this cultural belief, which is significantly different from that of Australia, has not been seen to influence the owners in any way during their business start-up. Two comments on respondent's religious beliefs were presented:

"Our family believes in Buddhism as our religion. We have been practicing this religion back home in Vietnam and have been continuing the tradition here in Australia. At the grand opening of my business, I had used my religious rituals to pray to Buddha for my business success. This is part of our custom to do this when we start a business."

[Interviewee 15]

"My faith is in Christianity. I was converted to Christian when the preachers from other countries came to Vietnam to teach us about the religion. My faith has not influenced me in any way in starting up my own business." [Interviewee 20]

The statements identified that there were various faiths practiced by the migrants, with Buddhism being the most common religion amongst the Vietnamese people. The preponderance of Buddhists (23 to 12) implies that there was no observed blockage by being Buddhist in a Christian country for business start-up. This indicates that most migrants had continued to carry on their religious beliefs in their new host country.

5.4.7 Vietnamese Owners from South Vietnam

Drummond and Thomas (2005) states that people living in South Vietnam ran more businesses and had more money as compared with migrants from North Vietnam who were more agriculture-based farmers. There were 23 Vietnamese owners from South Vietnam with only 12 from North Vietnam. This means that two thirds of the sample came from the South Vietnam and this reflects the business community in that there were more migrations from South Vietnam, which is possibly due to them having more available funds to leave the country. Within this sample category, the South Vietnamese have been influenced into business start-up as many already had some sort of exposure with industry skills and family businesses. Two Vietnamese owners from South Vietnam stated:

"I came from the South Vietnam before I left for Australia. I had always lived there as a kid with my family. My parents ran a restaurant back in Vietnam. I was exposed to the business field as a kid growing up in Vietnam and started my own business with 10% of my savings." [Interviewee 7]

"I was born in Southern part of Vietnam. I came to Australia in 1992 at the age of 19 years old. I started my business from scratch. I chose to go into this business based on skills and qualifications I had." [Interviewee 21]

For the respondent from North Vietnam, who grew up in an agricultural background, the following story emerged:

"I came from Northern Vietnam and my parents had a farm back home. They used to grow their own vegetables and bring them to the markets to sell. I came to Australia by myself

and was sponsored by my father at the age of 13 years old. I went into business after gaining some industry experience working at a florist.” [Interviewee 16]

The commonality amongst the first two respondents was that being from South Vietnam they were exposed to the business field from their parents’ experiences back home in Vietnam. This has both influenced them and assisted them to start their own business. By comparison, the respondent from North Vietnam was exposed to agriculture farming and trade from her parents’ situation, and had later built upon this in the floristry business in Australia. This has implication for this study as to the location of where the migrant came from, whether it was from North or South Vietnam, can impact on the type of business the migrant chooses to go into in Australia.

5.4.8 Early Arrivals in Australia

The literature states that early arrivals to a new country are often faced with limited resources and are either forced into low labour skills employment or self-employment (Colic-Peisker & Tilbury, 2006). There were 14 of the respondents who had arrived early to Australia prior to 1983, with the other 21 arrivals coming after 1983. In addition, there is a connection with the other personal factor of refugees in Australia, as most of the arrivals prior to 1983 were all refugees. This appears to show that there was no family sponsorship at the time as there were not any family members already settled in Australia to sponsor them. However, and in some way, perhaps paradoxically, this situation has in some way encouraged these respondents to starting up a business. Two respondents that had arrived early stated:

“I arrived in Australia in 1978 by boat as a refugee. My family wanted to leave Vietnam at this time because they wanted to have a better life here. It was very hard for me to adapt at the start as I couldn’t speak much English. I had to work for a while and save up some money. My parents had helped me to start up my own business.” [Interviewee 2]

“I escaped my country by boat in 1978. I reached here with nothing and was a refugee when I arrived here in Australia. I recalled when I first arrived there weren’t that many Vietnamese in Australia. My friend had recommended me to work at the video store. I had changed a few jobs before I started to save up money to open up my own business.” [Interviewee 31]

These two early arrivals, who were both refugees and came to Australia in the late 1970s, both escaped their country by boat, arriving with no resources and no resident family network. As a result of these circumstances, they both had to spend some time building up capital and experience before their business start-up in the face of some market resistance. This indicates that the network of their ethnic community was scarce at the beginning when they first arrived in Australia. This has implications for this study which highlights the difficulty faced by the earlier arrivals which were mainly refugees as compared to their later cohorts of family sponsored visas.

5.4.9 Interim Comments

The demographic factors revealed that the migration type was linked with the year of arrival in Australia. Early arrivals were mainly refugees which made business start-up more problematic because of a lack of ethnic networks. Another observation was that the age of arrival was linked with the skills and work experience obtained from back in Vietnam, with migrants who had arrived at a mature age usually having gained some earlier useful skills and work experience. It was discovered that the owners that were educated with further studies had entered into a profession for their business establishment. In addition, there were various religions practiced by the Vietnamese, with Buddhism being the most common which proved to be no handicap for business start-up.

From the observation of these personal factors, it can be determined that the following factors were considered to be a positive impact on the Vietnamese owner on their business start-up: Vietnamese business owners from South Vietnam; having previous work experiences in Vietnam; having completed further studies; and their mature age upon arrival. These factors were considered positive as they supported the owners into establishing their own businesses. On the other hand negative impacts arising from personal factors on business start-up were considered to be: early arrival; non-business migration experiences as a refugee; and being a female business owner. These factors were considered negative as they acted as barriers on the owners towards establishing their own business by having minimal support as an early arrival and as a female migrant needing to support their family. The next section addresses the Ethnic Entrepreneurship theories relative to an understanding of the factors affecting business start-up.

5.5 Ethnic Entrepreneurship Theories

This section will now focus on the understanding of business start-up by using the Ethnic Entrepreneurship theories as discussed in Chapter 3 (refer Figure 3.4) to analyse the 35 businesses to determine their influences on the early stages of business start-up. As discussed in Chapter 3, the conceptual framework for this research below shows the antecedent effects of the environmental factors, personal factors and the influence they have on business start-up.

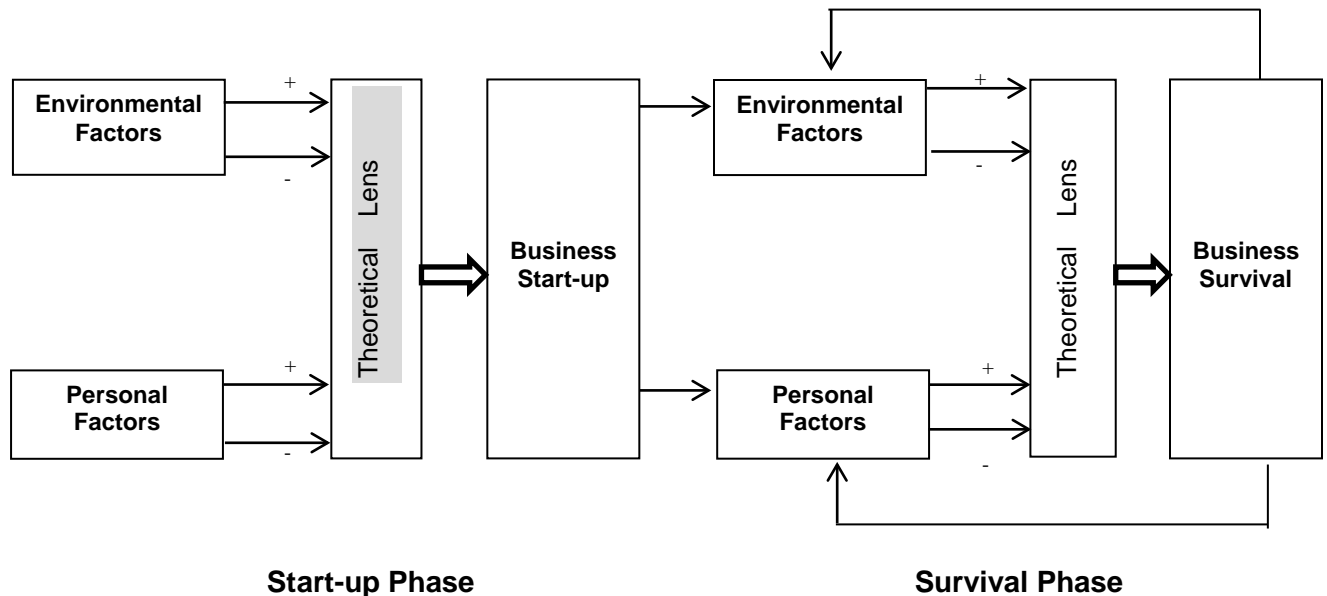


Figure 5.10: Research Framework: Theoretical Lens to Understand Business Start-up

The following map (Figure 5.11) shows the results of the 35 businesses plotted into the theoretical lens of the ethnic entrepreneurship theories diagram developed in Chapter 3 (Figure 3.4). There are five theories depicted in this map which include Blocked Mobility, Ethnic Resources, Ethnic Enclave, Social Capital and Social Network. After analysing the results, there were six interrelated theories found in the sample, i.e. Ethnic Resources and Ethnic Enclave, Blocked Mobility and Ethnic Resources, Ethnic resources and Social Capital, Ethnic Enclave and Social Capital, Social Network and Ethnic Enclave, Social Network and Social Capital. In total, there are 11 theory categories into which the 35 businesses were plotted. Each of these theories will be discussed below (refer to Table 5.11).

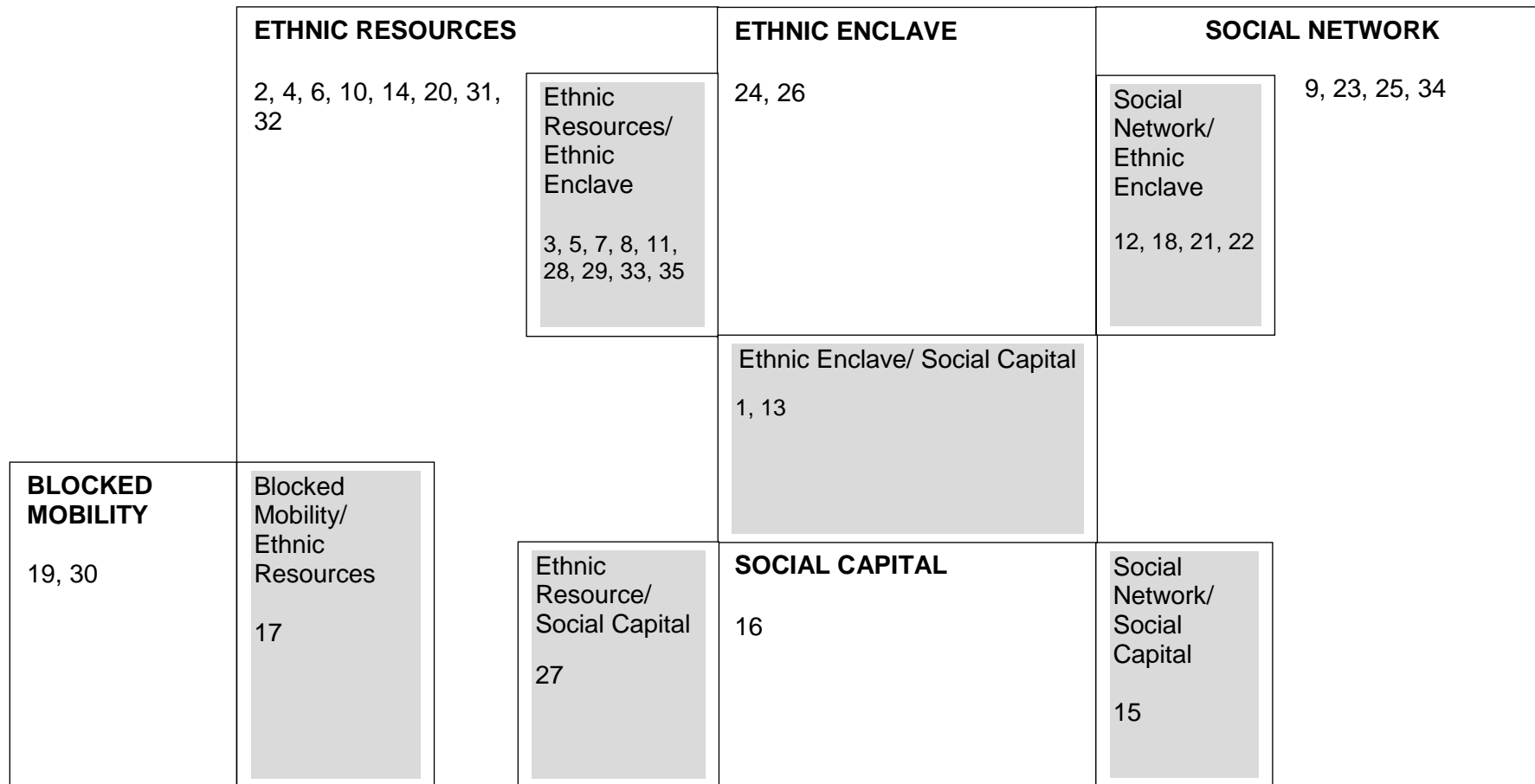
An analysis of the results in Table 5.5 show that there were two businesses that were in a situation of blocked mobility. This means that the owners were facing restricted entry

to the labour market and were forced into self-employment due to low education levels, cultural barriers and limited industry skills. Consequently, these owners decided to start-up their own businesses to avoid the restrictions of employment in the labour market (Sigh & DeNoble, 2004). There were eight owners who have used ethnic resources in their businesses which imply that the owners have had the support of their family network and from the ethnic community. Furthermore, employing staff from their own ethnic community and having family members employed in the business are considered to be positive factors linked to the availability of ethnic resources. This has influenced the owners to start-up their businesses as they have a network of support from their families and ethnic community (Waldinger, 1996; Basu, 2004).

Table 5.5: Ethnic Entrepreneurship Theory Categories on Business Start-up

Theory Category	Total
Blocked Mobility	2
Ethnic Resources	8
Ethnic Enclave	2
Social Capital	1
Social Network	4
Blocked Mobility/ Ethnic Resources	1
Ethnic Resources/ Ethnic Enclave	9
Ethnic Resources/ Social Capital	1
Social Network/ Ethnic Enclave	4
Social Network/ Social Capital	1
Ethnic Enclave/ Social Capital	2
	35

Bates (1994) and Waldinger (1994) reinforced the understanding that the notion of an ethnic enclave can support owners in starting up their businesses in a location within their own co-ethnic community. In this investigation, there were two businesses that have specifically adapted their approach to mesh with their own ethnic enclave. This means that the owner chose a specific location to operate their business, and planned to work within a co-ethnic population. As a result, relatively cheap and ready labour was available through their own ethnic enclave by employing staff from their own co-ethnic population. There was only one business that noted that they deliberately used social capital in their business, in that the owner used the knowledge and resources from their community network to develop business ideas.




Key:  Interrelationships between two theories

Figure 5.11: Cases 1 to 35 Plotted into the Ethnic Entrepreneurship Theories Map for Business Start-up

Other issues of consideration in this regard include the tangible resources gained from the ethnic society, along with the possibility of obtaining financing funds from their relations. This has positively influenced the owner to start up their business due to the ready capital gained from the community network (Bagwell, 2008). Social networks have influenced the owner to start up their business due to the rapid support of the business network through the local society (Davidsson & Honig, 2003; Witt, 2004). In this investigation, there were four businesses that have overtly used social networks in the start-up of their business. This means that the owner had used non-family members to build up their contacts, building rapport through other organisations and thus creating a strong business network through friends and the broader community.

Wauters and Lambrecht (2008) also claim that both blocked mobility and ethnic resources have encouraged migrant owners to start their own business due to (i) restricted access to the labour market (a negative driver), and (ii) their ability to mobilise ethnic resources through relationships and common language skills (a positive driver). This investigation has however identified one business that can be understood in terms of a negative combination of the two theories of Blocked Mobility and Ethnic Resources, since the owner was restricted from employment in the labour market due to low level of English language skills, and simultaneously had no available resources from their own ethnic network. The comments of the respondent's language skills are presented:

"When I first arrived with my family I only knew limited English and it was hard for me to pick up the language as I mainly spoke Vietnamese at home and where I work." [Interviewee 17]

The statement identified that it was difficult to pick up the English language and that it was a major hurdle she had encountered when she first arrived in Australia prior to their business start-up.

Marger (2001) states that ethnic resources and the ethnic enclave can assist the owners to start up their business as they were able to use the local co-ethnic population to gather the resources to support their businesses. This study found that there were nine businesses that have positive connections to the two theories of Ethnic Resources and Ethnic Enclave. The following two respondents indicate that they have obtained customers and employees from their local community, when they stated:

"I hire one employee that can speak Vietnamese to my customers. Most of customers are Vietnamese and it was very important for my employee to be able to communicate with them." [Interviewee 7]

"I had bought an existing Vietnamese restaurant which was already established in the local community with existing Vietnamese customers. I employ two Vietnamese waiters to take orders and serve the customers." [Interviewee 33]

It was obvious that the two respondents were able to use their customers and employees from their local community to support their businesses. Therefore, this shows the deliberate use of information as a resource and that the local businesses create positive networks in the ethnic enclave.

Greve and Salaff (2003) state that the use of ethnic resources and social capital can assist the owners with their planning and their business establishment. There was only one business whose success could be described in terms of the two theories of Ethnic Resources and Social Capital. In this case, the owners indicated that they had used information sources from their ethnic community and the broader community, which had provided them with vital business information sources. The following respondent with the use of information from their ethnic community is presented:

"My local ethnic community helped me to expand my business by providing me with information and feedback on what they wanted from my services. I now offer hair and beauty services for weddings which has helped me to earn more money in the last few years." [Interviewee 27]

The statement above clearly shows the owner had gathered useful information sources from their local ethnic community and used it to enhance their business prospects.

Basu and Goswami (1999b) state that the ethnic enclave and social networks can influence owners to start-up their businesses because it provides a wider support network of people in the business network. There were four businesses that have connections with both of the two theories of Ethnic Enclave and Social Network. This means that the owners were able to use their friends and employees through their own co-ethnic population and in the broader community. A respondent stated:

"I would like to create a website to build awareness on my work and to link my brother's furniture store in it so that our customers in the community will have greater access to purchasing our products." [Interviewee 18]

Furthermore, the statement depicts the use of skills, knowledge and network linkages to support their businesses network within their ethnic enclave (Renzulli et al., 2000).

Waldinger (1996) suggests that there are reduced investment risks for small businesses if they work through their social capital to allow them to gain funds in a secured ethnic community. There were two businesses that have connections to both of the theories of Ethnic Enclave and Social Capital. This means that the owners were also able to gain access to cheap labour within their co-ethnic population (Olmos & Garrido, 2009). Hence, this has influenced the owner to start-up their own business by utilising more capital within their own ethnic enclave. A respondent with access to labour through their co-ethnic population stated:

"My business was able to hire two employees from the local area that can speak Vietnamese. This labour process helped me to grow my business as I can now take more orders and cater for functions amongst the Vietnamese community."
[Interviewee 13]

The statement above is a clear example of gaining more capital through accessing labour within their co-ethnic population, and a clear recognition of its support of the business.

Renzulli et al. (2000) consider both social network and social capital as the skills, information and visions gained through the use of their capital. There was only one business who indicated that their development could be understood with reference to the combination of the theories of Social Network and Social Capital. This means that the owner was able to gain access to finance for and a market for their products through the broader community (Fong & Chan, 2010). A respondent commented:

"I financed my business through the banks and was able to get financial assistance from my dad. I found that having worked in the industry helped me to build up my business network and contacts for my own business." [Interviewee 15]

This combination of access to financial support through social networks has positively influenced the owner to start-up a business, and access to business contacts and clientele through the social network help to stabilise their business operations (Waldinger et al., 1990).

5.5.1 Interim Comments

Overall, the Ethnic Entrepreneurship theories are proposed to assist in understanding the particular behaviours and characteristics of the business owner. It was discovered that elements of blocked mobility had only limited the owners in business due to restricted entry into the labour market. However, when the negative effects of blocked mobility were combined with ethnic resources, the owner was able to mobilise ethnic resources through business relationships engaging in common language and cultural skills. On the other hand, ethnic resources implied that the business owners had a strong support network through family, friends and the ethnic community. The results showed that when ethnic resources were combined with advantages of being in an ethnic enclave, this assisted the owner in capitalising on their specific location within the co-ethnic population. In addition, social network had assisted the business owners in using their business contacts to establish their business. It was found that when social network was combined with social capital, it had assisted the business owner in gaining access to finance their products through the broader community.

5.6 Start-up Factors

From the results and analysis of this chapter, it can be revealed that the following four factors were considered the most influential on business start-up for the Vietnamese migrant entrepreneurs. The following are considered as the key start-up factors:

1. Business skills developed in the family in Vietnam;
2. Importance of ethnic community contacts;
3. The makeup of more than 50% of Vietnamese customers at the start-up phase;
4. Prior work experience.

Each of these four start-up factors was determined based on the high rate of the interviewee's answering 'yes' to the following questions: Did your family run a business in Vietnam? Are your ethnic community contacts important? What is the make-up of Vietnamese customer base at the start of the operation over 50%? Did you have work

experience prior to business start-up? It was important for the Vietnamese to have family business skills in Vietnam. Research has shown that prior family exposure has an important influence of establishing a business operation (Dyer & Handler, 1994). Many Vietnamese owners have rated the importance of having ethnic community contacts in their business start-up as this assisted them in launching their businesses through these contacts for business information. A respondent that has regarded their ethnic community with importance commented:

"I believe that the support of the ethnic community is very important to me. My customers are very supportive of my business. I believe in offering affordable prices to them in order to keep them satisfied." [Interviewee 35]

This was supported by Teixeira (2009) who found that migrant business owners tend to rely on their ethnic community for business knowledge.

It was not surprising to see that most Vietnamese small businesses had more than 50% Vietnamese customers at the start of their business operation. A respondent with a high representation of Vietnamese customer's said:

"I had over 90% of Vietnamese customers at the start when I first opened my business. My customers are very important to me as they make up most of my sales and they are very happy with the products" [Interviewee 30]

Waldinger et al., (1990) suggest that ethnic businesses rely on their own ethnic customers for the support of their products and services, and this has been clearly supported by this study.

Lastly, having prior industry and work experience was considered another important factor for business start-up, as it was revealed that majority of the Vietnamese owners had prior exposure. One respondent noted that:

"I bought my current optometry business because I had the qualification and industry experience. I was working at an optometrist when the owner was looking at selling and this was the opportunity I had at the time to enter into this field." [Interviewee 8]

This is acknowledged by Dana (1993) who found an advantage for business owners to have prior work experience as they can bring these skills and experience into their businesses.

5.7 Summary

From these respondents' perspectives, it does seem that the antecedent personal factors of these respondents had a stronger influence on business start-up than the negative environmental factors of being in an unfamiliar cultural setting. We have shown that personal factors such as education, age and business experience have a high impact on the successful Vietnamese migrant entrepreneur starting up a business. Negative environmental factors such as employment prospects had a minimal impact, as the results indicated that only a few Vietnamese migrants faced issues of blocked mobility which caused them to undertake a business start-up. This also took into consideration of the Vietnamese migrant having minimal English language skills and labour skills recognition. It is suspected here that positive environmental factors, such as ethnic enclave support, more than compensated for blockages, particularly for the later arrivals. This is due to the access of their ethnic community for business information which has existed through their established ethnic enclave.

There was a significant difference in experience found which was linked to the time of arrival of the migrant that had an impact on the environmental and personal factors, which then translated to an impact on the business start-up phase. The results indicated that the early arrivals were mainly refugees, whilst later year arrivals seem to be dominated by sponsorships. Responses to interviews indicated that, not surprisingly perhaps, there seems to have been less financial support for migrants arriving early, whereas the migrants that arrived later had more immediate support from families, had higher education levels and a range of previously attained business skills.

Based on the Ethnic Entrepreneurship theory map results, the majority of the interview results indicate that respondents' circumstances were best described in terms of Ethnic Resource and Ethnic Enclave theories (refer to Figure 5.5). This implies that, in the main, Vietnamese migrants, particularly those who were later arrivals, had the support of their families, relatives and friends to help them start up their business within their community. The next chapter discusses the results and findings of the business survival phase for this study.

CHAPTER 6

Business Survival

6.1 Introduction

In the previous Chapter, the findings and analysis related to factors thought to influence business start-up amongst ethnic Vietnamese small business operators in Melbourne were discussed. This Chapter is a logical continuation of that work, in that it presents the analysis and findings from the respondents' comments regarding the issue of business survival. Sections 6.2 and 6.3 focus on the Environmental Factors and Personal Factors felt to be of importance by ethnic Vietnamese small business owners in respect to business survival. Section 6.4 examines this issue through the lens of Ethnic Entrepreneurship theories, and Section 6.5 reports on the survival factors developed from the responses. Section 6.6 is a major analysis of business survival in terms of their measured economic performance. It presents each firm's history as characteristics on a 'performance dichotomy', which has been developed for this research as a conceptual tool to help to more clearly understand these Vietnamese small businesses' development. Section 6.7 summarises the Chapter.

The following research question was developed to provide perspectives on the business survival of Vietnamese small business owners. These answers will be provided through the analysis and findings in this Chapter:

6.1.1) What are the contributing factors that may explain why some Vietnamese small businesses are more sustainable than others?

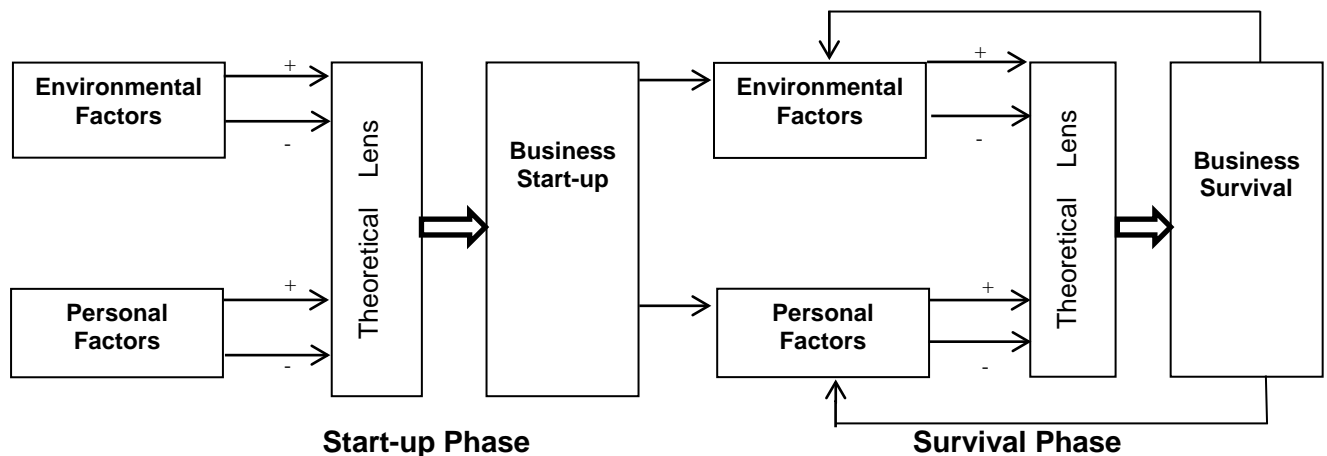


Figure 6.1: The Start-up Phase and Survival Phase of the Research Framework

In Chapter 3, a research framework was developed for this study. This research framework (Figure 6.1) provides the basis for an examination of factors associated with business survival.

6.2 Environmental Factors

Small business survival can be critically influenced by environmental factors, and this issue has been given close attention in the literature (Gatewood, Shaver & Gartner 1995). In these reports, traditional measures of business survival have been based on either employee numbers, or financial performance such as profit and turnover (Forsiath & Hall, 2000). Implicit in these measures is an assumption of growth that presupposes that all small business owners want to, or need to, grow their businesses. This issue will be considered in the light of responses from the participants involved in this study. The place of environmental factors related to business survival in the research framework is highlighted in the Figure 6.2 below, and relevant emerging ideas are presented in the following discussion.

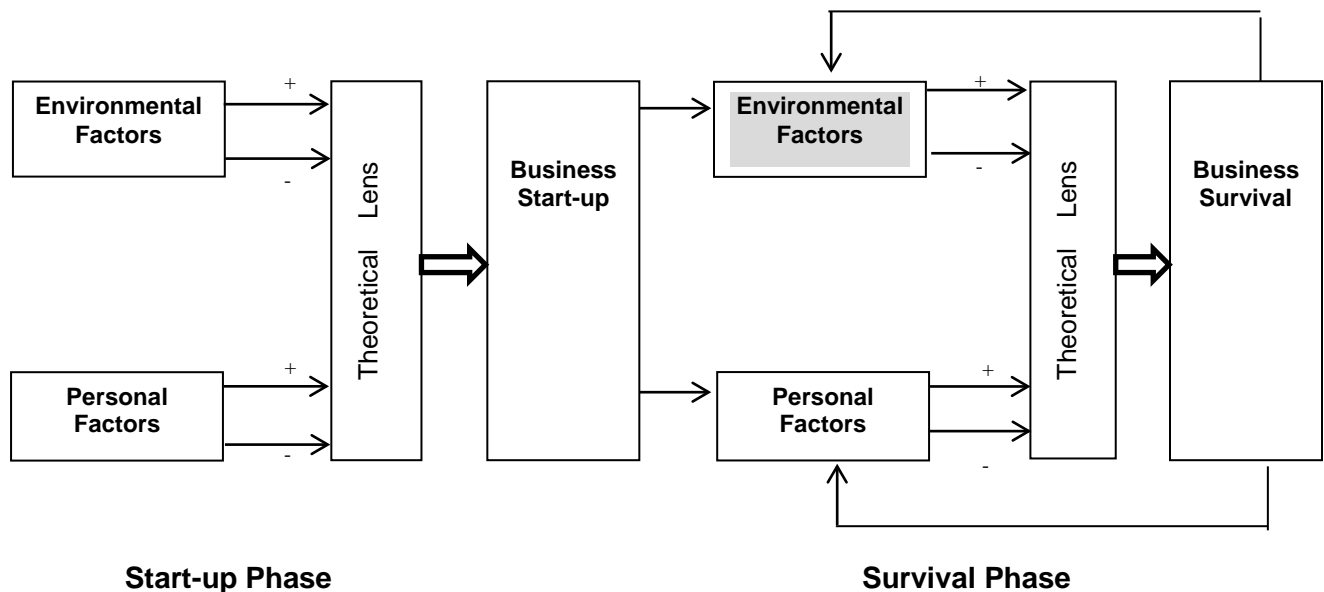


Figure 6.2: Research Framework: Survival Phase Influenced by Environmental Factors

For businesses to be deemed 'sustainable', there are usually a set of financial measurements which are required to evidence an increase in profit and/or increased employee numbers. Indeed, as Hall and Fulshaw (1993) state, the most obvious measure of survival is profitability and growth. Furthermore, as Marlow and Strange (1994) suggest, all businesses must be financially viable on some level in order to survive and exist. However, from the participant interviews it appeared that some

business owners actually have no interest in growth, implying that increasing financial gain is not their primary motivation for business survival. Consequently, there must be alternative non-financial criteria which some small business owners consider and use as a yardstick in determining the continuing survival of their business.

Table 6.1 below presents four relevant environmental factors which gave rise to the same corresponding questions in the interview guide (refer to Appendix G). The 'total' column represents the respondents answering 'yes' to the question asked, out of a total number of 35 interviewees and it is noted that some respondents fall into more than one of the four categories of environmental factors. These results assist the research by indicating which environmental factors had, significantly influenced the owner in respect of their business survival. Each of these environmental factors will be discussed below in more detail.

Table 6.1: Environmental Factors that influence on Business Survival

Environmental Factors	Total
Employ more than three (non-family) employees	6
Business growth greater than 5% each year	25
Current customer base is more than 70% non-Vietnamese	5
Earnings more than \$200K p.a.	12

6.2.1 Employ More than Three (non-family) Employees

The literature shows that there is a relationship between the number of employees and the performance of small businesses (Bracker & Pearson, 1986), suggesting that staff size provides a possible measure of growth stability of the business. In this study, there were only six businesses that had hired more than three employees, other than their own family members. This number is quite low considering that the literature suggests that small businesses essentially employ extra staff to assist their business operations to be sustainable (Bracker & Pearson, 1986). In this investigation, the other remaining 29 small businesses have been able to rely on their family members as employees to be sustainable. The following two respondents with more than three employees commented:

"I run the business with my wife and son and also hire 10 non-family employees. I have a few casual staff and the rest are full-time staff that have been working for me in this business for over 10 years now. I started my business with my wife 27 years ago and now that we have grown our business I don't think we would of survived if we hadn't of employed more staff to assist with our services."

[Interviewee 32]

"I run the business with my wife and employ four non-family employees. My employees help me to run the business by serving customers and stocking up shelves." [Interviewee 1]

As indicated above, the two responses stated that they both had hired more than three employees to assist them in their business operations, which implies that without extra help they would not have been able to meet the ongoing requirements of a successful business. It appears that, for these high-intensity small businesses, the long hours which are required to be worked necessitate the employment of small staff to ensure the proprietor and family are not exhausted after a year or two of intensive trading.

For those respondents who managed with less than three employees, the situation was addressed by one respondent who stated:

"I started my business on my own and then after a while I had to hire a part-time assistant to help me out the office duties. I tend to manage my business without needing to hire many employees." [Interviewee 7]

The quote above suggests that the type of business can determine the need for additional staff, and it seems that in this area of small business, 'type' can be physically labour intensive compared to other that require more sedentary work. Indeed, for those businesses interviewed that have more than three employees and require this as part of their business growth, respondents indicate there are physical, time-intensive activities that have to be performed, like stacking shelves. By contrast, the respondent with less than three employees stated that the business did not require full time additional staff assistance due to the office-based focus of the business and the manageable demand of the customers.

In addition, in terms of the notion of sustainability as linked to profit growth (Covin et al., 1990), a number of respondents in this study indicated that their business was not established with profit in mind, but as an alternative employment in an economic environment. In this environment, migrants often find a number of barriers to employment are present, an observation clearly articulated in the Blocked Ethnic Mobility theory. In these cases, modest but sustainable returns were meeting the owner's start-up expectations, and thus are a key factor in sustainability of some of the businesses.

6.2.2 Business Growth of Greater Than 5% per Year

Covin, Slevin and Covin (1990) state that there are specific business practices and competitive tactics associated with small firms pursuing growth. This research investigation shows that there were 25 businesses which had growth of more than 5% each year during the last five years of operation based on sales. This growth was due to the owner's input and marketing efforts in promoting their various business, and the support of their local ethnic community helped each of these businesses generate growth in the last five years of operation. This research has shown that there is a relationship between specific business practices and business growth. Two respondents with more than 5% growth stated:

"There has been growth in my grocery store, I now take orders from the local restaurants and deliver the products to them on the same day. I believe in satisfying my customers by offering them affordable prices and by offering deliveries." [Interviewee 9]

"My business has grown 5% per annum. I believe that by operating a franchise business has helped my business build up its brand name and customers over the past 15 years." [Interviewee 23]

Whilst the two respondents believed that their customer base and customer loyalty were the key focus of their business growth, they also indicated that they had an innate confidence in their own ability to satisfy customer needs, and that they were satisfied with modest sales turn-over rates. Clearly, the nature of these businesses together with the disposition and abilities of the business owner, has contributed to the expansion of the business, and these factors have underpinned the stability and gradual growth of the enterprise. An indication of this can be seen in one of the types of business, such as a manufacturer, where they have seen their business operation expand to having more

employees to not only just serving Vietnamese clientele but also non-Vietnamese clients.

6.2.3 Current Customer Base is More Than 70% Non-Vietnamese

Reinartz and Kumar (2003) state that there is a relationship between the customer base and profitability where having a good customer base can impact on the profits of the business for a lifetime. This current study shows that there were five businesses that have more than 70% of customers with non-Vietnamese client base. These five businesses have purposefully expanded their business market to other ethnic groups and the local Australian community rather than only serving Vietnamese customers. Two respondents stated:

“Since opening my electrical store, I found that there are more local Australians coming into my store to purchase products. I have been building up awareness of my business through advertising in the local papers.” [Interviewee 1]

“My business has expanded to not just serve Vietnamese customers. Majority of my customers are now 60% of the local Australians which has significantly grown my customer base.” [Interviewee 31]

The ability for these two respondents to be able to focus on expanding their business operations by not only selling to Vietnamese customers but to other ethnic groups and the local Australian community as well, may be due to the nature of business i.e. packaging business, grocery store and a manufacturer. Further observations from this study suggest that these businesses certainly have shown a significant willingness to market their services and products to the wider community which may indicate why they did not take long to establish themselves within the business community.

On the other hand, the other 30 businesses had more than 70% of Vietnamese clients as their customer base, which means that the stability that culturally specific markets and clientele brings, might be equally important in explaining the resilience of this group in the face of economic downturn. Some relevant comments here were:

“Most of my customers are Vietnamese and are all living in the within the local ethnic community.” [Interviewee 17]

“The support of my ethnic community is really important to me as my Vietnamese customers help me to survive and continue my business operation.” [Interviewee 24]

The above quotes indicated the importance for the respondents to operate within their ethnic community providing services to their Vietnamese customers. Based on the data of the types of business (refer to Appendix G), findings suggest that most of the migrants chose to go into retail (51%), hospitality (14%), professional (14%), manufacturing (9%), home-based (6%), education (3%) and trades (3%). This finding indicated that there was a link between the industry and the choice of business to operate within their ethnic community in order to serve their ethnic customers. Masurel et al. (2004) reinforced this by stating that ethnic entrepreneurs tend to enter into the retail sector as a marketing approach to reach their targeted customers. This has implications for this research as the types of businesses operated by the Vietnamese migrants showed further light on the different routes to business stability.

6.2.4 Sales Earnings of More Than \$200K per Annum

Research shows that there is generally a link between business profits and business survival, and studies have shown that for small businesses that have higher earnings, this assists in their business performance and survival (Storey, Keasey, Wynarczyk & Watson, 1987). The results from this research show that there were 12 businesses that achieved sales earnings of over \$200K per annum. The owners with high earnings reported that:

“My business has grown through the years of operation. I now make approximately \$800,000 of sales a year and have seen my business grown in the last 27 years of operation. I have found that there is still a great demand for my pressing garments services in the textiles industry.” [Interviewee 32]

“I make approximately \$240,000 a year and my business has been running the same operation for the past 32 years. My earnings have helped me raise my family and live a comfortable life.” [Interviewee 12]

The sustainability of the two businesses in these cases can be linked to their substantial annual sales turnover. As with the earlier section, it appears that the selection of type of business activity is an important factor, and it seems that these businesses have a strong relationship with their local community. As stated by Drucker (1985), successful

entrepreneurs usually focus on economic performance, and achieve this through their own dedication and achievement. This focus on dedication was supported by the examples noted above. However, for the other remaining 23 businesses in this study, with a relatively modest turnover continue to operate therefore significant growth is not a necessary attribute for sustainability.

6.2.5 Interim Comments

Overall, the environmental factors showed that some Vietnamese owners in this study have been quite successful financially due to earning high sales, hiring more employees, having a large proportion of non-Vietnamese customers and continued business growth of more than 5% per year. However, comments provided by a number of Vietnamese owners have generally indicated that they are satisfied even with low turnover. A majority of respondents have a modest growth rate of their business, are serving ethnic customers and employ mainly family members in their businesses. Against this background, it does appear that having a business capable of high turnover and the ability to employ more staff, with a growing proportion of non-Vietnamese customers and demonstrable business growth, all impact on the business survival in a positive way. In comparison, whilst employing less than three employees can support a sustainable business, it has a negative impact on business survival since there are indications that it was a challenge for the business to sustain their operations with a small number of employees. The next part considers the personal factors.

6.3 Personal Factors

Personal factors are thought to play an important part in Vietnamese small business survival. Gray (1998) states that not all business owners may want to grow their businesses and that there are some small businesses that refrain from taking on employees. The reason for this resistance to employing additional staff is that creating jobs other than for themselves or their immediate family member, was never a consideration when they established their business (Smallbone & Wyer, 2000).

Non-financial measures of survival quoted by business owners in this study, can relate to job satisfaction or the ability to balance work and family responsibilities (Buttner & Moore, 1997). These personal factors are based on criteria that are determined by the individual business owner, although commonalities do occur within the group of the interviewed small business owners. These personal factors presume that the owner has

a given level of financial security which has been established, or that the small business owner does not require the business to be the primary source of income. The place of personal factors related to survival in the research framework is highlighted in Figure 6.3 and discussed further below.

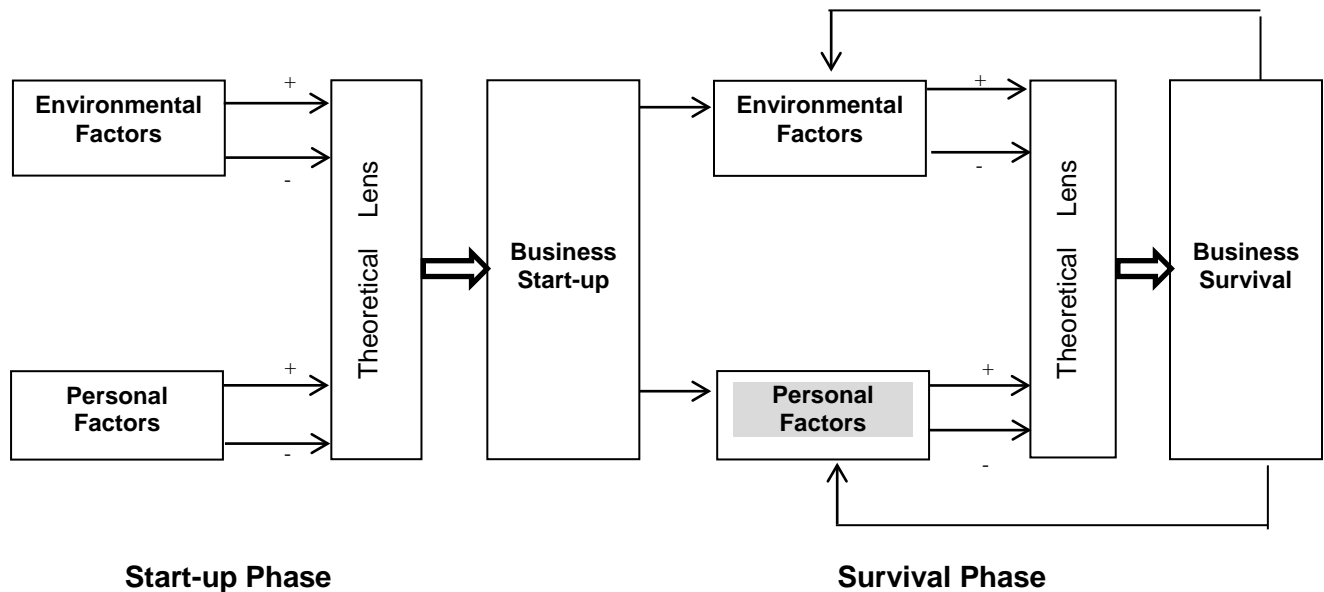


Figure 6.3: Research Framework: Survival Phase Influenced by Personal Factors

Table 6.2 below shows the four personal factors which gave rise to the corresponding questions taken from the interview guide (refer to Appendix H). The figures in the 'total' column represents the numbers of respondents answering 'yes' to the related question asked, out of a total number of 35 interviewees and that some respondents fall into more than one of the four categories personal factors. These results assist in determining which personal factors were helping the owner in the Business Survival Phase. Each of these personal factors will be discussed below in more detail.

Table 6.2: Summary of Personal Factors influences on Business Survival

Personal Factors	Total
Employ family members	19
Plan to pass business onto their children	5
Self-ranking of greater than 7 out of 10	24
Prior industry work experience	31
Female Vietnamese Owners in Small Business	12
Migrated as a refugee to Australia	14

6.3.1 Employ Family Members

Basco (2013) stated that family participation within the business operations involves the owner in a low-cost strategy and puts their business first in family decision-making. This relates back to this research in that having their family members as employees not only aided them in cutting down the cost on wages but also giving the owner more control over their business by having *carte blanche* to make key business decisions. In this study, there were 19 businesses that have their family members working in their small businesses, from which the following two statements have been drawn:

"I chose to go into this field of work because I had already been working with my brother at his discount variety store. I was going from being a worker to an owner after the takeover. My parents also help out at the shop by doing some shelf stocking and assisting the customers."[Interviewee 24]

"My wife works in the office taking orders, answering calls, doing the paperwork and accounts for me. This has helped my business survive as I get to save money on wages."[Interviewee 18]

Having a family worker in their businesses has meant that the owners could sustain their business operations by utilising additional labour whilst saving money on wages. It was found that the family workers were willing to fulfil this role for either no or small financial returns in order to support their family's business. This finding indicates that 'family are important business' philosophy and provides an interpretation in applying this personal factor for business survival.

6.3.2 Plan to Pass Business Onto Their Children

Starvrou (1999) pointed out that many business owners with children, regardless of culture, will consider the notion of family succession. This is the notion that offspring will join or take over the business with little thought of the ability to contribute to the success of the enterprise (De Vries & Kantor, 2012). In this study, there were five owners who wanted to pass on the business to their children. This figure is surprisingly low, considering there were 19 businesses identified in 6.3.1 who employed family members. Discussion with the participants suggested that the reason behind this low figure is that the majority of the business owners pointed out that their children had other career pursuits or that their children were still in school, and therefore they could not foresee

the future possibility of family succession. Two respondents that do plan on succession planning commented:

"I have my daughter working with me at the bridal shop. As I'm getting older now, my daughter mainly looks after the shop and serves the customers. I tend to work at the back of the store with the gown alteration. My daughter will take over this business when I retire in the next 10 years." [Interviewee 19]

"I would like to keep working in this business in the next 10-15 years and then hopefully to pass the business on to my son to take over when I retire." [Interviewee 3]

Interestingly, the two respondents who have intentions of succession planning currently had their children working in the family business. It is possible that the environment which existed when the owners set up their business initially encouraged self-employment as a strategy in a new societal setting, is no longer a driver for second generation Vietnamese are a part of mainstream society, and do not experience barriers to employment or advancement as their parents.

Those respondents who did not succession plan commented:

"I don't wish for my children to carry on my business as they have their own career aspiration and would rather go into the labour force." [Interviewee 4]

"At this stage my children are still very young and I don't have any plans for them to take over my business in the future." [Interviewee 13]

It is not surprising to see that the majority of the Vietnamese small business owners prefer their children to have different work interests other than to remain in the family business. This is supported by the work of Stavrou (1999) which considers family succession as a ritual for a family business however; due to the differing nature of circumstance of the migrant and their children's upbringing reduces the likelihood of a succession. The implication here is that children who are brought up in a different society to their parent's will therefore have other career ambitions.

6.3.3 Self-ranking of Greater Than 7 out of 10

A significant proportion of business owners felt their business was doing well and were satisfied with their current business operations. There were 24 out of 35 Vietnamese small business owners who self-ranked their businesses greater than 7 out of 10 on a scale of 1 = struggling and 10 = excelling. However, caution is warranted here because previous research shows that it is difficult to analyse self-ranking and it questions the accuracy of the owner's self-perception in determining their business performance (Kruger & Dunning 1999). This is due to the fact that people in general can hold over-favourable views on their own ability to perform (Kruger & Dunning 1999). The following two respondents that have rated their business greater than 7 out of 10, commented:

"I rank my business 9 out of 10, as I am very satisfied with how my business has progressed over the last 32 years. My father was also a doctor back in Vietnam and that's the reason why I wanted to be a doctor. I grew up seeing him help his own people in his country." [Interviewee 12]

"I rate my business 9 out of 10 as I'm very happy with how this business has helped me live comfortably and support my family over the years. I would like to continue running my business for the next 10 years." [Interviewee 32]

Both respondents, in reporting that they were very satisfied and happy with their business, nevertheless could be overstating their situation. There have been prior comments indicating 'over-rating suspicions', with some research (Kruger & Dunning, 1999) suggesting that some owners can have higher than warranted expectations on their own capability to operate their business. The implications for this research indicates that although the interviewees have a possibly inflated positive attitude towards their performance, this favourable outlook has assisted them in sustaining their businesses. This perhaps suggests that high ratings reflect their satisfaction with the current situation and their comfort with the lifestyle that the business has to offer.

6.3.4 Prior Industry Work Experience

Bruderl and Preisendorfer (1998) indicated that business owners that have prior business knowledge are more likely to be able to sustain their own businesses for a longer time. The study has found that 31 business owners have had prior industry experience. This is strong evidence that the majority of owners are in a stable business environment and have gained valuable business insights, skills and access to their

particular industry due to past work experience. In addition, the owners have the support of the business network in their industry which has also aided them in sustaining their business. Two respondents with prior industry experiences stated:

"I chose to go into this field because I had the qualifications of making bread and pastries from Vietnam. I had gained the skills from working at my brother's bakery shop prior to starting my own bakery shop. This knowledge has helped me build up my business to this day."[Interviewee 22]

"I chose to go into this industry because I had an interest in floristry and that I had gained some working experience from my friend's florist shop. I feel that my previous skills have helped me to understand the industry and gain access to valuable business contacts."[Interviewee 16]

The responses above clearly show that industry experiences have helped the owners gain access into the industry contacts and knowledge, and this suggests that the exposure gained whilst obtaining these work experiences has given the interviewees a head start in the industry. These previously gained skills were particularly important to the interviewees as they could not have easily been obtained elsewhere. While other general work experiences were also useful, it appears that it was the specific industry experiences that had assisted them in starting up and sustaining their business in that particular field.

6.3.5 Female Vietnamese Owners in Small Business

Research shows that females are generally disadvantaged in sustaining a business as compared to male small business owners (Klapper & Parker, 2011). This is the notion that Vietnamese males tend to survive longer in business as they have more control and ability to contribute to the success of the business (De Vries & Kantor, 2012). In this study, there were 12 female Vietnamese small business owners. This figure is not surprising considering the responsibilities of being a female migrant in a new country. Discussion with the participants suggested that they had chosen to go into business in order to support their partners financially and to help raise the living expenses of their families. Two female respondents in small business commented:

"I went into business so that I can earn extra money for the family. My husband was earning minimum wages and we had to raise our children up with many

expenses to pay. My business allowed me to stay at home and look after my kids, which was good as I didn't need to pay extra child minding fees. I was able to maintain this business to present and was comfortable with the extra financial support it had provided to my family.” [Interviewee 17]

“My business allowed me to work around the hours of my family. I decided to go into business because I had obtained my skills and qualification here in Australia. Running a business allowed to choose the hours that I wanted to work and I was able to pick up my children from school. This business has financially assisted my family.” [Interviewee 7]

Both respondents had sustained their business by having the flexibility to either work from home or around the hours they chose. The reason for Vietnamese females to sustain in their small business was to provide further financial assistance to their families. This suggests that Vietnamese female owners stay in business due their comfort with the lifestyle that the business has to offer.

6.3.6 Migration Type Category

This study represents four types of migration being refugees, family sponsorships, work visa and student visa. There were 14 owners whom have migrated to Australia as refugees, whereas the other 21 were under family sponsorships, work visa or student visa. All four types of migration have survived their small businesses as illustrated in the table below in terms of their years of arrival and years in business.

Table 6.3: Summary of Average Survival Years in Business by Migration Type

Migration Type	Years of Arrival	Average Survival Years in Business
Refugees	1975 to 1979	26
Family sponsorship	1985 to 2000	17
Student visa	1992 to 1993	14
Work visa	1990	24

The literature supports the viewpoint that refugees with limited support can still maintain their businesses through their ethnic community network (Clarke, 2007). Three respondents stated:

"I came as a refugee to Australia. I think my business has survived for this long due to the support of my local ethnic community. My Vietnamese customers have supported me through all these 28 years in business." [Interviewee 1]

"I came to Australia through family sponsorship. My family assisted me in starting up my business. I have been in business for 24 years now due to the family support I had since arriving to this country." [Interviewee 29]

"I had obtained my qualifications here in Australia on a student visa. The skills that I had obtained helped me in establishing and sustaining my business. I had also received family support from my relatives in this business." [Interviewee 20]

It was found that respondents who were refugees had majorly survived the longest in business due to their earlier arrivals and having started their small business earlier than the other migration types. On the other hand, respondents from family sponsorship had greater assistance due to having family here in Australia to assist them in sustaining their businesses. There were two student visa respondents and they had used their skills and qualifications to establish and sustain their businesses. Lastly, the work visa respondent proved to have survived by having previous work experience in the industry.

6.3.7 Interim Comments

Overall, the personal factors provided a different perspective on the success of the Vietnamese small businesses. This included the importance of non-monetary considerations that have contributed to their survival, for example, family workers, business succession, high self-rankings, prior industry experience, female Vietnamese owners and migration type category. This contributes to understanding the research question by considering the importance of these particular factors in business survival. Interestingly, self-ranking of their business can have a negative impact on business survival, as research shows this self-evaluation can be overvalued by the owner's perception (Kruger & Dunning 1999). The next section addresses the Ethnic Entrepreneurship theories relative to an understanding of the factors affecting business survival.

6.4 Ethnic Entrepreneurship Theories

This section will focus on the understanding of business survival by using the Ethnic Entrepreneurship theories as discussed in Chapter 3 (refer to Figure 3.4) to analyse the

35 Vietnamese small businesses to determine their influences in business survival. As discussed in Chapter 3, the conceptual framework for this study shows the antecedent effects of the environmental factors, personal factors and the influence they have on business survival.

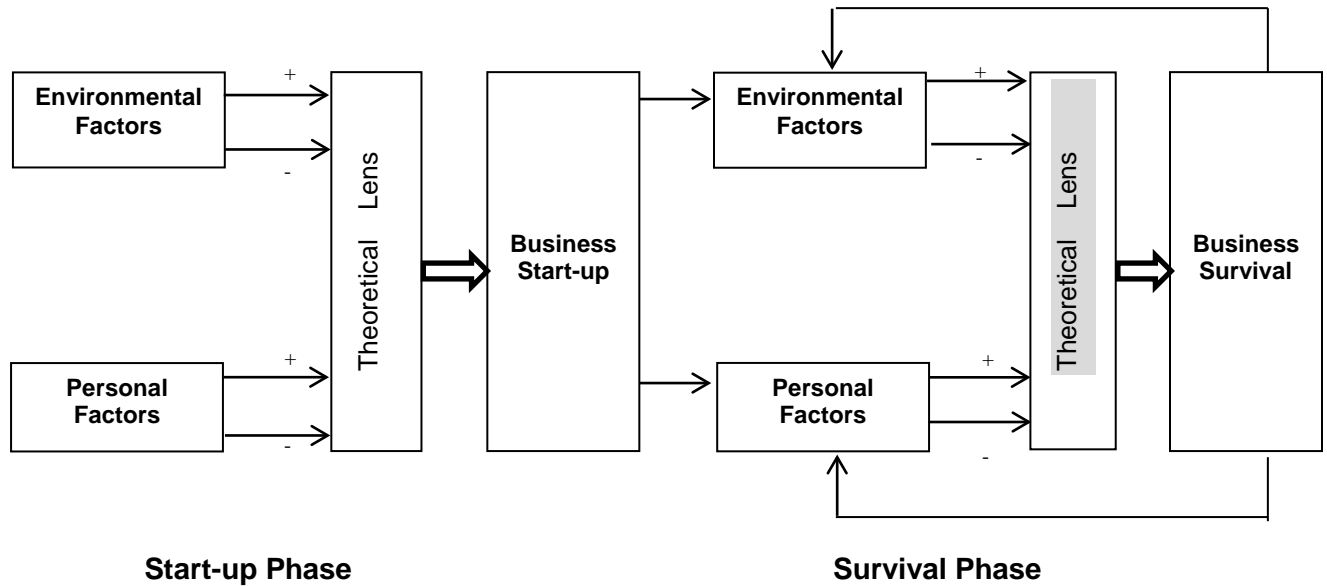


Figure 6.4: Research Framework: Theoretical Lens to Understand Business Survival

As identified in Chapter 5 (refer to Section 5.5), there are five theories depicted in this map which include Blocked Mobility, Ethnic Resources, Ethnic Enclave, Social Capital and Social Network. After analysing the results, there were six interrelated theories found in the sample, i.e. Ethnic Resources and Ethnic Enclave, Blocked Mobility and Ethnic Resources, Ethnic Resources and Social Capital, Ethnic Enclave and Social Capital, Social Network and Ethnic Enclave, Social Network and Social Capital. In total, there are 11 theory categories into which the 35 businesses were plotted. Each of these theories will be discussed below (refer to Table 6.4).

Table 6.4: Results of Identifying the Cases in Terms of the Interrelationship Theories

Theoretical Category	Total
Blocked Mobility	0
Ethnic Resources	4
Ethnic Enclave	3
Social Capital	1
Social Network	1

Blocked Mobility / Ethnic Resources	0
Ethnic Resources / Ethnic Enclave	12
Ethnic Resources / Social Capital	6
Social Network / Ethnic Enclave	3
Social Network / Social Capital	2
Ethnic Enclave / Social Capital	3
	35

Table 6.4 above shows the results of analysis of the 35 businesses categorised into the Ethnic Entrepreneurship theories and the interrelationship of those theories for business survival. Similarly to Chapter 5, the 35 cases have been plotted into the eleven theoretical categories; not surprisingly, blocked mobility and the interrelated theory of Blocked Mobility and Ethnic Resources had zero respondents in this Table and in Figure 6.5. This is due to the fact that Blocked Mobility is no longer relevant in the business survival phase compared to business start-up where the theoretical concept relates to business establishment. In total there are nine theoretical categories into which the 35 businesses have been plotted. These businesses were plotted according to the characteristics of each of the Ethnic Entrepreneurship theories (refer to Figure 3.4) by determining whether the business had sustained their business by incorporating these particular characteristics.

Business survival is quite a different stage of business as compared to business start-up; in effect the cases have been plotted accordingly to accommodate for this change of phase (refer to Figure 6.4). It can be seen that the small business owners who have used strategies that are consistent with a number of Ethnic Entrepreneurship theories for their business start-up are using different approaches to assist them in sustaining their small business. Looking through the theoretical lens of Ethnic Resources, it appears that in the survival phase there are four businesses that have become sustainable by having their own family as workers and having support from their own ethnic community (Waldinger et al., 1990).

Similarly, from an Ethnic Enclave perspective, there are three businesses that have kept to their ethnic location by retaining their Vietnamese customers to survive during their business operation (Bates, 1994). On the other hand, for the individual theoretical categories of Social Capital and Social Network only one business in each category is plotted. This suggests that the Vietnamese owners have not yet widened their network to

include other resources and business information (Dakhli & De Clercq, 2004). Instead they have remained within their ethnic community for most of the time in order to continue their business operations (Waldinger, 1994). The implications this has for this research study suggests that it is safer and less risky for the business owner to remain within their ethnic community.

In terms of the interrelated theories, there are now more cases placed in these categories. As was shown in Figure 6.5, the reason for this is that one Ethnic Entrepreneurship theory may not be sufficient to explain the sustainability of some businesses; rather two interrelated theories used at the same time are needed. An explanation for these five interrelated theories will now be discussed. Starting off with a combination of Ethnic Resources and Ethnic Enclave, it appears that this interrelation of theories embraced the most cases. There were 12 businesses which could be described using this combination of ethnic resources and ethnic enclave to create longevity in their small businesses. The reason behind the large number of businesses in this category was due to the fact that Vietnamese owners have a strong reliance on their family workers (Collins, 2002) and therefore create longevity for small business. In addition, they prefer to operate in their local ethnic location to retain and serve their ethnic customers (Marger, 2001). This was considered by many a 'safe haven' for the owners as there was minimal risk and a high demand for their service and products (Salaff et al., 2002) from their local customers. A respondent with access to financial backing stated:

"I got financial support from my parents to start up my business and my wife works with me out in the business which has helped me to save cost in hiring workers."

[Interviewee 6]

Furthermore, the category of Ethnic Resources and Social Capital was the second most inclusive of the interrelated theories, with six businesses in this mixed category. While the combination of two theories helped to explain fewer businesses compared with the previous amalgam, it nevertheless shows that there is still a strong reliance on the ethnic community as it embraces ethnic customers, business information, finance and employing a family worker (Light, 1984). The theoretical category of Social Network and Ethnic Enclave include three businesses in this category, indicating that the owners still operate within their ethnic proximity but have also shown an interest in other avenues in terms of expanding their business network (Witt, 2004). Whereas, with Social Network and Social Capital, only two owners who using their opportunity to expand their business

network and gain business finance, products and planning (Waldinger et al., 1990). A respondent with an expansion opportunity through a business network stated:

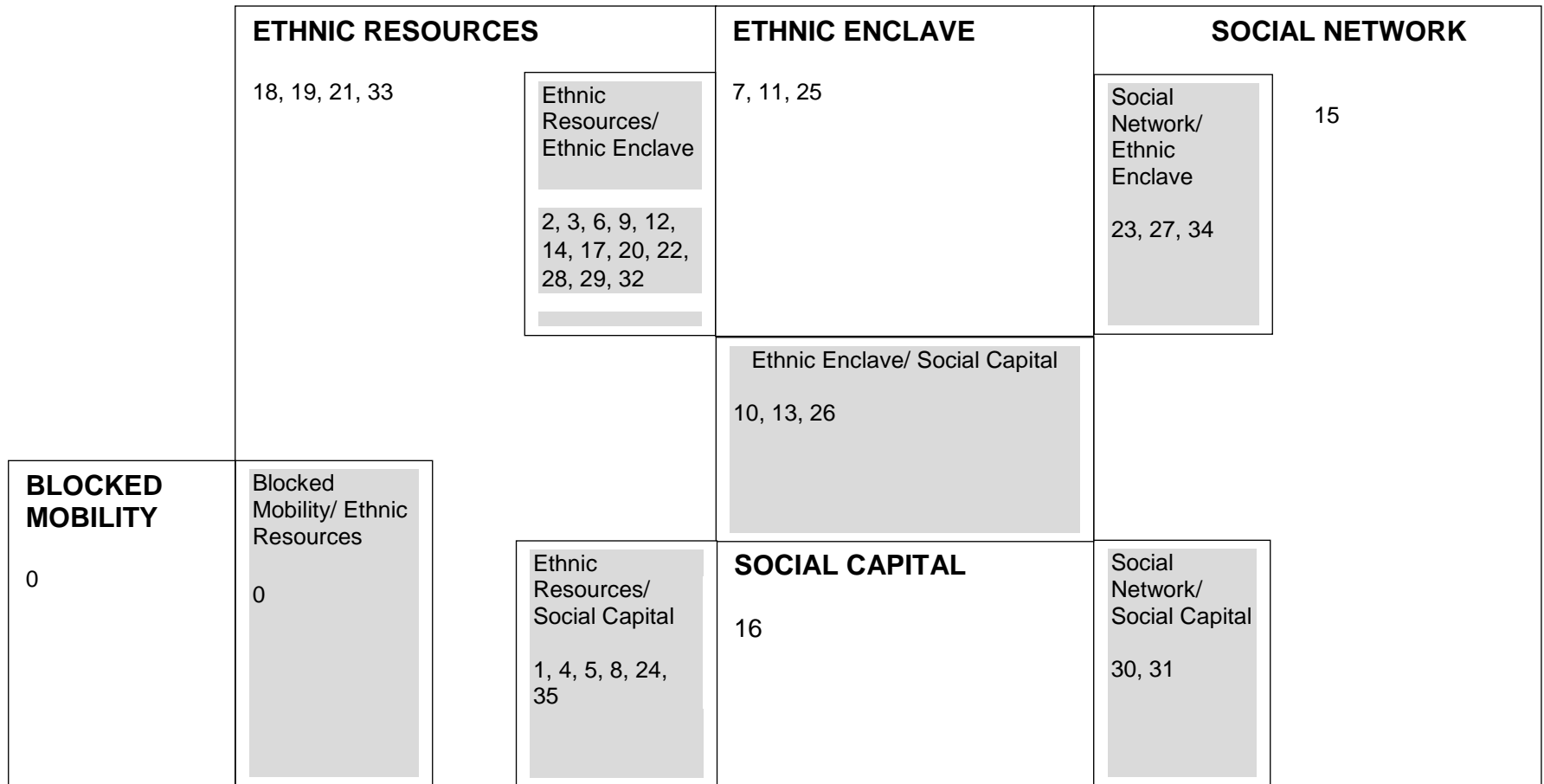
"My customers are happy with the products I offer them. My products are made in Vietnam and I import them over through my business contacts back home. My customers are able to enjoy the products here in Australia without needing to travel back to Vietnam to purchase them." [Interviewee 30]

Lastly, the theoretical category of Ethnic Enclave and Social Capital had three owners in this classification, indicating that they have kept within their ethnic locale and gained most of their business knowledge for continued existence from their ethnic community (Chaudry & Crick, 2004). A respondent that has gained business knowledge from their ethnic community stated:

"The ethnic community contacts are very important to my business as they make up most of my business sales. I chose to operate here due to the highly populated Vietnamese people from my community." [Interviewee 10]

6.4.1 Interim Comments

Overall, it appears that the Vietnamese owners have relied less on factors explained by a single ethnic entrepreneurship theory, but rather are understood using interrelated theories when looking at their approach to sustainability. This can be clearly seen in Figure 6.5 where the shaded areas tend to have more cases than the single ethnic entrepreneurship theories, with, in particular, a combination of Ethnic Resources and Ethnic Enclave proving to be the most useful explanatory theory grouping for the survival of Vietnamese small businesses.




Key:  Interrelationship between two theories

Figure 6.5: Cases 1 to 35 plotted into the Ethnic Entrepreneurship Theories Map for Business Survival

6.5 Survival Factors

From the results and analysis of this Chapter, it reveals that the following four factors were considered the most influential on business survival for the Vietnamese migrant entrepreneurs:

1. Family workers involved in the business;
2. Continued ethnic community support;
3. The development of a clientele of more than 70% of Non-Vietnamese customers;
4. Prior Industry experience.

The importance of each of these four survival factors was determined based on the high respondents' rate of answering 'yes' to the following questions: *Do you employ only family members? Are your ethnic community contacts important? Is the current makeup of non-Vietnamese customer base more than 70%? Did you have prior industry experience?* This finding is supported with previous research that has shown that family workers can assist the owner in their business activities (Basco, 2013). Also, many of the interviewed Vietnamese owners recognised the importance of their ethnic community support in their business survival, with one respondent commenting:

"The ethnic community support has helped my business survive through these years. Without their support my business won't still be here and I really appreciate their provision in my business." [Interviewee 34]

This has been supported by Teixeira (2009), who suggested that owners sustain their businesses through ethnic community support, particularly for business information exchange.

It was found, again in conjunction with the literature, that businesses aiming at developing a significant non-Vietnamese customer base are following an important growth strategy. A respondent with more than 70% of non-Vietnamese customers stated:

"My customer base has grown significantly to not just serving the Vietnamese market but to the local Australians as well." [Interviewee 31]

The findings here indicate that this appeal to the wider market rather than just serving their own community is considered to be an influential factor for maintaining business survival (Reinartz & Kumar, 2003). These results suggest that many Vietnamese small business owners worked hard to grow their business operations through expansion of their customer base.

It was also determined that having prior industry and work experience skills influenced the impact on business survival. A respondent with prior work experience in the industry reinforced this by stating:

"My previous experience has really helped me enter into my current business. The skills I have gained from my past work experience has been so valuable to me."

[Interviewee 16]

This factor has been supported by Bruderl and Preisendorfer (1998) who argue that some owners sustain their business through prior knowledge and work experience skills attained in their past work experience.

6.6 Performance Dichotomy

The purpose of this section is to consider the emergent range of characteristics of low and high performing Vietnamese small businesses. Each characteristic is then placed on the performance dichotomy distinguishing the low performers at one end and the high performers at the other end. The performance dichotomy developed for this study considers a number of low and high performing characteristics that small business owners display that have been gathered from the literature in Chapter 2. The low performing characteristics considered in this model consist of inadequate language skills (Ley, 2006); minimal education (Chiswick & Miller, 2001) and home-based businesses (Balkin, 1995). Whereas, the high performing characteristics in this model comprise customer satisfaction (Pelham, 2000); successful business (Larson, 1992) and high profit (Chandler & Jensen, 1992). The low and high performing characteristics are considered outliers. This model is represented in Figure 6.6.

Similarly, Fabling and Grimes (2007) have used a comparable method to plot their sample of firms that demonstrate the impact of business practices and characteristics on the likelihood of being 'high' (favourable performers) and 'low' (unfavourable performers)

for each business result. The term ‘performance dichotomy’ has been used here to imply that there are key differences between the two groups of sustainable small businesses. Given the current lack of definition relating to this performance dichotomy for small businesses, this aspect of the investigation will specifically address this issue as one of its contributions to understanding this area.

A number of researchers have examined business performance in small firms (Keats & Bracker 1988); small business orientation to firm performance (Runyan et. al., 2008); and planning and financial performance of small firms (Bracker, Keats & Pearson, 1988). There has been limited research conducted specifically on developing a model for characteristics of low and high performers. This study will consider an analysis of the characteristics low performers and high performers using this performance dichotomy model. The performance for a small business is based on an identification of processes of performing tasks that are slightly different from each other and thus provide a measure of difference that exist between the low and high performers. The performance dichotomy for business survival developed from this research provides conceptual insight into the way Vietnamese small businesses have perceived their approaches.

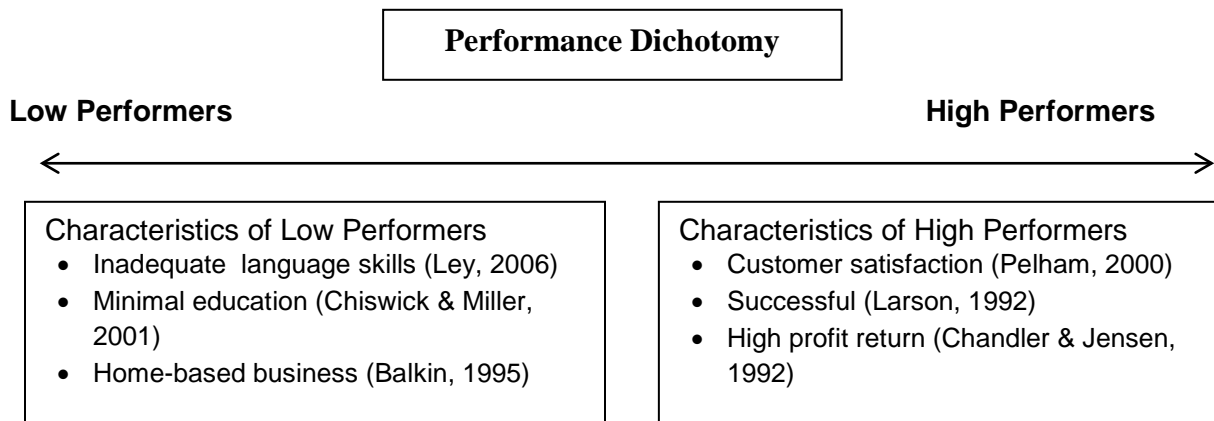


Figure 6.6: Performance Dichotomy of Vietnamese Small Business Owner Characteristics

From the performance dichotomy, this study has developed a performance matrix which tries to disposition the outliers of low and high performing characteristics of the Vietnamese small business performance. This underpinning model emerged from the analysis of the Vietnamese small performance matrix (Table 6.5) underlying the characteristics of the low and high performers. From this development it was then further

enhanced into the types of business performers by discovering the low and high performers (refer to Table 6.6).

Table 6.5: Performance Matrix

Cases 1-35	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	
Inadequate language skills	✓	✓				✓			✓	✓	✓			✓			✓						✓	✓	✓				✓	✓	✓					✓
Minimal education	✓	✓		✓					✓	✓	✓			✓			✓										✓		✓	✓	✓					✓
Home-based business													✓				✓																		✓	
Customer satisfaction		✓					✓		✓								✓				✓							✓		✓						✓
Successful			✓	✓								✓																				✓	✓			
High profit return			✓	✓																✓												✓	✓	✓		

The characteristics of the respondents which were relevant to their business type of performance and related to the performance dichotomy introduced in this Chapter are shown in the following table below. Table 6.5 represents the low and high types of Vietnamese business performers.

Table 6.6 Types of Business Performers

Low Performers	High Performers
Clothing tailor	Manufacturer
Fashion retailer	Doctor
Accountant	Furniture store
Cake shop	Packaging manufacturer
Mobile phone shop	Pressing factory
Panel Beater	Grocery store
Hairdresser	Electrical store
Photographer	Bottle shop
Jeweller	Restaurant
Florist	Tuition Centre

6.6.1 Low Performance Characteristics

The low performers' characteristics were determined by their common responses amongst the Vietnamese owners. The low performance characteristics were determined for the Vietnamese businesses found at the lower end of the performance dichotomy. This section will cover the three characteristics of the low performers; inadequate language skills (Ley, 2006), minimal education (Chiswick & Miller, 2001) and home-based business (Balkin, 1995) and these will be discussed in the following section with cases of examples provided for each.

6.6.1.1 Case Examples of Performing Vietnamese Small Businesses

Two case examples are presented to provide a better understanding on the performance of these Vietnamese small businesses. The following two examples represent the low performers of Vietnamese small businesses.

6.6.1.2 Vignette of Vietnamese Small Business 7

Business owner 7 operates an accounting services small business and makes approximately \$80,000 of sales a year and estimated that in the last five years the business has grown 2% per annum. She has built awareness on her business through advertisements in the local papers and word of mouth referrals by her existing clients. On a scale of 1 to 10, where 1 represents 'being struggling' and 10 'being excelling', the business owner 7 ranks her business as 7 out of 10, and states that she is quite happy with her current business and how it is progressing.

The support of the ethnic community is very important to her as her customers make it sustainable for her to continue to run her business. She believes in offering great services to her customers. The business has not changed since she first opened. The only difference was that she only had herself working initially but now she has a casual staff to help out with the office paper work and answering calls. The new business survived for 15 years due to her passion for the field. She had the skills in accountancy from her past job experiences and also her qualification. In future, she would like to keep running her accounting business for the next 20 years, and then retire. The respondent stated that the business can be improved by:

"I think my business can be improved by becoming a regular member of the accountant association and by completing refresher courses in accounting in the near future to help me keep up to date with the latest accounts technology."

6.6.1.3 Vignette of Vietnamese Small Business 17

This business is a clothing tailoring service. Business owner 17 makes approximately \$50,000 of sales per year and has estimated that in the last five years the business has grown 2% per annum. She has built awareness of her business through word of mouth. On a scale of 1 to 10, as 1 being struggling and 10 being excelling, business owner 17 ranks her business 6 out of 10 and states that she does not wish to make a lot of money, but to have enjoyment in what she does. She stated:

"I'm quite happy with what I have achieved through my self-employed business and I enjoy working from home every day."

The support of the ethnic community is very important to her as her customers have made it sustainable for her to continue to run her business over the years. She believes in offering great services and prices to her customers, commenting that:

"My customers are very happy with my service as I offer cheaper alteration prices because I don't have to pay any rent."

Her new business survived for 22 years due to working long hours and having a keen interest in the field. She also had the skills in tailoring clothes from her past job experience. In terms of her future prospects in business, she would like to continue the business for the next few years and then retire. She commented:

"I'm getting old now and can probably work on this business on a part-time basis for the next few years before I retire."

6.6.1.4 Inadequate Language Skills

Inadequate English language skills were seen by the respondents as having a negative impact on business development and performance, and this characteristic was thus

evidenced among the poorer performing firms at the lower end of the performance dichotomy.

Migrants from a non-English speaking background where English is a second language, face a number of challenges in the workforce compared to migrants from an English speaking country (D'Netto & Sohal, 1999). D'Netto and Sohal (1999) reported that the challenges include lack of direct communication with the locals and not being able to comprehend customs and mores of the new country. Similarly, Ley (2006) examined reasons that ethnic migrants with low language proficiency are more challenged than other groups in business performance. He found that the challenges were largely due to adapting in the new country and conversing with the local customers. Furthermore, Dustmann and Fabbri (2000) investigated the determinants of language proficiency in their research, and estimated the effect of language on earnings and employment probabilities of non-white immigrants. Their findings suggest that the lack of English fluency leads to substantial earnings losses of immigrants, whereas sufficient English fluency contributed to higher business performances (Chiswick, Lee & Miller, 2005).

This research has discovered that there were a large number of Vietnamese business owners lacking English skills prior to starting their businesses. The following comments provide insight into Vietnamese owners with inadequate English language skills. The following three respondents with inadequate language skills stated:

"I had encountered many difficulties when I first arrived in Australia. One of the major difficulties faced was my poor English skills. I had a lack of the English language but was able to converse with the locals after attending an English program back at my home country." [Interviewee 1]

"There weren't many Vietnamese in Australia when I first arrived in the late 1970s. The suburbs were quite different to how it is now. It was difficult for me to adapt at the start as I couldn't speak much English. This was one of the hurdles I had to overcome when I first arrived to Australia. I had a lack of English skills but started to pick up on the language when I started to work at the markets." [Interviewee 9]

"My main difficulty was English when I first arrived in Australia. I didn't know much English but most of the customers that I serve spoke Vietnamese. I mainly spoke

Vietnamese at work with my brother, to the customers and the workers there. At the end it was even harder for me to pick up the language before starting my own business. I was lucky to have my brother's assistance as he has been in Australia longer and was able to help me through this difficult time." [Interviewee 22]

These comments provided by the Vietnamese migrants indicate that they had inadequate English skills prior to starting their small business. This seems to be common amongst the Vietnamese migrants when they first arrived in Australia. Most of them struggle to communicate in English, which, in effect can lead to lower earnings (Dustmann & Fabbri, 2000). However, the findings indicate that those respondents that had migrated to Australia at a younger age completed their education in Australia. This suggests that these respondents had a higher level of English skills prior to business start-up as compared with those whom had arrived to Australian at a mature age. Therefore, the implications for this study indicate that inadequate English skills did not pose as a discriminator in the results of the high performing businesses.

6.6.1.5 Minimal Education

Vietnamese migrants having minimal education can impact on their business performance. Minimal education was considered as one of the characteristics identified in the low end of the performance dichotomy. This concept was determined from the literature (Chiswick & Miller, 2001; Robinson & Sexton, 1994; Yussuf, 1995) and was analysed against the results of the cases to determine the low performers.

Chiswick and Miller (2001) pointed out that there is a relationship between migrants from a non-English speaking background and having minimal education. They suggest migrants with minimal education will earn less compared to migrants that are fluent in English and have completed higher education having greater earnings capacity. Similarly, Robinson and Sexton (1994) indicated a general education has a strong positive influence on entrepreneurship in terms of becoming self-employed and successful. Furthermore, Yussuf (1995) pointed out that business owners with minimal education would face difficulties in dealing with business problems therefore running less profitable businesses. On the other hand, Thompson, Jones-Evans and Kwong (2010) determined that there is a difference between ethnic migrants with higher education and minimal education that influences their entrepreneurial activity. Finally, they conclude

that the relationship between education and entrepreneurship varies by ethnic minority group.

In this research it was found that there was less than half of the respondent with minimal education, and have started their small business based on their experiences, ethnic community support, family workers and industry exposure. The following comments provide an insight into Vietnamese owners with minimal education. The four respondents with minimal education commented:

"I had only finished high school back in Vietnam. After high school, I started to work at my father's business and had gained a few years of work experience there before I escaped the country and arrived in Australia as a refugee. I was 23 years old when I arrived in Australia."[Interviewee 2]

"I had only completed high school back in Vietnam. I had no working experience before I left the country. I came to Australia as a refugee with my two elder brothers. My first job in Australia was working at the Hostel café and that's when I discovered my interest in cooking. After 17 years of working, I decided to open my own Vietnamese restaurant."[Interviewee 4]

"After completing high school, I decide to do an electronic short course in Vietnam. I had gained some working experience from a mobile telecommunication company. I arrived in Australia in 1992 by plane at the age of 21. I recall having difficulties in communicating in English, but later started to pick up on the language by going to an English school to learn the language. It was a program set up by the government for the migrants that have just arrived in Australia."[Interviewee 14]

"I came to Australia by plane at the age of 12 with my grandma through a family sponsorship. I had encountered difficulties when I attended high school here and really struggled to pick up the English language. I wasn't doing so well in school and decided to drop out and complete an apprenticeship in panel beating. My uncle had a panel shop and he was the one that advised me to go into this field so that I can gain experience from him."[Interviewee 26]

Overall, the comments provided by the four Vietnamese owners showed that they had minimal education with most of them not attempting higher education after high school. It was discovered through the comments that these Vietnamese owners managed to start their small businesses through the support of their family, working in their industry field of interest and having work experiences.

6.6.1.6 Home-Based Business

Operating a home-based small business can impact on the Vietnamese migrant business performance. Home-based business was considered as a characteristic identified on the lower end of the performance dichotomy determined from the literature.

Robinson and Sexton (1994) contend that there is a strong positive relationship between home-based business with both experience and earnings. In contrast, Bates (1995) argues that personal wealth holdings are linked positively to home-based business, but educational attainment has been a weak and erratic determinant of self-employment status. However, there are barriers such as financial capital constraints which clearly shape home-based business entry decisions, and the nature of these barriers varies substantially across small business industry groups. In addition, factors associated with self-employment at home among women are quite different than those that predict male entry, but this partially reflects the differing industry concentrations among men and women. In addition, it has been shown that women are more likely to enter home-based business in skilled services fields (Bates, 1995). Furthermore, Balkin (1989) examined the home-based business amongst low income earners. He found that disadvantage groups participate in self-employment at home more than the average and that these groups are imposed with disincentives of achieving low earnings potential.

This research has found a few Vietnamese migrants running a small business from home. The following two comments present some reasons for, and the development of, Vietnamese migrants operating a home-based business:

"It was hard for me to get a job. There weren't much job positions available in the pastry chef field and most of them required local work experience. I chose to make cakes because I had an interest in the field and had previously gained some work experience in Vietnam working in a cake shop. I started from home making cakes

for the family, relatives and for my kid's birthdays. My customer base slowly built up through referrals of friends and families. I got to charge my customers cheaper prices as I didn't need to pay rent and this help me to cover the low returns I made.

[Interviewee 13]

"I was already working in the field in Vietnam. Because I already had the skills and a sewing machine to use, I thought to myself that I might as well make the most of it and earn some money as I couldn't get a job at the time that I had arrived in Australia. My brother had a sewing machine at home and I decided to use it for doing tailoring clothes for my family and friends. It soon got around the neighbourhood that I knew how to sew and tailor garments. People started knocking on the door to have their clothes tailored and that's how I started my tailoring business. I have never run a business before, I had to quickly learn to manage my clients and the orders I was taking. I run the business by myself and employ no staff." [Interviewee 17]

The comments provided by the two Vietnamese migrants above indicate that they both had gained experiences in their field of practice prior to starting their businesses. These comments, which came from Vietnamese women, supported Bates' (1995) observations that women are more likely to enter self-employment in skilled services fields. It was identified in one of the cases that the Vietnamese migrant was being disadvantaged in gaining employment from the local sector and therefore entered into self-employment and achieving low earnings, as noted in comments by Balkin (1989).

Overall, the low performance characteristics of inadequate language skills, minimal education and home-based businesses have indicated that these cases are placed in the lower end of the performance dichotomy which have still survived but have earned less as the comments shown in the example of cases presented above. The purpose of identifying these low performers clearly shows that there is a difference in the performance dichotomy. Low performers were identified from the literature and were matched against the characteristics of the individual cases, and the commonality amongst these three low performing characteristics indicated that they have all survived under different aspects of their business performance. Whilst some owners with minimal education and language skills chose to operate at home to save shop-front costs, others chose to open a store to run their small business. The implications for this study show

that even though these migrants have minimal education and language, however, they can still manage their small business catering to the needs of their ethnic community by earning less than the other respondents. The next part will discuss the high performance characteristics.

6.6.2 High Performance Characteristics

The high performers' characteristics were determined by their common responses amongst the Vietnamese owners. These characteristics were identified through the literature (Pelham 2000; Van Praag & Cramer, 2001; Driessen & Zwart, 1999) and were analysed in terms of the findings of the study. The following are two vignette case examples of Vietnamese high performing businesses.

6.6.2.1 Case Examples of Performing Vietnamese Small Businesses

Two case examples are presented to provide a better understanding on the performance of these Vietnamese small businesses. The following two examples represent the high performers of Vietnamese small businesses.

6.6.2.2 Vignette of Vietnamese Small Business 3

This business is a bottle shop that had first opened 11 years ago and makes approximately \$400,000 of sales a year and estimated that in the last five years the business has grown 8% per annum. Since opening his business, business owner 3 has found that they are selling more to the local businesses such as the restaurants on the street. This has been due to word of mouth by his previous customers. On a scale of 1 to 10, as 1 being struggling and 10 being excelling, business owner 2 ranks his business 8 out of 10 and states that he is very happy with how his business has progressed in a short amount of time. The support of the ethnic community is important to him as his customers make it sustainable for him to continue to run his business. The business survived for 11 years due to his family support. In future, he would like to keep working in the same business for the next 10-15 years and hopefully see his sons take over the business when he retires. He stated:

"I believe in approaching the customers in a friendly manner as this keeps them satisfied and will come back for more purchases."

6.6.2.3 Vignette of Vietnamese Small Business 32

This business is a garment pressing service that was first opened almost 27 years ago and makes approximately \$800,000 of sales a year. It is estimated that in the last five years the business has grown 5% per annum. Since opening his business, business owner 32 has found that there is still a demand for his services in the field. On a scale of 1 to 10, as 1 being struggling and 10 being excelling, business owner 32 ranks his business 9 out of 10 and states that he is very happy with how his business has progressed over the years and also being able to live very comfortably and to support his family. The support of the ethnic community is very important to him as his factory hires ethnic workers to make it sustainable for him to continue to run his business. Hard work and determination was the reason why this business has survived for over 27 years. Business owner 32 would like retire in the next few years and pass down his business to his son. He commented:

“I believe in providing quality work in the garments that he presses in terms of generating more work for him in the future.”

The high performance characteristics were determined for the Vietnamese businesses at the higher end of the performance dichotomy. This section will cover the following three characteristics of the high performers; customer satisfaction, success and high profit return will be discussed in the following section with cases of examples provided for each.

6.6.2.4 Customer Satisfaction

Having satisfied customers from the Vietnamese community provides a positive impact on the business performance of small businesses. Customer satisfaction was considered as one of the high performance characteristics identified through the literature (Pelham, 2000) at the higher end of the performance dichotomy. The following review looks at the importance of customer satisfaction in small businesses in terms of achieving better performances.

Morris and Paul (1987) studied the relationship between entrepreneurship and marketing in firms. As customers' satisfaction is considered as one of the key marketing concepts, it is therefore important to consider the marketing side of the Vietnamese small

businesses in achieving their customer satisfaction. Morris and Paul (1987) further argue that marketing provides an effective vehicle for achieving entrepreneurial success. In the same way, Pelham (2000) believes that firms should embrace the philosophy of the marketing concept in their businesses as their customer's needs will drive their business demands and in effect lead to better performance results. On the other hand, Strickland (1998) emphasised that it is the business owners that influence the marketing strategies and ultimately the performance of their businesses. In effect, marketing researchers have suggested that firms should embrace the marketing concept in achieving customer satisfaction in order to see superior performance (Levitt, 1960).

Several of the Vietnamese owners have noted that customers' satisfaction has driven their business performance. The following three comments relate to this marketing concept as perceived by the Vietnamese owners:

"I have seen my business grown in the past years and that the support from the local community has kept my business running for 27 years. I believe in satisfying my customers by offering them affordable prices and deliveries on the same day. This has made my customers happy due to our prompt service in taking their orders."[Interviewee 9]

"My business was able to survive for 20 years due to local ethnic community support and offering great customer service. I try to offer my customers a variety of products to give them more choices in their product selection. I think marketing my business is really important to build our business awareness in the community."[Interviewee 28]

"I believe that the support of the ethnic community is very important to me. My customers make it sustainable for me to continue to run my business for the past 30 years. I offer my customers affordable prices and good quality repairs on their purchased products. This has made my customers happy and satisfied with the service I provide to them."[Interviewee 35]

The comments provided by the Vietnamese owners showed that they all valued their customers support and in keeping them happy. Most of them believe in offering great customer services and prices in their businesses. They believe that customer satisfaction has sustained their business and also aided them to achieve their overall

performance. This is supported by Strickland (1998) who stated that it was the owners' influence in the firm's marketing strategy which emphasised the obtaining of customer satisfaction as a route to better business performance.

6.6.2.5 High Profit Return

Vietnamese migrants that have a high profit return tend to be more satisfied with their sales performance. Indeed, high-profit return has been listed as one important characteristic on the higher end of the performance dichotomy.

In a smaller business, the background of the person in charge can have a major impact on company performance, because that person is typically the locus of decision-making. The owners are likely to manifest extreme commitment to the business success and thus contribute significantly to greater profit earnings (Begley & Boyd, 1986). In the same way, Chandler and Jansen (1992) studied the manager's competence and venture performance. They found that most successful founders, those whose firms show higher levels of growth and profit earnings, rate themselves as competent in the entrepreneurial, managerial, and technical-functional roles. In addition, they found that there is a relationship between education and experience in a general managerial position which can lay the ground work for a successful entrepreneurial career. A study conducted by Van Praag and Cramer (2001) found that there is a relationship between firms with high profit earnings and being recognised as successful. They also establish the importance for firms to be both risk-taking and to have the ability to be a successful entrepreneur. Similarly, Robinson and Sexton (1994) pointed out that profit earning potential was used as a measure of success. They recognise that success is a subjective experience based on both one's expectations and the actual measurable outcomes. Furthermore, firms that manage to be successful, embrace the concept of success by emphasising their personal capabilities in achieving high levels of performance (Pelham, 2000).

A number of Vietnamese entrepreneurs were at the higher end of the performance dichotomy. The following three comments of the Vietnamese migrant businesses, that had significantly higher earnings, described how they have managed to grow their business:

"I believe in approaching the customers in a friendly manner as this keeps them satisfied and will come back for more purchases. Since opening my business, I found that we are selling more to the local businesses such as the restaurants on the street. This has been due to word of mouth by my previous customers. This not only helps my business generate more earnings in sales. I'm very happy with how my business has progressed in a short amount of time." [Interviewee 3]

"My business survived for seven years due to my long working hours and the support from my family. My business is based on Australian companies and the only ethnic community contact I have is through the workers I hire which are mainly Vietnamese. In future, I would like to keep working in the same business for the next 15 years and hopefully sell my business when I retire. My business is sustainable by having local ethnic workers and by being innovative in adapting the latest technology to improve my business." [Interviewee 31]

"My parents wanted me to run the business as they said it would be best for my future in terms of supporting my family otherwise I would only be earning minimum wage working for someone else in the factory. I usually stay back late each day tidying up the factory after the workers have left and then organize the work for the next day. The make-up of my customer base at present is 90% local Australians. My business has grown over the past 27 years and I make \$800,000 sales a year." [Interviewee 32]

The comments provided above by these Vietnamese owners were from the top three earners in this research sample. The commonality amongst this group was that they all rated themselves quite high in being satisfied with their current business operations. This is supported by Pelham (2000) that these owners manage to be successful in their businesses by embracing their own capabilities and achieving high business performances.

6.6.2.6 Success

Vietnamese migrants that have high performance characteristics are considered to be successful. Success has been listed as one characteristic on the higher end of the performance dichotomy.

There have been a considerable number of studies which explicitly aim to unveil the secret of success of small businesses (Driessen & Zwart, 1999). Most of these studies conclude that business success is the result of a web of factors. For instance, Luk (1996) found that success was attributed to hard work, dedication, and a commitment to service and quality. On the other hand, Larson (1992) showed the positive impact of growth potential, quality, innovation, and operating efficiency on successful performance. Similarly, Bird's (1988) research disclosed that small firms with successful performance were characterised by innovation and risk-taking behaviour and that small businesses started by those who had advance training were more likely to achieve successful performance. The research conducted by Mohan-Neill et al. (1990) found a total of 23 factors identified by entrepreneurs as important to success. These factors, including high quality products and services, a good reputation, appropriate response to customer desires and requests, hard work and devotion to business, good management and employee relations, significantly explain variations in business performance.

In addition, Duchesneau and Gartner (1990) identified three categories of factors that are thought to influence the likelihood of small business success: entrepreneurial characteristics, start-up behaviour, and the firm's strategy. From their findings, factors which appear to make greater contributions to successful performance include: prior start-up business experience, an effort to reduce business risk, long working hours, ability to communicate well, good customer service, a clear and broad business idea, willingness to spend more time in planning, and a flexible, participative, and adaptive organisation.

A number of Vietnamese small business owners were on the higher end of the performance dichotomy. The following two comments come from Vietnamese migrant businesses that were considered successful:

"My business requires me to work long hours of operation. I'm really happy with my business and how far I have come over the last 11 years. Having bought an existing business came with many benefits which included having existing customers and a good reputation established." [Interviewee 3]

"I'm very satisfied and happy with how my business has progressed in the last 31 years. I think by having prior knowledge and experience in the industry was important for me to sustain all these years. Also the hard work and dedication of my family and the Vietnamese customers supporting my business is very important." [Interviewee 11]

Overall, the comments provided by the Vietnamese owners above outlined the satisfaction in their business success. The commonality amongst this group of Vietnamese owners was that they both worked long hours and had the support of their ethnic customers. This finding is consistent with the results of Mohan-Neill et al., (1990) that these owners manage to be successful in their businesses by their own hard work and devotion to their business. The high performance characteristics have indicated that the cases in the higher end of the performance dichotomy will still survive but will earn more as the comments and sample have shown in the example of cases presented above.

6.7 Summary

In this Chapter, the information obtained from the respondent was used to approach the research question on business survival. In providing a detailed analysis of these survival factors through looking at the top five Vietnamese small businesses, this Chapter has contributed to an understanding of how these characteristics have contributed to sustaining these Vietnamese small businesses. In addition, the collected statements representing the interviewees' views, coupled with an analysis of the performance dichotomy of low and high performers, has provided more explanatory detail. The findings highlight the survival factors that most Vietnamese small business rely on their family workers, ethnic community support, a non-ethnic customer base and prior business experience to survive.

The performance dichotomy was developed from the survival factors to determine how some business appeared to be more sustainable than others. This development brought to this Chapter a criteria to separate the low and high performing businesses. In this respect, the low performing businesses was determined by inadequate English skills, minimal education and home-based run businesses, whereas, the high performing businesses were characterised by high profit return, successful small businesses and customer satisfaction.

The research issues that emerged have been shown to be significant to this study, and in particular, contribute to, and address, some of the existing gaps identified in the literature review on this topic. The following and final Chapter draws general conclusions from the research findings, discusses the implications for theory, considers a number of research limitations, and makes recommendations for future research.

CHAPTER 7

Conclusion and Implications

7.1 Introduction

This chapter presents the conclusion and implications which can be drawn from this research. It starts by presenting a detailed description of the theoretical contributions made by the investigation and discusses the management implications which arise from these considerations. To contextualise these conclusions and implications, the limitations of the research are noted, which sets the basis for the recommendations and suggested areas for future research. This study has contributed to the existing body of knowledge relating to the understanding of the complexities associated with small business start-up, ethnic entrepreneurship and business survival, by being one of the first to integrate business start-up with ethnic entrepreneurship theories relevant to the Vietnamese small business community in Victoria.

7.2 Theoretical Contributions

Significant contributions have been made to the theoretical underpinning of studies into entrepreneurship in the small businesses in the following three areas. First, by examining the environmental and personal factors which have influenced business start-up, this work has shown that in a small business, the business owner *is* the business, and it is this individual's motivations and perceptions that drive their business behaviour. Hence, the environmental and personal factors are not simple 'business influences', but are unique ones that come together to drive the small business owner's individual perceptions and motivations for starting a business.

Second, when the available ethnic entrepreneurship theories were examined in preparation for their application to the processes involved in business start-up and sustainability, it was found that there were significant overlaps across the range of theories (Figure 3.4). This meant that the theories were interrelated, showing the commonality amongst some of their characteristics within each ethnic entrepreneurship theory. In addition, it was revealed that through the examination of the theoretical lens, interrelated theories were required to explain particular behaviours taken within cases

taken to support their business operations. Finally, in the examination of survival factors which impact on existing operating businesses, it was found that the factors that supported sustainability were not driven by a single economic factor, but were rather dependent upon a range of personal issues such as having a family worker and prior working experience.

7.2.1 The use of Interrelated Ethnic Entrepreneurship Theories for Business Start-up

At a theoretical level, as indicated above, responses to this study have suggested that the use of a single interpretative theory to explain business start-up issues is not as revealing as a more multi-faceted approach. In particular, it was found that a combination of the Ethnic Resources and Ethnic Enclave theories was most influential in explaining the impacts of various factors on Vietnamese owners' start-up experiences.

It was clear, nevertheless, that compared to the other available Ethnic Entrepreneurship theories, and the theory of Ethnic Resources on its own was an important approach to help interpret start-up events. Owners, in general, seemed to prefer to have a network of support from families and the ethnic community, something that was strongly suggested by Collins (2002). However, even in the light of this useful lens, the findings of this study suggest that more clarity and insight into this issue can be obtained from a combination of the Ethnic Resources and Ethnic Enclave theories. These two approaches were considered to be significant in assisting to understand how the Vietnamese owners went about starting up their businesses. They referred to the resources from their own community and, at the same time and with equal emphasis, noted that operating their businesses in a suburb with a high ethnic population was essential. The ethnic resources ranged from family finances, to hiring their own ethnic employees, whilst serving their ethnic customers was a feature of the Ethnic Enclave theory. It seems that majority of the businesses have relied on factors highlighted by these two combined Ethnic Entrepreneurship theories when it comes to entry into the contested business world.

7.2.2 Unexpected Performance Dichotomy

It was found that an unexpected performance dichotomy emerged from the investigation of business survival. There were two distinct groups found in this study, which were

labelled as low performers and high performers, which were (i) clearly sustainable businesses but (ii) which had very different characteristics that assisted in their business survival. The low and high performance labels were based on the analysis of the literature review and the results of the data, and it is thus clear from this that business survival is significantly more complex than a simple economic perspective would suggest.

Therefore, it could be proposed that these two groups are quite distinct, which is one of the unexpected outcomes of this study. The low performers, who were characterised by having inadequate English language skills, having minimal education and operating a home-based business. On the other hand, the high performers, represented as high profit earners, were characterised as having satisfying customers and being successful small business. These two groups have, nevertheless, both been able to sustain their small businesses. This study has thus drawn attention to the fact that even though some businesses have operated with very different performance characteristics, they still can be considered 'successful' when seen through the perceptions of the owners. High performers were undoubtedly better performed in terms of their industry knowledge and financial return, but what has been indicated here is that this economic touchstone is not necessarily the single appropriate measure when looking at business success due to there being other facets of the performance dichotomy which are seen as important by the respondents.

7.2.3 Conflicting Ideas on What Constitutes a Successful Vietnamese Small Business?

Related to the previous finding is the notion that identifying the factors which determine business success in terms of respondents' perceptions is surprisingly complex. It was found that there was no simple agreed response as to how respondents determined or defined the meaning of 'business success'. It was unexpected to see in this study, for example, that there was little correlation between the owners' self-rating and their business performance as defined on an economic scale. It was found that some owners, with high self-rating of their business, were clearly satisfied with their business even though they were earning less than others in this cohorts, whilst other business owners with higher sales return also self-rated their businesses highly. This indicates that when determining business success, it is important to understand that this can be determined

in various ways depending on the circumstances of the respondent, and thus using financial return data alone is not always the key in determining success in a small business.

7.3 Conclusion on the Research Questions

This research looked at the factors that have led these entrepreneurs to achieve business start-up, and has used a theoretical lens of interrelated Ethnic Entrepreneurship theories to understand the key factors which contributed to this situation. Separately, the study looked at factors which contributed to their business sustainability, again seeking help through an interrelated suite of Ethnic Entrepreneurship theories. Of particular note is that start-up and sustainability factors were not the same, and that businesses can be sustainable in their own particular way.

At a more detailed level, this study has revealed that most of the participants had some sort of prior industry experience before starting their own business in Australia. Whilst all the participants managed to secure employment in the Australian labour market, for some of them noticeably 'underemployed', a few found it hard to obtain skilled positions. Whilst they were presented with many opportunities, they felt restricted due to inadequate language skills, low education and this was evident in the analysis of the environmental and personal factors depicted in this study. Gender consideration and visa pathways played a minor role of the informants on their business dynamics, success and this was evident in the analysis of the environmental and personal factors depicted in this study.

Ethnic Entrepreneurship theories were considered to be the most relevant theoretical lens for determining which factors were of influence in business start-up and survival. These Ethnic Entrepreneurship theories helped to indicate which factors had an influence on the participants' pathway to business entry and survival. However, in this work, it became clear that these theories can also be interrelated, and as discussed earlier, it was evident that a combination of the Ethnic Resources and Ethnic Enclave theories were seen as the most prominent explanatory theories for this cohort.

In addition, as suggested by the theoretical framework which was developed for this study, that there were positive and negative factors to be considered in business start-up

and survival. This study therefore partly complements prior studies that have shown both positive and negative factors influencing a migrant's decision in business start-up and survival (Wang et al., 2006), but goes beyond them in showing that not one model fits all business types. The unravelling of this complexity is one of the key contributions that this study has made to this area.

7.4 Management Implications

In terms of management practices, the research revealed a number of environmental factors and personal factors that appear to be common in contributing to the Vietnamese migrant in starting a small business. For example, the research highlighted the importance of having prior industry experience for participants to use as skills and knowledge for business start-up and having access to opportunities that could help sustain their business.

From a management perspective, this research suggests that business and government sectors who want to encourage ethnic migrants into small business start-up, might help to facilitate potential ethnic migrants' access to affordable, industry-specific business functions and events. This will not only provide the migrant with vital information in establishing their small business but will also provide the migrant with a business network. The Ethnic Entrepreneurship theories map (Figure 3.4) provides guidance for policy makers regarding the different ethnic group categories and the type of support mechanism that will encourage survival strategies to benefit them.

The findings of this research demonstrate that there are both important similarities and differences between the Vietnamese small business owners. Whilst future generations of ethnic migrants in small business are likely to have different environmental factors and personal factors that lead them to start-up a small business, there are, nevertheless, some key considerations which need to be taken into account.

For example, when this research examined the environmental factors and personal factors using various Ethnic Entrepreneurship theories, it found that these factors had different meanings for each Vietnamese small business, depending on their reason for starting up a small business. It was clear that most Vietnamese entrepreneurs in small business had a suite of Ethnic Resources which included previous industry experience,

the support of their ethnic community and family members. Thus this research provides a theoretical framework to assist and empower Vietnamese small business owners to take control of their business operations, whilst managing to sustain their business life. Therefore, it is important to consider the survival factors to determine their contribution in sustainability.

7.5 Limitations of the Research

The study was conducted in Victoria, a state in Australia, so the relevance of the findings to the rest of Australia and internationally is possibly limited due to place specific issues which can play a key part in business success. In addition, studying an ethnic group does not allow for easy generalisations to the whole immigrant population, since even one ethnic group, notwithstanding their many similarities, will have a range of individual differences. In addition, the size of the sample used in the qualitative research was an obvious limitation. This study was restrained, due to time and resource constraints, to a relatively small sample of 35 participants who were selected for this research. In this respect, the research issues of particular interest to this study required an in-depth inquiry into the personal perceptions of Vietnamese small business owners' start-up. This requirement was not suited for a quantitative approach, meaning a large scale survey across multiple respondents was not deemed to be practical.

The fact that the researcher was from the Vietnamese community could also be seen to bias the reactions from co-ethnics, or at least differentiate them from other alternative interviewee's reactions. Whilst every effort was made to accurately reflect the participant's standpoints, the researcher's own understanding of what was important to the respondents eventually helped shape this thesis. This is not a technical constraint but a natural outcome of employing a qualitative research method, but it needs to be considered in the overall assessment of the validity of the investigation.

Finally, despite the limitations outlined above, this study has expanded on previous research by contributing new and valuable insights into factors that influence business start-up and the business's consequent survival. It is hoped that the contribution of this research will form the basis of future scholarly studies, and that the limitations outlined above will facilitate a clearer understanding of opportunities for future research.

7.6 Recommendations

From the perspective of policy, the research recommends to policy-makers that all small businesses need initial support with business start-up before they are able to reap desired outcomes. For example, this research suggests that Vietnamese migrants might be provided with access to industry-specific business information in an appropriate format. Furthermore, there were indications that having prior work experience was an important issue in starting up a business. This study would thus recommend that governments investigate whether carefully designed work experience programs for refugee and migrant communities would both facilitate local employment as well as providing a foundation for a business career. Based on the observation that blocked mobility is a problem faced by many migrant groups, State and Federal governments could seriously consider the development of meaningful strategies to maximise the utilisation of existing skills of newly arrived migrants to enhance their employment opportunities and their contribution to the Australian economy.

7.7 Areas of Future Research

This study has delivered some insights into the motivations of Vietnamese immigrants related to business start-up and also to their longer-term survival in Australia. The research was welcomed by many of the Vietnamese small business owners as demonstrated by their willingness to participate in this study. An expansion of the current research to a National level, including other parts of Australia and other countries, would add further depth and understanding. Should there be further research undertaken, this could provide benefits to both ethnic communities as well as host countries.

Furthermore, as well as a better understanding the motivations of Vietnamese immigrants in starting a business in Australia, comparative studies with different ethnic groups may be necessary to understand whether culturally different characteristics are the driving force behind this phenomenon. It is important to understand what factors are important in business start-up and survival as well as considering those issues which have led to some exiting the area.

7.8 Conclusion

This chapter identified the influences of business start-up and the business survival of Vietnamese small businesses. The findings highlighted the start-up and survival factors

for Vietnamese small business owners. They also revealed the factors linked to the Ethnic Entrepreneurship theories identified in the literature. The research issues that emerged have been shown to be significant, and have contributed to the existing gaps in the literature on this topic, as identified in the literature review. The contribution to management practices are of benefit for the owners themselves. The research revealed that for Vietnamese small business owners the challenge was to have a range of Ethnic Resources and an Ethnic Enclave relating to strategies in line with their business purpose. The research provides insights for Vietnamese small business owners for more reflective business practices so it can assist them in survival.

Table 7.1 Objectives and Conclusion Summary

Objectives	Conclusion
<i>What are the factors that lead to the start-up of Vietnamese small businesses?</i>	There was a combination of influences, including the environmental and personal factor that affects people's decision to start their own business. However, the study revealed that the key factors that lead to business start-up are; family skills in Vietnam, the importance of ethnic community contacts, access to Vietnamese customers at the start of the enterprise and prior industry/ work experience.
<i>How do these factors link to existing ethnic entrepreneurship theories identified in the literature?</i>	The findings strongly emphasise that there was no single theoretical perspective to comprehensively explain how this ethnic group starts a small business. This suggests that a multi-theoretical perspective is required to clearly explain the factors that drive Vietnamese ethnic entrepreneurship. This study revealed that interrelated theories of Ethnic Resources and Ethnic Enclave were the most common explanation for the Vietnamese small business start-up.
<i>What are the contributing factors that may explain why some Vietnamese small businesses are more sustainable than others?</i>	There were a few contributing factors that explain why some Vietnamese small businesses were more sustainable than others. This study identified four key factors in business survival as; having a family worker, having ethnic community support, the makeup of more than 70% of Non-Vietnamese customers and prior industry/ work experience.

The objectives and conclusions of this study have been summarised in Table 7.1. This study concludes that there are different motives influenced by environmental and personal factors, for participants to have commenced their small business. However the study echoed that certain factors are more important than others, especially in having ethnic community support as a driving force behind their start-up and survival. In terms of the theoretical understanding, this study cannot determine the predominance of one single explanatory theory, suggesting rather that there were many theoretical understandings at play.

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Appendix A- Letter to the Vietnamese Small Business Owners



**VICTORIA
UNIVERSITY**

**A NEW
SCHOOL OF
THOUGHT®**

You are invited to participate in a research project entitled “The Dynamics of Ethnic Entrepreneurship: Vietnamese Small Business in Victoria.” This project is being conducted by Professor John Breen from the Centre for Tourism and Services Research at Victoria University.

The aim of this project will be to identify the business start-up and survival of small business owners of Vietnamese descent in Australia. This new level of understanding will be based on data gathered via an in-depth interview.

Participants will be asked to respond to a series of questions regarding their business involvements, motivations and sustainability.

You will be contributing to further development and understanding for culturally specific business involvements and motivations.

The information will be used to provide public and Government more insights into culture specific motivation for business involvement.

There are no known or anticipated risks to you as a participant in this study.

Data will be collected from Vietnamese Small Business operators and analysed to identify the business start-up and survival.

The study is being carried out by Victoria University, The Principal Researcher is Professor John Breen john.breen@vu.edu.au. Any queries about your participation in this project may be directed to the Principal Researcher listed above. If you have any queries or complaints about the way you have been treated, you may contact the Ethics and Biosafety Coordinator, Victoria University Human Research Ethics Committee, Victoria University, PO Box 14428, Melbourne, VIC, 8001.

Appendix B- Formal Consent to participate



**VICTORIA
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INFORMATION TO PARTICIPANTS:

We would like to invite you to be a part of a study entitled
“The Dynamics of Ethnic Entrepreneurship: Vietnamese Small Business in Victoria”

CERTIFICATION BY SUBJECT

I,
of

Certify that I am at least 18 years old* and that I am voluntarily giving my consent to participate in the study:

“The Dynamics of Ethnic Entrepreneurship: Vietnamese Small Business in Victoria”,
being conducted at Victoria University by Professor John Breen.

I certify that the objectives of the study, together with any risks and safeguards associated with the procedures listed hereunder to be carried out in the research, have been fully explained to me by: Jenny Katis and that I freely consent to participation involving the below mentioned procedures:

- Interview

I certify that I have had the opportunity to have any questions answered and that I understand that I can withdraw from this study at any time and that this withdrawal will not jeopardise me in any way.

I have been informed that the information I provide will be kept confidential.

Signed:

Date:

Any queries about your participation in this project may be directed to the researcher John Breen on john.breen@vu.edu.au.

[*please note: Where the participant/s are aged under 18, separate parental consent is required; where the participant/s are unable to answer for themselves due to mental illness or disability, parental or guardian consent may be required.]

Appendix C- Introductory Statement Prior to Interview



**VICTORIA
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I am currently undertaking a sponsored management research degree at Victoria University. This interview forms a part of an Empirical Research Project and will contribute to the final thesis. My research interests are in the areas of Ethnicity and Entrepreneurship, understanding main motives behind people's business establishment and sustainability.

The interview is voluntary, anonymous, and undertaken in strict confidence. You will not be identified, and all results will be aggregated and analysed for themes.

Would it be ok for me to tape record the interview and take notes? Do you have any questions?

Thank you for your time.

Appendix D - Interview Questions

PART 1: THE INTERVIEWEE

- 1) Which part of Vietnam are you from?
- 2) What year did you arrive in Australia? Why did you come to Australia?
- 3) How old were you when you arrived in Australia?
- 4) Who did you come with to Australia?
- 5) What level of education did you have before arriving in Australia?
- 6) What kind of work experience had you had in Vietnam?
- 7) What skills did you have before the business start-up?
- 8) Under what migration scheme did you come as to Australia?
- 9) What was your first job in Australia? Please elaborate.
- 10) What is your religion?
- 11) Which suburb did you reside in when you first arrived? Why did you live there?
- 12) Which suburb do you currently reside in?
- 13) Did you encounter any difficulties when you first arrived? Elaborate
- 14) When did you go into business in Australia?
- 15) Why did you go into business? Elaborate

PART 2: THE BUSINESS - ENTREPRENEURSHIP THEORIES

- 16) What is the nature of your present business?
- 17) Did you start your business or did you buy it?
- 18) Why did you choose to go into this industry?
- 19) What have been the major difficulties you have encountered in your business operations? Why were these difficult?
- 20) Are any members of your family employed in the business?
- 21) How did you finance your current business?
- 22) Did you get financial aid from your family?
- 23) Approximately how much money of your own did you have to start up the business?
- 24) Have you received any government assistance in your business operations?
- 25) How important are your ethnic community contacts in the exchange of business information? Why are they important?
- 26) Do you wish your children to carry on this business after you? Please elaborate.
- 27) What is the make-up of your customer base at the start of operation and at present?
- 28) What business experience did you have prior to commencing your business?
- 29) Did your family have any business experience in Vietnam?

PART 3- THE BUSINESS - SUCCESS & ECONOMIC SUSTAINABILITY

- 30) How many years have you been in business?
- 31) Is this the same business as the original business you started with? Please elaborate.
- 32) How many staff do you employ (non-family members)?
- 33) Approximately how much sales do you make in a year?
- 34) Over the last 5 years, approximately how much has the business grown each year?
- 35) How has the business changed since you started in it?
- 36) Where do you see the business fits on this scale of 1 to 10?
- 37) In what ways could your business be improved? Why?
- 38) How would you describe your future prospects in business?
- 39) In summary what have I learnt from this interview?

Appendix E- Environmental Factors for Business Start-up

	Vietnamese small businesses																																			
Environmental factors	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	TOTAL
Was the level of business skills above average? Y/N	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y	Y	Y		Y	Y			Y	Y		Y	Y	Y	Y			Y	Y	Y	Y	Y			Y	26
Did you self-fund the business? Y/N	Y	Y	Y	Y		Y		Y	Y	Y	Y		Y	Y	Y		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	29
Was the finance from an external source? Y/N	Y			Y	Y	Y		Y	Y	Y	Y				Y	Y				Y	Y	Y		Y			Y	Y			Y		Y			18
Did you get finance from the family? Y/N		Y	Y				Y					Y	Y	Y			Y	Y	Y				Y		Y	Y			Y	Y		Y		Y	Y	17
Are your ethnic contacts important? Y/N	Y	Y		Y		Y	Y		Y	Y	Y	Y	Y	Y			Y		Y	Y	Y	Y		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	28
Are any members of family employed in business? Y/N	Y	Y	Y	Y	Y			Y	Y	Y	Y			Y				Y	Y	Y		Y		Y				Y	Y			Y	Y		Y	20
What is the makeup of Vietnamese customer base at time of operation over 5 years? Y/N	Y	Y				Y	Y	Y	Y	Y	Y	Y	Y			Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y			Y	Y	Y	28
Is the present makeup of Vietnamese customer base over 60%? Y/N	Y					Y	Y	Y	Y			Y	Y	Y			Y				Y				Y	Y	Y		Y	Y				Y		16
Did you prior industry experience? Y/N	Y			Y	Y	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y		Y	Y	Y	Y	31
	8	6	4	6	4	6	6	6	8	7	6	7	6	6	4	5	5	5	7	7	6	7	5	7	7	5	6	7	8	7	4	6	6	6	7	

Appendix F- Personal Factors for Business Start-up

	Vietnamese small businesses																																			
Personal factors	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	TOTAL
Are you a male? Y/N	Y	Y	Y		Y			Y	Y	Y	Y	Y		Y	Y			Y			Y	Y			Y	Y		Y	Y		Y	Y	Y	Y	Y	23
Were you over 20 years old when you arrived in Australia? Y/N		Y	Y			Y				Y	Y	Y	Y	Y			Y	Y	Y			Y	Y	Y			Y	Y	Y	Y		Y	Y		Y	21
Did you complete studies after high school? Y/N		Y			Y	Y	Y	Y				Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y							Y		22	
Did you have work experience in Vietnam? Y/N	Y			Y	Y	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y		Y	Y	Y	Y	31
Did you come as a refugee to Australia? Y/N	Y	Y	Y	Y	Y				Y	Y	Y	Y																			Y	Y	Y	Y	Y	14
Are you a Buddhist? Y/N	Y	Y	Y	Y	Y		Y		Y	Y	Y				Y	Y	Y	Y			Y	Y		Y		Y	Y			Y	Y	Y	Y		Y	23
Are you from South Vietnam? Y/N	Y			Y	Y		Y	Y	Y	Y	Y	Y		Y			Y	Y		Y	Y	Y				Y	Y	Y		Y	Y	Y		Y	Y	23
Did you arrive in Australia prior to 1983? Y/N	Y	Y	Y	Y	Y				Y	Y	Y	Y																			Y	Y	Y	Y	Y	14
	6	6	5	5	7	3	4	4	6	7	6	7	3	5	4	3	5	6	3	3	5	6	3	4	3	5	5	4	3	4	5	7	6	6	7	

Appendix G - Environmental Factors for Business Survival

	Vietnamese small businesses																																				
Environmental factors	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	TOTAL	
Do you make a year over \$200K per year? Y/N	Y	Y	Y	Y					Y		Y	Y								Y									Y		Y	Y	Y				12
Over the last 5 years, has your business grown over 5% each year? Y/N	Y	Y	Y	Y		Y		Y	Y	Y	Y	Y				Y		Y	Y	Y		Y	Y	Y	Y	Y	Y	Y	Y		Y		Y			25	
Do you employ 3 or more staff? Y/N												Y					Y													Y	Y	Y		Y		6	
Is the current makeup of Vietnamese customer base more than 70%? Y/N			Y		Y										Y				Y														Y			5	
	2	2	3	3	1	1	0	1	2	1	2	3	0	0	1	1	1	1	2	2	0	1	1	1	1	1	1	1	2	2	2	3	2	2	0		

Appendix H- Personal Factors for Business Survival

	Vietnamese small businesses																																				
Personal factors	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	TOTAL	
Do you employ only family members? Y/N	Y	Y	Y	Y	Y			Y	Y	Y	Y			Y				Y	Y	Y		Y		Y				Y	Y				Y		Y		19
Do you rank your business scale over 7 out of 10? Y/N	Y	Y	Y	Y				Y	Y		Y	Y	Y	Y		Y		Y	Y	Y	Y		Y	Y	Y		Y	Y	Y	Y	Y	Y	Y			24	
Do you wish your children to carry on this business after you? Y/N			Y					Y		Y									Y														Y			5	
I rank the businesses more than 7 out of 10? Y/N												Y																				Y	Y				3
Are you a female? Y/N				Y		Y	Y						Y			Y	Y		Y	Y			Y	Y			Y			Y						12	
Did you come a refugee to Australia? Y/N	Y	Y	Y	Y	Y				Y	Y	Y	Y																			Y	Y	Y	Y	Y	14	
	2	2	3	2	1	0	0	3	2	2	2	2	1	2	0	1	0	2	3	2	1	1	1	2	1	0	1	2	2	1	2	2	3	0	1		

Appendix I - Migration Type - Years in Business - Type of Business - Location

Case No.	Migration Type	Years in Business	Type of Business	Location
1	Refugee	28	Retail	Richmond
2	Refugee	20	Retail	Richmond
3	Refugee	12	Retail	Richmond
4	Refugee	17	Hospitality	Footscray
5	Refugee	7	Manufacturing	Footscray
6	Family sponsorship	6	Retail	Footscray
7	Family sponsorship	15	Professional Service	Footscray
8	Family sponsorship	6	Professional Service	Richmond
9	Refugee	27	Retail	Richmond
10	Refugee	20	Retail	Richmond
11	Refugee	31	Retail	Footscray
12	Refugee	32	Professional Service	Footscray
13	Family sponsorship	22	Hospitality	Footscray
14	Family sponsorship	17	Retail	Richmond
15	Family sponsorship	5	Retail	Footscray
16	Family sponsorship	7	Retail	Richmond
17	Family sponsorship	22	Home-based	Richmond
18	Family sponsorship	17	Retail	Richmond
19	Family sponsorship	21	Retail	Richmond
20	Student visa	10	Retail	Footscray
21	Student visa	10	Professional Service	Footscray
22	Work visa	20	Hospitality	Footscray
23	Family sponsorship	15	Education	Footscray
24	Family sponsorship	14	Retail	Footscray

Case No.	Migration Type	Years in Business	Type of Business	Location
25	Family sponsorship	8	Professional Service	Footscray
26	Family sponsorship	11	Trades	Richmond
27	Family sponsorship	7	Retail	Footscray
28	Family sponsorship	11	Retail	Richmond
29	Family sponsorship	24	Hospitality	Richmond
30	Family sponsorship	13	Retail	Richmond
31	Refugee	7	Manufacturing	Footscray
32	Refugee	27	Manufacturing	Footscray
33	Refugee	28	Hospitality	Richmond
34	Refugee	14	Home-based	Richmond
35	Refugee	30	Retail	Footscray