PhD Thesis

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Understanding Religion and Spirituality in Ethnic Minority Businesses

A Study of Social and Human Capitals

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Dedicated to my grandmothers

Ecaterina Doldor (1929 – 2015) and Margareta Danila (1939 – 2015)

Acknowledgements

Abstract

This thesis provides a contribution to understanding the way in which religion and spirituality, as social constructs, impact on ethnic entrepreneurship. The choice to focus on religion and spirituality was informed by a gap in the literature and by the increasing emphasis on the importance of integrating issues related to these sets of values in the wider contemporary business discourse.

The research is grounded in the mixed embeddedness (ME) framework but argues that, although very complex, this model focusses too much on opportunity structures, ethnic and social capitals while failing to acknowledge the potential of religious and spiritual values in shaping ethnic firms. I built 11 detailed case studies of ethnic minority businesses through a total of 52 in-depth interviews with business owners and employees conducted over a period of 21 months. Additionally, notes taken during participative observation in two of the companies as well as during follow-up visits were used in order to add a longitudinal dimension to the case studies and enrich the picture of the ethnic firms. Through triangulating these data I was able to construct a complex analysis of the companies. The exploration focuses on issues related to family ties, social networks, intrinsic motivations, access to finance, marketing strategies and business planning, human resource practices and employee relations.

I argue that religious values and spirituality are not components of the businesses, but rather forces that can shape organisational structures and affect the quality of both human and social capitals. The findings suggest that religious and spiritual capitals are important in significant spheres of the business such as forming social support networks, shaping business decisions, motivations and aspirations, employee relations and constructing a positive company culture. Additionally, the evidence suggests that spiritual values are likely to encourage the participation of women in ethnic entrepreneurship. However, their influence is not representative for matters related to accessing and utilising financial capitals. In this way, this thesis therefore contributes to our understanding of ethnic entrepreneurship and small business by systematically analysing religious and spiritual beliefs as an aspect of everyday management and working life.

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1. <u>Introduction</u>

Ethnic entrepreneurship is a long-standing feature of modern societies. Its salience has increased as a result of unprecedented immigration, which has fuelled the establishment of a new wave of businesses (Light, 1972; Ram and Smallbone, 2003; Portes and Shafer, 2007). In turn, this population inflow has created and enforced a space for the development of ethnic economies. Easily accessible liberal markets such as the UK are havens for ethnic firms as entrepreneurs face virtually no entry restrictions even if their resources are limited. Furthermore researchers believe that immigrants and members of ethnic minority groups feel an increased desire for achievement, stability, acceptance and integration which they often express through their entrepreneurial initiatives (Light and Gold, 2000). However this encourages the formation of a large number of new businesses that operate in a market dominated by intense competition from other similar companies (Ram, 1997; Jones et al., 2014). Very often this places EMBs in precarious positions and decreases their chances of survival and success (Ram et al, 2001; Barrett, Jones and McEvoy, 2001). In order to tackle these challenges researchers and policy makers are preoccupied with understanding and creating better-informed approaches to support the specific needs of ethnic entrepreneurs. Nevertheless Ibrahim and Galt (2003) have argued that governmental agencies designed to help EMBs are often destined to fail because they do not acknowledge and address all facets of the cultural and social capitals that play a crucial role in shaping these types of firms.

The increase in migration recorded over the last few decades has had a positive impact on the growth of diversity, especially within Western developed nations. This phenomenon has encouraged a shift from traditional religious values towards spiritual, holistic ones. Debates about religion and spirituality are increasingly important for contemporary society. Some scholars have observed the increasing influence that these sets of beliefs and values are having on a diverse range of the social, global and economic phenomena (Zinnbauer et al., 1999; Heelas and Woodhead, 2005; Sandercock; 2006; Miller and Ewest, 2011; Balog et al., 2014). Many scholars have acknowledged the crucial role played by religious and spiritual beliefs in facilitating the transition and integration of migrants and ethnic communities. Very often these sets of beliefs act as forms of social and psychological resilience to support individuals going through challenging situations. Nevertheless, Davie (2013) argued that traditional institutional forms of religion can act as negative forces restricting the social and economic integration of migrants and members of the ethnic communities. Even if neither religion nor spirituality are considered to be entirely responsible for economic prosperity in a given setting, scholars agree that together with cultural values and traditions, as reflected by

society, they can play an important role in the proliferation of a more inclusive approach and potentially have a positive impact on shaping economic spheres (Fernando, 2007; Dana, 2010; Balog et al., 2014)

Much of the research on EMBs has been conducted from the mixed embeddedness (ME) perspective. This framework explores ethnic firms by looking closely at how social capital, ethnic ties, economic and institutional contexts come into play and interact. However, scholars have criticised mixed embeddedness for its strong reliance on opportunity structures, contextual variables and traditional forms of capitals while noting that the framework fails to acknowledge the importance of all the multiplicity of intertwined facets of social and human capitals. Triggered by current discussions on religion and spirituality as potential shapers of economic outcomes, some academics are beginning to focus on integrating these two forms of capital into the wider mixed embeddedness debate (Barro and McCleary, 2003; Guiso et al., 2003; 2006; Miller and Ewest, 2011). While mixed embeddedness is a complex framework, the purpose of the present study is to demonstrate that research on ethnic entrepreneurship could benefit immensely if ME would include discussions on religion and spirituality.

1.1. Context

The main drivers for migration are often related to economic reasons. In 2014 Britain recorded the highest immigration rates from the last decade and research on public opinion showed that more than 40% of the population perceive this phenomenon as having a negative impact on the UK's economy and social sphere (Barslund and Busse, 2014; Galgoczi and Leschke, 2014). While migration from within the European Union (EU) is virtually impossible to restrict, immigration policy is trying to focus on regulating the influx from non-EU states. However Barslund and Busse (2014) showed that there is a strong misinformation among members of the public as non-EU migrants have actually had a positive impact on Britain's economy bringing in more revenue than they have received in benefits (measured between 2001 and 2011).

In relation to the religious composition of the population in Britain, recent statistical evidence for England and Wales showed that an overwhelming 70% of the population belongs to a religious group and 60% of them were members of a Christian denomination. Additionally, ethnic minority individuals are more likely to be part of a religious group compared to the white British population (Sunak and Rajeswaran, 2014). A potential explanation for this phenomena was brought by Woodhead (2004) who observed that typically, migration tends to flow from South to North and from East to West, meaning that it is more likely for migrants to come from countries with strong religious traditions.

1.2. The Ethnic Economy

The importance of ethnic minority businesses (EMBs) for the national economy has become widely noticed during the last 15 years as several studies have presented arguments to illustrate the multiple benefits brought by these firms and their ethnic entrepreneurs. It was shown that historically, businesses have been used as a means of upward mobility in the ethnic community's route to economic prosperity and occasionally with the purpose of facilitating social integration (Light, 1972; Jenkins, 2008; Kloosterman, 2001). 'Entrepreneurial activity in mainstream society is a building block in a formal structured path to self-determination' (Foley, 2004:17).

There is an extensive body of literature on EMBs that describe many of these companies as situated in precarious positions and replicating unsuccessful business models. Barrett, Jones and McEvoy (2001) have characterised ethnic businesses as being small and fragile, often concentrated in low value added sectors while competing for shares of the same market and being severely affected by unfavourable policies and increasing competition from large companies. Some of the reasons behind this doomed to fail approach to entrepreneurship are related to their strong reliance on social links, problematic access to sources of finance or deficient relationships with official lending institutions, lack of training or experience in managing a business, unsuitable staff and the absence of market research or marketing strategies to promote the company (Granovetter, 1985; Bourdieu, 1986; Portes, 1998; Ram et al, 2001; Renzulli and Aldrich, 2005, Carter et al, 2013).

Statistical evidence showed that less than 20% of ethnic companies survive their first 10 years (ONS, 2015). Although this picture is rather unsettling there are several ways in which the situation can be improved. One of them is through conducting research aimed at understanding the specific needs of these types of businesses. In turn, this can support the creation of better tailored policies in order to respond to the specific requirements of EMBs and help them overcome potential challenges while increasing their chances for sustenance and growth.

In relation to research on ethnic entrepreneurship, Kloosterman at al. (1999) have identified the need for a framework that will go beyond exploring the influence of cultural and ethnic ties to include a broader range of shaping forces such as the institutional and economic contexts in which they operate. This perspective was named mixed embeddedness and although it stresses the crucial importance of ethnic and social networks for ensuring business support, it also explores the role played by additional factors related to their environment such as laws, regulations and markets (Barrett et al., 2001). Undeniably, mixed embeddedness is a very useful and complex framework for researching ethnic firms.

However it has been criticised for its insensitivity to specific components of the social and human capital (Ram and Smallbone, 2003). Although there are a series of factors that make up for the mixed embeddedness of EMBs, the main focus of this research is to explore the roles played by religious and spiritual capitals in shaping EMBs. Several scholars argue that religious and spiritual values are important in determining different structures of EMBs, hence the need for their inclusion in the wider mixed embeddedness approach (Zinnbauer et al., 1999; Heelas and Woodhead, 2005; Sandercock; 2006; Miller and Ewest, 2011; Balog et al., 2014). This project was designed and conducted in order to address this gap in the research literature on ethnic entrepreneurship.

While religion and spirituality are not clear cut variables and are often difficult to define and measure, as social researchers have previously argued (Iannaccone and Klick, 2003), they are forces that can play an important part in moulding many aspects of the ethnic enterprise. The present study aims to shed light and enforce these assumptions through 11 detailed longitudinal case studies of ethnic companies from Birmingham and the West Midlands.

1.3. From Religion to Spirituality. Defining the Research Concepts

Davie (1994; 2000; 2013) observed that one of the key defining features of religious life in contemporary Western societies is the growing mismatch between religion and religiousness. This phenomenon was named 'believing without belonging' (Davie, 1994) and it refers to individuals becoming increasingly more separated from their assigned religious identity as well as giving up their institutional point of view. This claim is also supported by the secularisation theory which predicts the imminent disappearance of traditional forms of institutionalised religions (Habermas 2006). However, Heelas and Woodhead (2005) argued that in fact the modern world is experiencing a post-secular era characterised by the raise of spirituality in which dogmatic religions are slowly being left behind giving place to the increase in spiritual preoccupation. Moreover, the two scholars believe that the forms of religion which promote obedience and require their followers to act in accordance with external rules while ignoring their uniqueness and individuality are declining in the Western world. Their claim was supported by an empirical study they conducted on the population of a small British town. This has validated the existence and growth patterns of the spiritual revolution as opposed to the erosion of traditional religions. This is indeed the premise that has supported the present study and has encouraged my exploration of the importance of spiritual and religious capitals on shaping business structures in ethnic firms.

Numerous studies have shown that an increasing number of people consider themselves spiritual rather than religious (Zinnbauer et al., 1997; Marler and Hadaway, 2002). This emerging phenomenon poses a series of questions and concerns for researchers as it

impacts on most aspects of our contemporary society shaping social, economic, political and geographical realities. It is important to establish what each of them entails and create a clear separation between the two terms. Moreover there is an impending need for consistency, meaning that any future research on the matters has to take careful account of previous developments and investigations of the field.

Despite the many understandings of religion and spirituality this thesis focuses on the two terms from a sociological perspective rather than their psychological or theological meaning and therefore builds their working definitions as social constructions with material effects. In this concern the definition for religion was adapted from Davie's work (2013) and related to its sociological applicability while underlining its substantive and functional roles. Religion focuses on the existence of an external sacred authority that discourages individuality and is enforced by institutional rules and doctrines. This is often linked to beliefs and behaviours that promote traditional values (Berger et al., 2008; Davie, 1994; 2000; 2013). Therefore religion was defined as the set of faiths and corresponding practices guided by the belief in the existence of a divine being and regulated by an institutional framework. Conversely, spirituality refers to the subjective nature of life and aims to create a meaningful existence while preaching values such as inclusiveness, authenticity, compassion, mindfulness and self-betterment (Woodhead, 2004; Heelas and Woodhead, 2005). Following these explanations the working definition for spirituality was set as being a model that encompasses a series of beliefs, values, behaviours and attitudes that have the power to influence the way in which humans relate to different aspects of their lives. Contrary to the belief that spiritual individuals might be in danger of being disconnected from the material reality of the current society, the findings of this research showed that actually, spiritual values have a positive influence on certain business and economic spheres, especially in relation to intrinsic motivations and the creation of functional social ties based on shared values and interests.

1.4. Research Strategy

There is insufficient evidence in the literature to illustrate how religion and spirituality influence organisational structures in EMBs. However, academics and policy makers are showing an increasing concern to integrate these variables in the business discourse as well as assessing their impact on both practice and knowledge dissemination. The present research project aims to answer questions related to the impact of religious and spiritual capitals on ethnic minority businesses. It is a three step analysis and the specific research questions that guided the process are:

(1) What is the impact of religious and spiritual capitals on past and present EMBs?

(2) How do religious and spiritual capitals shape the ethnic enterprises involved in this study?

(3) How do religious and spiritual capitals influence employee relations and human resource management in EMBs?

The research instruments were formulated following a comprehensive literature review and, after several trials, a qualitative inquiry was considered to be the most appropriate in order to gather information relevant for the construction of valid answers for the three main research questions. The sample involved respondents from different religious backgrounds and who shared various forms of spiritual beliefs. Over a period of 21 months a total number of 52 interviews were conducted among employers and employees within 11 ethnic minority companies operating in Birmingham and the surrounding areas. Additionally, notes taken following participative observation in two of the companies were added to the data collected in order to add depth to the case studies. Repeated visits and follow-up interviews were also carried where permitted. Through the triangulation of these qualitative methods, a longitudinal dimension was added to the 11 case studies.

The thesis looks at how religious and spiritual values shape economic outcomes in ethnic minority businesses (EMBs), regardless of the specific differences between distinct groups of faith. The empirical evidence showed that spiritual capital is employed in similar ways across various denominations and ethnic groups. In order to enforce the validity and reliability of the findings the considered sample included members of several of the most representative denominations in Britain, namely Christians, Muslim and Hindu respondents. The religious diversity of the participants prevents the assumption that certain behaviours and outcomes could be attributed to specific denominations and systems of faith, while increasing the validity and applicability of the findings. After having explored several distinct religious groups, the findings show that the differences stemmed from doctrines and institutionalised forms of religion have little impact in shaping businesses when spiritual capital comes into play, enforcing the importance of the latter resource.

1.5. Outline of the Thesis

This research identifies the presence of religious and spiritual values in ethnic enterprises and outlines the way in which these sets of beliefs impact on several dimensions of the firms. It starts by establishing the background of social and religious diversity in the British national context while stressing the socio-political importance of ethnic firms.

Chapter 3 sets the theoretical framework, grounding the study in the mixed embeddedness perspective. This part explores the debates initiated by the founding fathers of the sociology of religion: Marx, Weber, Durkheim and Simmel, and explains how this social construct has moved from the philosophical, psychological and theological spheres towards the social and moreover economic dimensions. Further on, it presents the theoretical framework on which the present research was based, namely mixed embeddedness (ME), and explores its benefits and shortcomings. The main aim of this study is to contribute towards the development of ME in order to make it better tailored for further research on ethnic entrepreneurship. While ME focuses on the intersectionality between social, human and financial capitals and the contexts in which they operate it fails to acknowledge the importance of value led forms of capital, such as the religious and spiritual ones. Scholars, practitioners and governments need to acknowledge the way in which these components impact on social actors and shape the social spheres. While ME is a complex model for exploring EMBs, I argue that it lacks depth in some concerns and it could benefit from including religious and spiritual determinants in researching the ethnic economy.

The next step is outlined in Chapter 4 and aims to provide explanations for the choices made in relation to the methodological approach employed, while placing the study in the constructivist stance. Further on, this part provides a detailed presentation of the methods used, sampling strategies, data collection and data analysis. The empirical findings are then presented in the three following chapters.

The first empirical chapter seeks to construct a comparison between old and new ethnic businesses while underlining the way in which these have changed over time and, moreover, the role played by religious and spiritual capitals in these companies. In this concern the 11 case studies of the studied companies are introduced. The descriptions of the businesses include elements related to their ownership, sector of activity, size and financial position as well as touching on HR practices and employee relations. The findings suggested that although there is no significant difference between past and present EMBs, there are signs that these firms are indeed changing. Overall they are going through a gradual transition towards becoming more inclusive and this was reflected in many areas of the businesses.

The sixth chapter aims to tackle the concerns about the influence of religious and spiritual capitals on EMBs and their power over shaping the resources employed by ethnic entrepreneurs in their firms. Firstly, I explain the model used for identifying and analysing spiritual and religious capitals in the 11 participant ethnic businesses. The firms were grouped into four categories related to the business owners' self-confessed religiousness and spirituality. This categorisation is useful as it facilitates a better understanding of the

ways in which these distinct sets of values shape entrepreneurial motivations and behaviour and, moreover, are reflected in their organisational practices. Secondly, I analyse the influence of family ties as the primary source of value formation and place a special emphasis on the ways in which these relations have shaped and motivated entrepreneurial decisions. Family networks are often a strong resource for ethnic firms. They can be an invaluable source of financial capital as well as shaping human and social capitals. Thirdly, I explore the influence of religious and spiritual capitals in shaping social networks and contributing towards enforcing trust, solidarity and facilitating information sharing. Fourthly, this section aims to analyse the ethnic entrepreneurs' views and attitudes in relation to marketing and tackling competition along with their approach to accessing finance. The findings showed that spiritual capital can have a positive influence on marketing practices by shaping the entrepreneurs' behaviour and attitudes in relation to clients and competition. However, contrary to the initial assumption, religiousness and spirituality did not have an impact on financial strategies. Finally the chapter explores issues related to gender representation in ethnic firms by building on the narrative of four female business owners. Although gender was not an initial concern of this research, during data collection and analysis certain themes repeatedly emerged. I therefore considered that a discussion on the influence of spirituality, religion and gender representation in ethnic entrepreneurship is important and relevant for current social and economic debates.

The third empirical chapter draws an internal analysis of the ethnic firms while exploring the ways in which religious and spiritual capitals impact on employee relations, human resource practices, company culture and entrepreneurial style in the participant companies. A special focus is placed on exploring intrinsic motivations, workplace related wellbeing, job satisfaction and employee commitment. Additionally, one of the points discussed in this chapter regards the potential of ethnic entrepreneurs to develop a positive company culture based on spiritual moral codes. The views of staff members as well as owners are used to analyse the ethos of each firm. My results support those who argue that spiritual leadership can enforce positive business behaviours especially in relation to human resource management in EMBs. In turn, this fosters the creation of a positive company culture, ethical business practices and builds employee relations based on fairness, inclusiveness, mutual trust and altruism. Many scholars agree that organisations which promote inclusiveness as well as being based on and driven by moral values, are usually the ones that register increased productivity, highest job satisfaction and employee commitment (Porras and Collins, 1994; O'Reilly and Pfeffer, 2000; Al-Khayib et al., 2004).

Lastly the thesis is finalised through the discussion and conclusions chapters. These parts focus on reflecting on the findings of the study while acknowledging its strengths and

weaknesses, contribution to enriching the literature and providing suggestions for policy makers as well as outlining future research directions. Besides generating more in depth knowledge in relation to the ethnic economies and the current socio-economic landscape, another important benefit of exploring religious and spiritual values resides in their ability to facilitate the creation of better integrated, functional super-diverse communities. This is indeed a major preoccupation for academics and policy makers alike, as issues regarding globalisation, migration and social inclusion are often at the heart of their agendas.

2. <u>Social Diversity, Religion and Ethnic Entrepreneurship in Britain</u>

This chapter outlines a brief contextual setting of the ethnic and religious diversity in Britain. Its purpose is to provide the reader with background knowledge of the most representative ethnic communities in the UK. Firstly, it presents the migration, demography, educational profile, employment and entrepreneurial patterns of the main ethnic minorities in Britain. The second part describes the religious composition of the global and national population while the last section aims to create a picture of the ethnic firms set in the West Midlands. Ethnic communities are a significant part of Britain's social landscape and this contextual chapter seeks to enable a better understanding of their importance. Moreover, the statistical data on religious diversity comes to show that secularisation is not as prominent as some authors have argued and that religion, along with its systems of values and beliefs, are indeed important for social actors (Pew Research Centre, 2012).

2.1. Introduction

Immigration can affect several aspects of society in different ways. Its effects can be felt in the job market, public services and overall communities and some may perceive it differently than others, depending on whether migrants are seen as competition or as enhancing the choice for local markets. Scholars have argued that different groups of immigrants have different trajectories and different patters when it comes to their approach to social integration (Cadge and Ecklund, 2007). Moreover, statistical evidence shows that there are significant differences between distinct groups of migrants in terms of their access to the labour market, wages or building new social links, to name just a few. Furthermore research has shown that minority groups of distinct ethnicities operate in different sectors. For instance, South Asians tend to have a powerful presence in the catering, retail and food manufacturing industry while Vietnamese migrants are more likely to operate in the beauty sector (Jones et al., 1992, ONS, 2011; Sunak and Rajeswaran, 2014). The more aware they are of the local market and environment, the more likely it is that they will express responsiveness and be able to adjust faster and better to the receiving society.

While in the past ethnic minority in Britain was generally regarded as being comprised of the 'non-white' groups nowadays, in a global environment marked by increased migration, this definition has been expanded to include all white European migrants. Unfortunately most research available fails to capture a wider sample of Britain's ethnic population, therefore an accurate depiction of minority groups is limited by the lack of sufficient information. Much of

the data presented draws on the most recent census of 2011. Over 50% of UK's ethnic population is concentrated around 3 main urban areas, namely London, Birmingham and Manchester. Furthermore, the data available shows that Birmingham is one of the locations with the highest Indian and Pakistani representation. According to this analysis of the national demography, the largest ethnic minority is represented by Indians accounting for 1.4 million people followed closely by Pakistani, 1.1 million, while Black Africans are placed on the third position with little under 1 million individuals belonging to this group. Compared to the white British population, ethnic minority individuals are more likely to be active members of a religious denomination and, moreover, an overwhelming majority of them (70%) consider religion as playing an important role in their lives, compared to only 14% of their white counterparts. This argument comes to show that religious and spiritual capitals are more likely to be significant forces in shaping ethnic enterprises, making them relevant forms of social capital. In relation to economic activity, research has shown that although it is more likely for a high percentage of Indians to be concentrated in high-income jobs, the general trend for ethnic minorities is to occupy low skilled, low paid positions. Furthermore their rates of unemployment are generally higher compared to the white population (ONS, 2011; Sunak and Rajeswaran, 2014).

2.2. Old Ethnic Communities

Most of the migration from India and Pakistan begun shortly after the Second World War and, until the Commonwealth Immigration act for 1962, their entry in the UK was unrestricted. The initial waves of Indian migrants came to fill in a soaring demand for highly skilled jobs in Britain. Subsequently, following the conflicts in East Africa, many Indians and Pakistanis employed by British agencies in lower level administrative positions were expelled and decided to relocate in the UK. Nowadays Indians are the largest ethnic minority group in Britain accounting for 2.5% of the population, while Pakistani make up for 2% of the total population. Additionally, demographic data shows that a large percentage of the Indian and Pakistani community lives in the Birmingham area (ONS, 2011).

Indians have overall higher levels of educational qualifications and tend to achieve better professional and career results compared to all other ethnic groups. These observations are consistent among both men and women and more significant in second-generation migrants. Furthermore, Indian entrepreneurs are more likely to show upward mobility as their business ventures are often seen to be concentrated in higher-level sectors as well as being more successful compared to firms owned by members of different ethnic enclaves (McEwan, Pollard and Henry, 2005; ONS, 2011).

Statistical evidence shows that the Pakistani population is more likely to have higher rates of unemployment compared to other ethnic and religious groups (ONS, 2005; Abbas, 2006). Moreover women's representation in the labour market tends to be lower, with almost 40% of Pakistani women admitting that they have never been in employment (ONS, 2011; Sunak and Rajeswaran, 2014). Looking at statistical data for Birmingham, it has been shown that the areas generally populated by ethnic minorities are the ones associated with the highest rates of unemployment making these particular communities vulnerable to the unfavourable market forces (ONS, 2005; Abbas, 2006). In addition, over 90% of the Pakistani community living in Britain belongs to the Muslim faith and a large number of them are also active members of the religious community. This supports the association between the ethnic and the religious groups, making the assumption that most Pakistani are Muslims almost implicit (ONS, 2011; Sunak and Rajeswaran, 2014).

Historical evidence shows that migration from Greece and Cyprus has begun in the 1930s and 1940, a few decades before the ones from India and Pakistan. However, the Greek and Greek-Cypriot communities in Britain are considerably smaller compared to South Asian ones (Oakley, 1970; Bertrand, 2004). Nevertheless, after the EU enlarged in 1981 to include Greece, migration from the country has increased as a result of the free movement provision (Barslund and Busse, 2014). Research shows that the largest concentration of members belonging to this group is situated in Greater London. Further on, Greek and Cypriots are more likely to occupy higher and stronger positions in the labour market compared to most South Asians (ONS, 2001).

Although it is widely acknowledged that the Turkish community is rather stabile and well established, the migration of Turks in Britain has not been the focus of much research (Castles and Kosack, 1973; King et al., 2008). Historical evidence shows that Turkish migration has begun in the 1950s and it was motivated by political conflict, economic reasons, family reunion or education (King et al., 2008). Social scientists have observed that Turkish migration is of three types according to the geographical region from which it has originated and is, therefore, divide into 3 groups: Turkish Cypriots, mainland Turks and, finally, Kurds. It is estimated that the first group accounts for 120,000 members, the second counts 80,000 while there are believed to be around 50,000 Kurds from Turkey in the UK. Despite their small sizes, all three types of Turkish communities are settled and their members show little interest in returning to their home countries (King et al., 2008). Unlike other Western European countries like Germany or the Netherlands, where the Turkish community is much more significant and has, therefore, attracted considerable attention from academics and practitioners, the UK has largely neglected this ethnic minority.

2.3. New Migrant Communities

Following the recent expansion of the European Union in 2004 and 2007, citizens of the 12 new EU members, namely: Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia have gained free access to the British labour market. This has translated into the creation of an active East-West migration corridor, mainly driven by economic reasons. Although, initially this flow was accepted for its potential to fill in skills shortages in the receiving countries, during the more recent years the public and political moods have reversed. Additionally, there was a severe mismatch between initial predictions regarding the expected size of the migration wave from new EU member states and the actual number of individuals who came to the UK in search of employment and a better life (Krausova and Vargas-Silva, 2013; Vargas-Silva, 2014). The new Eastern European migrants were starting to be seen as potential burdens on the British social welfare system and dangerous for the domestic populations' position on the labour market (Barslund and Busse, 2014; Galgoczi and Leschke, 2014). This issue is now at the heart of much social and political debate and the opinions are often contradictory. Regardless of the nature and polarisation of the discussions triggered by this unexpectedly large migration flow, the East-West movement is an important socio-politic phenomenon that has created new ethnic communities in the already diverse British social landscape (Clark, Drinkwater and Robinson, 2015).

The main sources of the new migration flow from within the EU are represented by 10 of the 12 new members, all of which are Eastern European nations: Poland, Lithuania, Latvia, Estonia, Romania, Bulgaria, Slovenia, Slovakia, Hungary and the Czech Republic. Given the much smaller size of Cyprus and Malta, as well as their more stable economic situation, the number of immigrants from these two countries was rather negligible (Vargas-Silva, 2014). According to data provided through the Labour Force Survey, new immigrants are considerably younger, better educated and higher skilled than other groups that preceded them. Moreover, the data available suggests that 65% of new immigrants from within the EU are in jobs matching their educational background. Nevertheless, this percentage is almost 10 points under the one for the domestic population (Tijdens and van Klaveren, 2012). However, despite the claims of a representative match between skills and employment, there is consistent evidence to suggest otherwise. Several researchers observed the presence of an acute mismatch between the quality of human capital from new Eastern Europe states and their occupational opportunities in the British labour market. The explanation for this phenomena is arguably less related to the standard of their educational achievements and the absence of transferable skills and has more to do with the demand for foreign workers being predominantly concentrated in low skilled employment. The most

popular sectors to attract migrant labour are manufacturing, construction, catering and hospitality mainly due to their flexibility in times of economic uncertainty such as the recent recession. Moreover, they are more likely to require less structured contractual arrangements making it possible to take on employees on a part-time and temporary basis (Ajayi-Obe and Parker, 2005; Boeheim and Muhlberger, 2009). This behaviour weakens the workforce's bargaining power making individuals easily disposable of and, therefore, susceptible to unemployment (OECD, 2013; Galgoczi and Leschke, 2014). Further on, this contradicts the common Western discourse regarding the impetuous need for highly skilled individuals and signals the demand for worker to fill in positions placed at the bottom of the occupational ladder (Kaczmarczyk, 2014). On the long term, this underutilisation of important skills and knowledge can trigger a series of negative consequences such as loss of valuable human capital and hinder the potential for achieving integration of the new migrant groups.

Much of the concern related to the increased East-West mobility is related to Eastern European migrants allegedly seeking to gain access to the welfare systems of the receiving countries becoming, therefore, a burden on the tax payers. However, statistical evidence shows that the intake of benefits is considerably higher for the national population compared to the newly arrived migrants. Although migrants from the new EU member states are generally motivated by the desire to secure employment, there are periods when work is not available and they are pushed towards claiming social benefits. However, it is more likely for these groups to rely on the welfare system available in the host country on the short to medium term rather than longer time intervals (Barslund and Busse, 2014; Kaczmarczyk, 2014; Galgoczi and Leschke, 2014).

Although migration was initially driven by economic motivators and was seen as a short term strategy for many Eastern Europeans (Castles et al., 2013), this behaviour is beginning to change as an increasing number of individuals have started to become more inclined towards settling permanently in the UK. Researchers have argued that it is more likely for better educated, younger immigrants, originating from urban areas to choose to remain in the receiving country (Galgoczi and Leschke, 2014). For the British social landscape this translates into the creation and strengthening of new migrant communities. Despite the challenges brought by the shift in behaviour, this also generates many opportunities for the local, national and international economic development (Kaczmarczyk, 2014).

Interestingly, there is statistical evidence to suggest that small and medium companies tend to avoid hiring new migrant workers due to their perceived lack of experience and higher costs associated with their training (Barslund and Busse, 2014). This finding is widely contradicted by the recruitment practices in EMBs. Clark, Drinkwater and Robinson (2015)

observed that ethnic entrepreneurs are more likely to employ members of an ethnic community or new migrants. Even more so if they share the same religious background or system of moral and spiritual values (Marker, 2013). This finding supports the argument related to the importance of religious and spiritual capitals in ethnic firms.

2.4. Religious Diversity

A recent large scale study of the world's religious landscape showed that, although not active members, 8 in 10 people belong to a religious group. Furthermore, according to the information provided by the most recent censuses, the dominant religion worldwide is Christianity, with no less than 32% of the global population belonging to this denomination. The next religious groups in line are represented by: Muslims, accounting for 23% of the world's population, Hindus (15%) and Buddhists, representing 7%. Additionally, 16% of the people around the globe were found to be unaffiliated to any specific religious faith. Despite their lack of religious belonging, individuals from this category expressed some types of religious and spiritual beliefs (Pew Research Centre, 2012). In relation to the geographical distribution of religious groups research has found that most members of the major denominations are more likely to live in countries where their religious conclave makes up for the majority of the population. There is a lively debate regarding whether some religions are more likely to encourage a suitable environment for the development of democracy than others. 'These differences are the product of centuries of history, and they do not disappear easily' (Huntington, 1996:7).

Over 2 billion people worldwide identify themselves as belonging to the Christian tradition, making this religious group the most popular across the Globe. Further on, roughly 50% of all Christians are Catholics, 37% Protestants and 12% are members of the Orthodox community. The largest number of Christians live in Europe (26%), followed closely by South America (24%) and Africa (23%). Additionally, statistical data shows that over 75% of the European population belongs to one of the Christian groups, making it the most representative religion on the continent. In the UK, Christianity accounts for over 71% of the nation's religious affiliation (Pew Research Center, 2012).

Muslims account for 23% of the world's population with the majority living in Asia and the Pacific area (62%). The second most popular continent is Africa where over 45% of the population if Muslim, 25% live in the Middle and North-Eastern part while the rest of 20% in the Sub-Sahara region. Despite the common misconception among many social groups, less than 3% of the European population belongs to this religious faith, making up for under 6% of the total occupancy. The total percentage of Muslim population living in Britain is slightly in excess of 4% (Pew Research Center, 2012). Kawamura (2006) has argued that Muslims

tend to share a culture that is stronger than others and creates a deeper sense of community. This is even more important for Western nations as over the last few decades, the Muslim community in these countries has been growing at a fast pace. On the downside, Kawamura observed that Islamic communities have the lowest degree of assimilation within the host society. 'Islam is a highly rigid and legalistic religious system which imposes such specific requirements on its adherents as to allow for little flexibility or adjustment to varying cultural conditions' (2006: 101).

The religiously unaffiliated represent the third largest group making up for 16% of the world's population. This category includes individuals who either identify themselves as atheists or agnostics or do not belong to any religious denomination. Nevertheless, many of the people who fit in this group confess of having some spiritual or religious beliefs and often partaking in the related practices. Looking at the European population, the religiously unaffiliated account for over 18% of the Europeans making this the second biggest religious group after Christians. Over 21% of the British population can be classified as being unaffiliated to any religious denomination (Pew Research Center, 2012). Following closely after the religiously unaffiliated group, Hindus account for 15% of the global population with over 99% of them living in Asia and the Pacific region and the rest of under 1% spread across the other continents. Only 0.1% Hindus residing in Europe representing less than 0.2% of the total population in the area. Further on, United Kingdom is the 10th most popular country for this religious group with 1.3% of the total British population belonging to the Hindu community (Pew Research Center, 2012).

2.5. The Ethnic Minority Enterprise

Globalisation has created the suitable context for increased migration, which in turn has led to the growth of ethnic entrepreneurship in many of the developed states. However, while this phenomenon has flourished in countries with liberal markets, it has stagnated in the ones with more regulated systems (i.e. Austria, Finland, and Denmark). Situated in opposition of the countries with regulated markets, Great Britain is virtually free from all major market legal limitations and allows all entrepreneurs to entry in their sector of choice, while operating lightly regulated and weakly enforced restrictions afterwards (Ram and Jones, 2008). In 2004 EMBs accounted for 11% of the total business start-ups in the UK, generating an inflow of more than £15 billion into the British economy (Barclays Bank, 2005; Ram and Jones, 2008). While the number of EMBs in the UK has increased at a fast pace over the last decades, currently accounting for a significant part of the small and medium firms (Ram and Jones, 2008), researchers argue that this quantitative growth was often made at the cost of quality. Furthermore, financial and business analysts are expecting that

the number of EMBs will continue to expand as a result of the predicted growth of the ethnic population in Britain over the next period of time (Barclays Bank, 2005). Besides the significant migration inflow, researchers believe that the anticipated increase in the number of EMBs operating in the UK is due to the country's deregulated liberal market economy which has created the right environment for business ventures. However, Barrett, Jones and McEvoy (2003) have argued that Britain's neoliberal market encourages quantity over quality of the new firms. In other words, businesses do not compete on ingenious and creative products or services but rather on price. There is a large body of literature to suggest that ethnic owned businesses are more likely to replicate the already existing models, regardless of their limited or even unsuccessful approach to business (Barrett et al., 2003). Therefore despite the lack of strict regulations, EMBs tend to be faithful to the stereotypical ethnic enterprise models established by their predecessors (Jones et al., 2014). Much of the evidence shows both new and older migrant entrepreneurs clustering in a narrow band of market sectors, involved in the production of cheap essential services and goods (Sepulveda et al., 2011; Jones et al., 2014). Or as Kloosterman has described them, these sectors are 'traditional and quintessential breeding grounds for immigrant entrepreneurs in advanced urban economies' (2010:31).

As noted above, one of the main advantages presented by Britain's liberal market is related to the considerable lower levels of statutory regulations in comparison to other Western countries. One of the few prominent requirements regards the National Minimum Wage (NMW) with which many of the small ethnic minority owned businesses often fail to comply (Heyes and Gray, 2001, 2003; Ram et al., 2007). Furthermore, there is consistent evidence to suggest that despite being registered and apparently legal EMBs are often involved in unlawful practices, some of which include payment below the national minimum wage and employment of illegal immigrants. Freeman and Ogelman observed that very often liberal democratic states are defined by 'political pressures, administrative incompetence and lack of will' that can encourage illegal practices (2000: 107).

Despite some qualitative developments, EMBs are still occupying a disadvantaged place on the business market. Statistical data shows that most new firms never make it past their first 10 years, with a failure rate of more than 70% (Shane, 2008). New companies are regarded as a learning curve for entrepreneurs and the vast majority of them are positioned at the bottom of the value-added chain (Bates and Robb, 2013). Ethnic business owners are often blamed for failing to comply with the statutory legal requirements, cutting corners and adopting a quantity over quality approach. In order to shape the directions of more effective policies it is very important to understand what motivates EMB owners to adopt high-risk illegal approaches. Jones et al. have argued that 'the origin of this […] lies in the mismatch

between soaring demand for our respondents' goods and services and price levels insufficient to enable them to make a profit or even to break even' (2004: 95). The explosion in take-away restaurants has created an unprecedented hyper-competition forcing a drastic decrease in prices. This has had negative consequences for the workers' wages, often pushing them below the NMW levels (Heyes and Gray, 2001, 2003; Ram et al., 2007). Low wage expectations tend to be influenced by the workers' country of origin and very often these groups are afraid to complain about being treated unlawfully. However, Jones et al. (2004) predicted that illegal employment would fall in the future as a result of retirement, workers starting their own businesses or taking on alternative jobs as well as the increase in British-born educated Asian population. Some authors argued that in the future EMBs will start to feel the pressure of labour shortage and consequently, will be forced to raise wages in order to attract and retain skilled workers (Jones et al, 2004). Nevertheless, the extent to which this view is going to reflect reality is a subject for further debates.

EMBs are frequently positioned in areas mostly populated by migrants and ethnic minorities with low purchasing power. Although very often these types of places have a negative impact on the businesses' growth potential, many owners use as arguments for their location choices low renting prices as well as affordable skilled labour force from within the community (Ram et al., 2000). However, this may result in intense competition for shares of a relatively limited market. Furthermore, owners face competition from supermarkets selling cheaper ethnic meals, as well as the rapid expansion of chain restaurants and food outlets. Following the American example, Britain's largest retailers are starting to adapt their marketing strategies in order to attract the increasing percentage of ethnic minority consumers in the UK (Altinay and Altinay, 2008). This phenomenon has had a negative impact on EMBs by making competition unbearable for many of the smallest firms. Historically, EMBs have been reluctant to investments in marketing due to their limited financial resources. Nevertheless, more recently ethnic entrepreneurs have started to realize its importance and are making increased efforts in promoting their businesses through various marketing channels. In an attempt to increase their competitive edge and, therefore, enhance revenue, some businesses have moved towards city centre or suburban locations where the expansion of a new cash rich time poor upper middle and middle class has provided a favourable environment for sustainable EMBs (Jones et al., 2004; Edwards and Ram, 2006).

Albrow (1997:51) argued that EMBs have the opportunity of increasing their competitiveness if they are able to make effective use of their extended ethnic networks and the resources they provide. Moreover, these firms are starting to break away from the traditional models and move towards a 'business as usual' approach. In other words, it is no longer the case

that EMBs operate in a third world manner by bringing 'sweatshops' to western locations and by cutting essential ethical and legal corners. Furthermore, Lassalle (2008) observed that new EMBs are starting to emerge in niche sectors and places (i.e. restaurants in suburban and inner-city locations). This represents a notable transformation from the typical and often unsuccessful or struggling business models that have been replicated for so many years.

In relation to their HR practises, researchers have observed that many EMBs often lack structure and consistency. However an increasing number of business owners are starting to recognise the need for more regulation of the employment relations (Ram et al., 2001). Furthermore the authors observed that, in the case of EMBs, close social links consisting of family and friends tend to act as the main channel for recruitment. When considering recruitment approaches, much of the literature indicates that the management of these processes in EMBs does not involve the use of official advertising channels, therefore relying exclusively on informal networks. The pool of candidates is built through recommendations from kinship ties. Furthermore, Kepner observed that 'the strands of the family system are so intertwined with those of the business system that they cannot be disentangled without seriously disrupting one or both systems' (1983:57).

Reducing EMBs to their cultural dimension and disregarding the influence of local context is an unsuitable approach. It is important to be aware of the differences between distinct groups of ethnic entrepreneurs as well as the regional environment in which they operate. Although policies regarding markets and businesses tend to be generalised at the national level there are some region specific ones that can influence EMBs. 'Within one national institutional framework, cities and regions can have quite different economic fates and thus contribute to significant differences with regard to the opportunity structures within one country' […] To survive in a globally competitive world, urban regions have to make the most of their localised economic externalities and focus on those activities that are hard to copy by actors in other regions (Kloosterman et al., 2001:196). The extensive literature on EMBs in the UK has signalled West Midlands as being one of the most ethnically diverse regions as well as the most important British destination for ethnic entrepreneurs after the London metropolitan area. Moreover, predictions about the demographics of the West Midlands have foreseen an increase in its ethnic diversity over the following period. This was linked to a growth in small family owned EMBs (Ram et al., 2002).

Historically, the West Midlands region has been an important industrial hub for the British economy with many major manufacturers employing a large proportion of the working population in the area. However, during the last decades this picture has changed, as manufacturing jobs have dropped from 575.000 in 1996 to 285.000 in 2010 (ONS, 2011).

The main groups that have suffered as a result of this dramatic decrease in employment opportunities have been ethnic minorities. Some scholars believe that this is one of the main reasons behind the increase in the numbers of ethnic minority individuals entering self-employment (Razin, 1993; Ram and Jones 2008.). However, despite the high levels of self-employment among the representatives of ethnic communities, many researcher have argued that this indicator has little to do with 'upward mobility' but it is nevertheless a way of escaping poverty (Jones and Ram, 2003; Ram and Jones, 2008).

Birmingham's high diversity is considered to play an important role in the city's economic development (Henry and Passmore, 1999; Barrett et al., 2000). The 2011 census showed that Birmingham's social super-diversity has increased by almost 20% during the last decade, with more than 40% of the respondents declaring themselves as being other than 'white'. Researchers argue that the city is a great example of the global economy manifested within the region's borders and it is often compared to a 'melting pot' and an excellent example of a 'small scale global economy'. The multicultural economic development works both internally, by creating an environment inclusive of the city's ethnic diversity, as well as externally, by establishing social and commercial relations with the wider global economy beyond its geographical borders (Scott, 2001; Massey, 1998; Amin, 2004, Vertovec, 1999, 2001). This context has the potential of encouraging the development of networks that can either promote social wellbeing or, adversely, old patterns of exclusion and exploitation.

One of the main advantages brought by Birmingham's EMB scene is the construction of networks that go beyond regional and national border: 'Space needs to be conceptualized not as territory or circumscribed locality but as networked and socially produced through the manufacture and flow of distinctive goods between nodal points, vertically and well horizontally organized (Werbner, 2001:673). Nevertheless, besides building strong transnational connexions, these businesses are creating unique commodities in order to meet the ethnic community's demands. 'While often difficult to measure or classify in traditional economic terms, we argue that these transnational networks are producing new hybrid products of economic worth and with distinctive geographies' (McEwan et al., 2005: 921).

Although ethnic entrepreneurship is an important part of the region's economic landscape and it encompasses a wide variety of businesses operating in different sectors, one of the main areas of activity among EMBs in Birmingham refers to the ethnic food industry. This sector has registered a significant increase since the early 1990s and its prevalence is unsurprisingly linked to the growing number of ethnic restaurants in the region. This phenomenon has subsequently encouraged the creation and fortification of social networks

and business support agencies while having also triggered the arrivals of new migration. Local authorities have been making considerable efforts to ensure effective support for these firms by investing funds and creating training courses aimed to develop the sector. However, several authors have criticised the ethnic food production arguing that certain groups are still targeted by discrimination and face difficulties in accessing finance or benefiting from the same support as others. Moreover, ethnic restaurants are still seen as largely unprofitable due to increased competition and are often clustering legally challenging practices (Ram et al., 2000). Nevertheless, large food retailers are starting to expand their demand for ethnic ranges encouraging, therefore, the manufacturing of these niche products. 'Food manufacturers in Birmingham use their knowledge of the consumption patterns of their own ethnic group, coupled with familial and community based support structures, to manufacture a product aimed at a niche market – either people within that ethnic group or the increasing number of people sampling foods from outside their own culture' (McEwan et al., 2005: 924).

2.6. Conclusion

This chapter provided a contextual setting while exploring ethnic, social and religious diversity as well as outlining the socio-economic impact, trajectories and structures of ethnic firms in the UK. The background information presented in this part is important for understating the value of migrant and ethnic communities for the British social landscape and, moreover, the role played by ethnic firms for the national economy.

Although some social researchers were predicting that many of the economic migrants will eventually return to their home countries, a large number of these initial 'guest workers' have in fact settled in the receiving society, creating ethnic minority communities. The main sources of immigration in Britain are: South Asian countries, followed by Africa, the Caribbean region and new European Union member states. Extensive research has documented the link between increased migration, ethnic groups and the growth in EMBs in the receiving countries. Either due to legal restrictions or discrimination, members of the ethnic communities are often unable to access paid employment and therefore, in an attempt to ensure economic stability, are being pushed into self-employment. The importance of ethnic entrepreneurs and the companies they establish is strongly linked to their potential for playing a positive role in improving the local and national social and economic structures. They are not only creating employment for themselves, but also for members of their community as well as for the wider population. They often act as buffers for new migrants and vulnerable individuals in accessing the labour market.

In spite of scholars having claimed that religious membership is Europe has registered a severe decline within the most recent decades (Putnam, 2000; Iannaccone and Klick, 2003),

statistical evidence has shown that the world is still intensely religious. This phenomenon is often correlated with the unprecedented increase in migration which has increased the social diversity and religious plurality in developed countries. However, traditional forms of religion are starting to get eroded across the world and even more so in developed countries. The supporters of the secularisation theory argue that the institutionalised forms of religion make their members prone to conformity and traditional values. Conversely, the post-secularist scholars claim that, in fact, religion is being replaced by other forms of beliefs that embrace holistic approaches, namely spirituality (Heelas and Woodhead, 2005). While religion refers to the institutionalised forms of belief and the interpretation of the religious teachings, spirituality describes the internalised experience of the individual. Moreover, during the recent decades the preoccupation for understanding the role played by religion and spirituality in the ethnic business environment has risen. Research on these sets of moral values and beliefs become even more relevant as academics, practitioners and society as a whole are being criticised for failing to acknowledge their important influence on shaping issues such as work ethics, social integration or economic behaviour.

The following chapter will review the relevant literature on ethnic entrepreneurship, religion and spirituality with the aim of setting the theoretical framework for this research. In this concern it will highlight important debates on issues related to religious and spiritual values in social and economic contexts. Further on, it will present the mixed embeddedness model while underlining its strengths and weaknesses. Finally, it will argue in favour of including religious and spiritual capitals in the wider ME framework in order to increase its value in conducting future research on ethnic firms.

3. <u>Literature Review</u>

This chapter explores the relevant literature that has informed the present research, while outlining the theoretical framework that has grounded the study. It starts by presenting the current debates on religion and spirituality as well as highlighting their importance for shaping social reality and, moreover, matters related to ethnic entrepreneurship. Further on, the benefits and limitations of the mixed embeddedness approach are discussed. Although widely employed in research on EMBs, this framework is insensitive to the influence of religious and spiritual values on ethnic firms. It is indeed this gap in the literature that motivated the current doctoral thesis.

3.1. Introduction

The increase of migration and ethnic diversity in Britain has triggered many challenges especially in relation to social and economic integration (Barslund and Busse, 2014; Galgoczi and Leschke, 2014). One of the ways in which these matters can be tackled is through self-employment and entrepreneurship (Doherty et al., 2014; Clark, Drinkwater and Robinson, 2015). This not only generates employment for the business owners but can create workplaces for members of the communities and therefore decrease poverty rates in disadvantaged areas (Patacchini and Zenou, 2008). When compared to the different economic contexts in other higher regulated European countries, the UK appears to be a haven for business opportunities. This is why Britain has been the land of choice for so many representatives of the ethnic communities. Nevertheless, in practice the highly deregulated British market represents a 'mixed blessing for ethnic entrepreneurs, often producing outcomes in direct contradiction to the goals of the EMB support system' (Ram and Jones, 2008:62). Previous research has painted a picture of ethnic businesses situated in precarious positions, often replicating unsuccessful business models and moreover likely to fail (Light, 1972; Porters and Bach, 1985; Waldinger et al., 1990; Ram and Deakins, 1996). A large body of literature has shown that many of the difficulties encountered by ethnic business owners are related to accessing finance sources, creating and employing viable marketing strategies and finding suitable sector-based approaches for their firms (Ram and Smallbone, 2003; Mittelstaedt, 2002; Ram and Jones, 2008). There is a great concern in relation to the large number of unsuccessful and poorly performing ethnic businesses and moreover the way in which these issues can be resolved (Ram and Smallbone, 2002; Ram and Jones, 2008).

One of the key theoretical frameworks used to inform much of the research on ethnic entrepreneurship is Mixed Embeddedness (Kloosterman et al., 1999). Its main claim regards the way in which EMBs are being shaped by both their socio-cultural background and the wider politico-economical context in which they operate. Furthermore its supporters believe in the model's ability to generate a thorough understanding of the ethnic urban economy through the in-depth analysis of their supporting social structures coupled with the socio-economic and politico-institutional environments in which they operate (Kloosterman et al., 1999; Kloosterman and Rath, 2001; Ram and Jones, 2008).

Kloosterman and Rath (2001) have observed that much of the research on ethnic entrepreneurship is focused on assessing their mixed embeddedness in ethnic relations, social ties, opportunity structures and contextual dimensions. Further on, the authors provide a detailed analysis of the interplay between ethnic entrepreneurship and various forms of opportunity structures. In this concern they explore the relationships between social actors and the markets in which they operate, emphasizing the role of the national, regional and community contexts along with the sets of opportunity structures they provide. Additionally, in his more recent work Kloosterman (2010) has looked at ethnic businesses in the Netherlands while focusing on the interaction between social ties and available opportunity structures. The scholar acknowledges previous work on ethnic firms for looking at group differences in relation to their cultural and ethnic background as well as social, relational and structural embeddedness. Jones et al. (2014) have criticized Kloosterman's approach to ME for paying too much attention to structural determinants and emphasizing contextual elements while failing to consider the initiatives and approaches deliberately chosen by ethnic entrepreneurs. Furthermore the authors critique the ME framework and argue that '[…] for all its virtues the model cannot be expected to answer every possible question' (Jones et al., 2014:505). However, despite the fact that each of the supporters of mixed embeddedness have added new dimensions to this widely employed research model, none of them have made any reference to the potential links between ethnic firms and value led forms of capital such as religion and spirituality. ME is engaged in ensuring a systematic exploration of the various forms of opportunity structures available to ethnic entrepreneurs but fails to acknowledge the role played by religion and spiritual values on their firms.

Almost two decades ago, Davie described religious people in Britain as being mostly 'elderly, female and Conservative in voting behaviours (1994:2). However, social scientists believe that, nowadays, western societies tend to be 'value-free' in what religion and spirituality are concerned. It is often the case that religion has been stripped of any sacred or religious content and has ceased to have any sort of mystical meaning. Notwithstanding, some authors have noticed that the changing patterns in migration trends have increased the

religious, cultural and ethnic diversity of modern Britain (Vertovec, 2007). Davie rightly observed that migrants have brought with them different religions and different ways of being religious and in turn this has altered the cultural and social patters all across the modern world. The increased religious diversity has arguably enriched the experience of individuals and communities. 'People belonging to different religions have different visions of the relation between God and humans, between individuals and groups, between citizenship and state, between father and son, between husband and wife; moreover they have also different visions of the relative importance of their rights and responsibilities, of freedom and authority, of equality and hierarchy. These differences are the product of centuries of history, and they do not disappear easily' (Huntington, 1996:7). Zinnbauer et al. (1997) described the 'religious and spiritual landscape' of the contemporary American society as mirroring a 'decline in many traditional religious institutions, an increase in personalized and individualised forms of expression, and a culture of religious pluralism' (p. 892). Much of these observations reflect the present-day situation in Britain. In this ever-changing context even the definitions and meanings of religion, religiosity and spirituality have been subjected to interpretations. It is now more accurate to position spirituality at the intersection of traditional denominations and more recently emerging spiritual trends. Modernity has seen the emergence of a new discourse that has shifted from the previous perception of religion as being an obligation towards the idea that it is individuals' free choice.

Some researchers claim that people's attendance to religious services has decreased over the last decades (Heelas and Woodhead, 2005). However this does not translate in the decline of religiousness or spirituality as academics argue that, despite the debates regarding the increase in secularisation, the world is still intensely religious. Berger (2012) believes that from both a geographical and sociological perspective the majority of the global population is still strongly embedded in religious and/or spiritual values. Additionally Davie observed that '[…] it is entirely normal in most parts of the world to be both fully modern and fully religious' (2007: ix). Therefore ignoring the influence of religious membership and spiritual values in ethnic firms is an approach that fails to explore all relevant shaping forces of ethnic entrepreneurship.

People devote a large part of their days and ultimately of their lives in the workplace. Social scientists argue that a mismatch between individuals' employment and their spiritual values, aspirations and intrinsic motivations is likely to cause discomfort, unhappiness and hinder the feeling of well-being. Research on religion and the corporate culture in Western countries has shown that companies which support their employees' various religious and spiritual needs at work have the highest employee retention, morale and creativity (Neck and Milliman, 1994; Mitroff and Denton, 1999; Giacalone and Jurkiewicz, 2003). This approach

includes supporting employees when planning religious related events, providing flexible scheduling to accommodate employees' religious needs at work and expressing understanding in relation to the staff's faith and system of beliefs. Barrett (2003) has argued that a mismatch between the individuals and the business environment can ultimately have a negative impact on economic outcomes. Furthermore Hicks supports the need to create a working environment which accommodates individual religiosity and spirituality and claims that it may have a positive impact on employee efficiency and commitment. 'Not only religious persons, but all persons, bring the basic aspects of their identity to the workplace. Their views and actions related to politics, culture, art, spirituality, religion and family life shape their actions and attitudes' (Hicks, 2003:30).Through establishing a positive working environment in which employees' religion and/ or spirituality are matched by the company culture workplaces will foster beneficial relationships. In turn this will encourage the transfer of values such as unity, inclusion and cohesion, all of which form the spiritual capital.

This research focuses on two important but often neglected aspects of the human and social dimensions of mixed embeddedness, namely religion and spirituality. While much of the literature has studied and disseminated knowledge on human and social capitals, the latter ones have been generally ignored when exploring EMBs. However more recent observations have brought a new meaning to religion and spirituality in the context of business and economic behaviours (Candland, 2000; Guiso et al., 2003, 2006; Fernando, 2007; Dana, 2010; Balog et al., 2014). Although many academics have been reluctant to using religion and spiritual values as possible determinants for the differences in business behaviour, during the more recent years this topic has registered increased popularity and triggered lively debates. This phenomenon was attributed to the growth of ethnic diversity in Europe and, as Ruane & Todd (2010:1) observed, 'religion has regained political prominence in the twenty-first century and not least for the manner in which it intersects with ethnicity'. Many authors signalled the need for a more in-depth research of these relationships, while paying careful attention and acknowledging the importance of the social, political and economic context in which they operate. Some scholars believe that religion and spirituality are indeed important elements of the socio-cultural dimension and can play a significant role in shaping economic outcomes (Neck and Milliman, 1994; Fernando and Jackson, 2006; Marker, 2013). Nevertheless, there is a significant gap in the literature concerning this particular topic and this doctoral research aims to fill it by exploring the religious and spiritual dimensions of EMBs and answering some of the questions that surround them.

3.2. Why Religion and Spirituality Matter

Religion and spirituality in all their dimensions are symbols of diversity and in the context of globalization and increased population mobility it is crucial to understand and accommodate every aspect of diversity. Research has shown that religion, religiousness and spiritual values have left hardly any aspect of the social life uninfluenced and are arguably important dimensions to be considered when analysing certain business behaviours and economic outcomes (Guiso et al., 2003). Many authors have claimed that at the organisational level, companies that allow and encourage their employees to embrace their religion and spirituality in the workplace have generally higher levels of commitment, creativity and innovation and lower levels of absenteeism. Moreover, research has shown that the global economic crisis of 2008 has strengthened the tendency to integrate religion and spirituality along with acknowledging cultural differences in businesses and the workplace (Miller and Ewest, 2011).

In her research about young people's constructions of beliefs Day (2009) argues that the activities in which individuals were involved during their yearly years and childhood have the power to influence the way in which their personalities, moral values and religious beliefs were constructed. The author goes on to observe that people tend to associate themselves with religious faiths in order to feel part of or reinforce their social, ethnical or cultural identity. Habermas (2006) talks about the trajectory of religions in modern societies and describes them as going through a process of faith reconciliation. Actors are experiencing mutual learning and reach acceptance towards one another by understanding the positions and belief systems of the others. Berger (2012) observes that in the current social context of the extensively globalised modern world individuals who choose to believe or be religious must do so in a different and more discrete manner compared to traditional societies.

Religion is an important factor in the lives of migrants who are trying to adjust to what can often be perceived as a hostile receiving society. It provides a sense of belonging and acts as a mobilising force for the immigrant groups. Through religion, migrants may feel empowered to assert pride in their cultural and ethnic heritage as a way of developing their identity in the multicultural and super-diverse environment (Cadge and Ecklund, 2007). Furthermore, religious organisations are viewed as institutions that facilitate the immigrants' transition into a new situation by creating a safe environment that preserves traditions, language and group support. This influence can be seen in many of the ethnic groups all across Western countries (Mitchell, 2006). However, religion does not always translate in any sort of religious behaviour but into a form of 'cultural religion' as despite not being necessarily linked to religiosity it can act as a cohesive element for ethnic groups. For many

ethnic minorities religion has become a source of cultural identity rather than an opportunity to practice religious rituals (Mitchell, 2006).

3.2.1. Religion in Social Research

Several questions need to be answered before the theoretical framework of this study can be set. Firstly, how can the effect of religion on EMBs be measured? And secondly, how can the influence of religion be differentiated from the one of spiritual values? In order to address these concerns it is important to understand what is encompassed through the concept of religion. The following part looks at some of the most relevant debates on religion in social research as well as providing a working definition of the term which will be subsequently used in this study.

One of the first scholars to support the importance of religion as a determinant of social and business behaviours was philosopher and economist Karl Marx. He argued that religion is a dependent variable influenced by social and economic relations, furthermore he was the one to introduce the famous epigram '[Religion] is the opium of the people' (1843). Based on Marx's philosophy, Weber developed his central work 'The Protestant Ethic and the Spirit of Capitalism' (1905), one of the first discussions on the link between religion and business patterns. Weber's theory underlines the way in which protestant beliefs tend to favour certain economic behaviours and goes on to link specific religious teachings and dogmas to successful capitalist models. Moreover, he attempts to establish an explanation for religion as a social phenomenon acknowledging the intellectual and emotional components and arguing that faith goes beyond its sociological acceptation. One of Weber's main observations is that, theoretically all religious systems favour or generate actions that impact on everyday life including on individual or collective economic behaviour. A few key points are prominent to Weber's ideology. Firstly, the relationship between religion and society is unpredictable and can change in different places and times. Secondly, religion can only be studied in its historical and cultural context. Thirdly, the author argues that modernisation has contributed towards the erosion of religion as a shaping force in society, leading to secularisation. Max Weber's interest has little to do with the sources and explanations of religious mentality as his main focus was on the connection between religions and different social groups as well as the impact of distinct denominations on economic outcomes. Despite the fact that much of the evidence presented by Weber in his thesis was not based on statistical evidence some academics have claimed that his perspective was in fact valid and reliable as it was largely reflected by the observed reality (Rubinstein, 1998). Other authors that followed Weber have developed similar theories but, unlike him, have based their hypothesis on what seems to be verifiable evidence. However, there is a general

consensus that although religion can play an important part, the success or failure of businesses is the result of a multiplicity of interrelated factors.

Another prominent scholar in the field of social research, Durkheim, argued that religion is a necessary element in the life of individuals and collectives since it successfully fulfils a functional role acting as a binding force while creating communities and societies. Moreover the solidarity promoted by religion is seen as the basis for social order and should be encouraged especially in times of rapid changes such as revolutions, a reality which the author was experiencing at the time, or in the case of the more recent decades, economic recession. Furthermore Durkheim supports Weber's assumption that religion is a variable influenced by time and place.

Although Georg Simmel's work was previously overlooked, during the more recent years his discussions on religion have come into attention (Laermans, 2006). Simmel stresses the difference between religion and religiosity and argues that religiosity precedes the actual creation of religion and has its source in the individuals' needs to express their spiritual aspirations. Modern social actors are not less religious than their predecessors but they act differently in relation to religion and religiosity. It is no longer a form of establishing kinship ties but rather one of manifesting their individual spirituality. This interpretation represents an introduction to the scientific enquiry on the importance of spirituality in shaping economic behaviours and it connects the concepts of religion, religiousness and spirituality.

Many authors have attempted to contain the meaning of religion under specific definitions and depending on their field of study, they focused on different perspectives and dimensions of this highly complex phenomenon (McAndrew and Voas, 2011). Furthermore, in order to set the clear borders for the present research, four approaches to religion were considered appropriate. Each one of them is relevant for the main meta-theories of religion and presents it from a different perspective: theological, psychological, anthropological and socio-economical. Theological definitions of religion have focused on the spiritual and mystical nature of the concept. Paul Tillich, one of the most influential theologians of the 20th century referred to religion as 'faith' and named it the 'ultimate concern'. Going further he explains that 'faith […] is an act of the total personality. It is the most centred act of the human mind...it participates in the dynamics of personal life' (1957:5). From a psychological stand point religion was often seen as an illusion. Moreover, Freud argued that religion is a neurological manifestation of the frustrations caused by the repression of individuals' desires due to the demands of society (1913). This theory has been the target of much criticism. Nevertheless, a more comprehensive definition of religion from a psychological perspective comes from Beit-Hallahmi and Argyle (1975) who have described it as 'a system of beliefs in

a divine or superhuman power, and practices of worship or other rituals directed towards such power' (p. 1). The anthropological definition of religion was best described by Emile Durkheim as 'a unified system of beliefs and practices relative to sacred things, that is to say set apart and forbidden, beliefs and practices which unite into one single moral community, called a church, all those who adhere to them' (1965 [1912]: 62).

In order to set the most suitable definition of religion for the present study it is important to review its position in the EMBs literature. Becker has argued that 'individuals have less control over their culture than over their social capital. They cannot alter their ethnicity, race or family history, and only with difficulty can they change their country or religion' (1996:16). Much of the academic literature makes the mistake of referring to ethnicity and religion as being mutually inclusive. Chandra (2006) believes that the separation between religious affiliation and community has been often neglected by social researchers, which have instead created an inclusive label to distinguish groups united by certain religious patters as being 'ethnic'. However this was considered a wrongful approach for several reasons. Firstly, as Ruane and Todd (2010:2) observed 'simply to bundle together religion and ethnicity is to fail to recognise the distinctive character each brings to symbolic distinction and social division'. Secondly, by taking an indiscriminate approach and considering religion and ethnicity as being broad and inclusive concepts the authors are assuming that all individuals from a certain ethnic group are also members of the specific religious organisation associated (Ruane and Todd, 2004, 2010; Jenkins, 2008). And thirdly, much of the previous research has neglected the distinction between religion and religiosity within ethnic groups. By gathering all these distinct characteristics under the same concept, namely ethnicity, authors have overlooked what Davie (1994) called 'believing without belonging'. Initially the phrase was used to describe the behaviour of Protestant groups in modern Britain. Davie argued that there is a high mismatch between religious affiliation ('believing') and actual religiosity manifested through participation in religious services and involvement in the activities of a religious community or institution ('belonging'). Despite having attracted much criticism for being descriptive rather than explanatory, this theory was recognised as one of the most accurate tools for analysing the ever-changing patterns of religion and religiosity in the twenty-first century. After having carefully explored various theories and positions in relation to religion, its working definition was established as being an institutionally regulated unified system of faith in a divine power, manifested through specific sets of beliefs and practices.

3.2.2. Secularisation and New Forms of Beliefs

Secularisation refers to the diminishing importance of religion and was predicted by many theorists who believed that the major denominations were deemed to lose their influence in an era dominated by scientific progress. Despite numerous reports having claimed the rise of secularisation in most countries of the modern world more recent evidence shows that the importance of religion is not weakening everywhere (Zinnbauer et al., 1997; Vertovec, 2007). Secularisation theory is highly Eurocentric as the majority of the world is still observed to be strongly religious and/or spiritual (Berger, 2012). The author goes on to admit that during his earlier work he as well confused secularisation with religious plurality but has since reconsidered his position in the light of latter-day evidence. Moreover many scientists believe that the existence of secularisation is nothing but a misconception generated by the decline of religion in the modern world. Sennett (1994) observed that as people were forced to relocate from countryside to cities during the Industrial revolution church attendance and the influence of the institution 'as the moral guardian of community was decisively broken by the anonymity of city life'. This downturn was deemed as an outcome of modernisation. Between the 1940s and 1990s Gill et al. (1998) conducted a series of surveys about religious beliefs in Britain and discovered that although belief in God or Jesus had dropped steadily from 79% to 49% the belief in God as a Spirit or life force had actually increased. Therefore researchers have argued that the decline of religiosity has marked the rise of spirituality which, unlike the former that has been often referred to as 'the opium of people', is born from the subjective internalisation of loosely applied religious teachings. '[…] It is not just a matter of how people cope with the problems of life, but how they conceive of life, which in turn sets the stage from how they cope with it… […] it goes beyond common sense and changes it so that reality is somehow redefined' (Reynolds and Tanner, 1995:26-27).

One of the results of globalisation and the freedom of movement is an unprecedented increase of social and cultural diversity which have increased religious diversity. Consequently alongside the arguably declining traditional European denominations society has embraced a wide variety of Oriental religions. 'Social scientists have misread the future of religion, not only because they so fervently desire religion to disappear, but also because they have failed to recognise the dynamic character of religious economics. To focus only on secularisation is to fail to see how this process is part of a much larger and reciprocal structure […]. We argue that the sources of religion are shifting constantly in societies but that the amount of religion remains constant.' (Stark and Bainbridge, 1985:2-3). Additionally numerous accounts have illustrated the existence of new religious and spiritual directions as well as the continuity of historic religions. This reported phenomenon is ranging from an increasing popularity of New Age beliefs and practices in societies considered to be secular

to the continued growth of traditional religions such as Islam and Christianity in Asia and Africa (Herbert, 2003:4).

The main shortcoming of the conventional secularisation theory stems from the confusion created by what religion actually entails. More traditional explanations are only focused on presenting the classical facets of religion such as obedience to dogma, church going and other related religious practices, while failing to acknowledge the many other ways in which religion impacts on society and individuals. These types of perspectives have fuelled much controversy. However, several authors have defined religion based on its capacity to give meaning to everyday life through a structured system of symbols and metaphors. According to Greeley religion is a 'system of narrative metaphors that give purpose to life, that answer questions about tragedy, suffering, death and about happiness and ecstasy' (1999:190). It is widely acknowledged that religious discourse has not only the power to influence spiritual dimensions but shapes many aspects of the quotidian existence. 'All our work shows religion to be the direct expression of universal human needs, and thus the future is bright for both religion and the social-scientific study of it.' (Stark and Bainbridge, 1985:18).

3.2.3. Spirituality in Modern Societies

Recent studies observed that the current social environment has eroded the importance of traditional religions in the lives of individuals and communities. Researchers believe that this transformation has had a positive impact on social life, especially in Western countries where the population is more diverse. By not being religiously embedded, people are likely to be more accepting of other cultures and accommodate the differences between them and others, therefore creating a stronger community tied by similar moral and spiritual values (Zinnbauer et al., 1999). This is not to say that belief is disappearing but rather that it is shifting from the older models that no longer apply to the current social realities towards a more pluralist approach. This phenomenon was attributed to the increased mobility of individuals and subsequent rise of migration rates recorded over the last few decades and it is believed to have had a positive impact on the growth of diversity especially within Western developed nations. Moreover social scientists argue that it has enforced a liberal approach to religion and religiousness (Eisenstadt, 2000; Habermas, 2006; Fabbri, 2013). In order to support social integration and encourage cohesion many Western states saw the need for a so called 'cultural relativism'. Researchers considered that a society impartial to strong cultural and religious influences is more likely experience higher degrees of social inclusion and foster super-diversity. This pursuit has created a favourable context for the popularisation of spirituality as a means for promoting inclusiveness and cohesion between individuals from different backgrounds and therefore encouraging the creation of functional

homogenous and diverse communities (Zinnbauer et al., 1999; Giagalone and Jurkiewicz, 2003; Sandercock; 2006).

Spirituality is typical for a post-secular society. As people distance themselves from the classic religious doctrines they move closer to more holistic systems of beliefs. Psychologists and sociologists argue that this shift stems from the human need to give meaning to their existence and when traditional religious teachings fail to satisfy this search, people start to look somewhere else. 'The growth of spiritualties is associated with post-traditional societies and the ability of individuals to engage in reflexive construction of religious biographies in late modernity' (Shah, 2014:512).

From a phenomenological and sociological perspective individuals are arguably becoming more concerned about searching and finding new religious and spiritual identities. 'To many people the process of separating religion from spirituality is effortless; to others it is equivalent to surgically dividing conjoined twins. Yet, spiritual concerns are not synonymous with religious ones; spiritual concerns are separate in the sharing of beliefs with any particular religious groups' (Giacalone and Jurkiewicz, 2003:15). This phenomenon is widely observed in Western societies where individuals and communities are preoccupied with finding new sources of happiness and wellbeing unrelated to material and financial dimensions. Spirituality can take many forms and meanings ranging from religion, religiosity, new age practices and anything that seems to be 'out of reach'. It is a way of explaining and giving meaning to the human experience. Moreover, it encourages the formation of communities based on shared moral values (Table 3.1). These can often replace the ones built on the grounds of religion and religiosity. 'Collective identities are shaped in the long-term by intercultural interactions, the possibility of transfers extending beyond the empirical level to include the symbols of the divine ground' (Fabbri, 2013:750). This shift is often referred to as the 're-enchantment of society' and is a typical behaviour for the post-secular age. Moreover, people are becoming increasingly concerned about the environment as well as their moral and social contribution to creating a sustainable future for the planet. This concern is believed to have been triggered by the recent financial recession and general lack of stability of the current global political situation. Notwithstanding, the relevance of spirituality for the social sphere is supported by the increased concern in relation to creating a safe political and cultural environment. It is claimed that in a global context marked by increased migration and growth of diversity governance should create a space where the multiplicity of cultures and their corresponding values can co-existing in a peaceful and collaborative society (Berger, 1973; Beaumont and Baker, 2011; Baker, 2012). As spirituality encourages the formation of communities based on shared moral values it is believed that

Table 3.1. A Representative Sampling of Definitions of Spirituality in the Literature

Definitions of Spirituality	Source
The personal expression of ultimate concern	Emmons (2000)
That which involves ultimate and personal truths	Wong (1998:364)
How the individual lives meaningfully with ultimacy in his or her response to the deepest truths of the universe	Bregman and Thierman (1995:149)
The presence of a relationship with a higher power that affects the way in which one operates in the world	Armstrong (1995:3)
Our response to a deep and mysterious human yearning for self-transcendence and surrender, a yearning to find our place	Benner (1989:20)
A way of being and experiencing that comes about through awareness of a transcendent dimension and that is characterised by certain identifiable values in regard to self, life and whatever one considers to be the ultimate	Elkins et al. (1988:10)
A transcendent dimension with human experience… discovered in moments in which the individual questions the meaning of personal existence and attempts to place the self within a broader ontological context	Shafranske and Gorsuch (1984:231)

A subjective experience of the sacred	Vaughan (1991:105)
A personal life principle which animates a transcendent quality of relationship with God	Emblen (1992:45)
The human dimension that transcends the biological, psychological, and social aspects of living	Mauritzen (1988:118)
The vast realm of human potential dealing with ultimate purposes, with higher entities, with God, with life, with compassion, with purpose	Tart (1975:4)
That human striving for the transforming power present in life; it is that attraction and movement of the human person toward the divine	Dale (1991:5)
Pertaining to the innate capacity to, and tendency to seek to, transcend one's current locus of centricity, which with transcendence involves increased knowledge and love	Chandler and Holden (1992)
The animating force that inspires one towards purposes that are beyond one's self and that give one's life meaning and direction	McKnight (1984:142)

In Giagalone and Jurkiewicz (2003:7)

these are often more suitable for functional social structures and can replace the ones made on the grounds of religion and religiosity.

Spirituality is often perceived as separated from the negative image associated with highly regulated, institutionalised traditional religions. Moreover, its flexibility and popularity make it applicable to all major religious denominations, non-religious and secular groups as well as making it a suitable perspective for approaching religious pluralism while showing sensibility in relation to cultural and ethnic diversity. Nevertheless, it is indeed this 'elasticity' that also makes spirituality difficult to define from a scientific perspective (Iannaccone and Klick, 2003). Spirituality is about the personal perspective, it is weakly defined from a theoretical point of view but writers refer to it as a matter of 'love, compassion, mutual support, and caring without grounding their beliefs in a strong foundation of theoretical and empirical work' (Giacalone and Jurkiewicz, 2003:11).

Much of the criticism brought to this approach stems from the fact that it does not serve to scientific knowledge creation or promotion but rather to supporting a cause. Scholars have acknowledged that the theoretical development in relation to spirituality is rather limited. This weakness is mainly due to the absence of a clear scientific foundation as much of the literature on spirituality has been referred to as being ungrounded and vague (Pargament, 1999; Sass, 2000). Moreover it was rightfully observed that 'benevolently motivated writers speak from a personal perspective about love, compassion, mutual support, and carrying without grounding their beliefs in a strong foundation of theoretical and empirical work' (Giagalone and Jurkiewicz, 2003:11). This approach is often considered as failing to promote valid scientific knowledge. Due to its lack of empirical and theoretical grounding, spirituality has lost much of its potential importance in the discourse about business and organisational prosperity (Giagalone and Jurkiewicz, 2003:17). Nevertheless, despite its contested position several scholars have found that spirituality plays a key role in the lives of many social actors and can have positive implications on the business, entrepreneurs and their employees. Furthermore their research has shown that it can enhance productivity, job commitment and business ethicality as well as trigger several other economic gains for the companies. Therefore it is an error to dismiss its power to impact on social, politic and economic spheres (Paloutzian, 1996, Zinnbauer et al., 1999; Giagalone and Jurkiewicz, 2003).

One of the main debates in relation to understanding and defining religion and spirituality, as well as the role they play in the organisational and business

environment, regards the fact that it is virtually impossible to submit them to the protocols of science. Religion is based on a source of faith that is immune to the rigours of scientific inquiry. This means that spirituality founded on the basis of religion is poorly defined and difficult to test according to the formal standards of knowledge creation. Emblen (1992) analysed the content of various definitions of religiosity and spirituality and identified a series of repetitive key words that have been used consistently across the literature. The author then summarised and concluded the meaning of the two concepts within the following definitions: religion is 'a system of organised beliefs and worship that a person practices' and spirituality is 'a personal life principle which animates a transcendent quality of relationship with God' (1992:45). On a similar note, Walker and Pitts (1998) found that although both spiritual and religious people show a distinct moral character and express their beliefs in a higher power, their motivators are however different. Religious people are seen as being driven by an extrinsic manifestation of spirituality, often linked to formal religious institutions whereas spiritual people are guided by their intrinsic desire for transcendence. Moreover, researchers believe that while religion and religiosity might at times promote intolerance and create conflict among people from different backgrounds, spirituality is the one that encourages cooperation and the development of communities.

This study focuses on the socio-economic understanding of how religion and spirituality interact in different contexts and various organisational areas. However, in order to draw the working definitions for the two terms, a brief comprehensive review of the philosophical literature on the debates about religion and spirituality was constructed. This helped to set the ideological context and ground the concepts into the most adequate theoretical framework that will further inform the exploration of religious and spiritual capitals in ethnic firms.

3.3. Theoretical Framework

This section describes the theoretical framework that informed the present doctoral thesis. The first part presents the mixed embeddedness theory and it refers to its source of origin as well as its applicability in conducting research on ethnic enterprises. Although mixed embeddedness is still one of the main theoretical structures for researching EMBs, it is important to acknowledge that it has many limitations. I argue that it fails to consider the impact of religious and spiritual capitals as potential shapers of business behaviours and economic outcomes in ethnic firms and it therefore needs a wider conceptual foundation. In the second part I focus on

religious and spiritual capital and describe the way in which they were identified, defined and measured.

3.3.1. Mixed Embeddedness. The Interplay Between Different Forms of Capital

The early literature on ethnic entrepreneurship signalled the need for a theoretical framework to pinpoint the intertwined forces that shape EMBs in order to gain a better understanding of their particularities. In this concern Granovetter (1985) introduced the term of social embeddedness to describe the way in which social ties impinge on economic spheres and, moreover, shape specific characteristics of immigrant entrepreneurs. While social embeddedness was widely popularised it has also been the target of much criticism due to its perceived inability to cover a larger array of shaping variables (Granovetter 1985; Granovetter and Swedberg 2001). This approach was deemed for being individualistic and too simplistic and consequently overlooking key factors such as socio-economic and political context. Following Granovetter's theory, Kloosterman et al. (1999, 2001 and 2010) have argued that differences in entrepreneurship and business models could be attributed to more than the individual characteristics of the business owners. The scholars observed that businesses are shaped not only by the owners' ability to create and rely on certain social networks and by the diverse types of capital they employ, but also by contextual factors such as the support system of the regions in which they operate. Very often in the case of EMBs this translates into the undeniable influence of mixed embeddedness. This phrase was first introduced by Karl Polanyi (1944) and has since then become a crucial concept in the ethnic entrepreneurship literature. Mixed embeddedness refers to the interplay between social, economic and institutional influences of co-ethnic relationships. Moreover, this approach looks at how the entrepreneurs' micro-level (resources) interacts with the macro-level (external context) while considering the wide array of intertwined social, political, financial, contextual and historical forces which have the potential to shape the business (Rath 2000; Kloosterman et al., 1999; Ram and Smallbone, 2003). Its initial purpose was to explore businesses and particularly the ethnic minority ones as well as creating a model that would have the capability of explaining and predicting their trajectory and potential. As businesses are not started in complete isolation of external factors, the mixed embeddedness approach comes to explain how each of these elements interact and impact on the EMBs. Furthermore, it looks at the way in which a combination of social networks, institutional frameworks, market forces and other contextual variables influence entrepreneurs and their businesses. In short, ME

explores the interaction between opportunity structures and ethnic entrepreneurs. 'In this view, the rise of immigrant entrepreneurship is, theoretically, primarily located at the intersection of changes in socio-cultural frameworks, on the one side, and transformation processes in (urban) economies and the institutional framework on the other' (Kloosterman et al., 1999:8). These intertwined factors hold the most important roles in determining the success of the EMB.

The mixed embeddedness approach is deemed to provide a more complex analysis of ethnic minority businesses by looking at a multiplicity of methodological and theoretical components. In also requires extensive qualitative research. However, this perspective was often considered insufficient as it fails to explore many important aspects of the ethnic enterprises. Although a complex and very useful approach, mixed embeddedness was criticised for relying too much on economic, political and social influences while not paying enough attention to the multiplicity of dimensions attached to social and cultural embeddedness. It is becoming widely acknowledged that firms cannot be reduced to purely economic determinants and/or market conditions, but they are the result of the multitude of external and internal conditioning factors. Moreover, recent studies have observed that mixed embeddedness is no longer representative for the newest migrant entrepreneurs. Researchers have argued that immigrants' affiliation goes far beyond the previously explored 'layers of context' (Aliaga-Isla and Rialp, 2013:836). In order to address these concerns, two variables that have long been overlooked were added to this theoretical framework, namely religious and spiritual capitals. Research on the impact of religion and spiritual values on businesses has gained increased interest during the recent years. Although scholars have acknowledged that these two forms of capital are components of the wider social and human capitals, they believe that in order to ensure a more comprehensive understanding of the underlying mechanisms of ethnic enterprises it is important to recognise the particular importance of the spiritual and religious components (Guiso et al., 2003, 2006; Balog et al., 2014).

In order to gain a better understanding of what religious and spiritual forms of capital entail, it is important to first grasp the dimensions and meanings of human and social capitals, as well as the multiplicity of ways in which they affect ethnic firms. The notion of human capital was initially introduced by Becker's work (1975, 1976) and has attracted much attention since, making it one of the most popular forms of capital used by economists and social scientist to explain a wide range of related behaviours. Given the large variety of its comprising facets, human capital can be applied to a wide number of phenomena without losing its scientific grounds and

ability to be effectively measured and tested (Iannaccone and Klick, 2003). Human capital refers to the individuals and evokes all their dimensions from educational background to consumption preferences while acting as a major shaping force of social interaction and establishing relations. Education is perceived as a means of enhancing the quality of human capital and supporting upward social and economic mobility (Abbas et al., 2001). For many members of the ethnic communities this can translate into enabling them to move away from the vulnerable positions they occupy and increase their chances for success. However, some scholars argued that improving the quality of their employed human capital is not necessarily linked to higher earnings (Beckers and Blumberg, 2013).

The idea of social capital was initially introduced by Coleman (1988) and it refers to the active potential held by social links. This form of capital encapsulates the quantity and quality of the complex networks formed through relationships between individuals, families and communities based on shared emotional links and supporting the existence of mutually enforceable trust, solidarity and cooperation (Bourdieu, 1983; Coleman, 1988; Putnam, 1995; Sartorius, 2003; Hosen and Solovey-Hosen, 2003). Additionally, social capital refers to the 'importance of relationships, networks and norms [in society] that can be used to enrich individuals and communities' (Putnam, 2000:22). Some authors have claimed that social capital influences engagement and participation in positive civic activities as well as being beneficial to economic prosperity and personal wellbeing (Granovetter, 1973, Portes, 1998; Putnam, 1995, 2000). Furthermore, social capital can play an important role in creating human capital, particularity within families.

Many academics argue that social capital is one of the key forces to shape entrepreneurship, especially in the case of ethnic groups (Metcalf, Modood and Virdee, 1996; Soni, Tricker and Ward, 1987; Ward, 1987). Jones et al. have referred to this form of capital as being the central pillar for EMBs as it is a means of generating '[…] labour power, finance and information supplied informally, cheaply and flexibly by family and co-ethnic community' (2014: 502).

Patacchini and Zenou (2012) rightfully observed that staying within the ethnic community that shares an individual's background and values, can play a favourable role in accessing certain jobs in EMBs, therefore decreasing unemployment. Such an example can be observed in the case of South Asian entrepreneurs in Britain. Research has shown that   often the success of these businesses is facilitated through the tight social networks that their owners use in setting up and running the

firms (Werbner, 1980; Rafiq, 1992; Qadeer, 2000, Ibrahim and Galt, 2003). However the heavy reliance on these links and the strong embeddedness does not always work in the best interest of the ethnic firm. In many cases the strong ethnic connexions are trapping EMBs in their limited co-ethnic networks making them responsible for perpetuating unsuccessful business models (Light, 1972; Porters and Bach, 1985; Waldinger et al., 1990; Ram and Deakins, 1996).

3.3.2. Religious and Spiritual Capitals

The terms religious and spiritual capitals are often used interchangeably due to the lack of consensus in relation to their definitions. Nevertheless, many scholars have agreed that these two dimensions belong to the wider social capital (Zinnbauer et al., 1997; King and Koenig, 2009; Holt et al., 2012).

Religious capital was introduced by the work of Iannaccone (1984) to explain models of beliefs and the way in which they evolve and shape behaviours and attitudes. The underlying assumption is that individuals' systems of faith and values are heavily influenced by their upbringing. Iannaccone observed that individuals are more likely to maintain the same religious membership as the one they were brought up in. Also, their religious participation as adults is very likely to mirror the one they experienced in their younger years. '[…] It comes as no surprise that strong religious upbringing is a leading indicator of adult religious participation' (Iannaccone, 1990:309). This form of capital entails 'the practical contribution to the local and national life made by faith groups' (Baker and Skinner, 2006:9). Iannaccone's main argument in supporting the importance of religious capital resides in its potential to draw benefits from religious belonging, especially in the case of individuals who have been active members of a specific congregation for longer periods of time. The scholar observed that religious capital is most valuable in the settings in which it was acquired and sometimes this means that outside of those specific groups it might act as an adverse force.

Putnam (2000) argued that the importance of religious capital for businesses refers to the potential of religious belonging to enhance individuals' work ethic and leadership skills. Also, it can facilitate the creation of networks through membership of a congregation. Furthermore Putnam observed that belonging to certain religious groups can have a positive impact on a company's potential, as it enhances the human and social capitals available. Additionally, it can act as a mediator and a bridging force between businesses and the community. A recent study on the role of religion and ethnicity in Arab-American companies underlined that ethnic entrepreneurs tend to develop business links with people from the same cultural and

religious backgrounds. Moreover, it was suggested that these connections tend to be stronger if and when they are formed on the basis of shared religion, rather than shared ethnicity (Marker, 2013).

In their 2003 article on the link between religion and economic attitudes, Guiso et al. observed that 'religious people trust others more, trust the government and the legal system more, are less willing to break the law, and are more likely to believe that markets' outcomes are fair' (p 227). Additionally, the results of their study have shown that 'religious people are more intolerant and less sympathetic to women's rights' (p 228). The research was focused on analysing six groups of variables: 'people's attitudes toward cooperation, women, government, legal rules, the market economy and its fairness, and thriftiness' (2003:227). Furthermore, the results of this study showed that religious people tend to be more intolerant towards others, especially if they share a different system of beliefs. These effects were much stronger in Muslim individuals and become increasingly prominent in the case of individuals who had been raised in religious families and/or were religiously active.

Despite arguing that certain religions have created a more suitable context for business growth and prosperity, Weber observes that religion alone is not the only shaping force of economic development as it is highly regulated by the social, economic and political context in which it is situated. However, the teachings and doctrines of institutionalised religions have shaped the nature of economic activities in diverse ways. They have affected the owners' and employees' work ethic, the way in which businesses trade, what they trade, when and where it occurs (Mittelstaedt, 2002). According to the distinct religious affiliation, entrepreneurs can be prohibited from dealing with certain products or, in different cases, encouraged. For instance, according to the Qur'an Islamic individuals are not allowed to trade with monetary goods such as commercial insurances. Besides the religious implications Islamic law dictates guidelines on all aspects of life: social, political, economic and personal. Because these laws are seen as being divinely inspired they are relevant to all people of the faith at all times regardless of their location. The issue of Islamic business model in modern Western markets was addressed by a relatively limited number of authors (Al- Khatib et al., 1995; Becker and Fritzsche, 1987; Akaah, 1990; Vitell et al., 1993; Nyaw and Ng, 1994). Islamic cultures are of particular interest because they emphasize the importance of ethics rather than business as opposed to the Western business models. 'The goals of Islam are not primarily materialist. They are based on Islamic concepts of human wellbeing and good life which stress brotherhood/ sisterhood and socio- economic justice and require a balanced

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satisfaction of both the material and spiritual needs of all humans' (Rice, 1999:346). According to the Islamic faith, business activity is considered to be a 'socially useful function' (Rice, 1999:349) and even more if that business focuses on trade (Muhammad was a trader). However, there are several fundamental values which have to be followed by all Muslim believers. Tawhid and Adalah, the notions of Unity and Justice in Islamic faith, say that there should be consistency between one's beliefs and actions. All people are brothers and sisters in the eyes of God so they should live in harmony. This excludes any sort of economical imbalance created by an unfair distribution of wealth and rejects the idea of business for profit. Khilafah, or the principle of Trusteeship, claims that people are only administrators of God's fortune. They do not own it and therefore they are required to share their resources with the less fortunate so that everyone's wellbeing is looked after. Islamism promotes the need for balance and discourages the accumulation of great wealth while advising its members to be moderate in what they do. Nevertheless, research on these religious communities have shown that the higher the degree of integration into the host community the more likely it is for Muslims to become more permissive and less rigid in their beliefs and interpretations of traditions (Guiso et al., 2003, 2006; Marker, 2013).

Weber (1990[1930]) argued that Protestants tend to be more successful in business because of their work ethic that promotes a certain approach to economic activities and generates prosperity (Guiso et al., 2006). However, Muslims are encouraged to believe that it is only through intensive labour that they will obtain the desired outcome. This can serve to explain the behaviour of some Muslim entrepreneurs who, despite being unsuccessful or facing difficult situations, see everything as a divine challenge that they could overcome if they persevere (Rice, 1999). In relation to Hindus, Eisenstadt (1968) observed that they consider poverty as the worst curse an individual can endure; however due to the highly ritualistic behaviour typical for this faith, countries with a large Hindu population are less likely to prosper. Nevertheless, it was observed that when moved from their national context Hindus are more likely to register financial growth (McEwan, Pollard and Henry, 2005; Guiso et al., 2006). Another distinction between different religions is represent by the legal framework according to which they operate. Judaism, Islam and Christianity, just like most other religions, promote distinct approaches to matters related to business management and trading activities (Wilson, 1998; Mittelstaedt, 2002). The discussion on 'when and where' trade is made revolves around differences in religious teachings. A multi-religious community, such as the British one, is a good example of

the working patters of distinct religious groups. For instance, traditional Christians stop their trade on Sundays to celebrate the holy day and many Muslim business owners, despite working long hours for seven days a week, are known to stop their commercial activities and attend service at certain times during the day (Rice, 1999).

Following the claim that church based social capital or religious capital are declining (Putnam, 2000; Iannaccone and Klick, 2003), several researchers argued that the relevant form of social capital is in fact the one built on individuals' values rather than on their religious membership (Glaeser et al., 2002). The answer to the erosion of religious capital is believed to reside in the newly emerged notion of spiritual capital. 'Spiritual capital is an intangible resource derived through one's ongoing interaction and involvement with a higher power' (Holt et al., 2012:348). It can energise 'religious capital by providing a theological identity and worshipping tradition, but also a value system, moral vision and basis of faith. It is often embedded locally within faith groups, but [is] also expressed in the lives of individuals' (Baker and Skinner, 2006:9). Moreover, this form of social capital refers mainly to systems of values and it is not necessarily connected to religious membership (Newlin et al., 2002; Williams, 2006; Williams and Durrance, 2008; Baker, 2012). Iannaccone and Klick (2003) believed that the increased popularity and fascination surrounding this form of capital is due to its ability to blur the differences between traditional religions and secularism, focusing mainly on an intrinsic value led approach to social and economic behaviours. Some scholars argued that spiritual values make up for a more reliable form of capital than others previously used to explore market mechanisms (Barrett; 2003; Malloch; 2003). This is mainly because they rely on immaterial sources and can be employed to explain the internal drivers behind economic and business behaviour. Another important argument to support the need for integrating spiritual capital in the economic and business discourse comes from Layard (2006) who claimed that happiness, well-being and fulfilment can be achieved by matching personal values and intrinsic motivators to work related activities and financial outcomes. What is distinctive about Layard's observations is that, unlike most research on religious and spiritual capitals, his results are based on quantitative analysis, providing therefore consistent explanations obtained through distinctive methods.

Baker (2012) observed that the growing interest in relation to the relevance of spiritual capital for shaping socio-economic dimensions can be placed on three contextual conditions. Firstly, he claimed that the current post-secular era has encouraged the development of a society guided by spiritual values. Secondly Baker

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argued that public policy is increasingly preoccupied with matters related to spiritual capital and thirdly that there is a growing concern related to the links between spirituality and other forms of capital. Malloch (2003) argued that, although spiritual capital has not been as widely explored compared to other forms of social capital, it is no less important as its content holds a great potential for drawing on the intersectionality between financial and religious spheres. As explained by Baker and Miles Watson (2008), it is possible for spiritual capital to take on secular forms. Their claim is also supported by Sandercock (2006), who believed that spiritual values and visions can be used to create sustainable and diverse urban area. 'The values can be named as respect, caring, neighbourliness; a concern for building connections between people, building a caring human community… a notion of a service for others. These are all old virtues, discussed by philosophers as well as theologians for thousands of years, but dismissed in the neo-liberal city, which has revived enlightened self-interest as its moral code' (Sandercock, 2006: 66).

To describe the links between spiritual values and the organisational contexts, Barrett (2003) identified 7 dimensions belonging to spiritual capital. Firstly, he referred to the need for ensuring a company's financial survival without sacrificing the relationships with employees and the quality of the products and services provided by the company. Secondly, he outlined its ability to create and enforce a sense of belonging between the staff and the company ethos. Thirdly, Barrett referred to the importance placed on quality measuring systems as a means of supporting employees, fostering their feeling of self-worth and validating their efforts and results. Fourthly, Barrett described the need to focus on continuous learning and constructive change. The fifth component is cohesion and focuses on the uniqueness of the company compared to its competition. The culture created and supported by the interaction between ownership, management and staff is the one that differentiates a particular firm from any other one. Further on, the scholar believed that workplaces bounded by employee cohesion are more likely to be successful in promoting a positive ethos. The sixth dimension of spiritual capital refers to inclusiveness. This entails the company's involvement in developing the local community and ensuring its future sustainability. The final level described is unity and it refers to developing the previous dimension and establishing an even deeper sense of connectedness with society. Achieving a more meaningful level of integration between the company and its surrounding environment is believed to be favourable for enforcing the firm's position on the market and enhancing economic outcomes. Unity entails activities such as social responsibility and ethical business behaviour. Moreover, besides

being expected to invest in establishing high quality relationships with employees, suppliers, customers and the wider society, ethical companies are expected to embrace an active participation in ensuring fairness on all levels, engage in fighting corruption and injustice and, ultimately, show special care for humanity and the planet. These indicators were considered when constructing Table 3.2 which signals the manifestations of spiritual and religious capitals in social research.

However due to its novelty and lack of theoretical grounding, the scientific validity of spiritual capital is often the target of criticism (Malloch, 2003). Despite its promising potential for social and economic knowledge formation, the concept of spiritual capital is still poorly rooted in the academic literature. Moreover, researchers have not yet reached consensus regarding a working definition for the concept. Scholars have indicated the need for further scientific research and identification of its structural models (Iannaccone and Klick, 2003; Baker and Skinner, 2006; Baker, 2012).

For the purpose of the identification and exploration of religious and spiritual capitals the need for a clear framework was signalled. In order to tackle this concern I developed a list of indicators of the manifestations of spirituality and religiousness presented below in Table 3.2. This was largely based on the framework presented by Zinnbauer et al. (1997, 1999) due to its complexity in describing the differences between religiosity and spirituality. The clear distinction established by social researchers as well as their polarisation of religiousness and spirituality theory matches the purpose of this study. Additionally, several further indicators were included. This analysis structure originated from a series of studies about the difference between religiousness and spirituality based on individuals' perception of the two concepts and the way in which their subjective definitions were constructed (Inglehart, 1990; Putman, 1993; La Porta et al., 1997; Zinnbauer et al., 1997, 1999; Roof, 1999; Guiso et al., 2003, Giagalone and Jurkiewicz, 2003). The findings show that although spirituality and religiousness were previously considered to be very similar, often being used interchangeably, during the more recent decades several notable ideological changes have been made. It is now common for people to consider religion as being rather unpractical, highly institutionalised and often surrounded by an aura of negativity. While spirituality is seen as intrinsic, positive and having a functional role in one's life.

Table 3.2. Identification of Spiritual and Religious Capital in the Social Inquiry

Manifestations of Spirituality	Manifestations of Religiosity
Broader worldview	Lack of trust for people from different cultures
Desiring to make a difference and create a meaningful world	Frequency of attending religious services
A recognition of divine presence in ordinary activities	Religious upbringing
Expresses support for equality on all levels, compassion and altruism for others	Importance attached to religious beliefs
Confidence that life if deeply meaningful	Attitude towards gender inequality
Confidence that one's own existence has purpose	Believes and follows a specific religious doctrine
Acting with authenticity	Believes in divine purpose and intervention
Self-actualisation	Believes men should be main breadwinners
Living in the moment	Tend to be more submissive and less independent
Having a strong sense of social justice	Are more in tune with traditional values
Building positive relationships with others regardless of their background, having a strong sense of community	Conservative attitude towards women
Accepting life and others on their own terms, showing acceptance towards diversity	Rigidity manifested in attitudes and behaviours
Desiring meaning, purpose and inner peace	Intolerance for people from other cultures

3.4. Conclusion

This chapter has provided an ideological setting for the present research while looking at the importance of religion and spirituality in modern societies and, moreover, exploring the theoretical framework that informed this research. The discussions on religious and spiritual theories along with reviewing the way in which their understanding and definitions have evolved over time is important for

highlighting their role in shaping social and economic spheres. Furthermore, this section has set the theoretical foundation of the present study and presented the mixed embeddedness approach. This framework is criticised for its incompleteness and failure to acknowledge the importance of religious and spiritual capitals. There is a gap in the literature regarding the influence of religious and spiritual capitals on EMBs and, as many authors have recently argued, these two forms of capital need to be acknowledged and explored in order to gain a better understanding of the ethnic economy (Iannaccone, 1999; Fernando and Jackson, 2006; Marker, 2013). The literature review concluded by explaining that although these two forms of capital are often difficult to define and measure, they are relevant shaping forces in ethnic enterprises which can be responsible for certain business attitudes and behaviour and therefore should not be ignored.

Ibrahim and Galt (2003) indicated that analysing EMBs from a singular perspective is an unsuitable approach and that, in fact, the complex mechanisms of ethnic entrepreneurship should be addressed from a mixed embeddedness perspective that combines social, economic and political aspects. The mixed embeddedness approach looks at the very dense networks, contexts, opportunities and forces that act together to shape the structures and trajectories of EMBs. In order to understand how ethnic firms' mixed embeddedness influences their activities it is very important to identify the key elements that shape the environment in which they operate. Rath observed that 'different markets… offer entrepreneurs different opportunities and obstacles, demand different skills, and lead to different outcomes in terms of business success' (2002: 12). Distinguishing the diversity of forces that help define the operational context is, therefore, essential for any further analysis. While mixed embeddedness has been the main theoretical framework for studying ethnic firms, more recent debates have criticised it for being incomplete and ignoring important components of the EMBs (Jones et al., 2014). However despite many academics having recognised the importance of religious and spiritual capitals, mixed embeddedness brings virtually no contribution in this concern. In order to address this gap the present research aims to explore the relevant structures of the ethnic firms affected by religious and spiritual capitals.

Religion and spirituality are not components of the firms but shaping forces that impact on many dimensions of the businesses. They entail systems of values and dictate certain behaviours responsible for building entrepreneurial motivations, aspirations and structuring their leadership style and business practices. Religious and spiritual capitals can influence management approaches, employee relations, a

company's culture and, moreover, marketing and business planning strategies. Some of the main challenges in relation to these two forms of capital are related to distinguishing, defining and measuring difficulties. In dealing with this concern religion was defined as the set of beliefs enforced by formal rituals and institutions, and that is frequently considered as promoting intolerance and division between members of distinct faiths. On the other hand, spirituality was defined as a system of individual and universal values developed outside organised forms of theological religion that encourage tolerance, compassion and open-mindedness (Mitroff, 2003; King-Kauanui et al., 2005, 2008). While religious capital might at times be perceived as dogmatically embedded and seen as fostering judgement and intolerance, spiritual capital can act as a bridge between religious and non-religious values and mediate the transfer of religion into the public sphere. A checklist containing the most representative manifestations of religion and spirituality was used for identifying and measuring the two forms of capital (Table 3.2).

The next chapters will outline the methodological foundation of this study while debating the choices for the specific ontological, epistemological and philosophical standpoints. Furthermore, the research methods employed will be explored and a detailed description of the sampling process, data collection and analysis will be provided.

4. <u>Methodology</u>

The present chapter explores the methodological framework that informed this doctoral thesis followed by a detailed presentation of the methods used. Firstly the philosophical stance along with the ontological and epistemological positions are describes and justified. Secondly the discussion focuses on presenting the methods employed, data collection and analysis as well as the protocols followed in order to ensure that the research project complies with all the ethical requirements imposed by academic bodies.

4.1. Introduction

Ron Weber (2004) rightly observes that the quality of excellent researchers resides in their ability to choose the most suitable set of methods that will best serve their scientific inquiry. In doing so, they are aware and understand the criteria which will be used to evaluate and test their theories, but ultimately the main purpose is to create valid and valuable knowledge about the investigated social realities. 'Different research methods and different data-analysis methods have different strengths and weaknesses. They provide us with different types of knowledge about the phenomena that are our focus. Moreover, different research methods have different strengths and weaknesses depending on our existing knowledge about the phenomena […]' (Weber, 2004:xi).

This thesis is a qualitative study focused on assessing the impact of the entrepreneurs' and employees' religion, religiousness and spirituality on EMBs. Through the use of semi-structured in-depth interviews and participant observation the thesis aims to construct a complex picture of 11 ethnic companies from Birmingham and the West Midlands area. I believe that this analysis will be relevant for a wider number of ethnic enterprises. Firstly each studied company is described and a special emphasis is placed on their position amongst the old and the new ethnic minority business models. Additionally, the influence of spiritual and religious capitals on determining this classification is also debated. The second empirical chapter introduces a more in-depth investigation of the practical applicability of spiritual and religious capitals in ethnic enterprises. Some of the focus points of this debate regard the entrepreneurs' reliance on family ties, their upbringing, motivations and sets of moral values as well as the impact on the wider social embeddedness on ethnic businesses. Additionally the research looks at the general impact of religious and spiritual capitals on ethnic firms. Issues such as business models and planning,

approaches to marketing strategies and access to finance are discussed while observing the influence of religious and spiritual values in shaping these processes. Thirdly the employee relations, human resource management and leadership styles in EMBs are explored. A special focus was placed on the way in which spiritual and religious capitals influence the ethnic companies' ethos and furthermore their impact on shaping employee relations.

Establishing the appropriate philosophical stance along with setting the right ontological and epistemological framework for the research is equivalent to drawing a map for accessing the studied reality. It facilitates the scientific enquiry as well as proving a solid foundation that will further help to inform and support the whole study. The researcher's commitment to a particular stance may influence the entire study from the early stages of designing it to the one of data analysis and presenting the findings (Corbetta, 2003). Therefore it is crucial that all necessary steps are being followed appropriately in order to set a strong methodological foundation for the research.

4.2. Research Paradigm

In relation to setting the most suitable methodological grounds for this study, I initially considered that a positivist approach will provide a suitable position for the research inquiry. Positivism encourages the creation of knowledge based solely on clearly measured indicators and experiments and sees personal experience and observations as being an unreliable source for scientific investigation. Moreover, positivist researchers claim that the credibility and validity of the scientific outcomes are immune to the researcher's own experience and therefore, should not be altered by subjective interpretation. This philosophical research stance is primarily based on exploring and analysing facts while limiting the investigators' reflections and interpretations in relation to the observed phenomena (Collis and Hussey, 2013). It is due to this simplistic, anti-interpretative approach that positivism has attracted much criticism. Goulding (2002) argued that, when the reality studied is closely interlinked with the individuals' experience, positivism is not a suitable philosophy of science because it takes for granted the role that social actors play in constructing reality as well as their interpretation of social events. Moreover, the differences which arise from the respondents' social and cultural background are likely to shape their interpretation of the reality. This is indeed one of the main arguments which led to the rejection of a positivist stance in favour of the interpretivist one. After a preliminary analysed of the early findings, the indicators showed that a position which allowed for

an interpretivist perspective was better tailored for exploring the influence of religious and spiritual capitals on ethnic entrepreneurship. Given the nature of the dimensions investigated by this research, their influence and the causal relations they determine are difficult to measure using positivist instruments.

Social scientists believe that an interpretivist perspective is best paired with qualitative research methods such as unstructured or semi-structured interviews and observation (Collins, 2010). The data can then be used to build narratives and case studies illustrative for the researched phenomena. From this perspective it is crucial that the research instruments are built in accordance with the validity requirements and that they are thoroughly tested and piloted before initiating the actual data collection. There is a tight connexion between choosing the theoretical framework, establishing the most suitable philosophical stance and employing a specific methodology. 'The methodology subsequently provides a context that is grounded within its own logic and criteria. This illustrates the association between the discourse in theory and methodology' (Foley, 2004:107).

This research was approached from a social constructionist perspective as it was considered to be the most suitable for selecting the best methodology to address the studied reality. Constructionism is associated with the belief that meaning does not reside freely in the objects but it is a construct of the observers and social actors. Social constructionists argue that individuals should be studied in their natural context and not separated in an artificial environment. Furthermore, they believe that knowledge is created as a result of people having to give sense to their contact with the social world (Burr, 2003, Gergen, 2009). There is no universal criteria according to which knowledge can be regarded as representing absolute truths. However, through negotiation and an appropriate use of valid arguments, there are certain indicators upon which an agreement can be reached. Constructionism states that the sources of ideas reside in the meaning-giving activity of individuals in their everyday life. In order to understand a social reality it is important to know the context in which it originated. Moreover, Ramey and Grubb (2009) believe that events and ideas do not happen in complete isolation but they are the sum of all elements that contributed to their creation. They are generated through social practice and individuals' actions and attitudes under the influence of social, cultural, geographical and temporal factors. This claim is also supported by Gergen who states that 'what we take to be the world importantly depends on how we approach it, and how we approach it depends on the social relationships of which we are part' (2009:2). One of the

researchers' main tasks is to understand what resides behind the studied reality. Once that has been uncovered they are one step closer to understanding and giving an explanatory meaning to that social event (Burr, 2003). The research sets to explore the extent to which context and behavior interact. In addressing this concern, the study is focused on the interpretations and meanings that people generate while also paying careful attention to the context in which they operate. This approach prevents the danger of assuming an extreme constructivist position which implies that structures and contexts are mere constructs of the individuals' interpretations.

Corcoran (2009) argued that ontology and epistemology are intrinsically connected as 'knowing' is a part of 'being' and knowledge creation is a result of social actors' existence and participation in certain realities. Therefore ontology should be part of any epistemological debate (Shotter, 1993). Given the character of the present research it is important that the ontological and epistemological frameworks are of an inclusive nature as this approach is the only one that can provide the required flexibility.

Concerned with studying the nature of social reality along with the conditions of its existence, ontology presents two opposed mutually exclusive approaches, namely relativism and realism (Dillon and Wals, 2006; Ramey and Grubb, 2009). Given that the main challenge of social constructivism is to establish the way we understand reality, the divide between realism and relativism is salient to this philosophical stance. The relativist ontological perspective regards the world as a reflection of our thoughts. This means that it rejects the existence of absolute objective truths (Burr, 2003). The main critique of relativist social constructivism is that it makes it difficult to determine a clear distinction between what can actually be considered as being real and what is a mere fabrication (Gergen, 2009). Conversely realism assumes that the social reality exists independent of the observers' actions (Zimmerman et al., 2007; Raskin, 2008). Assuming a realist social constructivist position implies exploring the reality as a constant perceived by all social actors in a similar manner but with different outcomes for each individuals (Hruby, 2001). However, reality is not observed by individuals in isolation '[…] but as members of cultural and subcultural groups that provides us with ontological assumptions. Therefore, observers are active agents, not passive recipients' (Blaikie, 2007:184). The present research aims to explore the way in which people perceive reality and the world as well as the manner in which they construct religious and spiritual values. In order to tackle these

concerns in the most effective way, this study has assumed a relativist ontological perspective.

Epistemology is the study of what can be found out about social reality, it is more than a simple way of knowing, it is a whole system of knowledge as well as the routes that scientists take in order to construct it. Epistemology shows both internal consistency, logic and external validity (Dillon and Wals, 2006; Ramey and Grubb, 2009). From an epistemological point of view, the research on ethnic communities and, moreover the social constructs of spiritual and religious realities, should be informed by theories and standpoints which allow for interpretation and the vision that there is more than one truth, more than one acceptable reality (Weiler, 1988; Rigney, 1999; Smith, 1999; Moreton-Robinson, 2000; Foley, 2004). In this concern the present research was conducted from an Insider-Outsider epistemological stance. This position occupies middle ground between the Insider and the Outsider perspectives and constitutes an effective approach to reaching a balanced and appropriately grounded epistemological stance (Ferber, 2006). LeGallais (2008) argued that in order for the insider standpoint to preserve the purity of a research, certain aspects of the social reality are better left to be studied by scientists who share similar backgrounds with the participants. Moreover, this assumption was supported by several other academics who believe that the personal traits of the researcher matter when conducting a study. Background, gender, language, ethnicity or class along with all the other characteristics that can lead to differentiation between the 'knower' and the 'known' are all important in the construction of knowledge (Code, 1991; Ladson-Bilings, 2000). Notwithstanding, this view was often considered extreme and due to its high degree of generalisation it has attracted much criticism. Narayan (1993) argued that researchers will not necessarily be able to have a better understanding of the studied phenomena just because they may share common grounds with the participants and they possess inside information. However if the researcher is able to take a step back and look at the studied reality from the lenses of an outsider, the end results will arguably show a higher degree of accuracy (Bridges, 2001). The scientist's dual perspective plays an important role in the research inquiry as it provides grounds for a thorough exploration of the external context along with access to trustworthy information collected from an inside position (Blaikie, 2007).

4.3. Methods

Born from the need to understand 'the other', qualitative sociological research has come a long way and went through a series of phases and changes since its early years. Qualitative research explores how people experience the world and how they internalise and make use of that experience. Nowadays, social research is increasingly concerned with creating critical narratives about democracy, culture, freedom, race, gender, class and community. The main purpose of social inquiry in the 21st century is establishing a connection between the research process and the social actors' hopes, needs and goals (Denzin and Lincoln, 2000).

Social researchers believe that qualitative research is an interdisciplinary field that favours no particular methodological approaches, theories, paradigms, strategies or methods (Bryman, 2016). In order to generate valid and valuable knowledge that will facilitate the complex understanding of the investigated social phenomena, scholars have advised that the qualitative inquiry should be focused on employing a variety of research methods. This process is called triangulation and facilitates the in-depth understanding of the social reality. 'The combination of multiple methodological practices, empirical materials, perspectives, and observers in a single study is best understood, then, as a strategy that adds rigor, breadth, complexity, richness and depth to any inquiry' (Flick, 1998:231). Nevertheless, qualitative inquiry was severely criticised for being an interpretive and unscientific approach to research. Some theorists argued that the outcomes of qualitative studies are merely subjective assessments rather than valid theories (Denzin, 1997; Denzin and Lincoln, 2000).

This part addresses the sequence of steps taken in conducting the present research as well as justifying the choices for the specific methods utilised. Firstly, I explain the rationale that informed the formulation of the three research questions which have guided this social inquiry. Secondly the focus goes on exploring the abductive research strategy employed and debating its suitability for the study. Thirdly the unit of analysis is introduced as being the ethnic firm. Fourthly the sampling process, data collection and data analysis processes are being described. The discussion refers to the choice for snowball sampling and provides a detailed narrative of how the participants were recruited as well as the way in which the collection of data was approached and subsequently, the information was coded and analysed. Lastly I explain how the standard ethical requirements were tackled during the study.

4.3.1. Research Questions

Before constructing a research strategy it is crucial that appropriate research questions are carefully formulated, as they represent the foundation of any scientific enquiry. There are three types of questions that should be asked and answered in this particular sequence (Denzin and Lincoln, 2000; Blaikie, 2007; Saunders et al., 2003):

- 'What?' questions refer to the observation of the phenomenon studied, in this case the focus is on EMBs and the influence on religious and spiritual capital in shaping economic outcomes.
- 'Why?' questions explore the motivations that drive a social inquiry. The main reasons that fuelled the present research were represented by the increased interest in studying the connection between religiousness, spirituality and EMBs in Western societies as well as closing a significant gap in the literature in relation to this concern.
- 'How?' questions look at strategies and means for investigating the social events aimed by the research inquiry. This concern was tackled through the employment of the case study technique in order to explore the unfolding of religious and spiritual capitals in the ethnic firms.

With these directions in mind, three research questions to guide the study were formulated:

(1) What is the impact of religious and spiritual capitals on past and present EMBs?

(2) How do religious and spiritual capitals shape the ethnic enterprises involved in this study?

(3) How do religious and spiritual capitals influence employee relations and human resource management in EMBs?

The first question aims to look at how religious and spiritual capitals have shaped EMBs over time as well as to assess the differences and similarities between past and current ethnic firms. The second one looks at the way in which religious and spiritual capitals shape different structures of the ethnic firms involved in this

research. Lastly the focus was on the impact had by the respondents' religious and spiritual values on matters related to human resource management and employee relations. For this concern the focus was placed on analysing employee engagement and job satisfaction, management styles and company culture in EMBs. Each of the three empirical pursuits were discussed separately and an extensive analysis of the findings was developed in three distinct chapters.

4.3.2. Research Strategy

In order to obtain answers for the established research questions it was pivotal to find an appropriate plan. After having explored several potential research strategies I considered that an abductive perspective is the one that fits the model of this study. Initially constructed as a method of knowledge creation in natural science, abductive logic is now believed to be the most suitable approach in constructing theories in interpretative social science (Strauss and Corbin, 1990; Glaser, 2002). One of its main advantages lies in its sensibility towards social research while still being able to promote valuable and insightful scientific knowledge. Moreover it allows for changes or even the rejection of the hypothesis at any point of the research process (Bryman, 2016). This strategy uses the actors' language and their way of giving meaning to everyday life and experience in order to generate new knowledge. In some cases simply presenting the social actors' accounts is enough for the understanding of the investigated phenomenon. Giddens (1976) argues that it requires for the researcher to become part of the studied social group, especially in developed societies where the composition of the population is very diverse. Scientists cannot assume that they will be able to understand the different social realities without immersing themselves into the world of the social actors involved in their studies. In this concern participative observation as well as notes taken by the researcher during and following the interviews were added to give depth to the data collected.

4.3.3. Unit of Analysis

In the case of the present research the unit of analysis is constituted by the ethnic minority business (EMBs). Although many authors have tried to pinpoint all the dimensions encompassed by an ethnic enterprise, a clear, universally accepted definition, is yet to be established. Earlier studies defined EMBs in relation to their heavy reliance on ethnic community links and the markets in which they operate. However, more recently, researchers argued that ethnic entrepreneurship is more suitably described by their interaction with the community and the way in which they manage the supply and demand chain. According to several studies commissioned

by ACAS (2004), an ethnic business refers to a company's ownership, staff, the type of produce they offer and their customer base. This latter explanation of the EMB is the one that the present study has used as a guideline in planning and conducting this research.

The investigated dimensions are related to the business practices and the way in which the owners' and staff's religious and spiritual capitals impact on the structures and functions of the investigated firms. In this concern 11 in depth longitudinal case studies of the companies involved were built following data collection.

4.3.4. Sampling and Data Collection

Inevitably, the data collected is shaped by the way in which the interviews are conducted. It is important to pay attention to the interaction between interviewees and interviewer, how the questions are asked and to the context in which the data collection process takes place (Denzin and Lincoln, 2000; Saunders et al., 2003; Blaikie, 2007). In this particular case, it involved face to face audio-recorded discussions. Additionally, field notes made by the researcher along with participant observation in two of the firms and the investigation of several company documents, where available and accessible, were added to the information collected during the interviews. Through the use of semi-structured and in-depth interviews participants were encouraged to talk freely while in the same time giving the interviewer enough discretion to guide the conversation in order to find out information on the desired topics. Some of the most common criticism brought to this research approach regard the perceived intrusiveness of semi-structured and in-depth interviews. Moreover participants might be sensitive to the unstructured exploration of certain areas and therefore, in an attempt to avoid uncomfortable situations, can provide inaccurate information. In order to avoid this common pitfall I tried to create a suitable environment and make the interviewees feel confident and at ease to discuss certain aspects relevant for the research. Considering the complexity and dynamics of the circumstances explored, further observation and repeated visits were also used in order to facilitate a better exploration of the EMBs involved by adding a longitudinal dimension and therefore creating a richer picture. As an additional scientific method, participant observation was used in two of the larger companies involved in the project. Through active participation in the studied firms, I had the opportunity of experiencing employment practices first-hand. The information gathered is therefore richer in content, more accurate, adds flexibility and makes a valuable contribution to the one obtained through the interviews. Complex narratives of the companies

involved in this research were facilitated by triangulating all the data collected while employing this multiplicity of methods.

There is a common concern related to researching ethnic minority groups and the challenges it presents. Very often gaining trust and access to these communities is one of the biggest issues faced by researchers. One of the paths that might help overcome this situation is employing snowball sampling procedures. I was fortunate to have been previously employed by two of the companies involved in this research. This gave me the opportunity to gain valuable insight of the firms as well as the respondents' trust prior to requesting for their participation. Furthermore, it helped me gain the interviewees' full informed consent with no further impediments. Due to the previous bond I had established with some of the participants, they were confident enough to share valuable information which would have not been as easily revealed without the existence of mutual trust. This helped support some of the main debates discussed in this thesis. Further on, while engaging with these social networks I was referred to several other ethnic entrepreneurs and their employees. There is no doubt that these recommendations played a crucial role in establishing trust and enabled honest conversations between the interviewees and the researcher.

In order to understand the connexion between religion, spirituality and EMBs I conducted a total of 52 semi-structured and in-depth interviews within 11 ethnic companies. The interviews were collected over a period of 21 months between February 2014 and October 2015. From each of the firms, the business owners along with some of their employees were interviewed. The main aim was to get a clear picture of the approach to employment and entrepreneurship as well as finding out details about the interviewees' background, religion and spiritual values. For that latter variable, the focus was on both self-declared indicators and signs of spirituality manifested in their attitudes towards employment and/or entrepreneurship. The interviews comprised of a sequence of questions focused on: the respondents religion, opinions, attitudes and self-perceived religiousness and spirituality as well as the relationship between ethnic minority businesses and the local markets in which they operate, their relationships and dependency on support networks, their strategies for securing and expanding their market share and their approaches to human resources and employment relations issues such as recruitment and selection, training and development, management style and company culture. The research tools were piloted on a smaller sample prior to the actual commencement of the data collection. During this preliminary phase a few other aspects surfaced as

being relevant for the proposed research and subsequently amendments were made and all necessary additional elements were incorporated into the interview guides. The latter revisions were related to the respondents' aspirations and motivations for entrepreneurship and/ or employment as well as their choices for particular types of firms and business sectors.

The interview questions were constructed following a preliminary literature review in order to collect relevant information regarding the participants' religious and spiritual values. The interview guides were divided into four sections to enable a suitable flow of the conversation between the researcher and the respondents. The first, third and final parts of the interview are common for both entrepreneurs and employees and aim to collect information regarding the participants' background, social networks, general attitudes in relation to social and cultural diversity, religious affiliation and participation, values that guide their daily life and finally demographic questions. For ethnic entrepreneurs, the second section of the interviews was targeted towards gathering information about various aspects of their businesses ranging from access to finance and marketing strategies to recruitment and employee relations (see Appendix A). In the case of the employees interviewed, the questions from the second part aimed to collect information regarding the workplace, their commitment to the present job as well as other general matters related to employee relations (see Appendix B).

However, given the subjectivity of the information gathered, when exploring and testing personal opinions, attitudes, experiences, intentions feelings, beliefs, values, ideas or ways of understanding the world it is difficult to ensure that all the validity requirements are being fulfilled. In order to tackle this issue I made field notes and observations related to the perceived accuracy or reliability of the answers and signalled potentially dishonest responses. Furthermore, in order to avoid this common pitfall, I established a positive relationship based on mutual enforceable trust with the participants. Nevertheless, one of the dangers of interviewers getting too close to the respondents is that their connection might trigger inaccurate answers, as the participants might care about what the interviewer thinks about them. Secondly, scholars believe that interviewers might develop closer relations with some participants and not with other and potentially introducing another source of bias (Bryman, 2016). Another danger of conducting this type of field research regards the personal characteristics of the interviewer. Some scholars claim that the investigator's specific context, ethnicity, gender and/or cultural background may

represent disqualifying traits or, conversely be considered valuable assets (Kloosterman and Rath, 2001; Ram and Jones, 2008). However, after thorough reflections, I considered that an approach which encouraged the development of trusting and empathetic relations was best suited for the present research especially as it is more likely for participants to feel safe and confident to provide truthful answers.

The approach to selecting suitable participants can be broadly described as snowball sampling. This was chosen due to the difficulties associated with gaining access to the specific groups on which this research focuses. I have however maintained a degree of selectiveness while recruiting participants and have tried to ensure that the respondents were representative for all dominant ethnic and religious groups from the West Midlands as well as for the major business sectors in which EMBs are known to operate. In this concern I used my personal networks, referrals from other interviewees, recommendations from religious leaders from local religious establishments as well as approaching the business owners directly. The sample is fairly balanced although there were some variations due to recruitment difficulties. Seventeen of the interviews were with Christian Orthodox migrants, seven with Christian Catholic, eight with Protestant respondents, 13 with Muslim migrants, six with Hindu respondents and on with a non-religious person. The distribution of the sample was chosen to cover a wider range of business. Therefore 18 interviews were conducted in catering firms, seven in retail, 15 in professional and personal services and finally 12 in the manufacturing sector. Some of the respondents were new migrants and had just opened their businesses while others had either been born in the UK or had been living in the country for more than a decade. In terms of educational background the vast majority (over 60%) of the respondents had attained university degrees while the rest of the interviewed sample held a high-school diploma. A more detailed description of the sample is illustrated bellow in Table 4.1.

The interviews were collected in locations previously agreed to be most suitable at the time for both participants and researcher. These varied from conference rooms, the business owners' offices, reception areas, cafes and, in some cases, restaurants. For two of the firms the interviews were carried at the premises of the business during working hours. This allowed for the investigator to add notes and observations on the employees, customers as well as the traded goods and services. The duration of the interviewees ranged from 25 minutes to one hour. All interviews were audio recorded upon having previously receive full voluntary consent from the participants.

All interviews were transcribed shorty after they were collected and the audio recordings were subsequently destroyed as a measure of ensuring that the identity and anonymity of all participants was kept safe at all times.

Furthermore, in the interest of adding insight to the research, I took field notes throughout the entire data collection process as well as supplementary written comments following my active participation in two of the EMBs studied over a period

Table 4.1. Description of the Sample

NO.	Code	Business sector	Status	Age	Gender	Education	Nationality	Ethnic background	Religious background	Spiritual not Religious	Spiritual and Religious	Religious not spiritual	Secular
4	GR01-E1	Catering	Employee	25	F	High-school	Greek	White European	Christian/ Orthodox	x			
5	GR01-E2	Catering	Employee	24	M	High-school	Greek	White European	Christian/ Orthodox	x			
6	GR02-O1	Accountancy	Owner	56	M	University	British/ Cypriot	White European	Christian/ Orthodox		x		
7	GR02-E1	Accountancy	Employee	38	M	University	British/ Greek	White European	Christian/ Orthodox		x		
8	GR02-E2	Accountancy	Employee	36	F	High-school	British/ Greek	White European	Christian/ Orthodox		x		
9	TR01-O1	Retail	Owner	28	M	High-school	Turkish	Asian/ Turkish	Muslim		x		
10	TR01-O2	Retail	Owner	32	M	High-school	Turkish	Asian/ Turkish	Muslim		x		
11	TR01-E1	Retail	Employee	33	M	High-school	Turkish	Asian/ Turkish	Muslim		x		
12	TR01-E2	Retail	Employee	31	M	High-school	Turkish	Asian/ Turkish	Muslim		x		
13	PK01-O1	Catering	Owner	42	F	High-school	British/ Pakistani	Asian/Pakistani	Muslim	x			
14	PK01-O2	Catering	Owner	51	M	High-school	British/ Pakistani	Asian/Pakistani	Muslim		x		
15	PK01-E1	Catering	Employee	44	M	High-school	British/ Bangladesh	Asian/Bangladesh	Muslim	x			
16	PK01-E2	Catering	Employee	27	F	University	British/ Black Caribbean	Black Caribbean	Christian/ Protestant	x			
17	PK01-E3	Catering	Employee	50	F	High-school	British/ Irish	White Irish	Christian/ Catholic	x			
18	PK01-E4	Catering	Employee	36	F	High-school	British/ Scottish	White Scottish	Christian/ Catholic	x			
19	PK02-O1	Retail	Owner	28	M	University	Pakistani	Asian/ Pakistani	Muslim		x		

#	ID	Industry	Role	Age	Gender	Education	Nationality	Ethnicity	Religion				
20	PK02-E1	Retail	Employee	32	M	University	Pakistani	Asian/ Pakistani	Muslim		x		
21	PK02-E2	Retail	Employee	25	M	High-school	British/ Pakistani	Asian/ Pakistani	Muslim	x			
22	PK03-O1	Catering	Owner	43	M	High-school	British/ Pakistani	Asian/ Pakistani	Muslim	x			
23	PK03-E1	Catering	Employee	25	M	High-school	British	White British	Christian/ Protestant	x			
24	PK03-E2	Catering	Employee	21	F	University	Polish	White European	Christian/ Catholic		x		
25	LV01-O1	Beauty Salon	Owner	37	F	High-school	Latvian	White European	Christian/ Catholic	x			
26	LV01-E1	Beauty Salon	Employee	33	M	High-school	Polish	White European	Christian/ Catholic	x			
27	LV01-E2	Beauty Salon	Employee	34	F	University	Lithuanian	White European	Christian/ Catholic		x		
28	IN01-O1	Food manufacturing	Owner	65?	M	University	British/ Indian	Asian/ Indian	Hindu				x
29	IN01-O2	Food manufacturing	Owner	43	M	University	British/ Indian	Asian/ Indian	Hindu				x
30	IN01-E1	Food manufacturing	Employee	34	F	High-school	British/ Pakistani	Asian/ Pakistani	Muslim	x			
31	IN01-E2	Food manufacturing	Employee	35	M	University	British/ Indian	Asian/ Indian	Hindu		x		
32	IN01-E3	Food manufacturing	Employee	26	M	University	British	White British	Christian/ Protestant				x
33	IN01-E4	Food manufacturing	Employee	35	M	High-school	British	White British	Christian/ Protestant	x			
34	IN01-E5	Food manufacturing	Employee	24	M	University	British	White British	Christian/ Protestant	x			
35	IN01-E6	Food manufacturing	Employee	26	F	University	Greek	White European	Christian/ Orthodox	x			
36	IN01-E7	Food manufacturing	Employee	34	F	University	Polish	White European	Christian/ Catholic		x		
37	IN01-E8	Food manufacturing	Employee	28	M	University	Pakistani	Asian/ Pakistani	Muslim		x		
38	IN01-E9	Food manufacturing	Employee	31	F	High-school	India	Asian/ Indian	Hindu		x		
39	IN01-E10	Food	Employee	28	F	High-school	Nepal	Asian/ Nepal	Hindu		x		

		manufacturing											
40	RO01-O1	Nail Bar	Owner	33	M	High-school	British/ Romanian	White European	Christian/ Orthodox	x			
41	RO01-O2	Nail Bar	Owner	30	F	High-school	British/Vietnamese	Asian/ Vietnam	Non-religious	x			
42	RO01-E1	Nail Bar	Employee	27	F	University	Romanian	White European	Christian/ Orthodox	x			
43	RO01-E2	Nail Bar	Employee	27	F	High-school	Romanian	White European	Christian/ Orthodox		x		
44	RO01-E3	Nail Bar	Employee	30	F	University	Romanian	White European	Christian/ Orthodox		x		
45	RO01-E4	Nail Bar	Employee	32	F	High-school	Romanian	White European	Christian/ Orthodox	x			
46	RO02-O1	Employment agency	Owner	31	M	High-school	Romanian	White European	Christian/ Orthodox	x			
47	RO02-O2	Employment agency	Owner	35	M	University	British/ Indian	Asian/ Indian	Hindu	x			
48	RO02-E1	Employment agency	Employee	24	F	High-school	British	White British	Christian/ Protestant	x			
49	RO03-O1	Catering	Owner	37	M	High-school	British/ Romanian	White European	Christian/ Protestant		x		
50	RO03-O2	Catering	Owner	27	F	High-school	Romanian	White European	Christian/ Protestant	x			
51	RO03-E1	Catering	Employee	35	M	High-school	Romanian	White European	Christian/ Orthodox		x		
52	RO03-E2	Catering	Employee	32	M	High-school	Romanian	White European	Christian/ Orthodox		x		

of 21 months. During the time I was employed by the two firms I was able to acquire more in depth knowledge as well as a better understanding of the issues related to marketing approaches, employee relations, human resource management practices and company culture. Moreover, through participant observation I gained a more thorough comprehension of the ethnic, cultural and religious communities involved in this project. This had a positive influence on establishing trust and a stronger connection with the social actors studied. This information was subsequently corroborated with the one collected through interviewing the business owners and the members of staff in order to generate a more complex picture of the ethnic firms. In order to add a longitudinal component to the case studies and follow the trajectory and evolution of some of the ethnic firms, repeated visits in six of the businesses were made. During that time I collected further data through either observation or informal discussions with the business owners and some of the employees. On a few occasions I had the chance to interact with the customers and engage in informal discussions regarding the firms. The data was coded and analysed in accordance with the identified sets of repetitive themes. The patterns recognised were considered to be relevant for the overall study and were used to formulate the answers to the established research questions.

Table 4.2. Description of Companies by Size and Number of Employees

NO	Business code	Business sector	Business size	Number of employees
1	GR01	Catering	Small	3
2	GR02	Services (Accountancy)	Small	3
3	TR01	Retail	Small	2
4	PK01	Catering	Small	16
5	PK02	Retail	Small	2
6	PK03	Catering	Medium	52
7	LV01	Services (Beauty Salon)	Small	4
8	IN01	Food manufacturing	Medium	150
9	RO01	Services (Beauty Salon)	Small	12
10	RO02	Services (Employment Agency)	Small	1
11	RO03	Catering	Small	2

The sample comprised of nine small business and two medium sized one, this classification was made in accordance with the size of their workforce and detailed in table 4.2. Therefore companies that employed less than 50 people were considered small sized while the ones that had a staff above 50 but below 250 were classed as

medium sized. In each of the 11 business involved interviews with the entrepreneurs and several members of staff were conducted. While some companies were owned by sole traders, other were managed by two or three business partners and, depending on their availability, interviews with all of them were aimed to be collected. In some cases this meant repeated visits which in turn have added a longitudinal dimension to the investigation. The entire sample is presented and detailed below in Table 4.1. Participants 1-5 belong to the first firm, a small fast food situated in a central location. Respondents 6, 7 and 8 are from the second company, a small accountancy firm owned by a well-established migrant of Cypriot origins. Positions 9-12 are occupied by the two owners of a local ethnic store and two of their employees. The description of Pakistani married couple and Café chain owners along with four of their employees is detailed in rows 13 to 18 of the table. The owner and two staff members of the fifth business involved, a news agency, are described in lines 19 to 21. From the sixth firm, three interviews with the owner and two employees were collected and further detailed in rows 22, 23 and 24. The following three participants are from a local beauty parlour. Lines 28 to 39 describe the two owners a medium sized food manufacturing company along with 10 of their employees. In the ninth business, a beauty salon detailed in rows 40 to 45, six interviews were conducted with the two entrepreneurs and four members of staff. The following business is an employment agency co-owned by Romanian and Indian business partners, both entrepreneurs, as well as one of their employees were interview and their demographic details presented in rows 46, 47 and 48 of the table. Finally, the last participant EMB is a family owned catering firm from which interviews with both owners and two of their employees were collected. All the 11 businesses will be widely described in Chapter 5.

4.3.5. Coding and Data Analysis

Qualitative research is often criticized for its need to show higher scientific rigor in constructing concepts and disseminating research findings. This is because the richness of the data can often pose challenges in relation to handling and analysing the information collected while ensuring that transparency and thoroughness are maintained at all stages.

While the research progressed and more information was gathered, I started to seek differences and similarities between the answers given by the participants and gradually narrowed down all the categories to a smaller number of recurring themes that were the most relevant for the study and could be used to answer the three main

research questions. As Gioia et al. explained, it is important for a qualitative researcher who adopts this approach to data analysis to keep a certain distance from the literature 'because knowing the literature intimately too early puts blinders on and leads to prior hypothesis bias' (2013:21). This does not mean that I was completely unaware of previous research in the field, but that initially, my reading and interest in the subject was much broader than the specific focus of my doctoral thesis.

In order to find the approach most suited for coding the data collected I consulted various diverging and/or complementary scientific positions. While some scholars believe that careful and repeated consultations of the data are necessary in order to develop a closer connection to its meaning (DeWalt and DeWalt, 2011), others argue that employing a combination of coding and analysis methods is better as it enhances the accountability of the findings (Mello, 2002). Conversely, a different group advocates for a complete abandonment of coding procedures as they are deemed to be incompatible with qualitative inquiries and even destructive of their ability to generate new meanings and knowledge in relation to social experience (Hendry, 2007; Packer, 2011). After acknowledging and understanding the diverse standpoints I considered that a complete disregard towards coding and standardized analytical procedures might put the interpretation of the data in danger of losing its credibility, therefore I opted for what Saldaña described as 'pragmatic eclectictism' (2013:60). This approach recognizes the necessity of constructing codes and encourages their constant review in line with the exploration of the data. Saldaña (2013) rightfully observed that the qualitative analytical process is not linear but cyclical and it involves repeated comparisons of different codes, categories and themes. This is indeed reflective of the approach I took to coding in order to prepare the data for analysis. The process was far from being clearly established from the beginning but rather it was the result of reading and rereading the interview transcripts, field notes and in some cases, documents that I was able to access in several of the companies involved. Given the rather small size of the sample I opted for manual coding as it was easier to handle all emerging categories, themes and codes. Further on I used Microsoft Excel to keep track of all changes, move through the patterns and facilitate a more accurate data analysis, while being able to find and consult any code, theme or category when needed.

During the first cycle of coding I chose to use descriptive and initial coding. The two techniques were most suited for the nature of the data as well as the research questions. They were both used concomitantly as the interview transcripts were read

and the most relevant information was highlighted (initial coding) and assigned a short description (descriptive coding). As a result, a number of over 100 codes were initially created and while some were repetitive and relevant for the research, others were scarce and off the subject. Using pattern codes, during the second cycle of coding, I organized and reorganized the constructed codes, merged the ones that showed high degrees of similarity and discarded the ones that were redundant for the current research topic. The purpose of this process was to develop clear sets of categories and themes based on the most relevant codes identified in the data collected. After careful and repeated consultations of the interview transcripts, field notes and where available, relevant company documents, I identified seven themes, 12 categories and 50 codes (Appendix C). The choice for the particular groups was made so that they would best summarizes the data collected in order to answer the three research questions.

Below are two examples of how raw data from the transcripts was used to construct the codes and themes regarding marketing and HR practices in the EMBs (Figures 1 and 2). Far from being exhaustive, the quotes attached to each of the codes are some of the most representative for the specific ones. These were subsequently re-grouped according to each individual firm and associated with notes made during field work, participant observation in two of the companies, repeated visits made to six of the firms involved and information from company documents where available and accessible. This approach has permitted the construction of the 11 case studies of the businesses studied while in the same time allowing for detailed analysis and comparisons between the firms based on specific themes.

After refining the codes, categories and themes I used content and grounded analysis techniques in order to make sense of the information collected and focus on answering the research questions. My choice for these particular approaches was made after considering several alternatives such as social networks, narrative and discourse analysis which proved restrictive and unsatisfactory in reflecting the richness of the data. I believe that through combining content and grounded analysis I managed to make use of the data collected in the most effective way. Content analysis was used to build on existing hypothesis, establish a link and enforce the connection between the literature and the current project, while grounded analysis was used to draw new ideas directly from the conversations and discussions.

This process was closely followed by a deeper and more thorough consultation of the literature with a more specific focus in mind, as by that stage the results and data

Figure 1. Marketing – Themes, Codes and Examples of Raw Data

Themes	Code	Data
Strategies employed	Social networks	'I think the best form of advertising to me is word of mouth […] And we see that because there are more and more customers coming to the shop' (GR01-O2) 'We try to be as nice as we possibly can when they enter the salon' (LV01-O1) 'I've always tried to promote the café with the management here and this is how we got the spaces for the kiosks in the other stations' (PK01-O1)
	Religious institutions	'I've had customers that I've met in church, yes' (GR02-O1) 'Often people from church are curious about what we do and they come and see as at fairs when we're around' (RO03-O1) 'Absolutely, we have clients that go to the same mosque […]' (TR01-O2)
	TV, Radio and/ or Newspapers	'I've used radio and I've used TV ads […] Magazines I've done, I've done newspapers as well […] (RO02-O1) '[…] you've got radio, you've got TV' (GR01-O2) 'We were in local newspaper a couple of years ago […] I think that was good for our business' (PK01-O1)
	Social media	'[…] you've got internet and online marketing' (GR01-O2) 'I didn't understand the strengths of social media until I met a friend of mine […] I'm not very technical so she kind of explained how it works and I've realised that you can reach out to a lot of people by doing that' (RO02-O2) 'Social media is something that I do lack in. I have and I've done some sort of advertising there but I never find the ideal person that I could get in and could do all that for me but I am looking into it' (PK03-O1) "Besides having a good website, sending newsletters… besides that Facebook, Twitter, we try to be putting deals out via Groupon' (LV01-O1)

Target customers	Co-ethnic community	'We've always had quite a few Greek and Cypriot customers' (GR02-O1)
		'The people who buy from the shop are local people […] yes many are from our community' (TR01-O1)
		'We get quite a few Polish and Lithuanian customers […] I think the salon has got a good reputation in the community' (LV01-O1)
	Extended community/ wider population	'[…] approaching a new customer, you have a clear idea of which customer you're approaching, how you feel you could help the customer and identify the gap in what sort of solution you can provide' (IN01-O1)
		'Most of our customers are people who pass through the station […]' (PK01-O2)
		'[our customers] are middle class professionals who live in the area […]' (PK03-O1)

Figure 2. HR – Themes, Codes and Examples of Raw Data

Themes	Code	Data
Recruitment	Channels (formal/ informal)	'We use different channels for different types of jobs. For example many of the shop floor workers comes from referrals from existing employees. But during busy times we have an employment agency that we deal with and they send us as many workers as we need […] For professional jobs it's mostly been Job Centre Plus. We advertise the vacancies on their website […]' (IN01-O1) 'New employees… referrals, job centre, sometimes we advertise positions here in the window and people just come in with their CVs' (PK03-O1) 'I don't think we'll ever need more than 10 employees and so far we've used family members' (RO03-O2) 'I told [the priest] that I was looking for someone to help me with some of the newer contracts and asked if he knew any accountants looking for work. My firm is small. I never had more than 3 employees at once […] a few weeks later he introduced me to [name of the employee] and we had a chat, she sent me her CV the following day and started working 2 weeks later. She's been in the firm ever since' (GR02-O1)
	Selection criteria	'I think when I'm looking for new employees I look at characteristics rather than experience […] I think if an individual holds those two you can then mould them' (PK02-O1) '[…] I like to think that I am open minded enough to see that everybody has strengths and everybody should be given a fair chance in various roles […] (PK01-O1) 'I look for potential when I am recruiting new employees' (PK01-O2) 'I don't think it matters if they're [employees] from the same country as me or they go to church or what not […] that will never affect my decisions and the way I choose to do business. I think good people, with good values are not made by culture or ethnicity or religion. You get bad people and good ones in every country, from every single background… and there are so many bad people who also go to church and pray […]' (PK01-O2) 'I always look at their values morally and religiously and how they kind of interact with different people and […] what kind of outlook they have on life' (RO03-O1)

		you know when we're looking at shop floor environment immigrants tend to have a better or a different work ethic because they have limited options in terms of work opportunities so they tend to be better suited for that sort of environment that doesn't mean to say that I wouldn't consider other people from other backgrounds but immigrants tend to have a different attitude […]' (IN01-O1) *'You look for different things depending on what and who you're recruiting for and what you're recruiting for. In terms of general traits you look for people with an honest desire to work, willingness to want to work I think it's the key thing I look for as a general trait and the rest will be down to experience and skills sets and all the rest […] I suppose it's difficult because we have different areas of the business, you know you've got operational and the needs of the business within the… on the shop floor… you know, a lot of it is manual labour, so there's a certain type of individual… I suppose not everybody's career path is to go on the shop floor and do manual labour. So you tend to recruit people that are generally intentioned to work […]' (IN01-O2)*
Employee relations	Leadership style	*'I think being an owner of a business you get to act as a parent sometimes, you know how you accommodate your children's needs, in order to get the best out of people you have to do that' (PK01-O1)* *'[…] however on the few instances that [incidents between employees] has occurred or there's been incidents in regards to that, I'll come down pretty hard on that, because that's something I won't tolerate' (IN01-O2)* *'I do listen to them if they've got problems they know they can come and talk to me' (RO01-O1)* *'[…] I am very easy going with my staff in terms of… if they need time off for personal circumstances or religious circumstances I think they should be allowed […]' (GR02-O1)* *'[…] You build relationships with individuals and if people feel comfortable enough they tend to put requests in for what they need' (PK03-O1)* *'I would, up to an extent; I would put my employees before my customers' (PK03-O1)* *'So it's a case of having that one to one dialogue with individuals and seeing how you can deal with their requests' (PK03-O1)*

		Policies and procedures	'Yes we have formal policies that everyone has to know and respect. Each employee has to do an induction training before they start their job […]' (IN01-O1) 'We've just introduced the new appraisal systems […] basically each employee gets assessed on their performance and then they can get a pay increase or a bonus' (IN01-O2) '[…] this is a small company so we don't make too much fuss about it [formal HR policies]' (TR01-O1) 'Because the company's been growing quite fast I've only realised recently that we'll need something more formal in place […]' (PK03-O1) 'We don't employ that many people so there's no need to too much formality. I think that we have a verbal code of conduct and everyone respects that […] Of course they [employees] have to attend health and safety training […]' (PK01-O2)
		Motivation and rewards system	'I think it comes down to… you know there's no general rule of thumb that can be done to accommodate different peoples' needs. I think it's a case of communication' (PK03-O1) 'I manage one of the main departments, I do unpaid overtime and I didn't even get a Christmas bonus […]' (IN01-E6) 't's too much responsibility for how little they're paying me' (IN01-E3) '[the line manager] keeps telling me that if I don't do my targets I'll get replaced […]' (IN01-E8) 'I think I've been treated well by my boss' (TR01-E2) 'I'm doing it for the pocket money' (GR01-O2)
		Employee commitment and job satisfaction	'They have to feel respected, otherwise they won't be committed, they won't be loyal to you, their manager, the business' (RO02-O1) 'I don't feel valued and I don't think there's anything left for me to learn here.' (IN01-E3) 'I feel that my job is at risk all the time […]' (IN01-E8) '[…] I am happy there' (RO01-E4) 'I am happy here… I don't think I'll leave' (PK01-E1) 'I don't believe I'll look for a different job' (TR01-E2) 'I started 3 months ago. I'm very satisfied […] I don't have anything else to keep me here but I'm connected to him [friend and business owner] that's why I want to help him' (GR01-O2)

Company culture	Work-life balance	'[…] Some individual may have had requests around times that might be more suited because of their personal circumstances or their personal requirements we've accommodated that in some instances' (PK03-O1) 'This job fits in well with our arrangement' (PK01-E1) 'I like this job because it's very flexible' (LV01-E1) 'It's [the part time schedule] helped me a lot when I was doing my studies' (PK03-E2)
	Work group cohesion and dynamics	'I would like to think that everybody gets on fine. There've been very minimal incidents when people have brought up religion or religious backgrounds against each other. I'd like to think because they have a strong sense of freedom from myself that there is no discrimination […]' (IN01-O2) '[…] I could see myself being really happy here. It's because of the environment, because of the people, they are all open-minded and so am I. They make me feel like home […]' (RO01-E4) 'It's a blessing to work with my best friend. He's like my brother actually' (GR01-E2) 'I feel like I'm part of a family. Everyone is so nice and caring' (PK01-E2) 'I love them all [about co-workers]' (PK01-E3)

analysis were already indicating a clearer direction. As mentioned previously, a full literature review was intentionally avoided during the earlier stages of the research, however this was rectified after having identified the recurrent themes and conducting the preliminary data analysis. This approach helped me avoid a potential confirmation bias while enforcing the validity of the findings. By referring to the literate at this point during the research I was able to overcome one of the main challenges in analysing the data collected, namely narrowing down the theoretical borders of this project and establishing the distinctions between religion and spirituality while in the same time, increasing the validity and credibility of the disseminated findings.

A common danger when researching spirituality and religious values is to ignore existing concepts and empirical models when, ideally, they should be used by scientists to link and ground their work within the literature. In order to avoid this pitfall, I created a checklist of indicators based on an established and widely tested model for assessing workplace spirituality and religiosity (Putman, 1993; La Porta et al., 1997; Landers, 1998; Zinnbauer et al., 1997, 1999; Inglehart, 1999; Roof, 1999; Guiso et al., 2003, Giagalone and Jurkiewicz, 2003). A series of over 20 indicators which signal the presence of spiritual and religious values were identified in the interviews. Zinnbauer's et al. (1997) recommended the usage of a multiplicity of correlated research methods in order to gather relevant and rich data that will inform an accurate description and analysis of individuals' religiosity and spirituality and the way they impact on all aspects of their lives. Their theory of polarisation of religiousness and spirituality was used as a foundation for distinguishing between religious and spiritual characteristics. The authors identified a series of particularities that are specific to religious and/or spiritual individuals which I connected with further research and used to create Table 3.2.

Based on Zinnbauer et al.'s work, McKee (2003) established a model for categorizing the population into four groups: spiritual and religious, spiritual but not religious, religious but not spiritual and secular (Table 4.3.). The spiritual and religious category includes individuals who express intrinsic spirituality while being active members of a religious community. Research showed that the majority of population falls into this group (Zinnbauer's et al., 1997; Roof, 1999). The second category refers to individuals who despite expressing spiritual convictions are not aligned with institutionalized forms of religion. The third group of religious but not spiritual individuals includes those with low or no spiritual identities who are usually

distinguished by strongly dogmatic and fundamentalist values. The fourth group refers to those with no religious or spiritual identity and includes individuals who can be classified as atheists and agnostics (McKee, 2003).

In order to classify the respondents under the four corresponding groups I used McKee's matrix along with the indicators detailed in Table 3.2. The results were presented in Tables 4.4. A and B. Although the third category was later discarded due to the fact that none of the respondents were identified to be exclusively religious, it is still important that its existence is acknowledged and discussed. After having established each respondents' belonging to one of the four groups, the next step of the data analysis process was to explore the way in which their religious and spiritual values shape different structures of the ethnic firms. In this concern I explored issues related to marketing and finance, business motivations and support, family and social tie, gender representation, employee relations and human resources practices. The findings signalled the existence of links between the two forms of capital and some of the firms' practices such as entrepreneurial motivation and support networks, while on others like approach to finance the impact was virtually non-existent. All the results will be discussed widely within the following chapters of this thesis.

Table 4.3. Major Segments to the Religious/ Spiritual Population

Spiritual not religious	Spiritual and religious
Non-Competitive	Intrinsically religious
Mystic	Pray outside church
	New Ager
	Group experience of spirituality
	High income
	Well educated
Secularist	**Religious not Spiritual**
Nonspiritual atheists and agnostics	Self-sacrificing
	Independent
	Self-righteous
	Authoritarian
	Religious family heritage

McKee (2003:65)

Table 4.4. A. Analysis of Spirituality and Religiousness Indicators (Business Owners)

Spiritual Indicators   Religious indicators

No	Business owner	Broader worldview	Supports equality	Make a difference	Authenticity	Self-actualization	Social justice	Strong sense of community	Recognises divine intervention	Religious upbringing	Expressed religious belonging	Attends religious services	Supports traditional values	Conservative views	Scepticism towards diversity
1	GR01-O1	X	X	X	X	X	X			X					
2	GR01-O2	X	X		X	X	X			X					
3	GR01-O3	X	X		X	X	X			X					
4	GR02-O1	X	X			X	X	X	X	X	X	X	X	X	
5	PK01-O1	X	X	X	X	X	X		X	X					
6	PK01-O2	X			X	X	X		X	X	X				X
7	PK02-O1	X				X	X		X	X	X	X			X
8	PK03-O1	X	X	X	X	X	X		X	X	X				
9	LV01-O1	X	X		X	X	X			X					
10	IN01-O1	X	X			X	X								
11	IN01-O2	X	X			X	X								
12	RO01-O1	X	X			X	X		X		X				
13	RO01-O2	X	X		X	X	X								
14	RO02-O1	X	X		X	X	X				X				
15	RO02-O2	X	X		X	X	X		X	X	X				
16	RO03-O1	X	X		X	X	X	X	X	X	X	X	X		
17	RO03-O2	X	X	X	X	X	X		X		X	X			
18	TR01-O1	X				X	X	X	X	X	X	X	X	X	X
19	TR01-O2	X				X	X	X	X	X	X	X	X	X	X

Table 4.4.B. Analysis of Spirituality and Religiousness Indicators (Employees)

Spiritual Indicators   Religious indicators

No	Employees	Broader worldview	Supports equality	Make a difference	Authenticity	Self-actualization	Social justice	Strong sense of community	Recognises divine intervention	Religious upbringing	Expressed religious belonging	Attends religious services	Supports traditional values	Conservative views	Scepticism towards diversity
1	GR01-E1	X	X	X	X	X	X	X	X	X					
2	GR01-E2	X	X		X	X	X		X	X					
3	GR02-E1		X			X	X	X	X	X	X	X	X		
4	GR02-E2	X	X		X	X		X	X	X	X	X	X		
5	TR01-E1	X			X		X	X	X	X	X	X	X	X	X
6	TR01-E2	X			X		X	X	X	X	X	X	X	X	X
7	PK01-E1		X		X		X	X	X	X	X	X	X		
8	PK01-E2	X	X		X	X		X		X					
9	PK01-E3	X	X		X		X	X	X	X					
10	PK01-E4	X	X		X	X	X		X	X					
11	PK02-E1	X			X	X		X	X	X	X	X	X		
12	PK02-E2	X	X			X		X	X	X					
13	PK03-E1	X	X		X	X	X			X					
14	PK03-E2	X	X	X		X	X	X	X	X	X	X			
15	LV01-E1	X	X	X	X	X	X		X	X					

16	LV01-E2	X	X			X		X	X	X	X	X		
17	IN01-E1	X	X	X	X	X		X		X				
18	IN01-E2	X	X	X		X	X	X	X	X	X	X	X	
19	IN01-E3	X	X		X	X								
20	IN01-E4	X	X		X	X	X			X				
21	IN01-E5	X	X		X	X								
22	IN01-E6	X	X	X	X	X	X		X	X	X			
23	IN01-E7	X	X			X	X	X	X	X	X	X		
24	IN01-E8	X	X				X	X	X	X	X	X	X	
25	IN01-E9	X	X		X		X	X	X	X	X	X	X	
26	IN01-E10	X	X			X		X	X	X	X	X	X	
27	RO01-E1	X	X		X	X			X	X	X			
28	RO01-E2	X	X	X		X		X	X	X	X	X		
29	RO01-E3	X	X				X		X		X	X	X	
30	RO01-E4	X	X		X			X	X	X	X			
31	RO02-E1	X	X	X	X	X	X		X					
32	RO03-E1	X	X			X	X	X	X	X	X	X		
33	RO03-E2	X	X		X		X	X	X	X	X	X	X	

4.3.6. Protocols and Ethics of the Research Methods

The methodological approach for this project was developed in compliance with the requirements imposed by The Research Ethical Committee and all the standards were rigorously followed. The participants were accurately and correctly informed of all relevant aspects and implications related to the study and their full verbal consent was obtained prior to the commencement of the study. Where participative observation was added as a research method, the business owners were clearly informed and their approval was granted.

The purpose of the research project was clearly stated and explained to all interviewees. They were also informed about the voluntary nature of their participation and the possibility of withdrawing from the research at any stage. Furthermore, they were made aware about the importance of the findings for improving the overall experience of ethnic minority businesses.

The confidentiality and anonymity of all participants was carefully kept at all stages of this research. All audio recordings of the interviews were deleted shortly after they were transcribed. The interview transcripts were safely stored under the protection of a personal passcode and backed up on an external hard drive. The transcripts were assigned a reference number to minimise the possibility of the reader identifying the participants due to a sequence of quotes from the interviews.

4.4. Conclusion

This chapter outlined the methodology of the present research as well as justifying the choices for the research paradigm employed. After having considered various methodological frameworks, the choice was made in favour of a social constructionist perspective coupled with a relativist ontological position. This is believed to be best suited for exploring realities constructed by individuals as a result of their reflection on social events and phenomena under the influence of specific contextual factors (Goulding, 2002; Burr, 2003, Gergen, 2009).

Further on, the methods used were explored and each stage of the research process was scrutinised. The epistemological and ontological standpoints that informed this research are better coupled with qualitative methods, hence the choice for employing in-depth and semi structured interviews along with participant observation. Whilst the main strategy for recruiting participants for this study was snowball sampling, additional methods were also included. The data gathered underwent two consecutive coding cycles during which the

most relevant and illustrative codes, categories and themes were identified. These were then used for an in-depth content and grounded analysis. In order to enhance the validity of my findings and to establish a link between the existing literature and my own work I developed a model for identifying the manifestations of spiritual and religious values based on the work of Zinnbauer's et al. (1997) and McKee (2003).

The following chapters will explore the outcomes of data analysis and will compare them to the existing literature on ethnic firms in order to signal any differences between new and old firms. Moreover, the influence of the identified religious and spiritual capitals on the internal structures of the participant businesses will be discussed. This enquiry aims to formulate answers for the three established research questions.

5. <u>The Impact of Religious and Spiritual Capitals on Past and Present Ethnic Minority Businesses</u>

This chapter attempts to answer the first research question regarding the way in which religion and spirituality have shaped Ethnic Minority Businesses (EMBs) over time. It starts by presenting the old ethnic firms in order to set a context for the subsequent analysis. The second part outlines the 11 EMBs involved in this research and provides a description of each of them while looking at different aspects related to their ownership, sector of activity, size and financial position. The following section explores the shift from old patters to new business models of the EMBs studied and the way in which religious and spiritual capitals have shaped their business practices. The chapter concludes with a short summary of the findings.

5.1. Old Ethnic Minority Businesses. Background Analysis

The literature on EMBs has painted an image of strongly culturally embedded firms that tend to replicate the same business models despite often proving to be unsuccessful. Their heavy reliance on a limited number of opportunity structures is a double-edged sword. For some of them, this can guarantee growth and prosperity, while for others it can be the road to failure. Some of the main arguments used to explain ethnic entrepreneurs' motivations for venturing into business are related to their difficulties in accessing the labour market which often push them into self-employment, their cultural heritage that encourages such initiatives along with having access to extensive informal sources of capital, information and community support.

A number of research projects commissioned by the Chamber of Commerce (2003), ACAS (2004) and Ethnic Minority Business Forum (2004) observed that EMBs are subjected to variations along cultural and ethnic lines. The findings show that Asian owned businesses are more likely to be focused around sectors such as: catering, restaurant, retailing, food manufacturing, newsagents, property and employment agencies. Vietnamese firms tend to be centred on restaurants and nail care salons while, in the case of Greek and Greek-Cypriot migrants, researchers found that their businesses are typically ranging from restaurants to professional services like accountancy and law. Unfortunately there is not enough representative data for new Eastern European migrant entrepreneurs.

Historically, the link between religion, spirituality and ethnic entrepreneurship has not been the focus of major research projects, therefore the literature available on this matter is rather limited (Cadge and Ecklund, 2007; Guest, 2004; Guiso et al., 2007). However during the more recent years several attempts to reflect on a possible connection between these

characteristics and economic outcomes in EMBs were made (Barro and McCleary, 2003; Marker, 2013).

As previous research shows, first generation migrants tend to be more embedded in a religious context compared to their successors. This behaviour has several explanations. Firstly it is widely acknowledged that religion plays a very important role for new migrants. Belonging to a religious community facilitates the transition and integration process often acting as a shield from discrimination and a support network for social inclusion (Richman, 2005; Kim and Kim, 2001; Ebaugh and Chafetz, 2000; Zhou and Bankston, 1998; Min 1992; Goldscheider and Zukerman, 1984; Warner and Srole, 1945). This argument explains why businesses established by new migrants are more likely to show higher levels of reliance on ethnic and religious ties and a lesser likelihood of openness towards other cultures. Moreover many first generation migrants do not possess sufficient linguistic skills to enable them to communicate effectively with people from distinct national and ethnic backgrounds. In turn, this appears to be detrimental to their business practices and their overall entrepreneurial success.

Secondly most immigrants came from countries and cultures that place a special importance on religion and therefore were more likely to have been educated in that spirit. Several studies have shown that relocating and living in a different national and social context diminishes the importance of religious teachings and values for many migrants (Sandercock, 2006). This is not to say that all immigrants, regardless of their ethnic, cultural and religious background will react in the same manner. For example, in the case of the Muslim community, the secularisation process is at a much slower rate compared to Christian or Hindu migrants. Muslim ideologists argue that the Islamic religious community is stronger than any nation and it goes beyond physical borders. It is a spirit of solidarity that makes individuals stick to their ethnic group. The assumption goes as far as to say that 'Muslims do not know any other genuine nationality than their religion' (Al-Manar Academy, 1948:224). This argument may in fact stand behind the observed higher religiosity of Islamic participants compared to all the other respondents. Although the specific national and regional cultural context has had an impact on their religiosity, this group is still the strongest religiously embedded, shows higher levels of conformity and is more likely to follow similar business models observed in their predecessors.

Previous research indicated that ethnic business owners tended to be more entrenched in their religious beliefs and show less inclusive values towards people from other backgrounds. Additionally, there is some evidence to suggest that past unsuccessful businesses were driven by exclusive religious and strongly cultural embedded values. This

had a negative impact on the potential to succeed of the ethnic business because it limited its capability of reaching to a wider customer base, employ better marketing and business strategies or find a more suitable pool of candidates to fill the available positions within their firms. By excluding this vast array of potential they were likely to have sabotaged their chances for development, growth and financial returns. It is indeed the case of several of the businesses involved in this research. Two of owners interviewed are first generation Muslim migrants and although they have admitted that living in the UK for over five years has changed their perception of social diversity they are reluctant towards embracing what they refer to as 'liberal values and behaviours'. Their business models and approaches are consistent with the ones previously illustrated by the literature on EMBs, and even though their firms bring in a satisfactory income they do not have sustainable plans and strategies for growth. Although their strong relationships with co-ethnic social networks has enabled them to ensure the necessary start-up capital, finance and advertise the business, it also limits the long-term potential for success of their firms. These are some of the characteristics that have been illustrated by previous research on EMBs and are still present in a large number of ethnic firms. However some clear indicators that EMBs are changing for the better were observed in this study.

5.2. The Case Studies

The first business involved is a Greek restaurant situated in a central Birmingham location (table 5.1). All three of the business partners along with two of their five employees were interviewed for this research. GR01-O1, one of the owners, moved from Greece to Birmingham in 2012. His motivations were closely linked to the difficulties of finding employment in his home country, and although his family has a successful business in Greece he wanted to try something different. He has been involved in the family business for most of his life and believes to have learnt both positive and negative. In relation to his upbringing, GR01-O1 comes from a strict religious upbringing but has since separated himself from that component. He considers to be 'spiritual but definitely not religious'. GR01-O2 moved to UK in 2014 following his brother. While growing up he was involved in helping his parents with their business as well as pursuing an arts degree which he eventually decided not to finalise. Although he has been given a strict religious upbringing, he separated himself from those values and now considers himself to be spiritual rather than religious. The third co-owner, GR01-O3 has been living in the UK for almost 10 years and although he comes from a traditional religious family he 'escaped' that environment when he grew up and started 'thinking for himself'. Moreover, he believes that migrating and becoming part of a diverse society has opened his eyes and made him more aware and respectful of diversity. He expresses moral values such as compassion and acceptance and

admits that they guide his day-to day behaviour as well as his approach to business. These views and beliefs were also expressed by the other two partners and reflected by their staff's accounts. Furthermore, all three entrepreneurs were involved in their families' businesses while growing up in their home countries.

The first employee interviewed was GR01-E1. She recalls having a very precarious upbringing which motivated her to leave Greece at the age of 17. She then moved to Amsterdam where she continued her studies and trained to be a nurse. Although she was enjoying living in the Netherlands, GR01-E1 decided to relocate to Birmingham in order to help and support her friends, the business owners. During the interview she admitted that financial issues are not high on her list of priorities when looking for employment and that she enjoys working in the cafe because of the positive, collegial environment and the paternalistic management style. Although she had a very religious upbringing she does not find herself in the Christian values but considers herself to be spiritual. GR01-E1 does not believe in church and organised forms of religion but in 'unconditional love, freedom, compassion, creativity, individuality [...]' and she has also explored various new age spiritual practices.

The second interviewed employee, GR01-E2 moved to UK over one year ago because his friends decided to open a café and asked him to join the business. He enjoys working here and helping them:

> 'It is a good place, and I feel good about it… working every day with my friends, we're like a family' (GR01-E2)

He expects to stay on for as long as possible and since the business is growing, GR01-E2 is likely to continue to be an important part of it. He is from a religious family but he does not go to church and does not pray in the 'religious way'. His values place him in the spiritual but not religious category.

After having previously considered a few different ventures, the three business partners decided to rent the current space and 'take a leap of faith' (GR01-O2). Their collaboration and working environment are described as being smooth and almost free of tensions. In order to gain competitive advantage the business relies on the quality and uniqueness of their products as well as good customer service. The working hours are tailored in accordance with the nature of the business and the customer flow, therefore the café is closed on Mondays and only opens between 12 and 8 PM. In order to gather the start-up capital, the business owners have used personal savings and relied on their social networks. Although the entrepreneurs did not use or think about approaching formal sources of finance in order to fund their investments they did not exclude the possibility of considering these

channels in the future. At the time of the interview their preferred path to securing financial capital for business growth was through reinvesting parts of the profits into the company or, in some cases, securing short term loans through the use of their social networks. Given the small size of the business, their approach to recruitment is an informal one, based exclusively on their social networks, moreover two of their employees are close friends of the owners and have moved to Birmingham for these particular jobs. When asked about the reasons behind their recruitment choices, all partners have pointed towards shared values and trust as being the primary motivators. In relation to payment the firm offers all its employees the NMW as well as occasional bonuses during busier periods. The business caters for a wide range of customers and its central location attracts a vast clientele. Amongst the channels used for marketing are social media and local promoters for independent businesses. Overall the combination of strategies has been proven to be successful and the business is showing great potential for growth. Based on the above, the firm was positioned in the new EMB category.

Table 5.1. Business Description GR01

NO.	Transcript number	Nationality	Position	Business sector	Age	Gender	Education	Ethnic background	Religious background	Spiritual/ Religious
1	GR01-O1	Greek	Business owner/ partner	Catering	28	M	high-school	White European	Christian/ Orthodox	Spiritual not Religious
2	GR01-O2	Greek	Business owner/ partner	Catering	25	M	high-school	White European	Christian/ Orthodox	Spiritual not Religious
3	GR01-O3	Greek	Business owner/ partner	Catering	32	M	high-school	White European	Christian/ Orthodox	Spiritual not Religious
4	GR01-E1	Greek	Employee (catering assistant)	Catering	25	F	high-school	White European	Christian/ Orthodox	Spiritual not Religious
5	GR01-E2	Greek	Employee (catering assistant)	Catering	24	M	high-school	White European	Christian/ Orthodox	Spiritual not Religious

The second business is an established small accountancy firm owned by 56 year old migrant of Cypriot origin who has been living in the UK for over 30 years (table 5.2). Additionally, two of the staff members were interviewed. Despite its modest size, the business has been generating a satisfactory revenue for more than 20 years. The owner is religious, goes to Church regularly and is an active member of the Greek and Cypriot Orthodox community. However he also has certain spiritual values such as and believes that living in Britain has

had a positive impact on the way in which he sees social diversity. At the time of the interview GR02-O1 was considering retiring in order to spend more time with his family.

Table 5.2. Business Description GR02

NO.	Transcript number	Nationality	Position	Business sector	Age	Gender	Education	Ethnic background	Religious background	Spiritual/ Religious
1	GR02-O1	British/ Cypriot	Business owner	Accountancy	56	M	University	White European	Christian/ Orthodox	Spiritual and Religious
2	GR02-E1	British/ Greek	Employee (accountant)	Accountancy	38	M	University	White European	Christian/ Orthodox	Spiritual and Religious
3	GR02-E2	British/ Greek	Employee (office administrator)	Accountancy	36	F	high-school	White European	Christian/ Orthodox	Spiritual and Religious

In order to fund the business start-up, GR02-O1 used his personal savings. He explains that this was the best option at the time as the required initial capital was minimal. However, the follow-up investments were secured through a combination of formal and informal lending sources. Although the owner did not disclose the exact pay rates and salaries received by the employees, he specified that they are well above the NMW and reflective of the sector's standards. Additionally, all employees received bonuses at the end of the financial year. Advertising the accountancy services and finding new customers are mostly based on referrals and social networks have always played a key role. Moreover these links are pivotal to other aspects of the business such as recruitment and employee relations. Additionally this is one of the companies where religious ties represented a trusted source of business advice and valuable source of recruitment. Both interviewed employees have found their jobs through their religious groups. The first respondent, GR02-E1, who has been working in the company over the past five recalls the events that led to her employment:

> *'I met [the owner] in Church during the tea, you know the one we have after the Sunday service. We started talking and after a while he asked if I want to work with him. He had more clients at that point and needed someone to help with the workload, so I said yes. And haven't looked back, it gives me a better work-life balance and being in a smaller place with people I share similar interests... I don't know if it's just that, that we have a similar background, but it's better for me and my life'* (GR02-E1).

The second interviewed employee, GR02-E2 has been living in the UK for more than 20 years. She left Greece, her home country, at the age of 15 because *'there wasn't really*

anything for me to do there so I came here, I had some friends, they helped me'. Similar to her employer, she credits living in the UK for changing and enriching her perception of social and cultural diversity, values associated with spiritual individuals.

> *'This country has opened my eyes, I can say I truly grew up in a multi-cultural environment and that has made me tolerant and acceptant of others, even if they're not Christian, or white or whatever. Everyone is different but it's important to take everyone as they come'* (GR02-E02). In her case, religious capital played an important part in securing employment within the accountancy firm as she was introduced and referred to the business owner through their Greek orthodox congregation. She has been working in the company for 7 years, *'I enjoy it... it fits in well with my family life, it's not stressful. And [the owner] is such a kind man, he gives me time off when I need it, I feel that he's like a father to me'* (GR02-E2).

Despite its reliance on co-ethnic ties the accountancy firm showed many similarities with mainstream companies owned by domestic entrepreneurs. As a result, this company was positioned in the new EMBs category due to its approach to business practices in general as well as the way in which it has managed to attract customers from a wide range of backgrounds.

The third business studied was a small corner shop co-owned by two Turkish brothers and employing three people all from within their close co-ethnic social networks (table 5.3). This business falls into the old EMB group as it is consistent with the information available in the literature on ethnic firms. The company replicates the already well documented ethnic businesses in relation to the chosen sector of activity, location, business model, approach to securing finance and its strong reliance on co-ethnic links, to name just a few.

Although the shop has been operating for five years not many changes were made since its early days and, while both owners have expressed their interest for business growth, this was not translated into practice. The shop is located in a neighbourhood dominated by high unemployment rates and poverty. Moreover the large number of similar shops opened in the area compete for the same low income - low purchasing power customer base.

The two entrepreneurs come from traditional religious Muslim families and migrated to Britain eight years ago in search of a 'better life'. After having worked in various businesses alongside friends and distant family members they decided to use the skills and knowledge as well as the acquired capital to open their own firm. In order to supplement their start-up capital, the two business partners used interest free loans accessed through their social networks. Although this is a typical approach to securing finance in Muslim businesses, the two entrepreneurs explained their preference for these type of informal channels on the basis of it being a more convenient solution, rather than being required by their religion. In relation to payment and employment benefits, all workers received salaries reflective of the NMW as well as occasional gifts comprising of goods from the shop. The main marketing

strategy is based on word of mouth and recommendations from existing customers. In order to enhance their competitive edge, the business owners are focusing on maintaining low prices and a high number of working hours. Both entrepreneurs devote an average of 60 hours per week to ensuring the shop keeps its doors opened Monday to Sunday.

Table 5.3. Business Description TR01

NO.	Transcript number	Nationality	Position	Business sector	Age	Gender	Education	Ethnic background	Religious background	Spiritual/ Religious
1	TR01-O1	Turkish	Business owner/ partner	Retail	28	M	high-school	Asian/ Turkish	Muslim	Spiritual and Religious
2	TR01-O2	Turkish	Business owner/ partner	Retail	32	M	high-school	Asian/ Turkish	Muslim	Spiritual and Religious
3	TR01-E1	Turkish	Employee (shop assistant)	Retail	33	M	high-school	Asian/ Turkish	Muslim	Spiritual and Religious
4	TR01-E2	Turkish	Employee (shop assistant)	Retail	31	M	high-school	Asian/ Turkish	Muslim	Spiritual and Religious

In relation to personal values and management style, the business owners credit their life in the UK for having changed their perception on social diversity and making them 'more open minded' (TR01-O1) and acceptant of people from other cultures. Due to the location of their business, a lot of his customers are migrants from a wide range of backgrounds. Although there is a lot of competition and new shops are always opening in the area, the owners are confident that their business will continue to be successful. In relation to future plans, both entrepreneurs have expressed their intention of opening new shops if the right opportunity comes along. However at the time of the interviews, these plans were considered to be far from being put into practice.

The business employs two part time workers recruited from within their co-ethnic networks, however the owners did not exclude contracting people from different backgrounds using formal recruitment channels if needed in the future. Both employees migrated to the UK motivated by economic reasons and their choice to settle in Birmingham was made on the basis of having family and friends already living in the area. It was indeed thorough the use of these social links that they were able to secure employment shortly after arriving in the

country. While TR01-E1 is happy with the part time position as it allows him to attend full time education, the other interviewed employee, TR01-E2, has another part time job in a phone repair shop in order to supplement his income and support his family.

The fourth business is a successful café chain co-owned by a married couple of Pakistani origin (table 5.4). At the time of the interviews the firm had been operating for over five years and was employing 16 staff members. Although both owners come from traditional religious families they have gradually distanced themselves from the Muslim faith and are now self-confessed spiritual. Moreover both their families were entrepreneurial and they recall that during their childhood they were often involved in their parents' businesses. They credit that experience for their work ethic, skills and knowledge.

Table 5.4. Business Description – PK01

NO.	Transcript number	Nationality	Position	Business sector	Age	Gender	Education	Ethnic background	Religious background	Spiritual/ Religious
1	PK01-O1	British/ Pakistani	Business owner/ partner	Catering	42	F	high-school	Asian/Pakistani	Muslim	Spiritual not Religious
2	PK01-O2	British/ Pakistani	Business owner/ partner	Catering	51	M	high-school	Asian/Pakistani	Muslim	Spiritual and Religious
3	PK01-E1	British/ Bangladesh	Employee (catering assistant)	Catering	44	M	high-school	Asian/Bangladesh	Muslim	Spiritual and Religious
4	PK01-E2	British/ Black Caribbean	Employee (catering assistant)	Catering	27	F	University	Black Caribbean	Christian/ Protestant	Spiritual not Religious
5	PK01-E3	British/ Irish	Employee (catering assistant)	Catering	50	F	high-school	White Irish	Christian/ Catholic	Spiritual not Religious
6	PK01-E4	British/ Scottish	Employee (catering assistant)	Catering	36	F	high-school	White Scottish	Christian/ Catholic	Spiritual not Religious

The first interviewed owner, PK01-O1 moved to Britain with her family when she was five. During her childhood her family moved between Pakistan and Britain several times before deciding to settle in the UK. Although PK01-O1 never considered her family to be religious, she does admit that they had strong traditional values. She believes that it was indeed the strict upbringing that pushed her away from her cultural heritage and made her reject most values and teachings associated it. She is now nonreligious but has strong spiritual

convictions and values as well as practicing some new age and alternative therapies. Although this entrepreneur lacks any formal business training, the practical experience acquired while being involved in the family business has helped her manage her current venture. Moreover she admits that due to having witnessed her father make many mistakes and fail several times, she has been actively trying to avoid replicating his unsuccessful approach to running a firm. Before opening the café, PK01-O1 had a series of small newsagents' shops with her husband and although not all of them were prosperous they have served as important learning curves. Since launching their first café, the couple have opened four more branches under the same band. Their expansion and clear potential for future growth makes this business an example of successful EMB. The second business partner, PK01-O02 moved to the UK more than 20 years ago in order to join his wife. Although he comes from a religious family and still follows some of the Muslim traditions, he considers himself to be spiritual and guides his daily life accordingly.

In order to ensure their start-up capital and follow-up investments, the two business owners have used both formal and informal channels. While initially social networks were the preferred choice as they were easier to access, once the business became more successful they were able to approach banks with a clear track record and realistic plans for expansion. PK01-O1 believes that the key to receiving all the necessary loans for business growth is establishing strong relationships with bank managers and consultants. In relation to their approach to marketing, the business relies mainly on social media and local small business promoters. Also, given its position in one of the busiest central train stations of the city, the café is constantly exposed to a large flow of customers. The main recruitment channels are formal through Job Centre Plus and local employment agencies, although the owners have occasionally used referrals from existing employees and friends. The staff come from a wide range of backgrounds and nationalities ranging from Bangladeshi, Pakistani, Caribbean, Indian, Romanian, Polish, Scottish, Irish and English. This business was classed as a new EMB because it is a clear example of successful break out firm that shares very little similarities to the typical ethnic company model.

The fifth firm is a newsagents shop in a busy central Birmingham location, co-owned by two brothers of Pakistani origin (table 5.5). The shop employs two people, both recruited through the entrepreneurs' close social links. The brothers come from an entrepreneurial family and used to have a small business in their home country. Although their upbringing was a traditional Muslim one, they believe that their life in Britain has eroded their religiosity. The decision to migrate to the UK was motivated by the desire to ensure a better living standard. After having worked for several years they managed to save enough money to start their own venture and, with help from some of their friends, they bought the news agency. For any

subsequent investments the entrepreneurs used informal channels and expressed virtually no interest in approaching banks or other formal lending organisations. This choice was motivated by the convenience and ease associated with accessing financial capital through the use of social networks rather than having to go through a well-structured and demanding formal procedure.

Table 5.2. Business Description – PK02

NO.	Transcript number	Nationality	Position	Business sector	Age	Gender	Education	Ethnic background	Religious background	Spiritual/ Religious
1	PK02-O1	Pakistani	Business owner	Retail	28	M	University	Asian/ Pakistani	Muslim	Spiritual and Religious
2	PK02-E1	Pakistani	Employee (shop assistant)	Retail	32	M	University	Asian/ Pakistani	Muslim	Spiritual and Religious
3	PK02-E2	British/ Pakistani	Employee (shop assistant)	Retail	25	M	high-school	Asian/ Pakistani	Muslim	Spiritual not Religious

The structure of the company resembles one of a family, and given its small size, this works well to ensure a functional business. Although the payment does not exceed the NMW, both employees seem happy to carry on working for the shop. The benefits associated with their position, such as laid back constructive environment, high flexibly and good relationships between the staff members and owners, were some of the reasons named by the interviewed employees to justify their decision to stay with the firm. When asked about the background similarities between the owners and staff members, the interviewed entrepreneur explained that the shared cultural and religious background is a coincidence rather than something that he and his partner purposely looked for. This account was also reflected by the employees' outlook.

In relation to their approach to marketing, none of the two business partners seemed to have a clear strategy and relied mainly on the location of their shop and its exposure to large flows of potential customers. They were unfamiliar with advertising or using social media in order to promote their business and expressed little intention to make use of those means in the future. Based on their sector of activity and general approach to business, this firm was classed as an old EMB.

The sixth business is a restaurant in an affluent Birmingham location owned by a second generation Pakistani entrepreneur (table 5.6). Although his parents were religious he does not share their beliefs, instead he expresses a series of spiritual values such as inclusiveness and acceptance of diversity. After the unexpected death of his father he decided to quit education in favour of managing the family business. Due to his young age and lack of experience he lost everything by the age of 21. Through the use of social networks, he found different employment in order to repay his debt, support his family and save enough money to start a new venture. With the newly gained expertise and a more mature outlook he managed to transform his new entrepreneurial attempt into a success and is currently running three prosperous businesses while looking for other investment opportunities. While his main ventures are focused on real estate investment, property management and sourcing employment, this research has only explored one of the smaller and newer businesses, namely the restaurant. However many of the comments and explanations given by the interviewee such as the ones related to his approach to finance or marketing, reflected business practices encountered in all three companies. In relation to securing the necessary start-up capital, PK03-O1 has used personal savings and relied on his social links for all additional costs. This is indeed the approach employed for all subsequent investments and, as explained by the entrepreneur, the route he will most likely continue to follow for any future financial needs. With a good business portfolio at hand, he may look like an ideal candidate for securing investment loans, however PK03-O1 believes that he unwilling to pursue that path as formal lending institutions have never represented a viable source for him. This is explained on the bases of the perceived restrictive rules and regulations that he would have to comply to in order to access the required economic capital. The difficulties associated with establishing business relations with banks were the main reason why this entrepreneur expressed his preference for accessing financial resources through informal channels.

The customers targeted by the restaurant were, as expressed by the owner, middle class professionals. In order to attract that specific clientele the establishment focused on the distinctive quality of their services and products. As part of their future strategies for enhancing the visibility of the business, PK03-O1 is considering make a more fruitful use of all that social media channels have to offer. At the time of the interview, the owner was looking to employ a designated person to advise him in this concern.

In relation to recruitment, this company used a combination of formal and informal channels, adapted in accordance with the specific requirements. The employees were selected on the bases of their skills, potential and experience. Ethnic or cultural background were deemed unimportant both during and after the selection process. Moreover one of the interviewed

employees was from a white, middle-class British background, while the other was an Eastern European undergraduate who enjoyed the flexibility of the job as it fitted with her university commitments. They both shared positive opinions on the company culture and management style and although the job was not seen as a potential career path by neither of the two respondents, they both agreed that they would happily continue their employment for as long as it would satisfy their work-life balance. Payment in this firm is respective of the statutory requirements. In addition, all employees receive meals while at work, occasional transport and on equal share of the daily tips. This company fits into the new EMB model as it aligns closely to mainstream businesses and shows a clear break-out pattern from the typical ethnic companies.

Table 5.3. Business Description – PK03

NO.	Transcript number	Nationality	Position	Business sector	Age	Gender	Education	Ethnic background	Religious background	Spiritual/ Religious
1	PK03-O1	British/ Pakistani	Business owner	Catering	43	M	high-school	Asian/ Pakistani	Muslim	Spiritual and Religious
2	PK03-E1	British	Employee (Bartender)	Catering	25	M	high-school	White British	Christian/ Protestant	Spiritual not Religious
3	PK03-E2	Polish	Employee (waitress)	Catering	21	F	University	White European	Christian/ Catholic	Spiritual and Religious

The seventh EMB is a beauty parlour owned by 37 year old Latvian single mother (table 5.7). At the time of the interview the salon had a total of four staff working on a self-employed basis, two of which were interviewed for this research. Since it was first established in 2011 the business has been generating a satisfactory income and furthermore registered a steady growth pattern. The entrepreneur recalls that she was brought up in a non-religious environment but 'likes to consider herself as being spiritual'. Although it started by servicing mostly customers from within her social circle and implicitly her ethnic and national group, the business owner explains that the salon attracts now a wide range of clients from very diverse locations and backgrounds. One of the reasons credited for this regards her staff who, upon joining the business brought their own portfolio of customers. This has increased the visibility of the business and enhanced its profitability as a result. The owner expresses no preference for particular types of customers and makes no differentiation between them based on characteristics related to their background.

Table 5.4. Business Description – LV01

NO.	Transcript number	Nationality	Position	Business sector	Age	Gender	Education	Ethnic background	Religious background	Spiritual/ Religious
1	LV01-O1	Latvian	Business owner	Services (Beauty Salon)	37	F	high-school	White European	Christian/ Catholic	Spiritual not Religious
2	LV01-E1	Polish	Employee (hairstylist)	Services (Beauty Salon)	33	M	high-school	White European	Christian/ Catholic	Spiritual not Religious
3	LV01-E2	Lithuanian	Employee (nail technician)	Services (Beauty Salon)	34	F	University	White European	Christian/ Catholic	Spiritual and Religious

In relation to securing the start-up capital and follow-up investments, LV01-O1 relied on her personal savings, profits from the business and funds accessed through her social capital. The entrepreneur did not approach banks or other similar formal lending institutions but did not dismiss the possibility of considering this option to support business growth. In relation to recruitment practices the owner explains how during the early days she struggled to get good stable employees but once the salon became more established and gained popularity this barrier was overcome. The recruitment channels vary between formal and informal and were adapted to reflect the requirements of the business and select the most appropriate candidates. The beauty parlour now has four staff members who work on a self-employed capacity. The staff turnover is low and all interviewed workers were happy in their current position and showed no intentions of leaving the firm. After asking all workers about their payment, it became apparent that their hourly rates were below the NMW, however a large part of their income came from tips and gifts from customers, bringing their monthly salaries to an average in excess of the minim legal requirements. Morale, commitment and job satisfaction were relatively high and through the discussions it transpired that the company culture and management style fostered a positive working environment. Due to the business practices and values expressed by the entrepreneur, this company was classed as a new EMB being closely aligned with a typical mainstream company of its size operating in a similar area.

The eighth business is a successful medium sized family owned food manufacturing company which was founded over 20 years ago (table 5.8). This is also the largest firm

involved in this research and at the time of the interview had a workforce of almost 150. The composition of the staff is diverse, however most of the workers are of Asian backgrounds.

Table 5.5.Business Description – IN01

NO.	Transcript number	Nationality	Position	Business sector	Age	Gender	Education	Ethnic background	Religious background	Spiritual/ Religious
1	IN01-O1	British/ Indian	Business owner	Food manufacturing	65?	M	University	Asian/ Indian	Hindu	Secular
2	IN01-O2	British/ Indian	Business owner/ Executive manager	Food manufacturing	43	M	University	Asian/ Indian	Hindu	Secular
3	IN01-E1	British/ Pakistani	Employee (Production Manager)	Food manufacturing	34	F	High-school	Asian/ Pakistani	Muslim	Spiritual not Religious
4	IN01-E2	British/ Indian	Employee (Planning Support)	Food manufacturing	35	M	University	Asian/ Indian	Hindu	Spiritual and Religious
5	IN01-E3	British	Employee (Food Technologist)	Food manufacturing	26	M	University	White British	Christian/ Protestant	Secular
6	IN01-E4	British	Employee (Logistics Manager)	Food manufacturing	35	M	high-school	White British	Christian/ Protestant	Spiritual not Religious
7	IN01-E5	British	Employee (Research & Development Support)	Food manufacturing	24	M	University	White British	Christian/ Protestant	Spiritual not Religious
8	IN01-E6	Greek	Employee (Research & Development Team Leader)	Food manufacturing	26	F	University	White European	Christian/ Orthodox	Spiritual not Religious
9	IN01-E7	Polish	Employee (Office Administrator)	Food manufacturing	34	F	University	White European	Christian/ Catholic	Spiritual and Religious
10	IN01-E8	Pakistani	Employee (Factory Operative)	Food manufacturing	28	M	University	Asian/ Pakistani	Muslim	Spiritual and Religious
11	IN01-E9	India	Employee (Factory Operative)	Food manufacturing	31	F	high-school	Asian/ Indian	Hindu	Spiritual and Religious
12	IN01-E10	Nepal	Employee (Factory Operative)	Food manufacturing	28	F	high-school	Asian/ Nepal	Hindu	Spiritual and Religious

The vast majority are first generation migrants with limited English skills. The business is run by second and third generation father and son Indian migrants. Both owners admit to not having any religious affiliation and consider themselves to be atheist. While the rest of the companies involved in this research were much smaller in terms of size and their market

share, this EMB is distinctive, hence the importance of this particular case study for generating a more rigorous analysis of differences between ethnic firms. As the company was founded by the owner's mother and it was initially designed as a small business operated from their family home, the initial start-up capital was minimal and procured entirely through personal savings. As the firm grew it required further investments and the owners decided to approach formal channels. With a viable business plan and a good history of successful growth, the entrepreneurs were able to secure the necessary funds for expansion.

In relation to their approach to marketing, the company relies mainly on networking and referrals from existing customers. Their visibility on social media platforms was very limited since the owners believe that their target customers are easier to reach through direct networking and a competitive portfolio. In this concern a large part of the investments were directed towards the product development area of the business. Although at the time of the interview the company has no designated marketing department, the owners expressed their interest in employing trained professionals in the field. However this was a plan for the distant future and other immediate investments were seen as having priority. The vast majority of their customers belong to national and international retailers and restaurant chains. In terms of procurement of raw materials the owners expressed their preference for high quality at good prices. At no point during the interviews nor my employment in the company, the owners showed a preference for dealing with other entrepreneurs or customers based on their shared background or ethnicity.

For recruitment purposes the firm was using both informal and formal channels with most of their staff being selected through the latter means. This was motivated by their large staff intake, high turnover especially in the lower skilled positions and the need for specific training and expertise in the case of professional vacancies such as management or product development. The pay and reward systems operated by the company were mainly based on qualifications, length of employment with the firm and nature of job. A periodical formal appraisal process was in place in order to track each employees' performance and results. Any bonus entitlements, pay increase, renewals or, in a few cases, termination of employment contracts due to poor performance, were calculated based on individual appraisals. Despite the seemingly fair payment system and the fact that salaries in this company averaged higher than the rest of the 10 firms interviewed, staff morale and job related satisfaction were the lowest. The participant employees often expressed unhappiness in relation to their positions and some even had plans to leave the company. Originally from India, IN01-E2 worked in a much better role in his home country before

deciding to migrate so that he and his wife could continue their studies. Shortly after finishing his MSc at a British university he started working in the food manufacturing company as the production manager's assistant. Although he is not happy and feels that his work is not being rewarded accordingly he is unlikely to leave as the current position fits in with his other family commitments. A very similar motivation for remaining in the firm was also expressed by IN01-E4 who has been the logistics manager for over 6 years and although he believes that the firm does not offer an 'ideal workplace', he did not express a strong interest in finding different employment.

At the other end of the scale were an interviewed food technologist (IN01-E3), a research and development support (IN01-E5), a team leader (IN01-E6) and the office administrator (IN01-E7). IN01-E3 started working for the company right after graduation and although he feels that has learned a great deal and was given the opportunity to develop as a professional in his field, he plans to leave the company as soon as he can find a better position in a different company. Just like most of his co-workers he feels that the company culture could use with some improvements. IN01-E5 who was working as a R&D support at the time of the interview, thought that in order to ensure career progression and gain more expertise in the field the right thing for him was to move to a different company. Similar to his colleagues, he expressed unhappiness in relation to the working environment. After 2 years of working for the company, IN01-E6 felt that despite she had gained valuable experience and skills, she was being 'undervalued, underpaid and overworked'. Furthermore she perceived no recognition or appreciation for her efforts and commitment and her increasing unhappiness made her consider finding a different job. Very similar accounts were also expressed by the rest of the interviewed employees. All top management positions were occupied by family members, a decision that was motivated by the existence of trust relations and tradition. Based on the observed approach to business specific practices, this firm was classed as a new EMB.

The ninth firm is a beauty salon co-owned by a Romanian and Vietnamese married couple. Both partners along with four of their employees were interviewed for this research (table 5.9). All the interviews collected from this company were initially conducted in Romanian and subsequently translated in English. The two entrepreneurs come from non-religious families and adhere to a spiritual system of values which shapes their social and business interactions. Furthermore both have been living in Britain for over 10 years and opened the business in 2008. Since its initial days the salon has registered a steady growth and at the time of the interview they were preparing to open a second branch.

The first interviewed owner, RO01-O1 is a Romanian migrant who moved to the UK more than 10 years ago. While living in different cities across the country he held a series of different low skilled jobs in factories and warehouses and eventually decided to open a business with his life partner. In order to gather the necessary start-up capital, the two business partners used personal savings and a loan from their family. The two owners explain how they have used the profits generated by the company in order to fund all follow-up investments to even to open a new location. They did not dismiss using formal lending agencies in the future but believed that for all their foreseeable expenses this will not be necessary. Reflecting on their decision to pursue their entrepreneurial initiatives, RO01-O1 admits that his expectations were exceeded by the success of their business:

> 'I was obviously hoping it will be a good investment but I didn't quite expect it to be this successful, I am really happy with how things worked out. We are currently considering locations for our 3rd salon. Since initially opening we have added other beauty services besides nails and we now employ 12 people. [...] I can say that this is one of the most popular nail bars in [name of the town]' (RO01-O1)

Table 5.6. Business Description – RO01

NO.	Transcript number	Nationality	Position	Business sector	Age	Gender	Education	Ethnic background	Religious background	Spiritual/ Religious
1	RO01-O1	British/ Romanian	Business owner/ partner	Services (Nail Bar)	33	M	high-school	White European	Christian/ Orthodox	Spiritual not Religious
2	RO01-O2	British/Vietnamese	Business owner/ partner	Services (Nail Bar)	30	F	high-school	Asian/ Vietnam	Non-religious	Spiritual not Religious
3	RO01-E1	Romanian	Employee (nail technician)	Services (Nail Bar)	27	F	University	White European	Christian/ Orthodox	Spiritual not Religious
4	RO01-E2	Romanian	Employee (nail technician)	Services (Nail Bar)	27	F	high-school	White European	Christian/ Orthodox	Spiritual and Religious
5	RO01-E3	Romanian	Employee (nail technician)	Services (Nail Bar)	30	F	University	White European	Christian/ Orthodox	Spiritual and Religious
6	RO01-E4	Romanian	Employee (nail technician)	Services (Nail Bar)	32	F	high-school	White European	Christian/ Orthodox	Spiritual not Religious

The second entrepreneur, RO01-O2 moved from Vietnam in order to pursue a bachelor's degree in Business Studies but eventually decided to drop out and focus on opening and running her own company. She believes that making the choice to give up university in favour of starting a business was one of the most important turning points in her life. Further on this has given her a much more satisfying work-life balance. Since the early days of the

business, the two entrepreneurs have employed a total of 12 staff members recruited exclusively through their social networks. Although all employees are Romanian migrants, the owners explain that their background is a matter of convenience rather than expressed preference. By using informal channels such as referrals from friends, family and existing employees, they have saved on the costs associated with recruitment as well as decreased their staff turnover. None of the employees had previous experience working in similar positions but they were all trained on the job and supported to pursue all the necessary qualifications that have enabled them to acquire the job specific skills and profess to the highest standards. In relation to payment and rewards, the company offers rates above the NMW and bonuses around the Christmas period. These are often supplemented by tips and gifts from the customers. After discussing with the employees it transpired that the generous rewards system, along with the familial and flexible working environment, were pivotal to the high job satisfaction and almost inexistent staff turnover.

In relation to marketing and promoting the business, the two entrepreneurs made extensive use of social media platforms as well as referrals from existing customers. Moreover all the respondents from this company believe that the high quality of the services they provide and ensuring customer loyalty are key elements of their reputation and popularity.

Reflecting on her upbringing, values and shift in beliefs, one of the interviewed employees explained:

> *'Being religious is somehow embedded in our culture, I can't say my parents were awfully religious but they did go to church and have educated both me and my sister in this spirit [...] When I first moved here it came as a shock to see so much (social) diversity. To be honest it wasn't that easy at the beginning but I soon learned to accept and respect everyone, it's something that you do in this country. First because you have to and then because it becomes like your second nature [...] So I think that my daughter who'll probably grow up here will already have these values because it's different when this is what you grew up with and you're used to seeing it every day [...]' (RO01-E1)*

Very similar accounts were also reported by some of the other employees who believe that this adjustment has played an important part in helping them establish strong relations with the clientele and gain the loyalty of their customers. Based on the specifics of this firm and the approach to business, this company was classed as a new EMB as it is a clear example of break-out ethnic owned firm.

The tenth business is an employment agency owned by two Romanian and Indian friends and business partners (table 5.10). Although the two business owners are from different religious backgrounds, both express similar spiritual values and believe that this has played a great role in strengthening both their personal and professional relations in spite of the distinctions regarding their upbringing, cultural and ethnic belonging:

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'The moment we started talking about this and that we clicked. We have so many things in common especially our values and visions […] Religion has never come up, not in a bad way anyway and it has definitely never interfered with our business. I think we're both very respectful of each other's beliefs' (RO02-O2)

The main activity of this joint venture is recruiting low skilled workers from Eastern Europe and placing them in employment on the British labour market. Referring to how they started and what influenced their choice for this particular business sector, both entrepreneurs say that they saw the demand and potential for this type of company. The start-up costs were funded through a small bank loan and personal savings. In order to secure any necessary follow-up investments, both entrepreneurs expressed that their preferred sources would be formal lending organisations. During the first months since launching the business the owners had quit their jobs in order to focus on the development of the company, however business was slow and due to financial constrains they both had to find alternative part-time employment while devoting all their spare time to the joint venture. They estimate that if the business does survive this difficult time it will be a while until it actually starts generating a profit.

Table 5.7. Business Description – RO02

NO.	Transcript number	Nationality	Position	Business sector	Age	Gender	Education	Ethnic background	Religious background	Spiritual/ Religious
1	RO02-O1	Romanian	Business owner/ partner	Services (employment agency)	31	M	high-school	White European	Christian/ Orthodox	Spiritual not Religious
2	RO02-O2	British/ Indian	Business owner/ partner	Services (employment agency)	35	M	University	Asian/ Indian	Hindu	Spiritual not Religious
3	RO02-E01	British	Employee (administrator)	Services (employment agency)	24	F	high-school	White British	Christian/ Protestant	Spiritual not Religious

As at the time of the interview the company was still at its early stages, they only employed one staff member who works on a part-time basis and was paid the NMW. The employee was recruited through informal channels.

The main strategies used for marketing and business promotion purposes were networking events, professional fairs and social media platforms. At the time of the interview the company had been operating for six months and it was therefore premature to make any assumptions on their trajectory and growth potential. However this company was classed as

a new EMB due to its sector of activity, link with international markets and approach to marketing as well as mixed ethnicity of the business owners.

The last firm involved is a successful small catering business owned by married couple of Romanian origins (table 5.11). Although both partners grew up in Orthodox families they have converted to Protestantism. The business employs five workers all recruited through family and social links and all sharing the owners' national background.

Table 5.8. Business Description – RO03

NO.	Transcript number	Nationality	Position	Business sector	Age	Gender	Education	Ethnic background	Religious background	Spiritual/ Religious
1	RO03-O1	British/ Romanian	Business owner/ partner	Catering	37	M	high-school	White European	Christian/ Protestant	Spiritual and Religious
2	RO03-O2	Romanian	Business owner/ partner	Catering	27	F	high-school	White European	Christian/ Protestant	Spiritual not Religious
3	RO03-E01	Romanian	Employee (catering assistant)	Catering	35	M	University	White European	Christian/ Orthodox	Spiritual and Religious
4	RO03-E02	Romanian	Employee (catering assistant)	Catering	32	M	University	White European	Christian/ Orthodox	Spiritual and Religious

The first interviewed owner, RO03-O1 recalls how he moved to the UK over 15 years ago in order to pursue a course in religious studies. Following his graduation, he decide to convert to Protestantism despite being from a non-religious Orthodox family. He is a now a regular church goer and an active member of the congregation and sees his transition to a different religion as having had a positive impact on his outlook and life-style. Along with his religiousness he believes of having strong spiritual values.

The second business partner, RO03-O2 comes from a non-religious family but believes that she has become more religious since meeting her husband who is a practising protestant. However, despite having some moderate religious beliefs, the business owner expresses stronger spiritual values that have placed her in the 'spiritual not religious' category. The respondent migrated to the UK seven years ago when she decided to give up her degree in biology and accept a managerial position for a chain of cafes. After having worked there for over five years, RO03-O2 chose to pursue her personal ambition and, along with her husband, started their own company. The time spent in the company was an excellent opportunity for her to acquire all the necessary expertise and build social and business

networks that have further helped in setting up the current business. The main part of the start-up capital was ensured through personal savings and supplemented through a small bank loan. Although confident in their abilities to succeed, the two owners decided to start small and grow gradually by reinvesting parts of the profits in developing the business. This strategy paid off and after a few years since setting their business they were able to open a small café, besides having two mobile food carts which they use for fairs. In order to gain more customers the entrepreneurs rely mainly on social media and referrals from existing clients. Additionally, their business has gained better visibility though the support of their pastor who promoted the firm within the religious congregation.

The two entrepreneurs expressed their preference for informal recruitment channels in order to fill in any vacancies. Through the use of referrals from family members and friends they were able to ensure high levels of trust and shared values with their staff members as well as minimising staff turnover and diminishing the costs associated with recruitment and training. Additionally the owners believe that it is their duty to help and care for their family members which they fulfil through offering stakes in the business. Furthermore both employees interviewed in this company acknowledged the positive impact of their working environment on establishing high levels of commitment and job satisfaction. In relation to payment, the company offered the statuary rates to their employees, along with a series of benefits such as meals, transport and occasional bonuses during busier periods.

Reflecting on potential future growth and strategies for recruitment the owners believe that they will continue to employ people from within their close social networks. They do not wish to increase the size of the firm further than they could manage.

> *'I'm happy with being successful but it has never been my intention or ambition to have a national or international chain. I think it puts too much pressure, that sort of business comes with a lot of stress. I like working for myself and seeing my family prosper as a result but I think that greed leads to destruction so I'm happy to have a small business and a happy family'* (RO03-O2)

Despite the strong reliance on the co-ethnic community in relation to their recruitment practices, this company falls under the new EMB model based on their target customers, approach to marketing and growth potential.

5.3. Present EMBs. Towards a More Inclusive Approach

An overview of the findings showed that some of the studied companies fall into the previously established EMB patterns and replicate older models of businesses focused on the 'low-skilled/ long hours' culture and operating in the low value added sectors, marginal economy and high uncertainty regarding future perspectives. However the evidence showed that despite being at an early stage, some signs of change are indeed emerging in EMBs

(table 5.12). Overall the companies studied were more prone to be successful, made effective use of social media to optimise their approach to marketing and they were looking to expand into new markets previously underexplored by ethnic entrepreneurs. These firms were more inclusive and more likely to be familiar with formal recruitment channels.

Furthermore many of the interviewed entrepreneurs have expressed openness towards employing a diverse workforce. Over 70% of the business owners come from families with a tradition in entrepreneurship and they admit that it was indeed this background that played a key role in motivating their business decisions. Also, their choice for a specific sector was informed by being involved in family businesses. Moreover this valuable experience has presented them with the chance to observe, analyse, avoid or change certain strategies that were proven unsuccessful for their predecessors.

> *'I spent a lot of my time actually helping my parents because they had businesses as well' (PK01-O2)*

> *'I actually do business exactly the opposite to how he [father] did it. So I wanted to do something that he probably wouldn't have done because he actually lost a few businesses not doing them properly, so I almost had to do something which wasn't like him' (PK01-O1).*

> *'I got to learn from his [father] mistakes and that is a good experience' (PK02-O1).*

> *'I started off by inheriting my father's restaurant at the age of 17. He unfortunately passed away and I was the oldest sibling in the family so I either had a choice of continuing my education or going into running my family's business. I obviously chose running the business' (PK03-O1).*

Historically, EMBs have been seen to compete on the basis of low prices or building long term individual relationships with customers (Jamal, 2005; Coviello et al., 2006; Altinay and Altinay, 2010), however the present research found several important changes. Many of the ethnic entrepreneurs interviewed are starting to realise the importance placed on the quality of their products and services rather than emphasizing on quantity.

> *'The quality of the product that's the most important thing' (RO01-O2).*

They now believe that they have a different approach to doing business compared to their families and friends who have previously tried and failed. For instance, their customer base is wider, they have expanded into markets that have not been explored by their predecessors, and they are using different marketing strategies.

> *'Well… my target customers, I try to aim at middle to upper class, middle class people. And the reason being for that is that the middle class people and mature persons is that they're very stable in terms of income. They have a certain amount of money they spend on a monthly basis, very rare… I personally do believe that even though other people might tell you something else, but very rare people like that fall into the recession' (PK03-O1).*

Table 5.9. Description of the Businesses (Old and New EMBs)

No	Business code	Sector	Type of business	Number of employees	Religion of business owner(s)	Sources of finance	Marketing channels	Main approach to recruitment	Reliance on ethnic enclave	Spiritual/ Religious	New/ Old EMB
1	GR01	Catering	Fast food/ take-away	3	Christian (Orthodox)	personal savings	social media, word of mouth	informal	Weak	Spiritual not Religious	New
2	GR02	Service	Accountancy firm	3	Christian (Orthodox)	personal savings & banks	referrals	formal & informal	Medium	Spiritual and Religious	New
3	TR01	Retail	Grocery Shop	2	Muslim	personal savings & social networks	word of mouth	informal	Strong	Spiritual and Religious	Old
4	PK01	Catering	Café	16	Muslim	Banks	social media, business promotion agencies	formal	Weak	Spiritual not Religious	New
5	PK02	Retail	Newsagent's shop	2	Muslim	personal savings & social networks	word of mouth	informal	Strong	Spiritual and Religious	Old
6	PK03	Catering	Restaurant	52	Muslim	personal savings, social networks	social media, word of mouth	formal & informal	Medium	Spiritual and Religious	New
7	LV01	Service	Beauty salon	4	Christian (Catholic)	personal savings, social networks	social media, word of mouth	formal & informal	Medium	Spiritual not Religious	New
8	IN01	Food manufacturing	Food factory	150	Hindu	Banks	business promotion agencies, fairs, referrals	formal	Weak	Spiritual not Religious	New
9	RO01	Service	Beauty salon	12	Christian (Orthodox) and Non-religious	personal savings & social networks	social media, word of mouth	informal	Weak	Spiritual not Religious	New
10	RO02	Service	Employment agency	1	Christian (Orthodox) and Hindu	personal savings & banks	business promotion agencies, fairs, referrals	formal	Medium	Spiritual not Religious	New
11	RO03	Catering	Café	2	Christian (Protestant)	personal savings	social media, word of mouth	informal	Weak	Spiritual and Religious	New

'Food service, profit sector food service, examples being pop groups and hotel chains […] we focus our energies around product development and business relationships. We're business to business more than to user' (IN01-O2).

They have integrated, or are currently making sustained efforts to do so, new social media channels to promote their businesses (Facebook, Twitter, Instagram, Linkedin etc.).

'I do use social media quite a lot, that's a really good platform to look for because everyone else is now looking for places on their phones for example' (PK01-O1).

They consider themselves to be more 'open minded' than their parents or at least as having successfully taken over their businesses and adapted them to the evolving market requirements to answer the changing demands of the public. This can be linked to their liberal views about religion and diversity, they are spiritual and open to new cultures which is often triggered by living in a super-diverse Western society. Moreover, the study showed that this approach is not only applied to their business but goes beyond it, shaping their social life and the way in which they relate to people from different cultures. This comes to support Guiso et al.'s (2007) findings in relation to religion, economic and social behaviour. The authors observed that the intensity of religiousness of second and third generation migrants is more likely to be lower compared to that of their predecessors. This translates into higher tolerance and less attitudes and behaviours conducive to racism or social inequality. Moreover these characteristics were positively associated with improved economic outcomes.

One of the businesses that seems to break away from traditional EMBs models is a chain of cafés owned by Pakistani married couple. In the six years of activity they managed to open four more branches besides the initial one. All five places operate in busy locations and have access to a wide range of customers. Although their first venture, a small local shop, had placed them into the stereotypical ethnic entrepreneurial models, they have made consistent efforts to distance themselves from the classic business patterns observed decades ago in their parents' firms.

'I wanted to do something which was not what every other Asian person did which was basically open a kebab shop, or a restaurant, […] plus I was more interested in working with food, even though I still have to sort some details out, but serving drinks, cakes, pastries I thought it was a bit more creative and I don't like a lot of spice anyway. So maybe all of these things, train stations became a focal point for us anyway cause our news agency was there and we found what was missing at that moment in the station, it was a place to have some coffee, or a place to sit down and have something to eat, or just a place for a conversation, why not' (PK01-O2).

In relation to their beliefs, both owners expressed spiritual values despite having been raised in religious families. Distancing themselves from their religious identities they departed from

their traditional Muslim heritage and embraced a more 'Westernised identity' characterised by openness towards social diversity and inclusiveness. This set of spiritual values made their approach to business more flexible and played an important role in the growth and success of their venture.

> *'Religion, if you talk about moral conduct, religions highjack that as far as moral conduct is concerned and how people conduct themselves but my personal belief is that people have a moral compass and you don't need religion to dictate what's right and wrong. So that's the reason why yes… people tend to think that religion holds the view on what's right and wrong but that's not the case'* (*PK01-O1*).

Their reliance on social networks and ethnic community is very limited. They use primarily formal recruitment methods and have an inclusive approach to selecting candidates. This is indeed reflected by the diverse composition of their staff. At the time when the interviews were conducted the business employed a total of 16 people of various nationalities and ethnicities: English, Irish, Scottish, Black- Caribbean, Bengali, Pakistani, Eastern European and Indian. Moreover this thriving company is primarily managed by the wife who handles most activities from financial planning, recruitment and marketing to establishing relations with supplier and building further growth strategies while the husband's role is mainly linked to the administrative and support functions of the firm. Reflecting on her experience while working for her father's business and later, partnering with her husband and running their own business, the entrepreneur explains the sequence of events and rationale that led her to assume responsibility for most of the managerial tasks in the café. This approach and division of duties between the two partners has enforced the business's position on the market and arguably played an important role in making it successful.

> *'I've had a very funny relationship with my business. I've had my own business first time 20, 21 years ago, I helped my dad, but then I took a back seat because I was bringing my children up and I did something which I should… if I was to go back again, I probably wouldn't make that same mistake, and that was to keep a grasp of all finances and business ins and outs and doings. My husband helped me out at the time but I think that his approach to business was somewhat a lot more different to mine and I realised that that actually put us through a little bit of a difficulty at that point. So I would probably avoid that. But I did that twice. So yeah, I did that once and then I thought it was fine and then I let go again and then it happened again and then I shouldn't have let it happen the second time again because it's taken me another 10 years to get out of the whole mess that was caused at the time. So if I were to change something I think that that would probably be it. Everything else I think I've learned from it and I'm ok' (PK01-O1).*

Although there is a strong argument that new businesses, especially the ones that operate in vulnerable markets and occupy precarious positions tend to be more focused on economic rather than ethical forces (Bhuian et al., 2002; Al-Khatib et al., 2004), this particular one has managed to escape the grim prediction and its owners are proudly stating their commitment to ethical and inclusive values.

However, a slightly different picture is painted by one of the studied businesses, a corner shop owned by two Turkish friends and business partners. Both entrepreneurs have been living in the UK for over five year and their decision to migrate was mainly motivated by financial circumstances. They chose this particular location because of the established strong Turkish community as well as having friends and relatives already living in Birmingham. This business illustrates the stereotypical EMB. Its culture revolves around long hours, labour intensive and low value added products. The shop is located in one of Birmingham's poor areas, generally populated by ethnic communities and faces intense competition from many similar establishments. The owners work in shifts and have two part time helpers which they recruited from within their ethnic enclave based on recommendations from their immediate social circle. Both entrepreneurs come from traditional religious families and admit that religion plays an important role in their lives. Nevertheless since moving from their home countries their views on cultural diversity have changed and are now more open towards people from different backgrounds. However this is arguably not reflected by their approach to business.

This research found that the more integrated participants tend to be the least likely they are to express religious values. Moreover their social integration can be linked to their preference for spiritual values rather than religious ones.

> '[…] religion to me is something that is extremely evasive, it's something that cause… can cause problems, people get very precious about religion. It's a very personal thing for many people. And there are so many subdivisions of religion where you draw the line so my line on this is… we're a non-religious, non-discriminatory organisation. So I wouldn't like to… just because one religion dictates more holidays or more time off than another I don't think that's fair so I would not be comfortable with giving people time off due to religious reasons' (IN01-O1).

Furthermore this triggers the likelihood of them breaking away from the formerly established and widely documented EMB stereotypes, while bringing them closer to the domestic business models. That is not to say that they have separated completely from all cultural and ethnic influences, but rather that they tend to make the most out of both worlds. In the majority of cases ethnic and national ties are still strong but the entrepreneurs do not reject the opportunities presented by the local British market. Their newly found inclusiveness acts as a beneficial force in supporting their businesses. Moreover the strategies and approaches to ensuring business growth and economic prosperity described by the entrepreneurs interviewed align them closely to the model of mainstream business owners.

> 'I think the right approach is planning. Planning, understanding your market and after that I think it's sheer hard work. That's the key I think' (RO03-O2).

> *'I suppose every businesses success is measured in real terms profitability of the business, but apart from that building a structure that is stable and able to work independently of me if possible' (GR01-O3).*

> *'I think the level of integrity in business, I think you need to be customer focused... I think those are 2 key things' (GR02-O1)*

These observations and brief presentation of the preliminary findings aim to create a holistic image of the emerging ethnic firms while signposting the areas of interest for this research. However these themes will be discussed and explored in more depth in the following parts of this thesis.

5.4. Conclusion

This chapter is the first step in analysing the research findings and focuses on drawing a comparison between old and new ethnic firms. Firstly a description of the old EMB model is presented. The following step focuses on presenting a brief background narrative of the 11 EMBs involved in this research. This is useful as it sets the context for the contemporary ethnic businesses involved in this study while highlighting the main characteristics and challenges faced by these companies. The discussions touch on issues related to the owners' upbringing, religiousness and spirituality, their entrepreneurial experience, approach to securing the start-up capital and follow-up investments, recruitment strategies, payment and reward systems, employees' profile and finally marketing practices. Based on these topics, each company is classed under either the old or the new EMB model. Following the introduction of the 11 case studies, the chapter offers an initial discussion of the main differences and similarities between old and new EMBs.

The following chapter will provide a more in depth analysis on the ethnic firms involved in this research. The focus will be on mapping religious and spiritual capitals and exploring the way in which they influence EMBs' social embeddedness, the formation of entrepreneurial values and choices for specific business practices as well as the construction of trust relationships, bounded solidarity and information sharing. Finally, issues related to gender representation in ethnic businesses will be investigated and discussed.

6. <u>How Religious and Spiritual Capitals Shape the Ethnic Entrepreneur</u>

The previous chapter built on the differences and similarities between old and new ethnic firms while focusing on identifying the way in which EMBs have changed over time. The present section draws on 11 detailed longitudinal case studies of the EMBs involved in this research and analysis them against the existing literature on ethnic economies, religiousness and spiritual values. Firstly I explain how religious and spiritual values were identified and measured in the considered sample. I then group the participant ethnic business owners into four categories related to their religiousness and spirituality. This model was developed and detailed in the previous chapters. The purpose of this categorisation is to enable an easier exploration of the impact of the entrepreneurs' religious and spiritual capitals on different structures of the firms. The second part of this chapter looks at the ethnic business' social embeddedness while focusing on the use of family and social networks and moreover the way in which they are shaped by religious and spiritual capitals. Additionally it explores the role played by family ties in establishing core values and inspiring entrepreneurial initiatives and behaviours. This is important because family is the primary locus of value formation and for most individuals the roots of religiousness and spirituality can be traced back to these close social ties. The third part analysis issues related to marketing strategies and access to finance and finally, gender representation in the 11 companies studied is explored and discussed.

6.1. Introduction

There is a strong critique related to the vagueness of the classic mixed embeddedness theory and its failure to generate the necessary theoretical knowledge for supporting predictive results. As the changing patterns in migration have increased the religious, cultural and ethnic diversity of modern Britain, there is a growing need for a more in-depth understanding of the ways in which these variables influence ethnic communities and shape their business ventures. In order to overcome this limitation, scholars have recommend a more complex exploration of the multiplicity of factors accountable for influencing EMBs. A large number of debates on ethnic firms' embeddedness are focused on the importance of social capital (Portes and Sensenbrenner, 1993). Families and the ethnic enclave are some of the most influential shapers of ethnic entrepreneurship. They can affect wide areas of the business, from access to finance, sourcing labour, assisting the recruitment process and facilitating business support, to ensuring emotional and moral comfort (Coleman, 1988;

Granovetter, 1985; Ram, 1998, 2001; Carter et al, 2013). Nevertheless some dimensions of social capital have been overlooked by research in EMBs and ethnic economies. During the more recent years spiritual and religious capitals, two of the previously underexplored components of social capital, have started to gain popularity within the social economy discourses. Academics argued that, although both religious and spiritual capitals are part of the wider social capital, they can be responsible for certain specific behaviours and therefore should be researched as separate mechanisms (Markers, 2013; Rima, 2013).

Much of the literature on ethnic entrepreneurship and social economy neglects the role of religiousness and spirituality in establishing support networks, building trust, solidarity and facilitating effective information sharing. The limited number of studies that consider these two variables integrate them in the wider discussion on social and cultural embeddedness (Coleman, 1988; Hurh and Kim, 1990; Min, 1995). Undoubtedly religion and ethnicity are two intertwined, overlapping concepts. Very often when religious belonging is considered in a research the main purpose is to support an assumption related to ethnicity (Light and Gold, 2000). Notwithstanding ignoring the particular influence of religious membership and faith as distinctive from ethnicity can endanger the validity of the findings. By overstating the significance of ethnic networks it is likely that the function played by religious capital in shaping economic outcomes will be misunderstood and undertheorized (Marker, 2013). Ultimately through the exploration of the role played by religious and spiritual values we can acquire more information regarding the ways in which they shape entrepreneurial initiative and experience.

Researchers argued that religious membership can act as a positive force and encourage the formation of beneficial social networks based on common cultural background and religious belonging. In turn, this environment can constitute a valuable source of economic support for ethnic entrepreneurs (Goldscheider and Zukerman, 1984; Hurh and Kim, 1990; Min 1992; Edaugh and Chafetz, 2000; Kim and Kim, 2001; Richman, 2005; Lim and Putnam, 2010; Marker, 2013). The assumption is that shared ethnicity and religious membership facilitate the creation of relationships built on trust, bounded solidarity, information sharing and financial support in the co-ethnic enclave. These are considered to be some of the key requirements for achieving business success (Fukuyama, 1995; Freidman, 2008; Marker, 2013). However the downside of ethnic entrepreneurs being too strongly socially and culturally embedded is that they restrict their exposure to limited types of influences which can often hinder their ability for financial growth. This can translate into incapacity of accessing a wider customer base, under-exploration of different business experiences and inefficient financial strategies. As showed by a recent study on religious entrepreneurs in the USA, these business owners are less likely to establish relationships of any nature with

people who do not share the same religious membership despite being part of the same ethnic enclave (Marker, 2013). Therefore ethnicity alone is not the sole determinant of building support networks for EMBs, but the discussion is much wider and the influence of both religious belonging and spiritual values should be included.

Table 6.1. Classification of Businesses under the McKee Matrix

Spiritual not religious	Spiritual and religious
GR01 PK01 LV01 RO01 RO02	GR02 TR01 PK02 PK03 RO03
Secularist	Religious not spiritual
IN01	None

McKee (2003:65), Zinnbauer et al. (1999)

In order to tackle this concern the present study explores whether entrepreneurs classed as either spiritual and religious or spiritual but not religious (Table 6.1.) are more likely to run businesses that adhere to the new EMBs models which, as debated in the previous charterers, represent a precursor for break-out and business growth. Researchers found that very often spirituality is linked to positive social attitudes and behaviours such as showing acceptance and trust towards people from different backgrounds, openness and broader worldview as well as acting with honesty and authenticity. Conversely, religiousness is seen as being more in tune with traditional values, enforcing hostility towards diversity, disagreement in relation to gender equality and overall limiting the entrepreneurs' desire to access a more extensive array of opportunity structures (Inglehart, 1990; Putman, 1993; La Porta et al., 1997; Landers, 1998; Zinnbauer et al., 1997, 1999; Roof, 1999; Guiso et al., 2003, Giacalone and Jurkiewicz, 2003).

6.2. Religious and Spiritual Capitals in EMBs

Religious and spiritual capitals can play an important role in enhancing the quality of a business' human capital and open its access to a wider social capital. This in turn is pivotal for ensuring growth and increasing the ethnic firms' chances of economic prosperity. Previously EMBs tended to be more religiously embedded than in the present, and this was

often proven to be detrimental to their business success. However, nowadays entrepreneurs are more likely to consider themselves spiritual rather than exclusively religious. This phenomenon can be attributed to the increased globalisation, freedom of movement, living in a multi-cultural society, as well as being brought up in an inclusive super-diverse country, in the case of second and third generation migrants. These factors have had a positive impact on their idea of religion and religiosity and have made them more open to other cultures. Moreover they have improved their approach to business, making them more likely to start firms that go beyond addressing the needs and demands of their co-ethnic community. Understanding other cultures and managing to create a company that caters for a larger range of requirements has translated into higher degrees of success and commercial prosperity. This is indeed an important transition from the culturally restricted, often unsuccessful ethnic minority business widely documented by the literature.

Iannaccone and Klick (2003) argued that measuring spirituality in the workplace and in business is a problematic task, as it is difficult to contain the meaning of spirituality in a scientific definition. However researchers described several characteristics that can be used to identify spirituality in practice (Zinnbauer et al., 1997, 1999; Giacalone and Jurkiewicz, 2003). They can be considered the headlights of spirituality or the bricks that pave the road towards identifying spirituality in practice. In order for spirituality to have a real meaning for science, its consistency, validity and moreover the relationships it determines must be meaningful, important and show practical and ethical utility. A framework for identifying and measuring spirituality looks at some of the following indicators: altruism, solidarity, compassion, social justice, openness, inclusiveness and acceptance of diversity, the desire to have a meaningful existence, taking satisfaction from non-material outcomes, living with integrity, the desire to make a difference, the presence of a strong sense of community exceeding the co-ethnic enclave, looking for self-actualisation, willingness to help others achieve self-betterment etc. (Neck and Milliman, 1994; Giacalone and Jurkiewicz, 2003). While analysing the transcripts these above described indicators were identified in order to signal the presence of spiritual values (see Tables 3.2, 4.4.A and 4.4.B). As each individual who was interviewed has expressed several of these characteristics it was concluded that spirituality is an important component in their lives and this argument also transpired through their actions: it shaped their social relationships, the way in which they approach their business and their workplace, their plans for the future and the way in which they intend to fulfil them. Some of the most illustrative quotes to support the presence of spiritual traits are detailed below. One of the business owners expressed his confidence that life if deeply meaningful and that the personal existence has a purpose:

'[…] the one belief I have is that life's too short to regret… yeah? Now you can sit there and say well I would've changed this, this and this but had you changed all of these things your track would've been totally different to where you are today. So where you are today is because of the good choices or bad choices that you've made' (RO01-O1)

Further on, a different participant revealed his broader worldview and the importance of living in the moment while recognising divine presence in ordinary events:

'Yeah and I kind of like, I take that the biggest thing that helps me cope with loss is that provided that I have a roof over my head and I've got food on my table and clothes on my back, other than that, everything that comes and goes is a bonus. Provided you don't get too emotional […] or attached, I think you will be fine whether you make ends meet or six zeroes. Because I've known too many people in the past who have lost something at some point and because they've taken it so close to their heart and they've got emotional about it they've never been able to get back up. Yeah? It's only when you get back up and you don't let something like that put you down is ok and you'll succeed' (RO02-O1)

Sense of social justice, compassion and consideration for others as well as acting with authenticity and the desire to make a valuable contribution to people's existence were identified in the narrative of another of the interviewees:

'I try and justify my actions where I look at everything as being fair from not my own point of view but from a third person's point of view. In any given situation that I'm in, if I'm about to make a decision I don't do… every now and again I would do instant decisions, but all my decisions are well thought about, well balanced in terms of how the other person is gonna react and making sure I'm taking the right step in terms of somebody else's views, rather than my own' (RO01-O2).

Some authors argued that, while religiosity might at times promote intolerance and create conflict among people from different backgrounds, spirituality is the one that encourages cooperation and the development of communities (Heelas and Woodhead, 2005; Baker, 2012). This is one of the main arguments to support the necessity of understanding the importance and differences between social, religious and spiritual capitals, as well as the way in which each one of them impact on ethnic entrepreneurship. In order to tackle this concern all interviewed business owners were grouped into four main categories in relation to their self-confessed religiosity and spirituality: the spiritual and religious entrepreneur, the spiritual but not religious entrepreneur, the religious but not spiritual entrepreneur and finally the secular entrepreneur (see Table 4.2).

(1) <u>The spiritual and religious entrepreneur</u>

As showed by previous research carried on much greater samples, this category seems to be the most pervasive across the Globe (Zinnbauer et al., 1999; World Values Survey). However only six out of the total 19 business owners interviewed expressed that they are guiding their lives and approach to the different structures of their firms according to a

combination of religious and spiritual moral values. Most participants who fall under this category come from traditional and/ or religious families (Tables 4.4.A and 4.4.B). However due to their prolonged exposure to the British social environment they have since then minimised some of the strict moral values that guided their childhood years and informed their upbringing.

> *'I was involved [in religious activities]… when I was younger I used to go to the Mosque, I was sent to the Mosque by my parents, which I continued to do until this day…' (PK02-O1)*

This statement is also mirrored by other respondents.

> *'I've always had religion in my life, I go to church regularly […] but I also like to consider myself spiritual […]' (GR02-O1)*

Further on, participants have shared accounts of other activities, behaviours and beliefs that enforced their belonging under the 'spiritual and religious entrepreneur' umbrella:

> *'I do that every day of my life, every day of my life. There's not a day that will go by when I won't think of God and put a request in [about praying]' (TR01-O2)*

> *'I believe in religion. Morally I have very strong believes in family and traditional approach to life […] It actually influences all my decisions. They are all based on a few religious fundamentals and family values'* (TR01-O1)

(2) The spiritual but not religious entrepreneur

The vast majority of the ethnic entrepreneurs' sample involved in this research can be grouped under this description. Eleven out of the 19 entrepreneurs interviewed consider themselves to be spiritual but not religious. Some of them were brought up in religious families but no longer identify themselves with that membership:

> *'I was raised in strict Orthodox family but I'm not religious' (GR01-O2)*

Spiritual yes but not religious, as they believe in a higher power, they pray to an 'energy or force' to a God that they do not name because, even though they were educated in a certain religion, they never felt that they belonged. The strong moral and the ethical (business) behaviour are not necessarily shaped by religiosity but by spirituality and these values are always present in the business, decision-making and daily life.

There is a vast collection of statements to illustrate the beliefs of non-religious yet spiritual respondents, some of which quoted above, leave no room for interpretations:

> *'I don't go to church […] I don't consider myself religious' (RO02-O1)*

'My parents weren't particularly religious but they were very traditional […] When we were younger we got away with a lot of things. As long as we wore trousers and we were covered my mum and dad wouldn't mind. But going

through my teens, my mum made it especially clear to me that I should wear the traditional gear, pray more and go to the mosque regularly. I didn't like it, they were too strict and I didn't agree with many of their rules and opinions. […] I consider myself spiritual and I try to educate my daughters in the same way' (PK01-O1)

'[…] I don't believe in God […] I believe in energy' (LV01-O1)

'I'm spiritual not religious' (GR01-O3)

'I'm spiritual, I believe in unity not religion' (RO01-O1)

Moreover one of the entrepreneurs goes on to give a more detailed description of her system of beliefs, explaining again a system of religious moral values does not match her views:

'I have a ritual as such to pray to God. For me there's something out there, wherever and everybody has a different name… Buddha, energy or power or… whatever someone may call it, but my own relationship with that power or energy is a personal one, so I could possibly chat with that energy 10 times a day, I don't need to be in a certain position or way to be able to connect with it. I don't need a tie, I mean why would I need a tie?' (RO01-O2)

This type of narrative appeared to be quite popular as other interviewees were observed to share similar views. This enforces the validity and legitimacy of spiritual capital and proves, once more, that it can indeed play a part in shaping the wider social capital employed by ethnic entrepreneurs.

(3) The religious but not spiritual entrepreneur

None of the participants in this research can be fitted under this description. As argued by McKee (2003), this is a category in which we very often find religious extremists and it is difficult for responds to openly admit of being one. Moreover after having had the opportunity to interview and observe the participants I believe that it is unlikely for any of them to fall under this description. None of the respondents showed signs of behaviours or attitudes that could class them as extremely religious.

(4) Secular, non-religious, non-spiritual entrepreneur

Two of the business owners interviewed admitted of being neither spiritual nor religious. They guide their actions and approach to business following a set of what they consider to be good moral values. Both state the importance of fairness, trust and accountability and name them as crucial traits they look for in their employees.

Table 6.2, detailed below, provides a brief description of the sample according to these identified types and their distribution in relation to the respondents' individual religious belonging and shared spiritual values.

In conclusion, it is not a matter of entrepreneurs becoming secular or insensitive to religious beliefs but rather of them moving towards a more holistic approach to moral values, one that supports diversity and inclusiveness, namely spirituality.

Table 6.2. Business Owners. Distribution of Religious Membership and Individual (non) spiritual/ (non) Religious Self-Identification

	Christian/ Orthodox, Catholic, Protestant	Muslim	Hindu	Non-religious
Spiritual not Religious	8	2	1	1
Spiritual and Religious	2	4	0	0
Secular	0	0	2	0
Religious but not Spiritual	0	0	0	0
Total	10	6	3	1

6.3. Social Embeddedness

There is a lively debate focused on the EMBs' social embeddedness. Much of the literature has described an ethnic entrepreneur locked in family and co-ethnic ties and has drawn attention towards the pivotal role of social and human capitals for these types of business owners (Jones et al., 2004; Ram et al., 2007). While the present research is grounded in the mixed embeddedness theoretical framework, it recognises its lack of awareness in relation to mobilising and shaping human and social capitals in EMBs. In this concern the present thesis draws attention towards the importance of the underexplored religious and spiritual capitals and claims that the two can be valuable resources for ethnic firms. The argument is developed in two stages. Firstly I explore the ethnic firm's reliance on family ties while analysing their roles as sources and shapers of social and human capitals as well as exploring potential benefits and disadvantages. This discussion is relevant because families are the primary locus where religious and spiritual values are born and they can have an important impact on the forms of all forms of capital. Secondly the debate focuses on the influence of trust, solidary and information sharing facilitated by co-ethnic social and business support networks.

6.3.1. Family Ties. The Primary Source of Value Formation and Business Support

Many scholars acknowledged that social, and moreover, co-ethnic networks are influential for ethnic economies (Granovetter 1985; Granovetter and Swedberg 2001; Rath 2000; Kloosterman et al., 1999; Ram and Smallbone, 2003). Although it is undeniable that ethnic capital is a very important determinant in shaping economic exchange within ethnic communities, family networks can be equally or even exceedingly influential in moulding entrepreneurship (Mulholland, 1996; Wheelock and Mariussen, 1997; Ram, 2001; Alsos, Carter and Ljunggren, 2014). Furthermore Fukuyama (1995) observes how tight family links can also act as important guiding forces for EMBs (Alsos, Carter and Ljunggren, 2014). Researchers observed that the household is indeed the nucleus of family firms and even more so in the case of small businesses (Wheelock and Oughton, 1996; Carter and Welter, 2016).

Enjoying the support of family networks, along with all the additional benefits it brings, can give ethnic entrepreneurs a valuable competitive advantage that other business owners may not be able to access. Research shows that family links are particularly beneficial for immigrant entrepreneurs as they facilitate their transition and integration into the new community, while in the same time acting as a strong support net. They can substitute the absence of external social links and act as a buffer. Additionally, the role of family ties goes beyond being merely replacements for other types of social networks. Kin relationships can act as a resource for recruitment, financial aid, advice and, ultimately, they can be a source of cheap labour. High levels of enforceable trust are some of the most important mechanisms behind establishing business networks and numerous researchers have agreed that trust is likely to be at its peak among members of the same family (Renzulli et al., 2000; Stewart, 2003; Brush and Manolova, 2004; Brundin and Languilaire, 2012; Brundin and Wigren, 2012; Marker, 2013; Alsos, Carter and Ljunggren, 2014). Therefore, based on this argument, reliance on family is likely to be beneficial to businesses.

Alsos et al. (2014) rightfully stated that 'a household perspective implies that one views entrepreneurs within the context of his or her immediate family unit, implicitly recognising the blurred boundaries between the business sphere and the private sphere. These two spheres are often inextricably linked for small firm owners; household decisions and business decisions are both made within the household, and business strategies are interwoven with household strategies. Hence the decision to found a new business or to start an additional enterprise may be the outcome of a household, rather than an individual, strategy' (p. 7).

This quote is highly representative for the patterns and entrepreneurial behaviours observed in the business owners interviewed.

One of the main focus points of the interviews was related to how entrepreneurs came to do business. The aim was to find out information about the triggers behind their particular business choices, their motives, the paths they had to take and what the factors that shaped their approaches to managing their companies were. Unsurprisingly, stories about business start-ups were rich in content and filled with accounts of numerous challenging situations. Most entrepreneurs had previous experience in working for their families' or friends' firms. In many cases these contexts were the ones in which the interviewees had started their training towards becoming entrepreneurs in their own right. Four of the 19 interviewed owners admitted that their families' support was crucial for ensuring the start-up capital they needed while 9 of the whole sample have stated that being part of the family business was decisive for their initial training and choices in relation to business ventures. Having had the opportunity to work for family firms has presented the future entrepreneurs with the right set of skills and knowledge required to open their own businesses. Moreover, through family connections they were able to establish wider business networks which were essential for gaining exposure and increasing their credibility in the entrepreneurial environment.

Family ties act in several ways, they can provide financial resources as well as be a source and shaper of human and social capitals. Family is the place where the core values are formed. It can influence the decision to pursue higher education and/ or venture into entrepreneurship. Many of the interviewed business owners admitted of having been strongly impacted by their parents and kin relationships. Moreover the entrepreneurs have gained their religious and spiritual identities as a result of their upbringing and interaction with other family member.

In relation to his upbringing and childhood years, one of the business owners remembers how, by the age of 7, his father had bought his first business and he got involved from the first day. At the beginning it would be with small things, like stacking the shelves or occasionally attending customers. Also his duties would entail helping his mother with general household tasks as well as taking care of his younger siblings when required.

> '[…] my activities involved: looking after my young siblings, 'cos I was one of the… I am the oldest in the family, so all 5 of them were sort of helped my mum to bring them up. Obviously went to school, did homework and then… uh… because when I was about 7… 7 - 8 years old my father bought his first business, I became quite involved in it from day 1. I'd stand by the sweets corner and for example setting sweets etc. and then I'd go inside and look for things to do. I'm a very curious person so I'd look inside and see if my mum needed any help […]' (PK02-O1)

This is in line with research conducted by other academics (Aldrich, 2005; Alsos, Carter and Ljunggren, 2014) which showed that entrepreneurship often flows into family life and moreover business is conducted at the dinner table. Very often the whole family is involved in running a company. These practices are not exclusive for ethnic firms, but applicable to most family owned businesses.

Being able to reflect critically upon past situations and self-actualization are attributes typical for spiritual individuals (see Table 3.2) which were shared by many of the successful entrepreneurs interviewed. Drawing valuable lessons either from their personal experience or the one of their friends' and families' is essential for shaping entrepreneurial personalities and forming stewardship. This particularity was expressed by 13 of the total 19 business owners involved in the research. Nine of them come from entrepreneurial families and had been involved in their families' business from an early age while the other 4 had worked in firms owned by their friends. Regardless of the context in which they had gained their experience, they all agreed that these apprenticeships were salient for the success of their subsequent business ventures.

One of the entrepreneurs who had inherited his father's business when he was 17 recalls how by the age of 22 he had lost everything due to a series of bad investments and reckless actions. Facing financial ruin, but most importantly having disappointed his family, he decided to right his wrongs and after two years of hard work he managed to save enough money to start a new business. Reflecting upon his trajectory, he sees it as a learning experience which made him stronger, helped him to see things from a new perspective and focus on his priorities. He admits that the emotional strain of knowing he had disappointed his mother was the main motivator behind his now successful entrepreneurial career.

> *'I think my inspiration has always been my mother. She's not a business woman but what she single-handedly did with raising kids after my father passed away I think it was very brave of what she's done. So I take a lot of inspiration from her and I also I think I wanna prove to her that I'm worthy. What I mean is that I was a very hard person to deal with when I was younger, I made a lot of mistakes so I think I gave a lot of pain, so I try and make up for it by working hard and showing my mum that way…' (PK03-O1)*

Another interviewed entrepreneur expresses similar drivers to justify his business venture:

> *'What do I consider important? I think to me success is important, in terms of not just financially. I think success is obtained and can be obtained on very many levels. I think materialistically it's not as satisfying as being successful in many other parts of my life. So success is quite important' (GR01-O3).*

Furthermore both he and his two business partners shared the same kind of understanding in relation to what success really meant for them. Their definition did not confine within the

narrow borders of economic prosperity but expanded to include outcomes such as self-actualisation, self-realisation, having the feeling of belonging and ultimately adding meaning to their existence on a wide variety of levels. These statements are typical for Zinnbauer et al.'s (1999) description of spiritual individuals, placing therefore the respondents into this category. Being guided by a set of spiritual values adds depth to the ethnic entrepreneurs' business drivers. They break away from the limits imposed by stereotypes and prove that there is indeed more to a business other than the sole generation of financial comfort. The depth of their intrinsic motivators can act as a positive force by making them more prone towards ethical business practices and social involvement as well as more likely to show acceptance and openness to diversity and equality.

When asked about the most important values which guide his business behaviour, another entrepreneur attributed his success to having strong work ethic and a high sense of responsibility. These were values that he admitted of having acquired during his childhood and teenage years as a result of being required to balance school work while helping his father with daily tasks in the family's small firm.

> '[this lifestyle and upbringing built] a sense of responsibility I think, was probably the most important… because I have a huge sense of responsibility, everything I do I think twice, I have to make sure that it's ok, it's done, it's done in a correct fashion. Time… time keeping was another thing that I built into my system, because certain things were done at certain times […] I had to plan my day in that way because coming home, knowing I have homework and then help my dad for 3 or 4 hours because he either had to go to cash and carry, do his chores, come back […]' (RO03-O1)

Furthermore one of the other participants credited his family and upbringing for having fostered the development of good moral values. He then went on to express the importance of passing on these lessons to his own children. This narrative illustrated once more the role played by families in the formation of spiritual values which guide certain types of social and economic behaviours often associated with higher chances of entrepreneurial success.

> 'I think you have to be brought up that way, because I try and teach my kids the very same values where you have an open mind, you don't look at their skin colour, you don't look at their bank balance, you take people for who they are and what they are. And then if there's something that you don't like about them it's not because of… you know their culture but about their individuality…' (PK03-O1)

Another business owner explained how being from a strict religious family did not allow her to spend much time socialising outside the house so she was sometimes having friends visiting outside school hours. These restrictions had caused her to rebel as a teenager. Assuming that her parents would not have emigrated from Pakistan and she would not have grown up in a liberal Western society, this behaviour would not have been acceptable. She now believes of having found a balance, and although she still held on to some of her

parents' religious values, they were seen as a moral compass rather than strict rules. Moreover she considered herself to be spiritual and has an inclusive approach to social and cultural diversity, value which she proudly passed on to her three daughters. Although her husband was born and raised outside the UK in a strict religious family, through his exposure to the British social environment along with his wife's influence he had started to embrace the more liberal Western spirituality. This finding is unexpected and contradicts the common belief regarding Muslim religiosity and the position of women in Islamic societies.

> *[…] when we were growing up there was more culture and religion, during my teens I felt confused, I didn't know what religion actually was and then there were so many things in religion that you could actually do but culturally we were not allowed. For example going to friends' house, that was not really religious, that was more of a cultural thing cause our parents wanted to keep us in a certain way because they were scared that probably we would get influenced by society, it was a fear that was embedded in them that they really had to do a lot of things and didn't want to be distracted by from out backgrounds and who they were so it was a fear most clearly. So it was probably culture that rounded and grounded us and made us who and what we are today. But I don't know religion as such… probably it had an impact on the cultural influences and then the cultural influences shaped you more and I can see that connected and being linked somehow. But the religion itself it didn't. If anything when I learned a bit more of religion I realised it was quite liberating there were so many things, there were no restrictions of what you can and cannot do but they got enforced as part of a culture and they get used as 'this is what you're supposed to be doing and it isn't' (PK01-O1).*

There are numerous reports on the importance of developing work ethic as the result of being involved in family businesses from a young age. Very often this previous experience sets them one step in front of their peers. Besides helping individuals follow their entrepreneurial initiatives sooner compared to others that were not exposed to the same environment, it also has a significant impact on their commitment to work. A common occurrence is for EMB owners to encourage their children to follow higher education so that they would have access to a different range of employment options, rather than being constricted to sharing a similar experience to that of their parents. As a result of having attended higher education as well as having been part of an entrepreneurial family and therefore having had the chance of gaining specific skills and knowledge, many of these second generation migrants will open and develop successful businesses. This is indeed an example of the positive implications of transgenerational family owned EMBs. Illustrative for this argument is the case of one of the participants in this research. He recalls how he started working in the family business from an early age and considered that experience as being of tremendous importance. Having learned the skills and knowledge as well as a higher sense of responsibility and commitment, reflected by his work ethic, have been some of the most important determinants in his entrepreneurial career. After obtaining a bachelor's

degree in economics he became even more involved in the company and has since managed to develop the business and considerably increase its profitability.

When asked about their role models or important people in their lives that have influenced their decisions and shaped their business behaviours, several entrepreneurs named their parents as fulfilling that part. The qualities that they most admired and try to replicate as well as inspire in their own children are: honesty, responsibility, elevated sense of equity, commitment and compassion, being open-minded, having strong work ethic and the desire for continuous self-improvement.

> '[…] I have a role model in life which would probably be my father. He is in business with me so you could argue that he's a role model in business but the lessons that he teaches me have more to do with personality and character than they have with business […] he hasn't sat me down saying that you have to be like this or you have to be like that, I think it's more a case of how he conducts himself in terms of his approach to life and his willingness to be opened, to learning and listening, embracing new ideas and suggestions, not just in business but in life also and having a liberal approach or view point. And also the desire or willingness to be as good an individual or as honest an individual as you can be […] he's influenced me a lot. And that he again was born a Hindu. My grandparents are Hindu. But yeah, he's influenced me very, very much, definitely from an early age and he's probably the reason why I am an atheist. He read, he started reading when I was young and through discussions I suppose different things that he's read, different things that I've read it's definitely influenced me in terms of my beliefs' (IN01-O2).

> 'Being honest and genuine with yourself, is important to me. The ability to learn and improve is important to me, the ability to build and create something and I suppose that the thing most people desire is a thumbprint of some description… everybody wants to leave a thumbprint in life' (PK01-O2).

Five of the 11 firms researched can be classified as 'household enterprises'. Moreover these are some of the best established and most successful companies from the sample. It is the case of a medium sized family owned food manufacturing business that has been running for over 40 years. As one of the owners interviewed admits, the business was originally started in his mother's kitchen.

> 'It was never a big thing, she was cooking traditional food and selling it to others from the community. She came to the UK with no money and no knowledge of English, […] a truly impressive woman, my role model and inspiration. Raised 5 children and managed a small business in the same time' (IN01-O1)

Being part of an entrepreneurial household was the main determinant behind his decision to pursue a similar path. Using the skills and knowledge acquired, he partnered with his brothers and opened a new venture. After having raised enough financial capital he took on his mother's small business and transformed it in a successful venture. Both his children did their apprenticeships in the firm before enrolling into higher education. Upon receiving his

Bachelor's degree in Economics and Business Management his son decided to return and invest his formal knowledge into expanding the company even further, while his daughter ultimately chose to follow a different career path. At the time of the interviews the company was employing almost 150 and showed clear potential for further growth. Both interviewed owners said that many of the major business decisions and strategy planning were indeed carried within the household.

> *'I trust my father and he trust me. Both of us obviously want what's best for the business and the family and so far we've worked very well together. I doubt that will ever change […] He's retired now but comes in most days. […] I'm managing most areas of the company but we always talk before making any big decision' (IN01-O2).*

Another representative case was the narrative of husband and wife business owners. Both admitted that most managerial and administrative tasks were carried on in their living room. They always consulted each other in relation to any business ideas or decisions. The initial capital was funded through personal savings and despite having had a very modest start-up, the firm grew considerably in a relatively short period of time. They attributed the success of their business to effective strategy planning, the quality of their products and services, their work ethic and commitment, the skills and knowledge they had acquired during previous employments and moreover to their ability of working together as a highly efficient team.

> *'We didn't have enough money to open a café from the begging. I did some research and it just was way above our budget and I didn't want to take on a big loan, it was just too risky. I knew I was good at this and I could make it work but what if… You can never predict what will happen so we talked [with her husband] and decided to buy a caravan and go to fairs, sell there, so we did. We started with a few things, the usual ones really and then tried little by little, see what works and what not. This went well and because we'd only invested a part of our savings we had enough to buy another caravan. Four years later and we're now finally opening our own café. We still have the caravans but now [the two brothers in law] take care of that side of the business. Me and [husband's name] we're too busy with making the café work […]' (RO03-O2).*

The importance of their household as a strategic planning and administrative space was also enforced by her husband:

> *'We trade in the café and we plan at home […]' (RO03-O1).*

One of the successful companies studied was co-owned by three business partners, two of which were brothers while the third was one of their closest friends. All three business associates had been part of their families' companies before migrating to the UK. They admit of having used important knowledge and skills which they had gained through working in their parents' firms. One of the entrepreneurs recalls how, during his younger years, he had

intended to follow a different career path, however, after having spent more time shadowing his parents he changed his course:

> *'I had something more artistic in mind, […] but because my mum was very much in the kitchen she used to teach me to cook […]. So […] this is the main reason why I chose to start this type of business. Also, because my family's business was a restaurant, actually more restaurants and that sort of stuff I had quite a lot of experience from helping them' (GR01-O2).*

Nevertheless the lessons learned from this exposure did not always come from efficient business planning. Witnessing the results of poor decisions and ineffective practices, the future entrepreneurs were able to get a critical understanding of behaviours they should avoid in their own ventures. This was also supported by other respondents who admitted of having learned important lessons about business planning and strategies that should not be replicated as they were jeopardizing economic outcomes and ultimately hindering entrepreneurial prosperity.

Previous research showed that in the case of EMBs it is very likely for family members to occupy key managerial position in the companies. These roles can range from managing financial decisions, accountancy and business development to strategic planning. This was observed in five of the 11 interviewed business. The explanation behind this pattern lies in the high levels of trust between family members and moreover the low cost and high commitment levels associated with their employment.

As argued above, family ties can have a positive impact on EMBs and can facilitate essential training, employment, mentoring, exchange of information, exposure to potential business contacts and even be an informal source of capital for start-ups (Renzulli et al., 2000; Stewart, 2003; Brundin and Languilaire, 2012; Marker, 2013; Alsos, Carter and Ljunggren, 2014). However there are numerous narratives of problematic family ties that have hindered a business (Powell and Smith Doerr, 1996; Uzzi, 1996; Steier et al., 2009; Schjoedt et al., 2013; Marker, 2013). One of the entrepreneurs interviewed relates that after falling out with his sister, who was also working in the family firm, she decided to leave and open her own similar business. To add even more tension to the situation, the location she chose for her shop was in the same area, increasing therefore the competition. In addition, many of the usual customers were split between the two rivalling salons. This is a clear example of how family networks can be harmful for the success of a business.

Another danger of relying too much on family networks is potentially limiting the means and knowledge required for business development. Some ventures need different types of resources, other than the ones immediately available, in order to grow and reach their full potential. When entrepreneurs are strongly embedded in family capital they face the risk of

getting their businesses locked in and therefore reduce their profitability (Alsos and Carter, 2006; Alsos, Carter and Ljunggren, 2014). Conversely, this unfavourable situation is more likely to be avoided by entrepreneurs who employ the use of spiritual capital alongside their family ties. This exposes them to a wider array of resources and enhances their opportunity structures which in turn can support successful entrepreneurial developments.

Some of the business owners interviewed perceive family relations as being the source of power and continuity while others see them as constraining forces. Whether they have a positive or negative impact on ethnic entrepreneurship, in the majority of cases, family networks are some of the most influential forces in shaping and supporting start-up aspirations through the provision of a wide range of resources (Alsos, Carter and Ljunggren, 2014). Furthermore families are the primary locus of value formation and often hold the responsibility for imprinting the religious belonging, educating and inspiring spiritual beliefs of the future entrepreneurs.

6.3.2. Social Networks

Studies showed that social networks, solidarity, information sharing and trust are four of the most important social mechanisms that contribute to business success. Moreover communities are formed on the basis of shared ethnic background, religious membership or even business activities. Furthermore this environment promotes the favourable context for building trust and sharing information. In turn, support networks based on solidarity and enforceable trust facilitate consultations and data sharing and help entrepreneurs learn from each other creating therefore an environment which can support business prosperity (Granovetter, 1995; Bourdieu, 1986; Portes, 1998; Renzulli and Aldrich, 2005). Research indicates that it is more likely for trust and solidarity to be built upon a common ethnic background. This assumption is particularly valid for religious individuals. As showed in the literature, religiousness is likely to encourage distrust towards people from other backgrounds and promote reluctance towards social diversity (Coleman 1988b, 1990; Guiso et al., 2003, 2006; Marker, 2013). In turn, this can hinder the formation of wider business relations which could facilitate access to a more extensive pool of valuable information.

A large body of literature on EMBs and entrepreneurship has shown that trust is one of the essential attitudes that enables economies to function and businesses to succeed (Arrow, 1974; Granovetter, 1985; Coleman, 1988b; Greif, 1989; Fukuyama, 1995; Wilson, 1997; Freidman, 2008; Marker, 2013). The presence of trust in a business environment enables information sharing, solidarity and the creation of effective business networks (Light, 1972; Coleman, 1988b; Greif, 1989, 1994; Portes and Sensenbrenner, 1993; Portes, 1998; Fukuyama, 1995; Marker, 2013). The claim is that co-ethnic relations and belonging to

similar denominations has a positive impact on establishing trust among business owners and supporting networks (Uslaner, 2002; Smith, 2010). However, this can have a negative effect on forming links and developing trust between individuals who do not share a similar background. As numerous researchers found, religion and religiosity may prevent business success, alter economic prosperity and be detrimental to wealth creation (Weber, 1930; Woodrum, 1985; Kwon, 2003; Barro and McCleary, 2003). As previously argued in this thesis, spiritual values have the potential to resolve the tensions generated by clashing religious beliefs and promote trust among people regardless of their ethnic, cultural and social differences.

Part of this project was to assess the way in which the ethnic entrepreneurs' religious and spiritual values impact on solidarity, enforceable trust and their ability to build support networks. Business owners were asked a series of questions aimed to collect information regarding their reliance and the importance they place on family and social networks as well as their openness towards building relationships with people from different backgrounds. During data analysis the indicators linked to individual spirituality and religiousness discussed in the previous chapters, were compared to the elements identified in their answers. Furthermore, the assumption that traditional religious entrepreneurs are less likely to establish links with individuals from other cultures was confirmed. They also tended to be more embedded in their co-ethnic community, showed strong reliance on family links and placed a pivotal importance on shared religious membership. These sets of preferences were shown to have a negative impact on their feeling of solidarity towards people from different backgrounds. Nevertheless religious entrepreneurs admitted of feeling reluctant to trusting individuals from outside their denomination and ethnic enclave. Illustrative for this is the example of one of the religious Muslim shop owner interviewed. Through his narrative transpires scepticism in relation to individuals who do not share his background, and moreover his faith.

> *'I tried employing a white [British] person but I don't like the way he worked, he was irresponsible and I couldn't rely on him. People from my country are different, they are good workers, you know that they will do the job and you can trust them […]' (TR01-O1)*

Not surprisingly, these owners were also the ones that had the least prosperous businesses. As argued previously, strong ethnic embeddedness coupled with heavy reliance on a restrictive network and narrow religious views limit a business' chances for growth and success.

In her research on ethnic American entrepreneurs of both Muslim and Christian faith, Marker (2013) found that Islamic business owners were the least likely to network with people from

other ethnic and religious groups. This observation is consistent with the present study. Traditional, religious Muslim respondents were the most likely to express distrust and reluctance towards individuals who did not share their cultural, ethnic and religious affiliation. Although their attitudes were shaped, and in most cases tamed, by living in a super-diverse society for a longer period of time, they still admitted of being distrustful when considering possible social or business associations with people from different backgrounds. Some of the most common reasons stated by respondents were: dislike of work ethics, difficulties to communicate due to language barriers (in the case of migrants who were not proficient in English) and disapproval of the 'liberal behaviour' seen in people from distinct ethnic communities.

> *'I tried employing some local kids, I say kids but they were 24 and acting like children. When I was their age I'd already been working for 6 years, I was hard working, they were just lazy […] they had no sense of reality. That doesn't happen with man from my country you see. They come here and they know what they want, they know they have to work and they have a purpose, they're motivated. I can rely on them […] No, I don't think I'll employ boys like that anymore, I'm far better off with workers from [his country of origin]' (TR01-O2)*

Furthermore previous research found that, although people tend to form networks based on shared ethnic background, these connexions become stronger if they also belong to the same religious denomination. Their common faith and moral codes is seen to act as a glue that strengthens social ties (Guiso et al, 2003; 2006; Marker, 2013).

Another important mechanism that contributes to network formation is co-ethnic solidarity. Researchers have observed that bounded solidarity is built through shared ethnic identities but moreover enforced by belonging to the same religious faith. Various studies related to the influence of religious commitment on the construction of social links showed that religious affiliation can be the cause of fragmented business networks. Reports indicate that ethnic entrepreneurs are more likely to favour other individuals from the business community on the bases of their shared religious membership. This occurrence is especially prominent in the Muslim community and very often goes against financial profitability or quality of the products and services (Al-Manar Academy, 1948; Marker, 2013). It is however less likely for individuals of different religious faiths such as Christians or Hindu to show similar patterns. This assumption is also supported by the findings of the present research. When interviewed in relation to their attitudes and opinions of people from distinct ethnic groups, it was observed that traditional religious Muslim respondents were more reluctant to trading with people that did not share their ethnic and/ or religious identity.

> *'[…] it was right after Friday prayer and a friend of mine knew I was unhappy with my main supplier and looking to change so he introduced me to someone. This guy, he said, was also working with other*

business owners who come to the same Mosque and they were happy, good business relation, so obviously I trusted him. […] Not just because my friend, the one I knew, recommended him, but yes… he's a man of faith so we have the same values, that says a lot to me […]' (TR01-O1)

Therefore the evidence suggests that it is more likely for traditionally religious Muslim entrepreneurs to show business loyalty and solidarity to their Islamic co-ethnic group compared to spiritual and religious respondents of any other denomination.

This was not observed in the case of entrepreneurs of other religious faiths. Moreover, the respondents who emphasized the importance of their spiritual values both in their daily life and in running their business, were the ones to show the highest degree of acceptance and solidarity towards people from different social, ethnic and religious backgrounds. Nevertheless not all Muslim respondents expressed the same values and behaviour. Several of the business owners described themselves as being spiritual despite their traditional religious Muslim upbringing. Furthermore their approach to business and social diversity appeared to be an inclusive one. They spoke about respect and compassion for all people regardless of their origins. Their openness was also reflected by their business practices and the diverse composition of the workforce employed. This was the case for the husband and wife co-owners of a successful café small chain. Although both of them had been raised in religious families, they no longer shared many of the traditional religious beliefs. Moreover during the interviews they expressed values that identified them as spiritual. Their diverse workforce and their overall approach to running the business were also reflective of this classification.

Additionally, this research found that business owners who shared either a combination of spiritual and religious values or denied any affiliation with religious communities were the ones running some of the most successful firms involved in this research. The evidence also suggests that their reliance on co-ethnic networks was not as prominent as that of the religious entrepreneurs'. Further on, they were more likely to establish links with people from diverse groups based on their shared entrepreneurial activities and business acumen. Their openness was salient to sharing valuable information and their business support networks expanded beyond the co-ethnic enclave and religious belonging. This had created a favourable context for economic prosperity as well as increasing their chances of growth and success.

'A client is a client. His money's as good as anyone else's. I don't care about his background or religion. I never pay attention to these things' (RO03-O1)

Religious and co-ethnic shared identities enable trust despite the absence of legally enforced contracts. Additionally business networks based on mutual trust can diminish

competition between different firms operating in the same sector. This observation was also validated by two of the entrepreneurs interviewed, both active members of their religious community. One of them talked about another member of the congregation who had a similar business located in close proximity to his:

> 'There is a lot of competition in this area because many people have opened mini markets on the same street. They all sell ethnic products and most of the clients are immigrants from this community. I know all of them, but [name of a different business owner] he's my friend, my brother, we don't compete. We help each other how we can. If he needs advice or… money I'll lend it to him. I know he would do the same for me. We're both in the same situation and we need to stick together' (TR01-O1)

One of the main differences between ethnic and religious networks resides in the shared moral values and codes dictated by religious membership. These are spurred by doctrines and enforced by religious leaders as well as the belief in a divine higher authority and the fear of sanction and punishment. Nevertheless, as previously argued, belonging to the same religious community can have a beneficial impact on business activities. A similar pattern is seen between respondents who share spiritual values. Based on these similarities people are able to establish durable networks outside their ethnic and religious groups. These links were observed to ease social integration for migrants of diverse national, ethnic and cultural backgrounds as well as playing a positive role in supporting economic pursuits. This assumption was indeed confirmed by the participants in this research. Although religious respondents admitted of being reluctant towards trading or building relationships with people that did not share the same ethnic and religious affiliation, spiritual interviewees showed no reservations in this concern.

> 'I don't think it matters if they're [employees] from the same country as me or they go to church or what not […] that will never affect my decisions and the way I choose to do business. I think good people, with good values are not made by culture or ethnicity or religion. You get bad people and good ones in every country, from every single background… and there are so many bad people who also go to church and pray […]' (PK01-O2)

Furthermore, spiritual entrepreneurs admitted of having no issues in regards to members from different communities and they would not exclude them from their social or business networks based on ethnicity, culture or social background. This behaviour was often associated with the most successful businesses involved in the research. Therefore I argue that spiritual capital is more likely to encourage economic growth through facilitating the creation of more efficient support systems for entrepreneurs and mediating their access to a wider range of information as well as attracting a more diverse customer base.

Not long ago, following an extensive study on religious business owners, Marker (2013) claimed that it is more beneficial for these entrepreneurs to develop support networks based

on their shared religious background. Her argument was constructed on the assumption that business dealings within the community can be facilitated by common religious moral code and enforced through religious leaders and the belief in a higher divine authority. However after conducting this study I observed that business prosperity is in fact more likely to be encouraged when supported by networks formed on the basis of shared spiritual values. The explanation behind this is that religious membership limits ethnic entrepreneurs to a constricted circle, while spiritual moral codes broaden their horizons and make them more inclined towards building functional and profitable business links with other likeminded entrepreneurs. This is illustrated by the comparison between two of the businesses researched. The first firm is owned by a traditional religious Muslim entrepreneur who expresses his reluctance towards employing and trading with individuals who do not share his faith. This particular EMB was small, generated a limited income and was showing no real potential for growth. At the other end of the scale, the second company was run by a non-religious Muslim entrepreneur who expressed inclusiveness and non-discriminatory business practices towards people from different backgrounds. His firm was considerably larger employing 5 times more staff members, financially successful and, at the time of the interview, was in the process of expansion. These accounts come to show that the openness associated with spiritual values is likely to have a positive impact on businesses compared to the ones governed by strict religious views.

The business connections established between spiritual entrepreneurs go beyond any shared cultural, ethnic and religious background and are based on inclusiveness, a strong sense of social justice, mutual trust and respect for diversity. The effectiveness of these networks is supported by the respondents' expressed commitment towards social equality and enforced through the belief in a universal and omnipresent higher authority. Sharing the same spiritual moral codes also facilitates the transfer of skills and knowledge between individuals and very often these can be more complex than the ones found in an environment restricted by belonging to a religious community. Very often having access to a broader social capital is likely to translate into financial benefits.

The literature on ethnic communities has acknowledged the important functional role played by religious capital. Moreover several academics have recognised that religious institutions can facilitate the creation of business and social links. Religious leaders act as marketing channels and intermediaries in transferring information between entrepreneurs as well as facilitating business ventures. They are often approached by members of the congregation in order to gain information and advice related to different economic matters, referrals of people for potential employment or possible business associations (Marker, 2013). This was indeed illustrated by one of the entrepreneurs involved in the study. Moreover his

participation in this research was based on his religious membership, following a recommendation from the priest who ran the congregation. The entrepreneur revealed that being a part of the religious community has helped his business on many occasions, especially in relation to recruitment and promoting the company. Although he stated that sharing a similar national, ethnic or religious identity with his employees have never been determinant for his decision of selecting any of his staff members, he admitted of having met all of them in church.

> *'I told [the priest] that I was looking for someone to help me with some of the newer contracts and asked if he knew any accountants looking for work. My firm is small. I never had more than 3 employees at once […] a few weeks later he introduced me to [name of the employee] and we had a chat, she sent me her CV the following day and started working 2 weeks later. She's been in the firm ever since' (GR02-O1)*

Another entrepreneur explained that, although he has never approached the priest for matters related to recruitment, on several occasions he had asked him for advice before making certain business decisions.

> *'[…] I didn't ask him for God's permission to do this or that, but because I think he's an intelligent and wise man who has a lot of knowledge of business. I trust his opinion and advice […]' (RO03-O1)*

Having the support of a religious leader is also beneficial for promoting the business within the community, attracting customers and ultimately increasing the firms' chances for growth and success.

6.4. Marketing Strategies and Tackling Competition

There is a strong debate about the connexion between the quality of the available human capital and the entrepreneurs' approach to business practices. Moreover researchers argue that the owners' and managers' higher educational qualifications is linked to more efficient marketing strategies. University educated entrepreneurs are believed to be more likely to have the set of skills required for a better analysis of the specific entrepreneurial environment and market forces; as well as higher problem solving abilities in order to efficiently tackle challenges and maintain competitive advantage. In the case of ethnic entrepreneurs, researchers have argued that having higher educational achievements can play a key role in ensuring survival and ultimately business success   (Carson and Cromie, 1990; Werbner, 1990; Casson, 1991; Cressy, 1994; Bates, 1994; Basu, 1998; Altinay and Altinay, 2010). This assumption was considered while conducting the present research. From the whole sample, only two of the interviewed entrepreneurs had attended higher education and although their views and approach to business reflected maturity and professionalism, similar outlooks were seen in many of the other participants despite not

having attained comparable academic achievements. Nevertheless distinctions in the entrepreneurs' approach to marketing strategies were found but they could not be attributed to the differences in their educational background. Therefore this criteria was discarded as being the reason behind the observed variations. Furthermore a significant link between individuals' practical experience, spiritual values and their successful approach to marketing strategies was discovered. The presence of spiritual values and moreover the employment of spiritual capital in the studied sample was associated with more creative marketing approaches, better tailored business strategies and open-mindedness, ultimately leading to increased chances of breaking out from traditional ethnic entrepreneurship models and higher potential for business growth.

Uniqueness, authenticity, innovation and exceptional customer service are seen as generating important competitive advantage:

> *'Being yourself, creating what you think is right for you and what customers will enjoy so… that's probably the right way to go and then the wrong thing would be well… not doing what you're doing correctly, for example not adding value to your work, whether you're serving food or drinks, custom, service is important, everything that you do has to have an added value. So when they come in the customers have to feel appreciated so that they enjoy coming back. If the best values exist than you have quite a good strong business' (PK01-O1).*

Furthermore, word of mouth or relying exclusively on ethnic social networks are not sufficient anymore. In order to reach a wider customer base, entrepreneurs have started to explore new ways and channels of promoting their firms.

> *'Different businesses are marketed differently. Now I think the best form of advertising to me is word of mouth. I think that's the best way to do it. But then you've got radio, you've got TV, you've got internet and online marketing' (GR01-O2)*

> *'I've used radio and I've used TV ads […] Magazines I've done, I've done newspapers as well […] (RO02-O1 referring to how he advertised the business)*

The importance of attracting customers from outside the ethnic enclave is advocated by many researchers. Academics believe this to be one of the main impediments for the growth and success of the EMB (Basu, 1998; Basu and Altinay, 2002; Smallbone et al, 1999; Altinay and Altinay, 2010). If ethnic entrepreneurs want to increase their chances of business success they need to be supported and encouraged to expand outside the comfort of their co-ethnic group. Nevertheless this calls for innovation and openness towards new products, customers and business strategies (Hurley and Hult, 1998). The validity of this assumption is illustrated by some of the firms explored in this research:

'We demonstrate how we can offer a solution to potential gaps that they may have so it's identifying the customer that you want to approach, it's a targeted approach, you have two ways of approaching customers. One is the loose one when you talk to all sorts of customers and the other one is the targeted approach, I feel it's so much more effective, the targeted one. So approaching a new customer, you have a clear idea of which customer you're approaching, how you feel you could help the customer and identify the gap in what sort of solution you can provide' (IN01-O1).

Several different narrative of the business owners interviewed showed that similar attitudes regarding marketing strategies and approach to customers can be linked to the presence of spiritual values such as inclusiveness and acceptance towards people from different backgrounds expressed by entrepreneurs and reflected by their actions.

Scholars have argued that using media channels within ethnic minority communities fulfils a dual role. Firstly they constitute a source of help in assisting new migrants adjust to the new environment and secondly they support and maintain the community's identity (Caspi and Elias, 2010). Using various forms of social media is one of the main improvements made by ethnic business owners for advertising their products and services. Although it is still early on and many respondents are not yet fully proficient in utilising virtual social networks, they are aware of their importance and are making considerable efforts to efficiently integrate them into their business strategies.

'Yeah, it is. I mean I'll be very honest with you, I didn't understand the strengths of social media until I met a friend of mine, she was Australian and she used to be always going on about Twitter and Facebook. I'm not very technical so she kind of explained how it works and I've realised that you can reach out to a lot of people by doing that' (RO02-O2).

'Social media is something that I do lack in. I have and I've done some sort of advertising there but I never find the ideal person that I could get in and could do all that for me but I am looking into it' (PK03-O1).

Using social media has created the opportunity for new and already established businesses to get more coverage and gain visibility. People can review a business (café, shop, restaurant etc.), they can recommend them to others and through these channels they are now reaching people and markets that were unavailable before, increasing the chances of survival and even growth. The previous EMB owners did not have this opportunity but the new generation is starting to recognise the great potential and exploit it to their best interest.

'Besides having a good website, sending newsletters… besides that Facebook, Twitter, we try to be putting deals out via Groupon and […] we try to be as nice as we possibly can when they enter the salon, that sort of thing really' (LV01-O1).

When asked about his opinion regarding competition, one of the entrepreneurs expressed his confidence in the uniqueness of the products provided by his business and disbelief that any other shop might represent a real threat to the success of his venture:

> 'There's no competition, I don't see any. Not in Birmingham because we are the only [type of business] […] we are very rare and that's why. And we see that because there are more and more customers coming to the shop' (GR01-O2).

However, as observed following the discussions with other entrepreneurs, the perception in regards to potential competitors is a highly subjective one. Another interviewee expressed his worry in relation to increased competition in his specific sector of activity:

> 'I wish [competition] didn't exist, that's how I feel about it. But there is competition, every industry and every business has competition but you know I'm more interested and more focused on what we do as a business than rather to keep looking at what everybody else is doing […] I'm aware, I'm aware of what competitors are doing but I don't consume my energy and time with what competitors are doing' (IN01-O2).

Further on a different respondent was optimistic and saw it as a beneficial context for business improvement and growth:

> 'I actually don't worry about it. I don't believe it's dangerous. As I say, I think competition is healthy that is because it keeps you on your toes, it keeps you alert, you don't take your eyes of the ball and it keeps you pushing for more. I think it's a good thing' (PK03-O1).

Some of the explanations behind this drastic variation in perceptions and opinions regarding market competition, can be linked to the respondents educational background, experience, knowledge, skills, personal values, financial resources, uniqueness of the products and services traded as well as the sector and size of the business.

Although religious and spiritual capital do not have a substantial impact on marketing strategies they were observed to shape certain behaviours and moreover the way in which entrepreneurs relate to new customers and competition. Additionally religious capital can act as a marketing channel through the exposure of the ethnic firm to members of the congregation.

6.5. Sources of Finance

The problematic relationship between EMBs and financial institutions has been the focus of many previous studies (Ram, 1998; Ram and Smallbone, 2001; Deakins et al., 2005; Carter et al., 2013; Jones et al., 2014). There is consistent evidence to suggest that ethnic minority entrepreneurs face particular difficulties in accessing formal sources of capital such as banks and other financial agencies and are restricted to personal savings or informal lending

sources (Jones et al., 1994b; Ram et al., 2001). Moreover recent research shows that entrepreneurs from the newer migrant groups are also subjected to the same challenges in relation to securing start-up capital and business support. Some of the reasons behind this phenomena regard the immigrants' lack of language proficiency as well as insufficient information in relation to statutory requirements and regulations. This problem seems to be persistent even with second generation migrants. Despite the fact that ethnic entrepreneurs born in the UK are more likely to move away from the traditional business models and venture into mainstream ones (Rusinovic, 2008), this does not necessarily translate into an improvement of their relationship with official financial channels (Deakins et al., 2005). Additionally research has indicated that financial and business support institutions may sometimes have an agenda of avoiding ethnic firms because they are seen as being unreliable, unstable and often just bad investments. Bankers are frequently being blamed for their perceived lack of empathy and failure to accommodate the specific needs of EMBs (Barret et al., 1996; Ram and Smallbone, 2001; Deakins et al., 2005). However some academics argue that the avoidance of mainstream credit sources can be sometimes attributed to the entrepreneurs' personal preferences rather than to actual hostility and discrimination from the part of lending institutions (Jones, McEvoy and Barrett, 1994, Jones et al., 2014).

Indeed, more than half of the business owners involved in the present study fell into the widely documented patters and have enforced the stereotype of an ethnic entrepreneur involved in a dysfunctional and precarious relationship with banks. As scholars have previously observed, very often the start-up costs of EMBs are sourced via personal savings and loans from family and friends (Ward, 1987; Hughes, 1997; Ram et al., 2003). Nine of the 11 businesses involved in this research were financed through these informal channels. This confirms the pivotal role played by family links and co-ethnic networks in EMBs. Furthermore, this goes on to support previous findings regarding the importance of informal sources of finance for ethnic entrepreneurs. When asked about their approach to banks and formal lending organisations the entrepreneurs' answers were placed along congruent lines.

> *'I've rarely… nearly ever had experience with banks. Apart from an overdraft facility' (LV01-O1).*

> *'I had some money, me, my brother and my 3rd work partner so… I just had the money' (GR01-O1)*

Most of them expressed lack of awareness, scepticism and even reluctance towards approaching banks and other similar institutions in order to finance their business.

> *'I haven't actually looked into it and like I've said there's too much red tape, too much paper work, too many questions that you have to answer and most of the time when I'm doing deals they're done instantly so I don't have the time to make up all that. And you know the credibility especially with*

restaurants and bars and stuff like that; banks aren't borrowing you this kind of money. So if you can get it from somewhere else you are sorted' (PK03-O1).

Another business owner interviewed enforces this unwillingness to approach formal funding bodies arguing that it is highly unlikely for him and his business partners to get involved with banks or other similar organisations to finance the company's future growth. He strongly believes that relying on the available money is the safest and best approach they can have to expand their venture.

Moreover, as largely documented by the literature on EMBs, the preferred sources of finance for ethnic entrepreneurs are still the ones generated by and accessed through the use of their co-ethnic social networks (Ward, 1987; Hughes, 1997; Ram et al., 2003). One of the main explanations behind this propensity is related to their easily accessible nature as well as the higher levels of enforceable trust and the existence of a feeling of solidarity shared amongst the members of the same group. Furthermore, being a service exchanged between friends and family and often reciprocated, it is less likely for these capital flows to come with any attached interest expectations.

> *'Financially I was able to deal with a friend of mine […] I managed to raise some funds off various friends and the rest I paid in slowly over 6 months […] No, I didn't pay interest' (TR01-O1)*

> *'I think I've always found it easier to take money off people and friends, and I mean I would, my friends also know I would do the same for them so it works both ways. There are times when my friends need money and I'm there for them and when I need money they're there for me' (PK02-O1)*

Nevertheless the sample interviewed includes several examples of ethnic business owners who have made efficient use of formal financial channels and have managed to establish positive relationships with banks. One of the most illustrative stories about the successful collaboration between EMBs and formal lending agents belongs to one of the two medium sized family owned businesses involved in this research. Although the start-up capital was facilitated through family networks, as the company continued to expand the owners decided to employ a more structured approach to the financial side of the business, one that could provide sufficient capital to support their ambitions for future growth. Consequently the owners have built a good relationship with banks and are now using formal channels to finance the development of their venture.

> *'How it was initially funded… my father was in business with his brothers, they were involved in an importing – exporting wholesaling saris primarily, the decision was made to… as a business, as a family to diversify a bit into other business opportunities, food was one of those avenues so then […] the start-up came from a capital investment injection [...] Ongoing is just through business plans and putting proposals to banks and getting money for financing' (IN01-O2).*

A different business owner interviewed commented on the fruitful collaboration between her and formal financial organisations. Reflecting upon her previous experience with bank managers, she stresses the importance of building strong professional relationships with a representative of the financial institution. Dealing with a person who knows and understands the company's financial situation and sees the potential is highly beneficial for the collaboration between banks and business owners. These links may facilitate the approval of certain investment requests because, as she goes on to explain, there is a higher level of trust between the representative of that institution and the entrepreneur.

> *'I think like you know […] you have to know what you're asking for, if you're managing a business and you're asking for finance than they'll know what you can afford, it tends to be fairly positive and fairly smooth. If you can't justify the finance then obviously you're going to get rejected. So we've been cautious with that and we've put personal investment, you know this is our business so we've put money where it needs to be, we invest our own' (RO03-O2).*

Although quite limited the data available in this research signals the dawn of a functional relationship between ethnic entrepreneurs and banks. Despite still being at its earlier stages this presence supports the emergence of a business owner who no longer feels discriminated due to his or her ethnical background and is more prone towards building an advantageous collaboration with formal financial bodies. As transpired in other sections of this thesis, after having analysed a different array of business dimensions there is often a positive correlation between spiritual values and certain behaviours and attitudes believed to be influential in ensuring business success. Nevertheless a similar causal relationship could not be enforced in this case. No direct link was observed between the entrepreneurs' expressed set of spiritual and religious values and their predisposition to approach formal lending institutions or decision to remain within the confinements of their social networks. Moreover it is highly unlikely that religious and spiritual capitals will have an impact in shaping banks' and formal lending agencies' decisions and attitudes towards their clients, regardless of their ethnic background.

6.6. Gender Representation

Gender representation among ethnic entrepreneurs is a major concern for researchers and policy maker alike. A report from the Equal Opportunities Commission (2007) draws attention towards the low representation of women in ethnic entrepreneurship. It is estimated that out of almost 5 million companies currently registered in the UK, only 20% are women-led. This percentage places Britain bellow other developed countries and creates causes for concern. Moreover this debate is enforced by related issues such as the underrepresentation of women in managerial positions, the unbalanced gender distribution of self-employment, pay inequality and insufficient participation of women on the labour

market. If the statistics for the overall population show a real cause for concern, they are even more worrying in relation to the ethnic minority population. According to the data available for EMBs, only approximately 13% of the registered firms are women-led. Furthermore, in a primarily male dominated environment, not many women are seen to occupy managerial positions although they are often considered to play a very important informal role in the ethnic enterprise. Their attributions can range from ensuring emotional support or being a source of cheap labour to providing business advice or acting as a 'household consultant'. This is especially representative for family owned firms. Nonetheless it is believed that the real number of ethnic women business owners is in fact higher as the statistics do not provide accurate numbers in relation to male-female led EMBs (Carter et al., 2013).

Although the sample studied in this research is limited, there are several examples of women ethnic entrepreneurs as well as women occupying important managerial and decision making positions in the EMBs. Out of a total of 19 entrepreneurs interviewed, four are women, three of which are co-owners alongside their marital partners while one is a sole trader.

The first business owner is a 42 year old wife and mother of three, from a traditional religious Pakistani family. She first immigrated to Britain when she was five. While growing up she saw Islamic faith as a way of escaping strict rules imposed by her cultural heritage but later distanced herself from the Muslim identity to embrace a spiritual set of values. Although she does not have any formal business management training she has gained valuable experience while working for her father's business. Alongside her husband, she is currently running a successful café chain employing over 15 staff members.

The second entrepreneur is 30 years old and comes from a traditional non-religious Vietnamese family. She emigrated over a decade ago to pursue higher education but eventually dropped out after meeting her current husband and falling pregnant. Through their families' financial support and personal savings they opened a small beauty salon. Despite a slow start the business picked up and they currently own three other branches employing a total of 12 staff members. Her spiritual values are reflexive of her upbringing and strongly represented by her approach to daily life as well as business matters.

The third business owner is 27 and runs a small catering business with her husband. Raised in a non-religious family, she admits of becoming more religious since meeting her husband, and is now a practicing protestant. She was enrolled in University in her home country eight years ago. However, after having been offered a full time café job in Britain, which she perceived as a good opportunity, decided to postpone her graduation and relocate. After

having worked in the company for over three years, she managed to save enough money and with the acquired expertise opened her own business.

The forth business owner is a Latvian 37 year old single mother who, after getting divorced, decided to move to Britain in an attempt to improve her quality of life. Although not religious she admits of believing in a higher power which gives meaning to her life and has helped her cope with challenging situations. She is currently the sole owner of a successful beauty salon.

Furthermore, another important observation regards the fact that all women entrepreneurs interviewed are currently running financially viable firms. As previously stated, some researchers have argue that business growth and prosperity is often influenced by higher educational achievements (Basu, 1998). However despite believing in the importance of education and expressing a strong desire for their children to attend University, none of the female entrepreneurs interviewed had followed this path. Very often the reasons behind their choices were related to family commitments.

> *'Going to university wasn't really an option for me, I had my twins when I was 19 so had to stay and raise them […] My 2 oldest daughters have just graduated and are now working in London and my youngest is finishing high-school in a couple of years and wants to study drama. I'm really proud of them, they're all strong well-spoken young women […]' (PK01-O1).*

This importance placed on higher education is also mirrored by a different entrepreneurs interviewed:

> *'[…] my son is still young, he's in school now and he's doing well […] I hope he'll have the chance to go to university here [UK]' (LV01-O1)*

Another business owner, who gave up higher education in favour of a job opportunity in Britain, is still considering the possibility of re-enrolling and finalise her studies. However, due to her other commitments, she acknowledges that fulfilling this ambition might prove to be challenging:

> *[…] I regret not graduating, I used to think about it a lot more before I had my business… I thought of finishing here [UK], even looked at some booklets but then I decided to open the business and sort of put that on hold, maybe one day I'll do it just for my own satisfaction […]' (RO03-O2)*

A commonality that they all share regards their system of spiritual values which is reflected in their daily life as well as their business activities. The importance placed on these values is crucial and shapes all managerial activities from decision making and planning to recruitment and marketing strategies. Evidence has shown that a religious set of values is more likely to discourage women's entrepreneurial representation while enforcing the role of

male as main breadwinners. Conversely spiritual values are presumably more suitable for creating an environment in which women's business and managerial initiatives are supported. This disparity can stem from a series of explanations. Ethnic enterprises are seen to be strongly culturally embedded and to be supportive of traditional gender representation models. For most ethnicities this translates into the image of a patriarchal family with the male as the main provider, responsible for the economic well-being of the household and subsequently the depreciation of women's potential for business. As observed in the literature on ethnic communities and EMBs, these sets of attitudes and behaviours are often linked to religious individuals. Scholars argued that traditional religious ethnic business owners are more likely to be male who can sometimes trivialise the possible entrepreneurial role of women. Moreover they found that, although most religious groups are associated with conservative approaches to women's social and economic position, this effect is stronger in Islamic communities (Guiso et al., 2003, 2006; Esser and Benschop, 2009). This is indeed the case of one of the traditional Muslim business owners interviewed. Despite describing the support his wife provides through fulfilling her role in the household as well as occasionally helping with small tasks in the shop he fails to acknowledge any influence in relation to administrative or managerial business matters. This observation is supported by a large body of literature which shows that it is a common occurrence for female family members to be expected to work as unpaid helpers or provide other types of non-financial business support. This can range from fulfilling their traditional roles within the household to acting as informal marketing agents. There are numerous accounts of women using their extended social networks to promote businesses owned by the male representatives of their families. Moreover female family members act as indirect support networks through fulfilling important roles in running the household. One of the respondents recalls how while she was growing up she had to help raise her younger siblings as well as perform a series of chores around the house while her father was busy running the family business. Some academics argued that even when women are limited to performing informal roles they are still acting as indirect determinants for business success (Marker, 2013; Pio and Esser, 2014).

Nevertheless research has suggested that, when ethnic entrepreneurs show less reliance on traditional and religious values and express their preference for spiritual moral codes, they are more likely to have an opened and inclusive approach towards all forms of diversity (Guiso et al., 2006; Baker, 2012). These observations are also representative for their attitudes and views in relation to gender equality and the role of women in entrepreneurship. As seen in this study both men and women business owners who fit into the 'spiritual leader' profile, a concept which will be introduced and detailed in the following chapter, are more likely to have an inclusive approach to women's representation in their businesses.

Furthermore, in one of the biggest family owned EMBs studied in this research half of the key managerial roles were filled by women from both inside and outside the family. During the interviews with the two father and son owners, they have both stated that gender has and will never be an issue in the recruitment process. They base their decisions on capabilities, knowledge, skills and ultimately the 'quality of the candidate'.

> 'I can't afford to dismiss a candidate based on gender alone. I may be losing important skills and harm my company […] I want the best people I can get, where they come from or what they are […] men or women, that's not important […] (IN01-O2).

This view is enforced by the statement of the other co-owner who explained that the whole business was in fact based on his mother's small catering start-up. She was the one who inspired her son and set the foundation of his entrepreneurial initiatives. This narrative is yet another argument to support the importance of women's participation in the business environment.

Besides the four women entrepreneurs interviewed the sample includes a further three working in key managerial positions in one of the family owned companies studied. Two of them are members of the family while the third one was selected and employed through informal channels based on her educational background and expertise. As supported in other parts of this thesis, kin relations are often facilitators for the recruitment process as they offer a readily available cheap pool of candidates. Additionally trust and solidarity are arguably at their peak amongst members of the same family making them ideal for carrying out salient roles in the organisation. Very often shared background and values along with practical skills and knowledge acquired while working for the family business compensate for the absence of formal education. This is indeed illustrated by the example of the two women managers from the entrepreneurial family. Both admit to not having attended higher education, one going as far as to say that her husband [the managing director and co-owner of the EMB] taught her all she knows and that she owes her career to him:

> 'I'll be honest, I come from a small village in Pakistan. I finished high school and came here [UK] for a better life. There wasn't much to do back home. I would end up marrying someone my family chose and have kids, just like my sisters. I didn't want that. So… yeah, came here, worked in some factories and then started working in [the name of the company]. I worked very hard, really long hours and I got promoted to team leader […] All I know, I didn't learn at school, I learned from [husband], he was my university […]' (IN01-E1).

Another debate in relation to gender representation in business regards the gendered distribution by economic sectors. Research evidence points towards the existence of certain occupational sectors more likely to be prevalent for men while others are typical for women. It is argued that women entrepreneurs are more likely to operate in 'traditionally female

occupational sectors' and moreover on a part-time capacity in an attempt to balance other commitments such as raising a family or being involved in another parallel employment (Carter et al., 2013:13). Some examples of typically gendered occupational sectors are: construction and skilled trades for men while women are more prevalent in personal care, education and health. Illustrative for this example are the cases of two of the businesses studied in this research, namely two beauty salons. Although there are many similarities between these firms especially in relation to size, location, business structure and strategic planning, the presence of several important distinctions was also observed. The main difference stems from their ownership. One of them is a business co-owned by Romanian and Vietnamese husband and wife. They openly admit that family ties have always played a key role in the success of their venture. From providing the start-up funds and facilitating essential business networks creation to sourcing cheap labour especially at the earlier stages when financial resources were scarce. The other establishment is owned by a Latvian single mother who relocated to Britain less than five years ago with no family support and very limited social networks. Her entrepreneurial nature and short learning curve have proven invaluable for the success of her business:

> *'I had the qualifications from home, I was doing this for many years but after I got divorced I needed a change so I came here [UK]. I had some friends but not too many and I didn't want them to think I was taking advantage so I tried not to ask for too much […] I worked in a local hairdresser salon and did well. Managed to save some money, got a loan from a friend and opened the shop 2 years ago […] (LV01-O1)*

The owner follows by recalling how, despite having a slow start, business picked up and it is now generating a comfortable revenue. She is using a part of it to repay the start-up loan and is optimistic about the potential of her venture.

Securing start-up funds and procuring capital for further business growth are believed to be some of the main challenges in establishing a business (Ram, 1998; Ram and Smallbone, 2001; Deakins et al., 2005; Jones et al., 2014). Very often women perceive that they are being discouraged by official lending agencies. Although much of the literature does not document gender discrimination in relation to accessing finance, some studies have indicated that women are more likely to feel disadvantaged in this concern (Carter et al., 2013). Moreover under-capitalisation is shown to diminish a firm's profitability and hinder prospects for performance and growth. Looking at the sample involved in this research, none of the four female business owners interviewed have had negative experiences in ensuring the necessary capital for their ventures. Regardless of the sources of finance they chose to employ, all four respondents recall of having had a fruitful collaborations with bank, lending institutions, members of the social networks or their families.

One of the business owners explains how she first ventured into business:

> '[To fund the start-up of the first business] I took a loan on my dad's house. It was a very mundane business, it was £12,000. […] it was from a bank but we used my dad's house as collateral. And we did a deal with the people that we were purchasing the business from. They were four brothers and they were all fallen out with each other, they were all in terrible states, they had the business together and they wanted to let it go so my dad negotiated on my behalf and when it came to the money he said well she'll pay you £20,000 now, she'll take over and then pay you what's stock etc. in a year's time and that's what we did' (PK01-O1).

Nevertheless, judging from this narrative, it can be argued that because her access to finance was mediate by a male family member she was shielded from the usual obstacles encountered by other women in business. However she continues her story by explaining how she funded a different start-up years after her first venture:

> '[Banks] have been very supportive, especially when you're at a start-up state […] I try always to make sure there is a good relationship with the bank manager, it's quite easy for you to get your point around and access the right funding and guidance […]' (PK01-O1).

This comes to show that accessing financial capital is ultimately a matter of having a good business plan and being able to show entrepreneurial potential and opportunities for business growth. Finally the real differences in their experience with lending institutions were generated by the entrepreneurs' approaches and capabilities unrelated to their ethnic background, religion, spiritual values or gender.

There is a large body of literature to suggest that very often women-led firms are more likely to underperform. Some of the explanations behind this phenome are claimed to be the typically smaller size of their companies compared to the men-led ones, lower added value of the sectors in which they operate as well as their generally shorter hours working patterns (Carter et al., 2013). Nevertheless, despite being a popular topic, there is very limited research focused on measuring quantitative performance indicators of gendered entrepreneurship. The studies available showed that under similar circumstances there will not be any significant differences between women and men led businesses' performance (Carter et al., 2013, 2015). To conclude the authors rightfully observed that '[…] given the same starting resources, business performance by gender does not differ. However, in practice, women-owned enterprises typically start with lower levels of resources than male-owned enterprises – and consequently appear to under-perform. Nevertheless the evidence is clear: observed differences in performance at the aggregate level are a consequence of differences in resources rather a lack of managerial competencies' (2013:20).

These assumptions are reflected to some extent by the data available in this research. There were no significant performance differences between the women, men or co-owned enterprises studied. Furthermore there was no evidence to suggest that women's access to finance was restricted in any way hindering therefore their ventures. Although there were differences in what the entrepreneurs' experience with banks as well as their views on approaching formal financial issues were concerned, these cannot be justified by gender differences. Moreover almost half of the sample has expressed reluctance towards formal lending institutions while the other half had a completely different view on the matter. Nevertheless the evidence has shown that the distinctions were based on a multiplicity of factors such as ethnicity, age, personal experience and values, sector of activity, access to resources and business support networks. Therefore gender differences are not significant determinants in the entrepreneurs' access to finance.

6.7. Conclusion

This chapter explored the way in which spiritual and religious capitals influence different structures of the ethnic firms. The first step of this inquiry was to group the entrepreneurs into four categories related to their religiousness and spirituality, in order to identify a clearer connection between their values and approach to business. Secondly I looked at the interaction between families, social networks, religious and spiritual capitals. The findings showed that families are the main source of value formation, the place where the spiritual and religious capitals originate, moreover they act as support providers for the EMBs as well as shaping entrepreneurial drivers, attitudes and behaviours. This link will be further explored in the following empirical chapter by looking at the way in which employees' values were inspired and shaped by kinship and upbringing. Nevertheless family ties can sometimes have a negative impact on the business. When entrepreneurs rely mainly on the restricted resources provided by kin relations they can hinder their chances for business growth through limiting their exposure to a wider social capital. Very often this means that the firms cannot benefit from broader information sharing networks, larger pools of available skills and knowledge and moreover their possibilities of accessing different sources of finance are minimised. In relation to the connexion between religious and spiritual capitals and social networks, this research found that the existence of shared values can have a beneficial impact on establishing trust, solidarity and facilitating information sharing.

The next parts explored the firms' approach to tackling competition as well as their relationships with formal lending institutions and their channels for securing economic capital. The initial argument was centred on the belief that there is a positive causal relationship between ethnic entrepreneurs' spiritual values and their approach to business.

After having carefully analysed the data collected as part of this project, the evidence showed that no such link exists when it comes to the business owners' financial planning. Furthermore in relation to competition the findings revealed that entrepreneurs who consider themselves spiritual have a different view on the way in which potentially damaging market forces impact on their firms' success. They were more likely to perceive it as beneficial for their companies and shaped their responses and business strategies accordingly. Arguably this positive outlook was favourable as it facilitated constructive practices within the studied firms.

Lastly the analysis explores issues related to gender representation in the ethnic firms. The discussion is based on the narratives of the four women entrepreneurs involved in this research and subsequently connected with the stories of women who occupy managerial positions in the studied companies as well as several of the male business owners interviewed. This debate is important because it stems from the concern for women's limited visibility in ethnic entrepreneurial environment. Unfortunately, an in depth exploration of the connexions between women's participation in EMBs and their religious and spiritual capitals could not be conducted due to the limited size of the available sample. However there is some evidence to suggest that spiritual values are usually correlated with positive attitudes towards gender equality which in turn are more likely to encourage women's business initiatives and increase their representation in EMBs.

Religiousness and spirituality are best to be seen not as a distinct components of the firms, but as parts of its make-up that interact with other features. The findings presented in this chapter have shown that spiritual and religious values can shape the ethnic firms' social embeddedness, the mechanisms that lead to creating and enforcing trust relations, solidarity and sharing information. Its corresponding values do not drive everything and some issues, such as the importance of family links, are common to most EMBs. However spiritual capital can influence intrinsic motivators and entrepreneurial aspirations, the way in which social networks are formed and used as sources for business support and ultimately attitudes towards gender and women's roles and representation in ethnic entrepreneurship. Furthermore religious capital can have both a shaping and an instrumental role as a mediator of social networks. In relation to the value formation, religious capital can have a beneficial impact by enforcing mutual trust and solidarity and facilitating information sharing. Nevertheless this research has found that religiousness is more likely to be detrimental to economic outcomes compared to spiritual capital. This observation refers mostly to the value formative function of religious capital, as active members of certain faiths were observed to be less open to diversity and less acceptant of social equality.

The following chapter will take a step further into exploring the internal structures of the ethnic firms involved in this research. The focus will be to investigate the way in which religious and spiritual capitals influence issues related to human resources management and employee relations. In this concern the emphasis will be on recruitment practices, employee development as well as leadership style and company culture.

7. The Influence of Spiritual and Religious Capitals on Employee Relations and Human Resource Management in Ethnic Minority Businesses

The previous empirical chapters analysed some of the differences and similarities between old and new EMBs while focusing on how they have changed over time. Moreover, after the preliminary first chapter, the second empirical part explored the role played by religious and spiritual capitals in shaping the ethnic enterprises involved in this research. The aim was to map the trajectory of ethnic firms as well as to get a better understanding of the importance of religious and spiritual values in influencing business practices and behaviours. Although the analysis revealed that the two forms of capital are not responsible for shaping all structures of the ethnic companies, they were, however, observed to have a certain effect on issues such as building social relations and gender representation.

The present section deals with a more specific area of the ethnic firm, namely human resource management and employee relations. In this concern several dimensions will be studied. Firstly the practical implications of spiritual and religious capitals in managing human resources within EMBs are discussed. The second part looks at the HR practices and procedures, recruitment strategies, sourcing the candidates and using formal and informal channels. Thirdly the attention goes to the leadership style in ethnic companies and finally the discussion focuses on exploring the way in which spiritual and religious capitals shape company culture, employee commitment and job satisfaction in the 11 firms studied. Traditionally, EMBs are known for preferring a paternalistic approach to managing their employees. Many scholars believe this to be typical for small family owned firms but can nevertheless become harmful for business growth (Dickson et al, 2003; Pellegrini and Scandura, 2008). This research observed that along with the emergence of spiritual capital in EMBs, there is also a corresponding leadership style which can have a beneficial impact on business success. Although still at an early stage and, moreover, placed at the intersection between paternalistic and spiritual leadership, this new management style fuels an optimistic outlook at the future of ethnic entrepreneurship. A distinctive feature of this debate on ethnic enterprises and employee relations regards the creation of a positive company ethos. Previously overlooked by the literature on ethnic businesses, this research signalled its emergence in some of the studied firms. Moreover, some researchers suggested that spiritual values are especially beneficial in enforcing a firm's positive culture,

creating a beneficial working environment and ultimately having a favourable influence on economic success (Giacalone and Jurkiewicz, 2003).

Through its many dimensions, spiritual capital can be a valuable contributor towards a better understanding of EMBs and its analysis should not be excluded from the wider debate on ethnic entrepreneurship (Zinnbauer et al., 1999). Further on, based on a model of the connexion between spirituality and workplace practices introduced by Giagalone and Jurkiewicz (2003), I developed a framework for mapping the effects of spiritual values in different organisational areas (Table 7.1). This structure was used during data analysis in order to identify the relationship between spiritual capital and various potential spheres of interest.

Table 7.1. Connections Between Workplace Spirituality and Areas of Organisational Interest

Potential criteria for interest	Representative connexions	Actual effects
Recruitment	Are spiritual employees recruited in different ways compared to non-spiritual ones?	No. Recruitment methods are the same for spiritual and non-spir employees. However spiritual owners are more likely to look candidates who mirror their values in order to ensure a better ma between organisational culture and staff members.
Self-presentation	Does spirituality impact on the manner in which individuals present themselves to colleagues and managers?	Yes. Spiritual employees are more likely to show values compassion, inclusiveness, empathy.
Ethics	What is the relationship between spiritual values and ethical decision making?	Spiritual values are almost always associated with ethical behaviour
Creativity/ Innovation	Are spiritual individuals more creative?	Yes, spiritual individuals are more likely to be open-minded innovative.
Antisocial/ Prosocial behaviours	Is there a connexion between individuals' spirituality and their prosocial behaviour in the workplace?	Yes, spiritual individuals display a greater receptiveness to so diversity as well as positive social behaviour
Public relations	How do spiritual companies address public relations?	They are more likely to have an inclusive approach and display eth values

Leadership	Do spiritual employees respond differently to different leadership styles?	Yes, they are more likely to be receptive to leadership styles th encourage creativity and personal development.
Job satisfaction	Does spirituality have an impact on a person's job satisfaction?	Yes. Spiritual employees are more likely to show a higher degree of j satisfaction especially when there is a match between their person values and the company culture
Work group cohesion and dynamics	Given the role that concern for others can play in spirituality, how does employees' spirituality impact work group cohesion?	Spiritual employees are more likely to show better team-working skills
Work-life balance	Is there a relationship between spirituality and the concern for work-life balance?	Yes. Spiritual employees are more likely to express high preoccupation for acquiring a better work-life balance.
Motivation and reward systems	Are employees with spiritual values driven by different factors compared to nonspiritual employees?	Yes. Spiritual employees are more likely to be motivated by intrins drivers.

(Giagalone and Jurkiewicz, 2003:21)

7.1. Spiritual and Religious Capitals in Employee Relations

Hicks (2003) argued that spiritually, as opposed to religion, constitutes an important component of the holistic approach to the individual and it should be welcomed in the work place. 'Not only religious persons, but all persons, bring the basic aspects of their identity to the workplace. Their views and actions related to politics, culture, art, spirituality, religion and family life shape their actions and attitudes' (p. 30). Furthermore, Hicks made the theoretical assumption that creating a working environment which accommodates individual religiosity and spirituality may have a positive impact on employee efficiency and commitment. The present study provided evidence to test and support the validity of Hicks' claim. In relation to employment fit, namely the match between employees and company, some researchers believe that the greater the connexion between individuals' spirituality and the companies' culture the more likely it is to record higher productivity and job satisfaction rates as well as lower turnover and absenteeism (Stokes et al., 2016). This assumption fuelled several debates related to the importance of workplace spirituality for enhancing organisational performance (Conger and Kanungo 1994; Biberman, 2000; Giacalone and Jurkiewicz, 2003, Cheng et al., 2011).

Ancona et al. (1999) described spiritual companies as being learning environments led by intrinsic motivators, based on values such as love and compassion, encouraging of diversity and flexibility, focused on ensuring the quality of their products and services along with their employees' and customers' well-being. Researchers believe that this emerging business is typical for the current social, political and economic context as it responds to the need for a more holistic approach to leadership which addresses the four dimensions of human existence: body, mind, heart and spirit (Moxley, 2000; Fry, 2003).

In their research on the role of spiritual capital in shaping organisational culture, Stokes et al. (2016) found that the sets of moral values entailed by this form of capital are often overlooked. Nevertheless when acknowledged and used correctly spiritual capital can potentially enhance the effectiveness of social and human capital by creating a working environment in which all employees feel that their unique skills and capabilities are being valued. Furthermore this is associated with increased job satisfaction and higher emotional well-being. This observation was validated by the findings of the present research.

Employees in these types of businesses tend to be from all walks of life and have different backgrounds. As shown in Table 7.2, their religious membership along with their degree of religiousness and spirituality vary widely. However the results were consistent with previous research, showing that indeed the existence of spiritual and religious sets of values have a positive impact on ethical behaviour, expressed both in their workplace and in the daily life.

Additionally, the data revealed that, compared to medium sized companies, in smaller firms the relationship between the entrepreneurs' and the employees' religion and spiritual values tended to be stronger. Although this preference was not always deliberately expressed by the interviewees, the findings showed that Christian and Muslim business owners were more likely to hire workers who shared their religious membership and spiritual values. However the prevalence of this phenomena declines with the increase in the company's size. A possible explanation is related to the smaller firms' stronger reliance on co-ethnic networks and family ties for recruitment purposes, compared to larger ones. This approach to selecting suitable candidates for the jobs will inevitably lead to the workers mirroring some of the ethnic, cultural and religious characteristics of the business owners. Nevertheless, in the larger firms involved in this study, the recruitment process was more formalised and the employees were selected from a larger pool of applicants.

Table 7.2. Employees. Distribution of Religious Membership and Individual (non) spiritual/ (non) Religious Self-Identification

	Christian/ Orthodox, Catholic, Protestant	Muslim	Hindu	Total
Spiritual not Religious	13	2	0	15
Spiritual and Religious	9	5	3	17
Secular	1	0	0	1
Religious but not Spiritual	0	0	0	0
Total	23	7	3	33

Spiritual values can be formed and shaped by a wide range of factors and environments, such as social circles, family, education, experience, culture, the media, peer pressure and workplaces, to name just a few. Nevertheless, research showed that the place where spiritual moral accumulation originates is in most cases the family, and moreover the religious or spiritual family. Therefore it is more likely for individuals from these types of families to express spiritual moral values, carry them into adulthood and apply them into their businesses and workplaces (Day, 2011). The findings of this study have enforced this assumption. Some of the respondents admitted that, despite being from traditional religious families, did not consider themselves to be religious at all.

> *'I do some Reiki and Thai Chi, did Yoga in the past as well. I grew up in a very strict family. In a strict religious family and then I decided to quit because it wasn't good for me anymore' (PK01-E4)*

One of the participants recalls growing up in a traditional religious family and having to follow the rules imposed by his parents in relation to attending religious services and complying with all the norms required by their faith. He admits of distancing himself from that life as soon as he was able to make that choice. Further in his interview he comments about guiding his behaviour and work ethnic in accordance to strong spiritual values despite still being in touch with some of the religious elements that marked his early years.

> *'I'm quite a different person now… But internally I didn't quite enjoy that… but it was, I knew that it was something that we had to do, more so in our teens then when we were younger' (IN01-E2).*

Although they often see their upbringing as a negative trait which limits their understanding and openness towards diversity, most of their spiritual values, behaviours and attitudes stem from and originate in the family. Furthermore they now express values which align them closely to the spiritual category.

> *'[…] my parents got divorced. I have 5 brothers and sisters. I grew up with my mother and she was very religious. She forced me to go to church when I was young but then I didn't want to do it anymore […] I'm not religious now […] I believe in unity, in freedom, in the freedom of expression, you need to express yourself; these are the things which I believe in most. They're the most important. The most important thing for me is to be able to express myself. I love kindness, I think it's important. I am against capitalism, I don't believe that money can bring happiness, it can bring unhappiness actually […] I love the truth, I always try to speak the truth and be honest, it's not always that easy, but I try to' (GR01-E1).*

Besides having a beneficial impact on their social relations, these moral values are also seen to be constructive in regards to their professional life.

Nearly all entrepreneurs involved in this study were actively searching to recruit staff that would emulate their values, attitudes and believes. According to most of the participant business owners, matching their spiritual capital to the ones of their employees was a key determinant for creating a good working environment. This was viewed as being one of the pivotal mechanisms behind business success. Having a happy workforce was considered to be beneficial for establishing high quality customer service which in turn had a positive impact on economic prosperity.

7.2. A Theoretical Framework for Mapping Employees' Experience in the EMBs

The findings presented by this research are consistent with the literature on ethnic workers. However there is a strong connection between individuals becoming more spiritual and their actions being motivated by non-financial drivers such as work-life balance, positive working

environment, feeling of achievement and self-actualisation and being able to lead a meaningful existence.

In analysing employees' religiosity and spirituality, the post-materialist perspective was considered. This refers to the individuals' interest in improving their quality of life and achieving better work life balance rather than gaining financial rewards. Scholars believe that in a post-materialist era, spirituality is one of the driving forces in the shift of values from material possessions to non-financial benefits. A large body of literature argues that by promoting relationships built on mutual trust, respect, altruism and collaboration, spiritual leaders are more likely to encourage employees' intrinsic motivation. This is not to say that subordinates are no longer driven by extrinsic motors such as financial gain and other material benefits (Deci and Ryan, 1985; Cover, 1998; Russell and Stone, 2002; Cheng et al., 2011).

Mitroff and Denton (1999) observed in their study on organisations and human resources that what employees find most important in relation to their jobs is the ability of fulfilling their potential. Maslow (1954) included this aspiration under the 'need for self-actualisation' category and although important for an individual's well-being, they occupy the highest position in the hierarchy of needs. This means that people will have to satisfy an array of different fundamental requirements before considering that their well-being will be impinged by their lack of self-actualisation. Some of the other things that people value in their workplace relate to carrying on meaningful tasks that can enrich and give purpose to their life as well as feeling connected to their co-workers and being able to establish good relationships. Additionally, being able to achieve a satisfactory work-life balance is also mentioned in Mitroff and Denton's (1999) research findings. It is important to acknowledge that people bring their whole persona into the workplace. Anticipating that employees will 'check their souls at the door' and pick it back up on their way out is an unrealistic expectation. Therefore companies should make the effort to create an inclusive workplace, one in which individuality is respected and employees feel that their goals and values align with the ones of the firm.

Researchers argued that certain sets of values, attitudes and beliefs expressed by business owners are more likely to encourage positive responses from their employees and create a positive company culture. In turn this can have a beneficial impact on workforce retention, staff's loyally and commitment, job satisfaction and increased productivity (Stokes et al., 2016). Companies owned by spiritual leaders are more likely to have satisfied employees, provided that the managers are able to apply their moral values to their business practice. Where interviewed entrepreneurs communicated of having spiritual values their staff were

observed to mirror these sets of moral beliefs and expressed higher levels of well-being associated with their employment. Nevertheless, this was rarely seen to be linked with greater material rewards. This observation enforces the argument that job satisfaction and employee commitment is not always determined by financial gains. However it is likely that intrinsic motivator will have a stronger, longer-lasting impact.

In his research about informal hierarchies in the low-skilled food manufacturing jobs, Hopkins (2011) reported violent incidents among workers from the studied companies. The feuds were often attributed to religious disputes and sometimes resulted in workers being hospitalised. No similar episodes were ever reported in the firms involved in the present research, despite having an equally diverse workforce. However some of the main differences is the considerably smaller size and the ethnic minority ownership of the above mentioned businesses. In the case of Hopkins' study, the companies involved were larger and under British ownership while employing mostly immigrant staff members from either Eastern European or Asian states. Furthermore, the significant cultural distinctions stemmed from the workers' background were untamed by the creation of an inclusive organisational environment as the ones seen in most companies interviewed for the present doctoral research.

After observing the diverse composition of the workforce employed by one of the studied companies, the business owners were asked to reflect on the way in which it shaped the working environment. They were additionally invited to comment regarding the manner in which cultural and ethnic distinctions influence the staff's interaction and ability to build functional working relationships.

> *'I would like to think that everybody gets on fine. There've been very minimal incidents when people have brought up religion or religious backgrounds against each other. I'd like to think because they have a strong sense of freedom from myself that there is no discrimination, […] however on the few instances that has occurred or there's been incidents in regards to that, I'll come down pretty hard on that, because that's something I won't tolerate' (IN01-O2)*

Besides the minor incidents reported by this business owners, there were no accounts of similar episodes between employees. Moreover, an illustrative example was that of a small sized family owned company employing a workforce of 15 individuals from very diverse national, ethnic and cultural origins. Despite not sharing the same social background, all employees interviewed said that they had a positive relationship based on cooperation and respect with their co-workers. No mentions about the existence of any tension related to conflicting situations in the workplace were made. Additionally some interviewees expressed feelings of compassion, gratitude and collegial love.

'I feel like I'm part of a family. Everyone is so nice and caring' (PK01-E2)

'I love them all [about co-workers]' (PK01-E3)

This was not the only account of a harmonious working environment, as several different employees from other of the EMBs involved in this research revealed similar experiences. Additionally, these firms were also associated with low staff turnover and high levels of job satisfaction amongst their employees, as well as well-being associated with the workplace. This narrative supports the argument about the existence of a positive company ethos in the EMBs studied.

7.3. The HR Function in EMBs. A Practical Approach

One of the issues highlighted by this research was the absence of clearly structured employment policies and procedures in many of the participant ethnic enterprises. This finding was unsurprising as it consistent with previous studies which showed that small firms are more likely to lack formalised practices and procedures in relation to their human resource management (Cardon and Stevens, 2004). Indeed, nine of the 11 companies involved in the study are small sized, employing a staff of not more than 16 people. For these firms, having a standardised HR function would most likely prove unnecessary and unprofitable. Instead they ensured compliance with employment law and guided their approach to human resources management based on advice received from their accountants, friends or family members and independent research on the internet. At the other end of the spectrum, the remaining two participant companies were both medium sized and due to the considerable larger number of employees, the need for a structured HR approach was signalled and addressed accordingly. Despite being at their incipient stages and therefore lacking depth and consistency in some concerns, they were able to deal with most issues regarding employment, especially in relation to the administrative side of the HR function as well as ensuring compliance with statutory provisions. Moreover findings showed that individual moral and spiritual values played an important role in shaping approaches to employee relations for all the entrepreneurs interviewed.

Although my findings are mostly consistent with the literature on small firms and ethnic entrepreneurship some variations were observed. Evidence showed that the importance of fit, and sometimes explicit mention of spirituality, meant that the presence of these features was stronger in the participant firms compared to other SMEs and EMBs explored by previous research.

7.3.1. Recruitment Practices in EMBs

As argued in the previous empirical chapters, despite the presence of signs which point towards the existence of some changes in EMBs, the ethnic economy is still strongly socially and culturally embedded. In terms of recruitment practices this facilitates a range of advantageous opportunities. It is widely acknowledged in the literature that the ethnic community is an invaluable source of reliable low-wage labour (Ram et al., 2000; Jones et al, 2004). Being bounded by a similar background enforces the creation of networks based on mutual trust and respect, shared religious moral values, group solidarity as well as a common national and ethnic identity. Conversely this can also place ethnic companies in a disadvantageous position by limiting their access to a wider pool of candidates who could fill in the gaps for certain skills and knowledge required by specific positions. Moreover this is likely to hinder EMBs' chances for growth and success (Coleman, 1988; Portes and Sensenbrenner, 1993; Marker, 2013; Alsos et al, 2013).

In addition to interviewing ethnic entrepreneurs, 33 of their employees were also involved in this research. The sample is fairly balanced in relation to gender distribution with 16 male respondents and respectively 17 female. Furthermore 45% of the participant employees have attended higher education compared to only 26% of the business owners. Out of the total of 33 respondents, three were relatives of the entrepreneurs, five participants were close friends, 12 had been recommended by their social networks comprising of friends, members of the community as well as religious leaders. Finally the remaining 13 were recruited through formal channels, usually Job Centre Plus and work agencies. The interviewees selected using official means were all employed by the larger two companies involved in this research. Although the majority of the staff members working in both firms were mainly recruited using formal methods, a small part of the employees were family members or had been selected following recommendations from the owners' social networks. However it was less likely for these type of informal selection practices to be used in order to fill the higher skilled jobs. Unless their family or wider social networks could provide candidates with the necessary knowledge and expertise required by certain professional position, the business owners were approaching formal recruitment strategies in order to fill those job vacancy. This shows that, although still reliant on social ties, ethnic entrepreneurs are willing to recognise the need to look outside their co-ethnic community for the greater good of the business. If they are to be successful, they have to widen their recruitment pool in order to find the best candidates for the job.

Several academics argued that spiritual entrepreneurs look for spiritual employees, they search for people who will not only fit into their firms' ethos but also match their moral codes

(Giacalone and Jurkiewicz, 2003; Stokes et al., 2016). This argument was confirmed by all the spiritual owners interviewed. Moreover, they admitted that the criteria for selection of their new members of staff is based on finding certain sets of characteristics which would mirror their own personal values. When asked about their approach to recruitment, most of the respondents expressed the belief that individual qualities such as loyalty, reliability, honesty and integrity as well as potential and willingness to work are important characteristics that they look for in new members of their staff. Additionally they believed that there are certain types of abilities which can be taught. This is applicable particularly in the case of low skilled jobs as very often they do not require special sets of skills and knowledge. However a good moral conduct and an open mind are more difficult to acquire Therefore entrepreneurs considered that having the right mind-set, regardless of social, cultural and educational background, was the key quality for their future employees.

'I think when I'm looking for new employees I look at characteristics rather than experience, because experience can be provided but characteristics of individual are very important in terms of loyalty and determination. I think if an individual holds those two you can then mould them' (PK02-O1)

'I look for potential when I am recruiting new employees' (PK01-O2)

'I always look at their values morally and religiously and how they kind of interact with different people and […] what kind of outlook they have on life' (RO03-O1)

'[…] I like to think that I am open minded enough to see that everybody has strengths and everybody should be given a fair chance in various roles […] (PK01-O1)

'[…] It's very difficult to judge when you first hire them but what I like is honesty, somebody tells me even if they've got a problem… it was one of our members of staff who did have a few problems in the past but she was upfront, told me what happened, why she got laid off and I didn't judge her for that and she's still here with us for a year and a half now […] which is great. So yeah, I think that as long as there's honesty, honesty's the main thing, everything else falls into place' (RO01-O2)

'I think loyalty is very important… and potential for learning new things. They have to be opened to criticism; they have to be clever and able to learn how to deliver brilliant customer service and how to deal with different kind of people in a professional way' (RO02-O1)

In relation to the approach to recruitment and the importance placed on the candidates' ethnic background, one of the two business owners of a medium sized family company involved in this research admitted that he perceives the existence of stereotypes in relation to matching a certain category of applicants with labour intensive manual jobs.

'[…] there are generalisations on some degree, you know when we're looking at shop floor environment immigrants tend to have a better or a different work ethic because they have limited options in terms of work opportunities so they tend to be better suited for that sort of environment that doesn't mean to say

that I wouldn't consider other people from other backgrounds but immigrants tend to have a different attitude […]' (IN01-O1)

Further on, the entrepreneur expands on this explanation and admits that he believes these differences to stem from the candidates' migration motivators as well as their cultural background:

'[…] They've taken a risk to come to the country in the first place, most of the time is for economic reasons and their focus is to earn as much money for either to send back home or to build a life in this country so they tend to have a clear focus in terms of why they want to work and what they're looking to achieve' (IN01-O1).

Although on a slightly different tone, this opinion is also supported by his business partner. Besides making a point out of stressing the crucial importance of having strong work ethic, the entrepreneur expressed the need for ensuring that the specific requirements of various jobs' are matched by the skills of the right candidates:

'You look for different things depending on what and who you're recruiting for and what you're recruiting for. In terms of general traits you look for people with an honest desire to work, willingness to want to work I think it's the key thing I look for as a general trait and the rest will be down to experience and skills sets and all the rest […] I suppose it's difficult because we have different areas of the business, you know you've got operational and the needs of the business within the… on the shop floor… you know, a lot of it is manual labour, so there's a certain type of individual… I suppose not everybody's career path is to go on the shop floor and do manual labour. So you tend to recruit people that are generally intentioned to work […]' (IN01-O2).

This approach to recruitment places the ethnic entrepreneurs interviewed in a distinct light compared to previously researched ones. They have become more aware of the importance of creating a better fit between the job and the candidate. Moreover, as observed by previous research (Giacalone and Jurkiewicz, 2003; Fry, 2003; Stokes et al., 2016), this type of approach to recruitment and employment practices is characteristic for spiritual employers rather than for the traditional, religious and ethnically embedded ones. This is indeed further proof that, despite not being a widespread model, an increasing number of ethnic entrepreneurs are starting to apply and guide their lives and businesses behaviour in accordance with spiritual moral codes.

Portes and Sensenbrenner (1993) claimed that religious and spiritual capitals have become more relevant for immigrant groups because they strengthen the importance of community ties, facilitate immersion into the host country and create a feeling of belonging. One illustrative example for this observation is the statement of an Easter European spiritual business owner. She expressed values correlated to non-discriminatory recruitment practices such as: acceptance and respect for social diversity, inclusiveness and desire to

make a meaningful contribution to the lives of others and a high sense of fairness. Nevertheless, she admitted that her employees are mostly family members and occasionally, friends. Although business has registered considerable growth rates since its start-up, and is expected to follow along the same successful path in the future, she believes that social links and moreover family ties will continue to play a key role in recruiting new staff.

> *'[Business] is been great so far but I don't know how things will be in 10 years from now [...] I don't think we'll ever need more than 10 employees and so far we've used family members, it's just easier. So… I'm not saying I wouldn't consider other employees, but it's been easier to ask family and friends […] (RO03-O2)*

Therefore, in spite of their integrative approach to social diversity and their desire to employ people who match their set of spiritual values, when it comes to sourcing workforce, ethnic entrepreneurs are still strongly embedded in their social networks. This is because it is very likely for them to find mirroring sets of moral values in individuals from similar backgrounds rather than going outside of their co-ethnic enclave. Moreover, the financial costs associated with formal recruitment are far greater and can put a strain on the ethnic firms' financial situation. This is particularly problematic for small, family owned businesses such as the case of the above mentioned EMBs.

7.3.2. Leadership in EMBs. From Paternalism to Spiritual Approaches

Pellegrini and Scandura (2008) argued that paternalistic leadership is one of the popular trends in management styles which is worth researching. Their definition of paternalism is based on Weber's work and describe this form of managing employees as being the most rudimentary form of control. The two scholars observed that once a company grows, more structured forms of bureaucracy replace the old basic approaches, making the organisation more effective. However, several different studies argue against Pellegrini and Scandura's view, stating that paternalism mixes authority with care for employees and it is in fact creating a positive working environment that fosters positive outcomes. A general definition of this type of management style would describe it as employee focused. This is believed to create a milieu that encourages higher commitment and increased productivity. Characteristics such as strong social and family links, as well as powerful reliance on them, create a context in which paternalistic management structures are favoured and work in the best interest of both the company and their employees (Dickson et al, 2003; Pellegrini and Scandura, 2008). Boyer (2000) argues that the success of paternalistic leadership among traditionalist communities relies on the strong religious models (i.e. Christianity, Islam) that promote a family like approach to social relations. During unstable economic contexts it is

important for employees to feel reassured and protected, therefore a paternalistic leadership style might be a good approach in the cases of certain businesses.

All ethnic business owners expressed their interest and commitment to ensuring their staff's well-being and personal development. Some interviewed entrepreneurs even indicated a strong belief that this aspect is crucial for the success of the business, as happy employees are more likely to deliver better customer service, which in turn will enhance their revenue.

> *'Happy employees lead to good service, good service leads to satisfied customers that keep coming back and that can only mean more business for us, this is how the wheals keep on rolling' (PK02-O1)*

Many entrepreneurs compared the structure of their business with one of a family, where they feel responsible for the happiness of their staff just like they would do for the one of their children.

> *'I think being an owner of a business you get to act as a parent sometimes, you know how you accommodate your children's needs, in order to get the best out of people you have to do that' (PK01-O1)*

One of the potential dangers introduced by paternalist leadership is the possibility of creating polarised power relations that can generate conflict and hostility between employers and employees, failing therefore to foster a positive working environment. Arguably this can be avoided when the importance of the spiritual capital is correctly acknowledge and a compatible management style is efficiently employed (Farh and Cheng, 2000; Cheng et al., 2011).

The importance of spiritual capital was first mentioned in the early 1990's (Conger and Kanungo, 1994). However it was only recently that researchers begun to acknowledge the relevance of spiritual and religious values for economic outcomes (Biberman and Whitty, 2000; Giacalone and Jurkiewicz, 2003, Cheng et al., 2011). Although widely applicable in many of the business dimensions, this part of the chapter will focus mainly on the importance of spiritual and religious values in shaping leadership and entrepreneurial behaviours. Scholars observed that, unlike traditional management style, spiritual leadership is more likely to facilitate the creation of a positive working environment based on values such as mutual trust, cooperation, self-actualisation, altruism and honesty. In turn this is likely to encourage employees' productivity, well-being and commitment, improve work performance and ultimately, enhance overall job satisfaction. Moreover, some scholars argued that spiritual entrepreneurs can have a positive influence on developing a similar set of humanistic values and beliefs in their employees (Cheng et al., 2011). Previous research connected spirituality with higher levels of employee commitment, optimism, job satisfaction,

innovation, enhanced team-working abilities, acceptance of diversity, enhanced availability for collaboration and cooperation. Spiritual employees, managers and business owners look for a higher meaning to their lives, they search for their mission. Furthermore they have a more inclusive approach towards building multi-cultural relationships (Giacalone and Jurkiewicz, 2003).

Fry (2003) observed that the two main attributes of spiritual leaders are creating a vision and building an organisational culture informed by altruism and genuine care which in turn promotes a sense of belonging and enforces organisational commitment. Furthermore, he constructed a table to describe the main qualities of this particular type of leadership. In order to identify the spiritual entrepreneurs from the participant sample, Fry's model was used as a checklist alongside the frameworks for data analysis presented in the previous chapters (Table 3.2 and Table 4.2).

Looking at the ethnic business owners interviewed, many of them can be located at the intersection between paternalistic and spiritual leaders. Although several participants started their entrepreneurial journey from the clear paternalistic managerial positon, they have since acquired or developed the values that can place them into the spiritual leadership category. The emergence of spiritual ethnic entrepreneurs signals an important qualitative change in relation to traditional EMBs. However the data provided by the present study is limited and further research on this matter is needed in order to shed light and create a more complex picture of its implications and effects on the wider ethnic economy.

Table 7.3. Qualities of Spiritual Leadership

Vision	Altruistic Love	Hope/faith
Broad appeal to key stakeholders	Forgiveness	Endurance
Defines the destination and journey	Kindness	Perseverance
Reflects high ideals	Integrity	Do what it takes
Encourages hope/ faith	Empathy/ compassion	Stretch goals
		Expectation of reward/
Establishes a standard of excellence	Honesty	victory
	Patience	
	Courage	
	Trust/ Loyalty	
	Humility	

Fry (2003:695)

7.3.3. Company Culture, Employee Commitment and Job Satisfaction in EMBs

In order for a company to have a positive culture which supports employee engagement and encourages job satisfaction, it has to be guided by a positive leadership style. Moreover this translates into the existence of a collaborative relationships between owner, managers and employees. Arguably, these links are built upon good moral values such as altruism, care, trust and responsibility (Fry, 2003). As discussed above, these traits are typical for spiritual individuals, supporting therefore the assumption that a positive company culture can be facilitated through the employment of spiritual capital.

Many researchers have agreed that being able to create a constructive working environment has a beneficial effect on the business through decreasing the costs associated with employee turnover, enhancing the quality of their service and increasing their customers' loyally (Giacalone and Jurkiewicz, 2003; Baker, 2012). Additionally, several scholars found that the profitability and success of a business is strongly coupled with having satisfied clients which is often closely linked to having a strong, long term loyal workforce (Reichheld et al., 1996; Pfeffer, 2003). This argument is supported by the findings of the present research as most of the business owners interviewed expressed feelings of concern and care for their employees while emphasizing the pivotal importance of their well-being. Along with highlighting the importance played by a seamless functioning of all business structures, respondents considered staff to be at the core of ensuring economic prosperity.

> *'I think that every single thing is so linked together that if one doesn't work than it sort of breaks the chain. So for example staff is equally as important as customers, because if you don't appreciate your staff, your staff won't do well for you and it creates an atmosphere of insatisfaction in your environment, that obviously has a bad effect on customers and your whole credibility, the business as a whole […] it's probably the staff that's the most important in that aspect because I think that if they're treated well then they can treat everybody else well so the clients can take away something positive' (PK01-O1).*

This view is extensively present in the narratives of the participant business owners. Another illustrative example is the one of South Asian origin serial entrepreneur. Although he believes that, ultimately, business success is down to finding a good balance between the market's demand and the services supplied by his company, he also acknowledged that employees play an important role in ensuring this function. Moreover he recognises that his entrepreneurial prosperity is strongly influenced by his staff's well-being.

> *'For me again it's a case of balancing and I think my employees, I would say are the first and most important. The reason for that being that they are what makes the business work. As well as customers, but I would, up to an extent; I would put my employees before my customers. Unless there was something that they have done wrong against the customer, then obviously I would put the customer first' (PK03-O1)*

Furthermore, other spiritual entrepreneurs emphasized the importance placed on meeting their employees' needs and ensuring their well-being as well as creating a positive working environment.

> *'I listen to them [employees], I try to accommodate their requests as much as possible, as long as they're reasonable. They have to feel respected, otherwise they won't be committed, they won't be loyal to you, their manager, the business. You know, that's not good for the business. I need people that are passionate about what they're doing, that want to stick around. No one likes investing in training new people over and over again, it's exhausting on top of all the other responsibilities of the business'* (RO02-O1)

> *'I should be doing a lot more [to accommodate employees' needs], I think… I should be doing more. I do listen to them if they've got problems they know they can come and talk to me but I suppose I could set up more regular meetings, regular staff days which I'm not doing at the moment'* (RO01-O1)

> *'[…] I am very easy going with my staff in terms of… if they need time off for personal circumstances or religious circumstances I think they should be allowed […] I think it's very important'* (GR02-O1)

Additionally some entrepreneurs believe that establishing a good and fair communication and making sure that their employees are being valued and rewarded accordingly, will have a beneficial impact on creating a positive company culture.

> *'I think it comes down to… you know there's no general rule of thumb that can be done to accommodate different peoples' needs. I think it's a case of communication. You build a relationship especially with a business of our size, you build relationships with individuals and if people feel comfortable enough they tend to put requests in for what they need. So for example some individual may have had requests around times that might be more suited because of their personal circumstances or their personal requirements we've accommodated that in some instances. So it's a case of having that one to one dialogue with individuals and seeing how you can deal with their requests* (PK03-O1)

In firms where the business owners' expressed spiritual values were matched by their employees', the existence of a positive company ethos was signalled. This was often matched with their concern for ensuring the staff's well-being while promoting a good working environment. The research also showed that those ethnic firms had the lowest staff turnover rates and highest levels of job satisfaction and employee commitment. The findings were consistent across all ethnic firms owned by spiritual entrepreneurs regardless of their religious background, market position, business size and sector. Nevertheless in one of the companies there was a notable discrepancy between the owners' self-confessed moral values and their business practices which was hindering the employees' well-being. Consequently the staff's performance, job satisfaction and commitment were relatively lower than in the rest of the companies involved in the research. Very often they expressed the desire to find different employment as they did not feel valued in their current positon.

Besides lacking internal motivators they perceived that the financial rewards offered by the company did not match their input and expectations.

> *'I manage one of the main departments, I do unpaid overtime and I didn't even get a Christmas bonus […]' (IN01-E6)*

> *'I don't feel valued and I don't think there's anything left for me to learn here. Plus it's too much responsibility for how little they're paying me.' (IN01-E3)*

> *'I feel that my job is at risk all the time, [the line manager] keeps telling me that if I don't do my targets I'll get replaced […]' (IN01-E8)*

The same opinions were reflected by most of the interviewees employed by this company. Regardless of the position they occupied, it transpired that although the owners expressed strong moral values, they failed to create a company ethos that reflected them. This indicates that, during the expansion of the company, the owners' sensibility towards their employees had been diminished in favour of a profit maximisation approach. Previous research found that company growth is usually coupled with an increase of managerial and administrative layers which are likely to widen the gap between employees at the top and the ones at the bottom of this structure (Pellegrini and Scandura, 2008). Furthermore, when the transition is not managed properly, it can create an unfavourable context for promoting constructive communication and effective implementation of policies and procedures. If the higher managerial structures are unable to support this growth without compromising the quality of the relationships between all organisational levels, the working environment and well-being of the employees will suffer. This translates into a decrease in productivity and employee retention as well as lowered commitment and job satisfaction (Giacalone and Jurkiewicz, 2003). Moreover Davidsson (1989) observed that satisfaction is generally higher in small firms but it declines with size, bureaucracy and distance between workers and managers. The observation is also mirrored by the findings of this research.

Another potential explanation for this phenomena refers to the leadership style. Cheng et al. (2011) argued that smaller EMBs are more likely to be managed from a spiritual paternalistic position and are presumably more prone to prioritise the well-being of their employees. Conversely, larger companies are more focused on maximising profits, very often at the cost of the ethicality of their practices. If anything, this explanation provides further proof that EMBs are aligning with mainstream firms, even if through replicating their negative approaches. Therefore, the inability to construct a positive working environment is not necessarily a shortcoming typical for ethnic entrepreneurs, as the literature has illustrated numerous similarly accounts of domestic companies.

Unlike the grim picture painted by the employees of this medium sized family ethnic company, there are several examples of EMBs which have successfully managed to create a positive culture. These firms are with no exceptions owned by spiritual entrepreneurs who have indeed been triumphant in transferring their moral codes to the business practices. Moreover all the employees interviewed from these firms expressed similar spiritual values, strong commitment to their workplace as well as happiness in relation to their job.

> *'[…] I am happy there. I could see myself being really happy here. It's because of the environment, because of the people, they are all open-minded and so am I. They make me feel like home […]' (RO01-E4)*

None of the employees communicated about having any intentions of leaving the current position in the firms.

> *'This job fits in well with our arrangement. I am happy here… I don't think I'll leave' (PK01-E1)*

Furthermore, interviewees explain that they have often felt like their workplace resembles a family rather than a job. In turn, this enforced their feeling of belonging and overall well-being.

> *'I don't believe I'll look for a different job. I think I've been treated well by my boss' (TR01-E2)*

> *'I started 3 months ago. I'm very satisfied; it's a blessing to work with my best friend. He's like my brother actually. I'm doing it for the pocket money, I don't have anything else to keep me here but I'm connected to him that's why I want to help him' (GR01-E2)*

In relation to pay and reward most companies involved in this research offered the NMW and sometimes additional bonuses were given. The only exception from the NMW was made in the medium sized food manufacturing company where employees occupying higher positions were rewarded accordingly. Nevertheless this did not always have a positive impact on their job satisfaction and commitment. As argued above, these employees were in fact the most likely to express low levels of workplace related well-being. The results were consistent with the literature on small and medium sized firms. Additionally a connection between spiritual capital, intrinsic motivators and higher job satisfaction was observed.

7.4. Conclusion

This chapter looked at the ways in which religious and spiritual capitals shape issues related to human resource management (HRM) and employee relations (ER) in ethnic firms. The first part presented a framework for exploring the two forms of capital in the HRM and ER spheres of the EMBs. The second part looked at the ethnic businesses' approach to recruitment and leadership as well as exploring the construction of company culture and its

impact on employee well-being, commitment and job satisfaction. The findings showed that in relation to recruitment practices EMBs are still strongly embedded in their social networks. Although religious and spiritual capitals may have an influence in some of the firms, the evidence is insufficient to generalise a causal link. Furthermore, the two forms of capital are likely to have an impact in shaping leadership and creating a positive company ethos, which can be linked to higher levels of employee satisfaction and retention.

Although the importance of spiritual and religious capitals in the workplace is an ongoing debate which has gained increasing popularity over the last decade, the existing literature on EMBs has yet to acknowledge and recognise its relevance. Far from being an exhaustive analysis of the ethnic enterprises' embeddedness in spiritual and religious capitals, this research found that spiritual capital is an important component of human resource management and employee relations in ethnic enterprises. Spiritual business owners are more likely to seek for the same moral values in their prospective employees. Furthermore, they will make attempts to create a positive company ethos enforced by values such as mutual trust, respect and altruism. In the EMBs where the staff's spiritual values were matched by the ones of the owners' and by the company culture, employees expressed higher levels of intrinsic job related motivators, higher satisfaction and commitment in relation to their workplace as well as lower willingness to leave their present employment. Nevertheless, in the case of the largest company involved in this research, the evidence showed that, although moral codes were expressed by the owners, they had failed to efficiently translate them into practice. Here the employees interviewed showed the lowest levels of commitment and job satisfaction as well as strong feelings of unhappiness and the desire to leave their jobs. In relation to recruitment the findings were in line with the literature on ethnic companies as many of the ethnic entrepreneurs interviewed rely mainly on social networks for sourcing labour. Nevertheless they admitted of employing formal recruitment channels if a candidate with a certain set of skills and knowledge could not be found using their social ties.

The following chapter will present a more detailed discussion about the key findings of the research. Additionally it will outline the main contribution to the literature and explain the importance of adding spiritual and religious forms of capitals to the mixed embeddedness theoretical framework.

8. <u>Discussion</u>

Much of the research on ethnic businesses is concerned with exploring the relationships between entrepreneurs and their embeddedness in their social and economic context. This debate is usually focused on the more traditional components such as firms' reliance on social and human capital. The present research has shown that spiritual and religious capitals can also play an important part in ethnic entrepreneurship as most respondents claimed to possess spiritual and/or religious values which they applied in all aspects of their day to day lives (tables 4.4.A and 4.4.B). Such values, moreover, were not just independent factors operating alongside other features of firms; they were intertwined with these features to give the firms a distinct dynamic.

The first step in generating a valid analysis of spirituality and religiosity in ethnic entrepreneurship was to establish some working definitions. For this purpose religion was referred to as the institutional expression of beliefs, gathered under a common doctrine. This was often connected with generating a divide between believers and non-believers. On the other hand, spirituality entails a set of moral values which embrace inclusiveness and openness.

In order to examine the role played by religious and spiritual values on ethnic entrepreneurship I selected an ethnically and religiously diverse sample formed of business owners and their employees. The study was placed in the Birmingham area due to its acknowledged large representativeness of social diversity. During the research process several issues in relation to the connexion between religious belonging, spirituality and entrepreneurship were discovered. As part of this qualitative inquiry, a total of 52 in-depth interviews in 11 EMBs were conducted. Out of the whole sample, 19 participants were ethnic entrepreneurs and 33 were employees. Repeat visits to six of the firms allowed a rich picture of their dynamics to be generated. Also, throughout the time spent as an employee in two of the participant companies, I was able to get a better insight and a deeper understanding of the company culture, employee relations and recruitment along with a wider range of business practices. I also acted as a client for several of the EMBs studied in this research. In that time I had the chance to observe many of the companies' particularities and approaches before recruiting them for the project. As a researcher, employee, client and member of the same social networks I was able to critically reflect on my experience with the companies. This information has added further meaning to the findings and has helped increase the depth and validity of the knowledge generated.

8.1. Key Findings

The influence of mixed embeddedness on ethnic entrepreneurship has been a central feature of the debate on EMBs for several decades. In most cases, the focus of this discourse tends to revolve around the influence of family and co-ethnic links as well as cultural and social capitals. However, during more recent years discussions about the previously overlooked religious and spiritual capitals have emerged, and some researchers argue in favour of considering these values when exploring ethnic firms' mixed embeddedness (Malloch, 2003; Baker, 2012).

Recent research on ethnic economies has highlighted the importance of spiritual and religious values in shaping business behaviour and organisational structures (Marker, 2013). This is far from being a new concern for social economists as its roots were clearly based on the works of Weber, Marx and Durkheim along with several other philosophers and scientists of the past centuries. It has, nevertheless, re-entered into the spotlight in particular as a result of unprecedented increase of globalisation, freedom of movement and the rise of multi-culturalism. Moreover, the empirical challenge introduced by the secularisation theory and the inclusion of spirituality into managerial frameworks in the US have enforced the need for further research on religion and spirituality. Scholars believe that through the population's enhanced mobility a common space of shared moral values is being created (Sandercock; 2006). In practice, this leads to the erosion of religiousness across western countries (Heelas and Woodhead, 2005). However, this does not necessarily mean that secularisation is on the rise but that people tend to diminish their religious values and reach a common spiritual ground in what their moral values are concerned. This transformation is being referred to as belonging to a post-secular era, which does not assume the irrevocable divorce between individuals and the values stemmed from their religious membership, but postulates the birth of an inclusive approach to religiousness, in the form of spirituality. On the bases of this philosophical assumption, scholars in the field of social economy created the concepts of religious and spiritual capitals and signalled their potential to influence the business environment as separate entities, although still part of the more extensive social and human capitals (Zinnbauer et al., 1999; Giagalone and Jurkiewicz, 2003). This research has located spirituality as simultaneously embedded in religion and distinct from it. Furthermore, the uniqueness and importance of the study is that it focuses on exploring spirituality in several dimensions, at the very specific level of the firm, while observing the ways in which it interacts with different spheres of the ethnic business as well as the context in which they operate.

The following section will summarise the analysis of spiritual and religious capitals in ethnic enterprises while building on the arguments developed in the previous three empirical chapters. Spiritual and religious capitals influence different parts of the ethnic firms in different ways. The findings have shown that the impact on issues related to entrepreneurial drivers or leadership style were significant. Conversely, their influence was virtually non-existent in relation to financial matters.

8.1.1. Spiritual and Religious Value – Shapers of Entrepreneurial Motivations and Attitudes

Although it might be thought that spiritual individuals are other worldly and least likely to succeed economically, the evidence provided by this research showed otherwise. Spirituality can in fact contribute to good business models through a variety of mechanisms. The present thesis found that spiritual and religious capitals can influence ethnic entrepreneurship in relation to constructing aspirations and intrinsic drivers, shaping social and business networks, moulding employee relations, management styles and, moreover, creating a positive company culture.

Although in many cases entrepreneurial success was determined through a combination of factors, there were some areas where the influence of religious and spiritual capitals were particularly representative. These sets of moral characteristics can be the source of important intrinsic motivators for business owners. The research confirmed that the decision to venture into entrepreneurship can be fuelled by a vast array of non-spiritual motivators. Some of the most common were found to be: the inability to access the labour market, desire to acquire more flexibility and a better work-life balance, higher financial gains and sometimes even tax avoidance (Wellington, 2006; Doherty et al., 2014; Drinkwater and Robinson, 2015; Behling and Harvey, 2015). Yet a large number of the interviewed entrepreneurs also named drivers linked to values and beliefs, such as the desire to support their families, help their employees develop on all levels and also give back to the community. Intrinsic reasons are arguably more powerful in shaping business initiatives and economic outcomes compared to extrinsic ones (Cardon et al., 2009). The spiritual and/ or religious individuals who decided to start a venture tended to be driven by strong inner motivators compared to the ones who use external goals such as the accumulation of wealth, power, recognition or higher social status. This finding is especially important as previous studies indicated that in many cases self-employment and entrepreneurship are more likely to generate smaller financial returns and material benefits compared to employment (Mwaura and Carter, 2015). In spite of this bleak scenario, spiritual and

religious entrepreneurs showed strong intrinsic drivers which fuelled their determination to pursue these ambitions.

The study also found that spiritual entrepreneurs were more likely to show openness in relation to social diversity. This had a beneficial role in their approach to marketing and targeting their customer pool. Moreover, spiritual entrepreneurs were more prone towards tailoring their businesses in order to accommodate a wider market demand. Similar behaviours and attitudes were also observed in the secular entrepreneurs but were less likely to be present in the accounts of traditional religious Muslim ones.

8.1.2. Social Networks and Business Support

The findings of this research are consistent with the literature on ethnic entrepreneurship and show that family links and social ties are still the main source of support for EMBs. The majority of the ethnic business owners involved expressed the perceived pivotal role played by families and social networks for creating support links. The reliance on these ties impacted on most areas of the EMBs, from ensuring start-up capital as well as further financial aids, facilitating the recruitment process, providing reliable counselling and advice, mediating the creation of wider business support ties, to promoting the firms and enhancing their position on the market. Additionally, in the case of three religious entrepreneurs, their belonging to a certain denomination came with several economic advantages. Their narratives pictured religious leaders as playing an important role in stimulating business success. Moreover they occasionally acted as mediators between entrepreneurs, advice givers and recruitment intermediaries.

Several scholars argue that there is a link between certain religious denominations and increased business acumen (Anderson, 2004; Guiso et al., 2003; 2006). In conducting the present research this assumption was tested, but the results were mostly inconclusive. The small size of the sample does not support wider generalisations for entire social, religious and ethnic groups. Nevertheless, the findings showed a link between religious Muslim entrepreneurs and their limited chances for business growth. This observation is far from claiming that the low economic turnover of these EMBs was solely due to the entrepreneurs' religious membership. Moreover, a wider combination of intertwined determinates such as experience, skills and knowledge as well as external context, to name just a few, can be held responsible for generating this bleak outcome. Additionally, the study showed that traditional religious entrepreneurs are more likely to establish business relationships with those who share the same religious belonging. This behaviour was more prominent in the case of two religious Muslim entrepreneurs interviewed and least representative for the religious

Christian business owners. This finding is consistent with previous studied on ethnic economies (Guiso et al., 2003, 2006; Marker, 2013).

Two of the interviewed entrepreneurs highlighted the role played by their religious membership in supporting their business venture. Attendance at religious services was seen as an opportunity to network with other entrepreneurs from the community as well as promote their businesses amongst members of the congregation. Belonging to the same denomination was often linked to the creation of stronger social networks built on shared values such as trust and bounded solidarity. These were ideal channels for facilitating access to financial and social capitals for some of the ethnic entrepreneurs interviewed. Religious leaders were sometimes mentioned as being an important source for advice and guidance in relation to business planning. Moreover, they facilitate the recruitment process and can act to liaise between ethnic entrepreneurs. Additionally, religious institutions were occasionally used as channels for promoting the EMBs and ensuring the support of the religious and co-ethnic community. This shows that social ties built on the bases of shared religious belonging can provide business support for ethnic entrepreneurs, adding to the debate on the importance of including religious capital in the mixed embeddedness framework.

8.1.3. Gender Representation

Another important issue raised by this thesis regards the influence of religious and spiritual capitals on gender representation in ethnic entrepreneurship. There is a common concern that the percentage of women-led businesses in the UK is limited and creates a considerable market imbalance. Researchers and policy makers believe that the national economy is at loss for failing to support women entrepreneurs to fulfil their plans and initiatives (Carter et al., 2013). Moreover, another cause for concern regards the low percentage of women business owners in the UK compared to other states of the Western world. If this picture is unsettling, it becomes even grimmer when looking at the situation of EMBs. Gender representation in ethnic firms is notorious for its low levels (Simeos et al., 2015). Moreover, researchers have observed that some ethnic communities are less likely to support women-led businesses than other. Statistics show that Muslim communities tend to have the lowest rate of businesses owned and managed by women, despite the fact that most entrepreneurs admit that the female family members play an important role in their business either as a provider of advice and counselling or through sourcing cheap or even unpaid labour (Essers and Benschop; 2009). Nevertheless, these contributions are rarely formally acknowledged as they tend to be considered extensions of the household and family specific duties. One of the most representative examples which signals the existence of change in gender

representation within EMBs is the one of participant PK01-O1, a female business owner of Pakistani origin. She has managed to break away from stereotypes and is currently successfully running a prosperous business which shows great growth potential. Furthermore, her business can be positioned in the mainstream market and is competing with similar establishments owned by British male entrepreneurs.

The evidence provided by this research revealed that female entrepreneurial representation can be positively influenced by the presence of spiritual values but it is hindered when religious beliefs are dominant. The sample included four female ethnic entrepreneurs. Despite not belonging to the same religious denomination, they all admitted of having been raised in religious families. However, they no longer belonged to the same religious community as their parents and had moreover admitted of guiding their lives in accordance to moral and spiritual values. All four women entrepreneurs were successfully managing firms which showed clear indicators of potential for growth.

8.1.4. Recruitment

In terms of recruitment practices, the findings showed that the main source is still represented by social and moreover family networks. Through the use of family and wider social links for recruitment purposes entrepreneurs were able to decrease the financial costs associated with sourcing and training their staff. Furthermore, business owners tend to resort to workforce from their social circles because they perceive it as being more likely to share a similar set of moral values. In turn this played a crucial role in supporting the establishment of a positive company culture based on having a common outlook along with fostering similar beliefs. Such a culture is considered beneficial for increasing workplace related well-being, higher employee commitment, job satisfaction and retention (Giacalone and Jurkiewicz, 2003; Baker, 2012). Saving money on recruiting and training new staff meant that entrepreneurs could invest those funds into other areas of the firms and support business growth.

Spiritual entrepreneurs were more likely to express openness towards recruiting individuals from diverse cultural, ethnic, national or religious backgrounds, provided that the candidates shared the same values. Many of the interviewed spiritual business owners expressed their preference for employees who they perceived as having good moral values and show potential, rather than having practical experience or a certain set of skills. Conversely, in the case of self-classified religious ethnic entrepreneurs, the findings indicated that they showed reluctance towards employing individuals from outside their co-ethnic and religious community. Although they expressed acceptance for cultural and social diversity, this was often not reflected in their attitude towards recruitment and by their practices. Most

companies involved were small and employed informal recruitment practices as they were considered to be more appropriate as well as economically profitable. The main source for finding suitable employees was in the majority of cases represented by the entrepreneurs' families or immediate social circles. Following this path, business owners have increased the chances of selecting a workforce with a common moral and spiritual background. Additionally this was beneficial for creating and enforcing trust as well as supporting a common vision between entrepreneurs and their staff regarding the companies' ethos.

Most companies involved had an unstructured approach to the HR function and mainly relied on informal recruitment methods. Nevertheless, researchers observed that in the case of small family owned companies, employing formal standardised recruitment procedures is simply not profitable (Cardon and Stevens, 2004). Even if having transparent and consistent policies can prevent the danger of discrimination on any grounds, in reality this is just not a financially viable approach for small companies. As Jewson and Mason (1986) rightly observed three decades ago, 'recommendations for formality are, we believe, frequently based upon an image of the recruitment process which is at odds with the reality of much, if not all, day to day practice. This image involves an ideal drawn from a (probably highly selective) view of recruitment for academics, professional and upper managerial occupations. This ideal is held up as the approved norm; that is, the way in which all recruitment ought to operate in a modern, democratic society. All other strategies for recruitment and selection are regarded as inferior substitutes or degraded versions of the ideal' (p. 43). Therefore EMBs which use primarily informal sources of recruitment and moreover employ members of their own family or close social circles are not to be condemned. This is far from being merely an approach linked to ethnic entrepreneurship as it is caused by the financial implications and practicality of informal recruitment methods compared to formal ones. Furthermore, given that the majority of employment opportunities offered by the studied EMBs are low skilled manual and non-manual jobs, the level of knowledge and qualifications required to fulfil the job specifications are very limited. This decreases the need for finding suitable candidates who would possess a specific set of skills while increasing the liberty of recruiting acceptable employees on the bases of their personal traits and desirable moral values. This preference was expressed by many of the interviewed ethnic entrepreneurs. Moreover this enables the creation of a company culture based on shared spiritual values between employers and staff, which in turn is shown to enforce employees' intrinsic motivators and increase staff retention.

Having formal recruitment policies and procedures does not equate with higher performance and increased efficiency nor does it mean all forms of discriminatory behaviours and

attitudes are being thrust out of the ethnic firms (Jewson and Mason, 1986). Evidence to support this argument was observed in one of the EMBs studied. Although it was the company which showed the greatest consistency and formalisation of human resources management and employee relations practices, it was also the place where employees perceived the highest levels of unfairness and workplace related dissatisfaction. Furthermore, other firms studied which showed no signs of formality in relation to recruitment and employment practices were seen to have the highest levels of staff retention, commitment and job satisfaction. This suggests that the existence of standardised recruitment practices alone in small and medium sized EMBs does not imply the existence of a greater probability for having an engaged and productive workforce. In order to increase their predisposition for economic prosperity and business affluence ethnic enterprises ought to have a well-adapted integrative approach to all functions and dimensions of the firms.

8.1.5. Company Culture, Ethical Business Practices and Employees' Motivations

In order to highlight the presence, and moreover relevance of spiritual and religious values in the lives of the participants, parts of the interviews were aimed at gathering information about their upbringing, family lives, religious background as well as their expressed moral values. Accounts of business owners were corroborated with the ones of their employees as well as information collected during participant observation in two of the companies. In this way the validity of their statements as well as the way in which they managed to apply their values into the firms, and moreover, their approach to employment relations were tested. The evidence showed that a small number of the entrepreneurs involved in this research were only paying lip service to their verbalised high moral values. Despite confessing of having strong spiritual values, they were unable to effectively translate them into practice. Very often the ethos of their companies was fostering an unhealthy working environment, one which hindered the staff's commitment, job satisfaction, productivity and overall workplace related well-being. However, the rest of the interviewed ethnic entrepreneurs and their companies were situated at the opposite end of the spectrum. While expressing their spiritual values and the presence of the corresponding behaviours and attitudes, they had also managed to successfully reflect them into their companies by creating a positive culture in which all employees felt like they were part of a bigger family. This had a positive impact on the commitment of employees who, despite not receiving any particular financial incentives and, in many cases, not having a position in the company that would match their higher educational qualification, expressed no desire to search for alternative employment. The employees' positive attitudes were also associated with higher staff retention and therefore lower costs related to recruitment and training new employees. These are indeed

successful examples of building a positive company ethos based on spiritual values such as acceptance, inclusiveness, compassion and altruism which can arguably give ethnic firms a clear competitive advantage, enhance their potential for growth and contribute to their financial prosperity.

The presence of spiritual values is often linked to the ethnic entrepreneurs' active endeavours of promoting ethical business behaviours and practices. EMBs are generally associated with thriftiness and cost cutting strategies, while ethical business approaches are known to require higher financial investments. This clash between the two contradicting positions fuelled the assumption that the applicability of ethical business practices in EMBs will be too scarce to be considered by research (Moore and Spence, 2006). Nevertheless, the data available in this study shows a different perspective as it signals the existence of a connexion between spiritual and religious entrepreneurs and their commitment to righteous business practices. Spiritual entrepreneurs were more likely to own firms in which there is an established positive company culture. Despite being associated with higher material costs, ethnic entrepreneurs have recognised the economic and non-economic advantages brought by ethical business approaches. They can increase their customer base and their loyalty to the firm, strengthen their position on the market, support better relationships with suppliers, enforce their status in the community, boost their credibility in dealing with financial institutions and moreover create a powerful positive company culture. The existence of a business ethos based on spiritual values is also linked to collaborative relationships between members of the staff and managers, enhanced employee engagement and generally higher levels of workplace related well-being. This is markedly connected to greater employee commitment, job satisfaction and productivity as well as lower costs associated with staff turnover. In turn this plays an important role in enhancing the firms' chances for success and growth.

Many academics have argued that intrinsic motivators can be powerful enough to override the lack of sufficient extrinsic drivers, such as material rewards (Deci and Ryan, 1985, 1991; Hunt, 2000; Russell and Stone, 2002; Cheng et al., 2011). This is confirmed by the findings of the present research. Most EMBs studied could not offer their staff higher remunerations and in the majority of cases national minimum wage (NMW) was the common rate of pay. Nevertheless, their employees showed high levels of commitment and job satisfaction and expressed no interest to look for alternative workplaces. Conversely, the only company in which the staff was paid above the NMW had the unhappiest employees. This was not only triggered by the perceived unfairness of the financial benefits offered by the firm, but moreover linked to the high levels of dissatisfaction generated by the company's culture.

These narratives illustrate the importance of building a positive workplace ethos. The evidence shows that in the firms where entrepreneurs have managed to reflect their expressed spiritual values into the business practices and employee relations, the staff have exhibited the highest levels of workplace related well-being, despite the availability of limited material benefits.

Researchers have observed that companies which value their employees and place a special emphasis on the staff's professional development and well-being are more likely to gain considerable competitive advantage and therefore increase their chances of success. Moreover these firms were associated with positive HR practices that support the creation of a partnership-oriented working environment characterised by high job security, encouragement of team-working as well as extensive training opportunities that match the requirements of the staff (Pfeffer and Veiga; 1999). These values and practices are indeed the ones identifying as belonging to spiritual individuals (see Table 3.2 and Table 4.3). Reflective of this argument, the present study found that spiritual leadership can enforce positive business behaviour especially in relation to human resources management in EMBs. In turn, this supports the creation of a favourable company culture, ethical business practices as well as building employee relations based on fairness, inclusiveness, mutual trust and altruism.

The research signalled the presence of a positive association between employee engagement and a spiritual value-based value-driven working environment. Where owners classified themselves as being spiritual, believing and applying good moral values to their day to day life as well as their businesses, the employees showed higher levels of commitment and satisfaction in relation to their jobs. This link appears to be unrelated to distinctions in ethnicity and religious affiliation. As argued in previous parts of this thesis, there is an increased tendency to adhere to a value led lifestyle often identified as spiritualism, rather than opting for a specific religious affiliation. Scholars believe this to be a common occurrence in a post-secular society, such as the studied one (Heelas and Woodhead, 2005).

8.2. Contributions to the Literature

Mixed embeddedness, a framework widely used in research on ethnic economies, is mainly concerned with looking at the way in which opportunity structures and layers of context shape ethnic firms. Most studies employing this theoretical model are focused on exploring the interaction between social, human and financial capitals and the multiplicity of contextual structures in which the companies operate (Kloosterman et al., 1999; Kloosterman and Rath, 2001; Ram and Jones, 2008; Jones et al., 2014). Although the approach is very complex, it

is limited in several aspects, some of which are related to gender differences, religious and spiritual values. While gender differences were discussed in Chapter 6 of this thesis and briefly reviewed above, the main focus of the present research was the last two dimensions.

Religious and spiritual values are underexplored parts of social and human capitals. By ignoring the role played by these two forms of capital in shaping different structures of the ethnic firms, it is likely that previous studies based on the mixed embeddedness framework have wrongly attributed certain business behaviours to the impact of social and human capitals. This research has found that religious and spiritual values influence the formation of social and business support network in a different manner compared to human and social capitals. Relationships constructed on the bases of shared spiritual principles are more likely to be grounded in moral codes and driven by intrinsic values.

Despite the criticism it has received, I believe that mixed embeddedness is a very useful theoretical framework which can benefit greatly from including religious and spiritual capitals in its discussions. This addition will increase its complexity and inform a better exploration of the ethnic firms while showing sensitivity towards a wider array of variables. Incorporating religious and spiritual forms of capitals in social research more widely is important especially in the context of the current post-secular society market by enhanced migration and increasing interest regarding holistic moral values. The approach adopted throughout this thesis complements ME by showing the intertwining of context and behavior, enforcing arguments about the role played by the active agents of business owners (Jones et al., 2014).

The findings showed that, although the two dimensions can be included in the broader social capital component, they are important independent motors of entrepreneurial behaviour. Their influences and outcomes can be observed in numerous parts of the EMBs, from shaping the owners' motivations, attitudes and believes, through the structuring of their approach to employee relations as well as competition and marketing strategies, to generating the companies' culture. This culture is likely to play a key role in conditioning employees' balance between intrinsic and extrinsic motivator and subsequently determining their levels of commitment, productivity, employee retention and overall workplace related happiness. Spiritual entrepreneurs have managed to successfully transcribe their values into creating a positive company culture, and their employees are likely to show higher levels of job satisfaction despite receiving minimum financial benefits. Moreover, despite their limited career opportunities, members of staff expressed no desire to leave the company in pursuit of better employment. At the opposite end of the spectrum, the only firm owned by self-classified secular entrepreneurs is also the one where employees expressed the lowest

levels of commitment and willingness to find alternative employment even if, in some cases, that would entail having to sacrifice higher financial earnings. Nevertheless this was also the only firm where employees were more likely to be paid above the national minimum wage. In the context of a perceived negative company culture economic benefits were outweighed showing, therefore, that intrinsic drivers can in some cases overrule extrinsic ones. This is indeed further proof of the importance played by spiritual and religious capitals in shaping, not only EMBs, but arguably all businesses regardless of the national, cultural and ethnic background of the owners.

Moreover the data has shown that the gap between ethnic minority and domestic businesses is in fact not as deep as it was previously argued. Ethnic entrepreneurs are starting to align with the mainstream ones. The data gathered in this research revealed that family businesses are likely to face the same challenges and employ similar approaches regardless of their social, ethnic and cultural ownership. This is not to say that all ethnic businesses subscribe to the same models. There are indeed clear signs that some, especially the ones owned by newer migrant entrepreneurs, are still fitted into the classic EMBs stereotypes. This translates into an informality of practices which often positions them at the border of legality, perpetuating the long hours, low value added and labour intensive culture.

In line with the literature (Heelas and Woodhead, 2005; Davie, 2013), the present research showed that people are becoming increasingly spiritual while religious values are slowly getting eroded. This phenomenon is even more important for migrants, as religion and spiritual values are key parts of the social and psychological resilience. The vast majority of the respondents expressed spiritual and/ or religious beliefs. These were subsequently corroborated with their attitudes towards several aspects related to work and entrepreneurship. The study found that spiritual ethnic firms are more likely to be inclusive of diversity and this was reflected by their approach to marketing, the construction of social and business support networks as well as establishing a positive company culture. Furthermore spiritual entrepreneurs expressed greater concern for their staff's well-being, and spiritual employees were observed to have higher levels of commitment, engagement and job satisfaction.

Studies on the impact of religious capital on companies have observed that in the case of traditional religious entrepreneurs, shared religious belonging is an important shaper of business support networks and social interaction. This was observed to be more prominent in Muslim and some Christian groups and less so for other faiths (Guiso et al., 2003; 2006; Marker, 2013). Although my findings are to some extent consistent with these observations, evidence provided by the present research showed that the prevalence of religious capital

tends to diminish with time and is less prominent in businesses owned by second and third generation migrants. This phenomenon was recognised by many of the respondents, regardless of their religious background. Moreover, this form of capital is gradually being replaced by spiritual values which showed consistency and were manifested similarly across all religious groups involved in this research.

Although spiritual and religious capitals in EMBs have been widely overlooked by previous research they are arguably two important dimensions which need to be explored in order to generate a better understanding on the complexity of mechanisms behind ethnic entrepreneurship. It is particularly in business environments which are strongly shaped by their cultural, ethnic and social networks, where these sets of moral values are most likely to act with more strength. This assumption was indeed confirmed by the present research through informed and participative observation as well as informal discussions and in-depth interviews with ethnic entrepreneurs and their employees. Spiritual and religious capitals are not separate entities of the business, but rather shaping forces entrenched in most structures of the ethnic firms. Moreover, their effects are not equal but vary in relation to different aspects of the business. Spiritual and religious capitals act as shapers of different business structures, however they do not do so in complete isolation. Therefore it is important that the exploration of spiritual and religious capitals acknowledges the social, political, geographical and economic contexts in which the ethnic firms operate.

8.5. Conclusion

This chapter outlined the main findings and contributions to the literature on ethnic entrepreneurship brought by the present research. The first part looked at the key results while building on the evidence and discussions developed in the empirical parts of this thesis. Spiritual and religious values were observed to be more likely to originate and be shaped by family ties and social networks. Additionally, they have a positive impact on building intrinsic motivations, encouraging women's participation in ethnic firms, enforcing a company ethos that promotes workplace related well-being as well as enhancing employee engagement, commitment and job satisfaction.

The main drivers of entrepreneurial initiative were the desire to ensure the financial well-being of families along with providing support for co-ethnic and wider local communities. Although a clear relationship between spiritual and religious capitals and recruitment practices in these firms could not be established, the findings have shown that spiritual entrepreneurs were more likely to prefer candidates that reflected their sets of values. In most cases, this match was ensured through the involvement of family ties and ethnic and social capitals in the recruitment process. Lastly, this section highlighted the contribution

made by the present research to enriching the ME framework in the scope of future in-depth exploration of ethnic firms.

Self-employment and entrepreneurship are often associated with lower financial returns compared to employment. However, as spiritual business owners were strongly motivated by intrinsic drivers rather than material ones, they often deliberately chose to pursue this path despite the limited economic compensations. Benefits such as better work-life balance, feeling of achieving and the desire to make a meaningful contribution to the lives of other were often stated to be important for fuelling entrepreneurial initiatives. These are all values which have been correlated with spiritual capital.

EMBs are generally known for offering limited material rewards to their employee; nevertheless, their staff retention tends to be high. What makes people stay in ethnic firms despite the fact that they are often paid minimum wage and sometimes even below? As previously indicated by social researchers and confirmed by the findings of this study, the presence of a positive company ethos based on a sound set of spiritual values is often associated with effective management and leadership. Moreover, this was often translated into higher workplace related well-being, enhanced commitment, job satisfaction and productivity. The existence of a good company culture was also a major contributor towards increasing employees' intrinsic non-material motivators and decreasing staff turnover.

Based on the evidence provided by this research, a causal link between spiritual and religious values and recruitment practices could not be identified. Although spiritual entrepreneurs are more likely to employ individuals who match their values, this is mostly linked to their strong reliance on kinship and co-ethnic ties as a main source for recruitment. Moreover, through the employment of informal selection channels the likelihood of creating a higher match between candidates' and entrepreneurs' religious and spiritual capitals was increased. These arguments suggest that, although the two forms of capital can shape some aspects related to employee relations such as commitment, employee engagement and job satisfaction as well as create a positive company culture, they have very little effects on formalised HR structures.

The mixed embeddedness framework is still highly relevant as part of the wider discussion on ethnic entrepreneurship. However, this research observed that two of its dimensions were previously overlooked by academics. The findings have shown that spiritual and religious capitals can be important shapers of entrepreneurial initiatives and approaches. Moreover, they influence the construction of moral values and shape business behaviours and attitudes in a distinctive manner compared to social and human capitals. These observations align with work conducted by Malloch (2003) and Baker (2012). Both authors have argued in

favour of including spiritual capital in business research. Furthermore, they have claimed that this form of capital, placed at the intersection between economic and religious spheres, is particularly relevant in diverse post-secular societies.

The following chapter will pinpoint the main challenges and limitations of this study as well as drawing several recommendations and suggestions for policy makers while highlighting the importance of adequate business support systems for enhancing EMBs' chances for survival and growth. Finally it will conclude by signalling potential directions for future research on spiritual and religious capital in ethnic companies and reflect on the social implications of understating religious diversity and spiritual values in the current super-diverse social environment.

9. <u>Conclusion</u>

This chapter begins by discussing the limitations of the research together with lessons that arose. Secondly, it identifies directions for future research; thirdly, the practical and policy implications are identified. Finally, I offer some broader reflections on the place of religion and spirituality in modern societies.

The present research has aimed to enrich the limited existing literature on the relationships between ethnic firms and the values led forms of capital they employ. Although a clear link between spirituality, religion and economic outcomes is yet it be determined, there is evidence here to suggest that these forms of capital are indeed important in shaping some dimensions of the firms. Furthermore, this study has found that the success of the ethnic entrepreneurs and their ventures is linked to a multitude of determinants. In order to create better tailored policies and facilitate effective business support it is necessary that all regulating forces are thoroughly assessed and their implications correctly understood. Hence the importance of exploring the interrelationships between religiousness, spirituality and ethnic entrepreneurship. Religion and/or spirituality are clearly not necessary for growth. Yet, the evidence on the 11 firms involved in this study also suggests that they can bring benefits even in a mainly secular context. The research has been unable to specify the exact linkages between religion, spirituality and performance, but it has pointed to some unexpected connections that future research might explore.

9.1. Research Challenges and Shortcomings

As part of the closing statement of this thesis it is useful to reflect critically on the research approach along with the structural and conceptual shortcomings of the project. One of the limitations regards the lack of representativeness of exclusively religious participants. This could have provided a better perspective on the way in which religious values interact with business practices in the absence of expressed spirituality. As many scholars have observed (Zinnbauer et al., 1999), such respondents are more difficult to target, as the presence of intense religiosity is often coupled with extremism and condemned by social norms. Confronted with the risk of being socially marginalised on the bases of their strong faith, religious individuals are therefore less likely to openly express their values.

Another limitation is related to the absence of a dialogue between the researcher and representatives of formal financial institutions. Adding a different perspective regarding the relationship between ethnic entrepreneurs and banks could have facilitate a better understanding of the way in which lending agents perceive and act in relation to EMBs. This

would have potentially generated a richer and more in-depth picture of the ethnic businesses' access to start-up capital as well as the way in which further financial strategies could be facilitated through these networks. Moreover it would have probed the belief that spiritual and religious capitals are indeed irrelevant when it comes to securing financial capital through formal channels.

Another shortcoming of this research stems from the interview design. I believe that by including supplementary questions, additional relevant information in relation to the participants' moral and religious values as well as the way in which they are reflected by their approach to work, could have been collected. Given the position occupied by philanthropy, charity and tithes in most religious denominations, including a separate section on these matters in the interview guide would have enriched the analysis and findings presented in this thesis. Although the outline did not include a specific question on these matters, philanthropy and charity were mentioned briefly by a small number of the respondents. Commitment to charity and especially supporting humanitarian causes was expressed by two of the participant business owners, however it was not linked to a particular religious or cultural belonging. The only similarity they shared was their expressed and manifested spirituality.

A further limitation of the present study regards the insufficient exploration of the dynamic relationships between religion and spirituality and the EMBs. Since completing my doctoral research I was involved in a range of research projects focused on ethnic minority business owners. Although the studies had different aims, religion and spirituality were two of the themes that came up often in the qualitative investigations. Moreover, many respondents emphasised the importance of the two as components of the wider cultural dimension. As a distinctive feature compared to my own research, Islamic faith was widely named as a decisive force in relation to the entrepreneurs' approach to finance. Religious Muslim business owners expressed their reluctance towards any sort of financial arrangements that would require them to pay interest rates as it opposes their system of beliefs. Very often this also included their scepticism towards Islamic banks as they were seen as being forced to operate under the rules and regulations imposed by the British banking sector. The distinction between these observations and the ones made by the Muslim participants in my research signal the existence of certain exceptions to the general rules imposed by the Islamic faith. Nevertheless, I believe that this doctoral research would have benefited from more detailed discussions on the influence of the entrepreneurs' religious background on their approach to finance. This could have shed more light on any potential links between their religious belonging and their preference for particular sources of finance.

Moreover, discussions with a larger number of ethnic entrepreneurs would have been beneficial to the research outcomes by enhancing the representativeness, generalisability and validity of the findings. Therefore, one of the next suggested steps to be taken after finalising this study is to follow the inquiry along this path while involving a larger sample. Additionally, a more detailed interview outline should be developed in order to gather richer data that will inform a better understanding on the interplay of religiousness, spirituality and ethnic entrepreneurship.

The study of spiritual and religious values in shaping ethnic economies proved to be challenging also due to the difficulties and lack of agreement between academics in relation to the working definitions of the researched concepts. As a further matter, identifying spiritual and religious values and, moreover, mapping a clear distinction between the two triggered many ambiguities. In an attempt to create a transparent approach I decided that religion would be used to denote the formal and institutionalised sets of beliefs and practices regulated by a religious authority and enforced throughout the religious community by its members (Inglehart, 1990; Emblen 1992; Walker and Pitts; 1998; Zinnbauer et al., 1997, 1999). Conversely, spirituality was used to describe the sets of intrinsic moral values which promote inclusiveness, openness, compassion and altruism towards all individuals regardless of their ethnic, religious, national and cultural backgrounds. In other words, religion was associated with limiting social attitudes and behaviours while spirituality was positioned at the opposite pole and seen as generating positive values likely to support inclusive business practices and the creation of a beneficial company culture. I endeavoured to follow a consistent definition of religion and spirituality, in line with existing theory, and this approach proved enlightening. It is none the less important not to make the distinction too rigid, still less to slip into any ethical evaluation of the relevant beliefs and practices.

Some academics argued that workplace spirituality is likely to have a positive impact on business prosperity (Giacalone and Jurkiewicz, 2003). However, due to the lack of sufficient evidence, this assumption cannot be enforced by the present research. Both the literature as well as this study are unable to establish a clear causal relation between spirituality, religion and entrepreneurial success. There is considerable evidence to suggest that forms of capital and, moreover their role in shaping business practices, are likely to create a positive company culture, enforce ethical business behaviour and could potentially increase the EMBs' chances of longevity and prosperity. However, this does not imply that the sole determinant of financial accumulation resides in the presence of spiritual values. Several other possible causes were determined, namely the ability to secure financial investments, certain personal skills and knowledge as well as the degree of social integration and number

of years spent in Britain. Furthermore, the findings have shown that in the case of the medium sized family owned food manufacturing company involved in this research, ethical practices and ethos were not central to strategic business planning. In spite of this, the firm recorded high earnings and presented clear signs of prospective growth. However, their staff retention was the lowest, which translated into higher costs associated with recruitment and training. As argued in the literature and confirmed by the findings of this study, the presence of spiritual values and their practical implementation could potentially reduce these expenses. Despite these limitations and challenges, this research nonetheless makes an empirical and theoretical contribution to our understanding of EMBs and belief.

9.2. Suggestions for Policy Makers

Recent data from the Department of Business, Innovations and Skills showed that EMBs are an important part of UK's SME landscape. In 2014 the approximately 300,000 registered ethnic owned companies contributed with an estimated £30 billion to the country's economy (BIS, 2014). Moreover, ethnic business owners are twice as likely to be employers compared to their British counterparts, representing therefore a salient source of national and local prosperity (Basu, 1998). West Midlands is the second most popular area for EMBs, hence the choice for placing this study in the region. Very often these companies are underperforming compared to mainstream ones and, as previous studies have suggested, supporting and helping them reach their full potential will have a positive impact on the regional and national economic development. Academics argue that empowering the ethnic community through different channels can have a positive impact on the country's social and economic prosperity (Patacchini and Zenou, 2008). As mentioned above, there are numerous ways in which this support can be facilitated and the present research explored religious and spiritual forms of capital in EMBs in order to understand their impact on different organisational structures. This will ultimately contribute towards drawing a much more in-depth picture of ethnic firms in the current socio-economic context which will, in turn, inform the creation of adequately tailored policies to help them maximise their chances for survival and growth.

Furthermore, recent statistical evidence showed that less than 20% of the new start-ups make it through the first 10 years (ONS, 2015). For the purpose of regional and national multilateral development it is in the best interest of the governance to make sustained efforts for creating and implementing adequately tailored strategies to support ethnic businesses. Additionally, this will also help decrease the propensity of people to enter the informal economy.

A common mistakes of policy makers and business support agencies is that they service small business owners with the 'one size fits all' approach. In order for these institutions to have the desired outcome they have to acknowledge the importance of cultural, ethnic and religious differences and act accordingly. This research shows that they should also be aware of the implications of spiritual values on the economic spheres and refrain from assuming that all businesses are organised on a secular basis, or for strictly secular purposes. One key implication of the present research is that religious and spiritual values do not necessarily make firms merely traditional or outdated. On the contrary, these values can sustain growth and development, and policy makers need to recognise this and engage with firms in appropriate ways. That said, there was some evidence that purely religious values could help to sustain a firm in a limited enclave. Yet, it does not follow that such firms should be neglected. Firstly, they continue to provide jobs and have value in their own terms. Secondly, policy engagement respecting their traditions might enable some of them at least to consider moving away from their traditional religious base. This point links with the long-established debate as to whether and if so how EMBs can 'break out' into the mainstream. As detailed below, the research makes two main points here. Firstly, spirituality can be an enabler rather than an impediment. The results have shown that spiritual values can be beneficial for shaping entrepreneurial motivations, building more efficient business networks based on shared values and improving HR practices and employee relations. Secondly, the wider implication is that theory and practice should not assume that there is one desirable mainstream. Spiritual firms are developing distinct approaches to business that help to change the nature of mainstream practice.

Very often business support agencies were perceived by my respondents as discriminatory and unable to grasp the specific needs or understand the potential of EMBs. Such experiences made them unapproachable and inefficient in delivering the mission they were intended to. Following this research, I suggest that business support agencies should be made accessible for everyone regardless of their background, area, situation, status or entrepreneurial age and experience. Ethnic entrepreneurs need to be understood and guided accordingly in order for their ventures to have a fair chance of succeeding. Further practical recommendations for business support agencies would be to ensure that their employees are well trained professionals who, besides possessing relevant experience, are also able to show sensitivity to the specific traits and needs of the ethnic businesses and their owners. Additionally these institutions should aim to create effective and inclusive business support networks. The purpose of these groups is to mediate communication as well as the sharing of information and advice between ethnic entrepreneurs while being coordinated by adequately trained business support officers. Furthermore, individual

mentoring programs facilitated by these institutions may have a beneficial impact on enhancing the ethnic entrepreneurs' perspectives. Moreover, these centres will ideally be subsidized through state funds and free to use for all entrepreneurs.

9.3. Directions for Future Research

Most of the literature on ethnic entrepreneurship presents a rather grim picture of EMBs. Firms that are portrayed as replicating models with limited chances of success, often being part of the informal economy and positioned in a grey area of the law (Light, 1972; Porters and Bach, 1985; Waldinger et al., 1990; Ram and Deakins, 1996). Their strong reliance on social networks is tying them down and restricting their potential to access the mainstream economy (Kepner, 1983; Ram et al., 2001). One persistent concern on academics' and practitioners' research agendas regards the need of ethnic entrepreneurs to adapt to the dominant local culture in order to be successful. But could EMBs be prosperous without conforming to the mainstream business models?

The primary purpose of this thesis has been to build on the foundation for further theory and policy development in relation to ethnic entrepreneurship. Through the use of multiple in-depth qualitative methods the influence of religious and spiritual values on the internal structures of EMBs was explored. This is a topic which has been ignored by previous research but is nonetheless of pivotal importance in understanding the complex mechanisms of ethnic firms. Furthermore, creating a comprehensive picture of EMBs will support the development of better tailored policies to create the basis for a more fruitful collaboration between government, local agencies, business support agencies, financial institutions and ethnic entrepreneurs. In turn, this will enhance ethnic companies' chances for growth and success while in the same time, strengthening the local and national economy.

The literature on EMBs is filled with accounts of unsuccessful businesses, constrained within the narrow borders of their co-ethnic community, strongly reliant on social networks and unable or unwilling to align with the mainstream economy. One of the main pre-cursors for ensuring the survival and growth of ethnic owned companies resides in their ability to 'break-out' from these unsuccessful patterns. In relation to this research the sample considered was divided into 'old' and 'new' EMBs. As detailed in previous parts of the present thesis, two of the companies fell into the old category, as they recorded a large number of similarities with the previously documented unsuccessful EMBs. Both firms were owned by individuals who, although classed as spiritual and religious, had showed fewer spiritual and more religious indicators compared to the other entrepreneurs (see tables 3.2 and 4.4.A). The rest of the nine companies were firms that had managed to break from the old patterns and were, therefore, grouped as new EMBs. These businesses were less reliant on the ethnic

community and showed openness towards social diversity, which was in all cases coupled with the existence of strong spiritual values. Their new approach led to more efficient business practices such as better tailored approaches to recruitment and more competitive marketing strategies.

However, besides sharing some resemblance in relation to their spiritual values, not all successful entrepreneurs employed similar approaches to business, therefore their prosperity could not be attributed entirely to enacting a certain type of value structures Furthermore, some additional questions were raised: how much of the EMBs' success is due to efficient planning and business strategies and how much can be attributed to sheer chance? Can a pattern of successful EMBs be generated following this or any future research? Is there a common ground between successful ethnic entrepreneurs? Unfortunately this study was unable to gather enough information to produce satisfactory answers for these concerns. This does not mean, however, that the role of religion and spirituality is simply indeterminate. The research has shown that they can contribute to business development is some situations. This argument is consistent with analysis that take a contextualised or realist approach. Such an approach says that certain features of a firm can have effects but that they do not necessarily do so, and that the effects can depend on other factors. The implication for such an approach is the need for research that addresses multiple causal processes, ideally though longitudinal comparison of matched sets of firms. The purpose here is to tease out what the causal power of a spiritual approach is, and then to see how it works. If, for example through discussions with other entrepreneurs or through the unplanned growth of a business opportunity, it can become embedded in and reinforce business practice. The truth is that entrepreneurial success is influenced by a vast array of factors and what can be a successful model for one business, can prove unreliable for another one. Equally, some owners might be good managers and effective planners but still unable to increase the profitability of their business, while others may not be as talented but, due to more favourable circumstances, record higher earnings and better chances for growth. There is no one size fits all approach and ultimately, what researchers and policy makers should consider is acquiring as much in-depth knowledge on EMBs as possible. Only by doing so will they be able to gain a meaningful understanding of the drivers and mechanisms behind ethnic entrepreneurship and build a framework that can support economic growth in the most suitable way.

When I first embarked on this research the initial expectations were to find causal links between certain religions and economic behaviour. With the progression of the data collection process and, moreover, once data analysis started it became clear that those

anticipated outcomes would not and could not transpire from the evidence. The relationship between specific denominations and certain types of business behaviours was weak and it became even less representative in the case of second and third generation migrants. As noted earlier in this thesis, data analysis has revealed the existence of connections between first generation religious Muslim entrepreneurs and more traditional approaches to issues related to diversity and social inclusion reflected into their business and workplace practices. Ultimately, the research was able to observe to a certain extent the way in which religious membership, religiousness and spirituality have changed over times in the lives of migrants and ethnic communities. Although merely sufficient in a generalising or representative sense, this longitudinal approach has provided a cross-generational exploration of the mechanisms of value formation that can influence entrepreneurial behaviours and shape some of the structures of the ethnic firms. Research on religious and spiritual capitals in ethnic firms could be further conceptualised through the employment of larger samples across a variation of national and international contexts. Comparative longitudinal research could serve to shed some light on the interplay of religion and spirituality in these firms. Furthermore, by adding this new perspective to the mixed embeddedness framework a more complex understanding of ethnic entrepreneurship could be facilitated. In turn, this will inform and support further developments in the field.

9.4. Religion and Spirituality in Modern Societies

Some scholars have argued that people and social practices are becoming increasingly secular. However, a closer analysis of current beliefs, attitudes and behavioural patterns in modern societies shows that religion is gradually being replaced by a different system of often equally metaphysical values which informs and guides individuals' lives. Further evidence to support the anti-secular stance points towards the observed increase in individuals' preoccupation for attaining well-being and improving the quality of their lives. This phenomenon has gained popularity following the shift in parts of some national economies from industrial to post-industrialism (Inglehart; 1990; Ashforth and Pratt, 2010; Miller and Ewest, 2011). Moreover, the transformation can be linked to the new approach to belief as a means of fulfilling the necessity for spiritual comfort and achieving a sought for sense of belonging. Due to factors such as globalisation, increased and changing migration pattern, modern societies have become more inclusive in some ways. There is a reported movement towards universal values, rather than being limited to one exclusive denomination (Heelas and Woodhead, 2005; Fabbri, 2013). Research has observed that post-secular modern societies are far more inclusive of the cultural and religious diversity and they tend to share certain values that favour acceptance and integration. Nations are becoming more aware of the importance of creating an inclusive environment where all individuals can thrive

regardless of their background, ethnicity or religious convictions (Zinnbauer et al., 1999; Giagalone and Jurkiewicz, 2003; Sandercock; 2006).

This thesis is the result of over 6 years of formal and informal investigation. During this time I was employed in several ethnic owned firms while having also pursued higher education. Through combining practical working experience, academic education and research training I had the opportunity to observe and analyse the internal structures and mechanisms of EMBs. My work has been informed by previous research on ethnic entrepreneurship and theoretically grounded in the frameworks of the traditional mixed embeddedness approach along with religious and spiritual capitals. I hope that the findings and suggestions presented in this thesis will add on to the existing knowledge and inform the creation of policies and practices more in tune with the specific needs and requirements of EMBs.

The implicit objective of this study was to draw attention towards the potential importance of spirituality and religion in EMBs, a matter which has been overlooked by previous research on ethnic entrepreneurship. The research has shown the value of including religion and spirituality within a mixed embeddedness perspective. It does not just say that we need to add these as extra dimensions. I have argued that they are part of the dynamics of firms and that they interact with other features to put any one firm on one path rather than another. We are not, in other words, adding variables endlessly but locating aspects of firms. It is, moreover, reasonable to argue that 'embeddedness' embraces the cultural context of the firm as well as its economic setting. This conclusion then has implications for how we think about religion and spirituality in society more generally. They are not fixed attributes of people, and nor are they historical relics. They are deployed actively in the creation of new social arrangements, and the present research has begun to hint at what some of these might be. Although the data collected is insufficient to support wider generalisations, the existence of a connection between the two systems of moral values and business behaviour and the workplace was observed. Furthermore, the evidence has suggested that the effects of religious and spiritual capitals are closely intertwined with most areas and functions of the ethnic firms and can, under certain circumstances, influence economic outcomes.

Religion and spirituality may not have the same impact for everyone in all contexts. However they have the power to change and shape values which are now becoming embedded in our societies and reflected in most aspects of the daily life (Inglehart 1990; Ray 1996, 1997). There is an increasing percentage of the population that adhere to these ideals and it is for this reason that social researchers should integrate these factors into future studies. Equipping individuals and societies with the necessary knowledge for understanding realities outside their reach can have a positive influence on social cohesion and the formation of

strong functional communities. In an increasingly dynamic and globalised world, this should be a central focus for governments, practitioners, policy makers and academics as it affects every aspect of personal and collective wellbeing. Striving to become more knowledgeable and promoting a holistic approach to social diversity, especially in the workplace and in economic activity, should be a core value of any successful modern nation.

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Appendices

Appendix A: Interview Guide for Business Owners

Questions about attitudes

Q1: What sort of social activities did you use to take part when you were younger?

Q2: What do you believe in?

Q3: What is important for you in your life?

Q4: How do you feel about people from different cultures?

General questions about business

Q5: What is important for you in your business?

Q6: What do you consider to be a right/ good approach to business?

Q7: When it comes to doing business, do you have a role model? Who, why?

HR

Q8: What do you consider as being important when looking for new employees? Please give details/ examples.

Q9: What are you currently doing or have done in the past to accommodate your employees' needs?

Marketing strategies

Q10: Who are your target customers?

Q11: What do you do to attract them? (How do you get new customers into your business?)

Q12: How do you feel about the competition you get in your business?

Access to finance:

Q13: How did you fund your business start-up/ afterwards?

Q14: Thinking about accessing sources of finance what has been your experience with banks/ financial institutions in the past?

Q15: How likely are you to approach official sources of finance?
Q16: Is there anything that you would have done differently in the relation to the way your requests for finance have been handled?

Questions about religion:

Q1A: Do you belong to a religion? If yes, which one?

Q2A: Regardless of whether or not you attend religious services, would you consider yourself to be:
- A religious person
- Non-religious person
- An atheist

Q3A: How often would you say you pray?
- Several times a day
- Once a day
- Several times each week
- Only when attending religious services
- Only on special holidays
- Once a year
- Less often
- (almost) Never

Q4A: Besides weddings and funerals, how often would you say you attend religious service?
- More than once a week
- Once a week
- Once a month
- Only at special holidays
- Once a year
- Less often
- (almost) Never

Q5A: Would you say that religion makes a difference to your life?

Demographic questions

Q1B: How old are you?

Q2B: Gender (to be written by interviewer)

Q3B: Location (to be written by interviewer)

Q4B: Please specify your ethnicity:
- White British
- White other
- Black (African)
- Black (Caribbean)
- Asian (Pakistani, Indians, Bangladesh etc.)
- Asian (Chinese, other)
- Other

Q5B: Where are you from?

Q6B: Which of the following best describes your English proficiency?
- Native
- Fluent
- Intermediate
- Poor

Q7B: Which one of the following best describes your educational level?
- No education
- High school diploma or equivalent
- Higher education

Q6B: Which of the following best describes your English proficiency?
- Native
- Fluent
- Intermediate
- Poor

Q7B: Which one of the following best describes your educational level?
- No education
- High school diploma or equivalent
- Higher education

Appendix B: Interview Guide for Employees

Questions about attitudes

Q1: What sort of social activities did you use to take part when you were younger?

Q2: What do you believe in?

Q3: What is important for you in your life?

Q4: How do you feel about people from different cultures?

General questions about employment:

Q5: How did you find your current job?

Q6: How do you feel in your current position?

Q7: Do you get any incentives/ bonuses/ time off related to certain holidays throughout the year (e.g. Christmas bonus)?

Q8: Can you please tell me a few things about the reward/ payment scheme in the company?

Questions about religion:

Q1A: Do you belong to a religion? If yes, which one?

Q2A: Regardless of whether or not you attend religious services, would you consider yourself to be:

- A religious person
- Non-religious person
- An atheist

Q3A: How often would you say you pray?

- Several times a day
- Once a day
- Several times each week
- Only when attending religious services
- Only on special holidays
- Once a year
- Less often
- (almost) Never

Q4A: Besides weddings and funerals, how often would you say you attend religious service?

- More than once a week
- Once a week
- Once a month
- Only at special holidays
- Once a year
- Less often
- (almost) Never

Q5A: Would you say that religion makes a difference to your life?

Demographic questions

Q1B: How old are you?

Q2B: Gender (to be written by interviewer)

Q3B: Location (to be written by interviewer)

Q4B: Please specify your ethnicity:

- White British
- White other
- Black (African)
- Black (Caribbean)
- Asian (Pakistani, Indians, Bangladesh etc.)
- Asian (Chinese, other)
- Other

Q5B: Where are you from?

Q6B: Which of the following best describes your English proficiency?

- Native
- Fluent
- Intermediate
- Poor

Q7B: Which one of the following best describes your educational level?

- No education
- High school diploma or equivalent
- Higher education

Appendix C: Description of Themes, Categories and Codes

Themes	Categories	Codes
Business Values	Business ethics	Fairness and compassion
		Respect for others regardless of background
	Personal definition of success	Make a difference in the community (be a role model)
		Achieve higher social status
		Material gains/ financial prosperity
		Independence (not having to work for others)
	Motivations	Unable to find suitable employment
		Cultural heritage
		Provide for the family

Marketing	Strategies employed	Social networks
		Religious institutions
		TV, Radio and/ or Newspapers
		Social media
	Target customers	Co-ethnic community
		Extended community/ wider population

Human resources	Recruitment	Channels (formal/ informal)
		Selection criteria
	Employee relations	Leadership style
		Policies and procedures
		Motivation and rewards system
		Employee commitment and job satisfaction
	Company culture	Work-life balance
		Work group cohesion and dynamics

(Background)	Upbringing	Religious
		Non-religious
		Other (information that was not specifically religious/ spiritual)

(Approach to finance)	Sources of finance	Formal channels (i.e. banks, lending institutions)
		Social networks
		Personal savings

Types of EMBs	Old EMBs	'Classic' firms
		Heavy reliance on ethnic community
		Located in areas with large ethnic communities
		Weak potential for growth
	New EMBs	Innovative firms
		Go beyond social networks
		Align with mainstream firms
		Shows potential for growth

Personal values	Spiritual	Broader worldview
		Supports equality
		The desire to make a difference
		Authenticity
		Self-actualization
		Social justice
		Strong sense of community
	Religious	Recognise divine intervention
		Expressed religious belonging
		Attends religious services
		Supports traditional values
		Conservative views
		Scepticism towards diversity