



---

The University of Strathclyde  
**Department of Marketing**

***The Significance of Ethnic Ties and Entrepreneurial Networks in The Internationalization of the Firm - Case Study: The Internationalization of UK Indian Enterprises***

Jaswinder Singh Hayer

Submitted in fulfilment of the requirements of the degree of  
**Doctor of Business Administration (DBA)**

**2001**

**Volume 2**

*The copyright of this thesis belongs to the author under the terms of the United Kingdom Copyright Acts as qualified by University of Strathclyde Regulation 3.49. Due acknowledgement must always be made of the use of any material contained in, or derived from, this thesis.*

## **Abstract**

This thesis explores the significance of ethnic ties and entrepreneurial/social networks in the internationalization processes of small and medium-sized enterprises. It explores whether such networks can be leveraged in order to enhance the business performance of individual firms, whilst simultaneously enhancing the international competitiveness and performance of the UK at an aggregate level.

The above dimension was explored by focusing the study on UK Indian Enterprise. The reason for this focus was because the UK Indian community constitutes the single largest ethnic minority community in the UK.

The qualitative study was devised by synthesising and integrating a number of pertinent literature streams, i.e. Internationalization, SMEs, Asian Enterprise, Culture, and Networks.

The study revealed that the nature and dynamics of the sample frame support the findings of past studies relating to Asian Enterprise and Asian Entrepreneurship. The findings highlight that deficiencies in formalised planning processes, financing, and professional management practices exist amongst the firms; and similarities can be drawn with the deficiencies and problems recognised to exist for family owned SMEs, and SMEs per se, regardless of ethnicity. A key issue facing the bulk of firms was that of '*diversification*' and '*breakout*', especially for firms operating in declining industrial sectors such as Textiles.

It emerged that the internationalization process pursued by firms was in line with the internationalization literature relating to '*export development models*'; which suggests that firms develop and grow their international activities in phases/stages, i.e. Pre-engagement, Initial and Advanced.

With regard to '*Ethnic Ties*' and '*Entrepreneurial/Social Networks*', the study's findings revealed that such networks do play an important role in the dynamics of UK Indian Enterprise. It was also identified that: Indian social networks differ in structure and dynamics in different national settings; the importance attached to Indian Networks over the three (3) internationalization phases diminishes; and the international networks of UK Indians do not necessarily provide them with a significant advantage for internationalization, primarily because of issues relating to the competency, capabilities, and the synergy potential which exists with their international network contacts.

The study's findings suggest that changes in UK Indian cultural norms, which will influence the business practices of future generations, will be increasingly influenced by Western

business practices and ideology, which may well influence the internationalization practices of UK Indian enterprises in the future as shifts in management paradigms surface.

It also materialised that mainstream business support services were ineffective and lacking in both engaging and facilitating the internationalization activities of the participating firms. This supports the findings of past studies in this area. From a international policy perspective, the study reveals that although government advice and guidance services may be of assistance to SMEs per se (in the main firms which are already engaged in international activity), they do not address the needs of many firms which are at the *'pre-internationalization'* stage, seeking to address questions orientated around *'whether'*, *'where'* and *'how'* to Internationalize. In addition, this non take-up of services would appear to be more acute for ethnic minority enterprises.



# Contents

<b>ABSTRACT</b> .....	<b>2</b>
CONTENTS.....	4
LIST OF TABLES.....	7
LIST OF FIGURES.....	8
LIST OF BOXES.....	8
LIST OF MATRICES.....	10
LIST OF APPENDICES.....	11
<b>ACKNOWLEDGEMENTS</b> .....	<b>12</b>
<b>1.0 THE STUDY'S FOCUS</b> .....	<b>13</b>
1.1 INTRODUCTION - NATURE OF STUDY.....	13
1.2 RESEARCH OBJECTIVES.....	14
1.3 UNDERLYING ASSUMPTIONS OF THE STUDY.....	15
1.4 REASONS FOR UNDERTAKING THE STUDY.....	15
1.5 RESEARCH PROPOSITIONS.....	18
1.5.1 <i>Propositions: Internationalization</i> .....	18
1.5.2 <i>Propositions: Ethnic Ties and Social Networks</i> .....	19
1.5.3 <i>Propositions: Culture</i> .....	19
<b>2.0 ORGANISATION AND STRUCTURE OF VOLUME 2</b> .....	<b>21</b>
<b>3.0 RESEARCH METHODOLOGY</b> .....	<b>23</b>
3.1 INTRODUCTION.....	23
3.2 THE TWO MAIN PHILOSOPHIES: PHENOMENOLOGY AND POSITIVISM.....	24
3.3 THE RESEARCH PROCESS.....	31
3.4 RESEARCH METHODOLOGY - OUTLINE OF RESEARCH PROCESS ADOPTED.....	32
3.5 RESEARCH DESIGN.....	35
3.5.1 <i>Sampling Minority Populations</i> .....	37
3.5.2 <i>The Research Process</i> .....	40
3.5.2.1 Phase 1.....	41
3.5.2.2 Phase 2.....	41
3.5.2.3 Phase 3.....	45
3.5.2.4 Phase 4.....	49
3.5.2.5 Phase 5.....	51
3.5.3 <i>Sources of Error</i> .....	51
3.5.4 <i>Limitations of the Study</i> .....	51
<b>4.0 INTRODUCTION: THE ACTUAL RESEARCH SAMPLE FRAME</b> .....	<b>52</b>
4.1 THE INTERVIEWEES.....	52
4.2 THE FIRMS.....	59
4.3 SUMMARY.....	62
<b>5.0 EXECUTIVE SUMMARY OF FINDINGS AND CONCLUSIONS</b> .....	<b>63</b>
5.1 SUMMARY.....	63
5.1.1 <i>Internationalization</i> .....	66
5.1.2 <i>Ethnic Ties &amp; Social Entrepreneurial Networks</i> .....	70
5.1.3 <i>Culture</i> .....	75
5.2 SUMMARY OF FINDINGS AND CONCLUSIONS: RESEARCH OBJECTIVES.....	77
<b>6.0 BACKGROUND OF FIRMS - AN INSIGHT INTO UK INDIAN ENTERPRISE</b> .....	<b>80</b>
6.1 INTRODUCTION.....	80
6.2 FAMILY ORIENTATION AND THE INDIAN ENTREPRENEUR.....	80
6.3 BUSINESS START-UP AND EVOLUTION.....	82
6.3.1 <i>Financing the Business</i> .....	85
6.4 TARGET MARKETS - CUSTOMERS AND CONSUMERS.....	88
6.5 BUSINESS PLANNING.....	90
6.6 COMPETITION AND MARKET RESEARCH.....	91



6.7	BUSINESS LOCATION - 'ASIAN BUSINESS CLUSTERS' .....	94
6.8	COMMUNICATION - INTERNAL AND EXTERNAL.....	95
6.9	RECRUITMENT AND STAFFING .....	96
6.10	THE FUTURE .....	98
6.11	BUSINESS FORM: LIMITED VS PUBLIC LIMITED COMPANY .....	99
6.12	PERFORMANCE MEASUREMENT AND GROWTH OPPORTUNITIES .....	100
6.13	THE DRIVING FORCE BEHIND THE BUSINESS .....	102
6.14	SUCCESSION - THE NEXT GENERATION.....	103
6.15	SUMMARY .....	104
<b>7.0</b>	<b>THE PROCESS OF INTERNATIONALIZATION.....</b>	<b>107</b>
7.1	INTRODUCTION .....	107
7.2	REASONS FOR INTERNATIONALIZATION - OBJECTIVES .....	107
7.3	INTERNATIONAL MARKET SCREENING CRITERIA.....	109
7.3.1	<i>The Importance of 'Psychic/Cultural Distance' in Market Screening.....</i>	<i>110</i>
7.4	KEY FORCES DRIVING INTERNATIONALIZATION.....	114
7.5	PRO-ACTIVE INTERNATIONALIZATION .....	116
7.6	KEY PROBLEMS AFFECTING INTERNATIONAL GROWTH & EXPANSION .....	118
7.7	THE IMPORTANCE OF ASIAN NETWORKS TO INTERNATIONALIZATION .....	119
7.8	SUMMARY .....	122
<b>8.0</b>	<b>EXTENT AND CHARACTERISTICS OF INTERNATIONALIZATION .....</b>	<b>123</b>
8.1	INTRODUCTION .....	123
8.2	EXTENT OF INTERNATIONAL BUSINESS EXPERIENCE AND EXPOSURE .....	123
8.3	INTERNATIONALIZATION RESOURCING PROBLEMS .....	124
8.4	ADVICE SOUGHT ON INTERNATIONALIZATION.....	126
8.5	ADOPTED FMEDS.....	127
8.6	INTERNATIONAL VENTURES VS DOMESTIC VENTURES.....	128
8.7	FDI AS A POSSIBLE FMEDS.....	129
8.8	'INTERNATIONAL' CRITICAL SUCCESS FACTORS (CSF's).....	132
8.9	WITHDRAWAL FROM INTERNATIONAL MARKETS .....	133
8.10	'NEW' INTERNATIONAL MARKET DEVELOPMENT .....	135
8.11	THE INDIAN SUB-CONTINENT - BUSINESS OPPORTUNITY? .....	137
8.12	GOVERNMENT ASSISTANCE .....	139
8.13	SUMMARY .....	142
<b>9.0</b>	<b>ETHNIC TIES AND ENTREPRENEURIAL/SOCIAL NETWORKS .....</b>	<b>143</b>
9.1	INTRODUCTION .....	143
9.2	THE ROLE OF ASIAN NETWORKS.....	143
9.3	ASIAN NETWORKS AND THE FIRM'S DECISION-MAKING PROCESSES .....	146
9.4	BUSINESS VIA ASIAN NETWORKS.....	147
9.5	ASIAN NETWORKS AND INTERNATIONAL OPPORTUNITIES.....	148
9.6	INTERNATIONAL SYNERGY - GENUINE BUSINESS OPPORTUNITIES .....	150
9.7	NETWORKING: ASIAN BUSINESS ASSOCIATIONS - BUSINESS OR SOCIAL CLUBS?.....	152
9.8	DEVELOPING AND SUSTAINING ASIAN NETWORKS.....	154
9.9	THE ROLE OF NETWORKS IN CEMENTING 'TRUST'.....	156
9.10	SUMMARY .....	158
<b>10.0</b>	<b>THE THREE (3) EMERGENT GROUPS .....</b>	<b>159</b>
10.1	INTRODUCTION .....	159
10.2	JUSTIFICATION OF GROUPING 'DIMENSIONS' SELECTED .....	160
10.3	'GROUP' CHARACTERISTICS - KEY DIFFERENTIATORS.....	163
10.3.1	<i>Characteristics of Group 1 (5 Firms) - Pre-engagement Phase.....</i>	<i>166</i>
10.3.2	<i>Characteristics of Group 2 (8 Firms) - Initial Phase .....</i>	<i>168</i>
10.3.3	<i>Characteristics of Group 3 (8 Firms) - Advanced Phase.....</i>	<i>170</i>
10.3.4	<i>Conclusion.....</i>	<i>173</i>
10.4	KEY ISSUES / CRITICAL DIMENSIONS (2X2 MATRICES).....	174
10.4.1	<i>Customer Base - Matrix 10.1.....</i>	<i>176</i>
10.4.2	<i>Product Target Market / Consumer Base - Matrix 10.2.....</i>	<i>177</i>
10.4.3	<i>Importance of Ethnic Networks to Business Growth - Matrix 10.3.....</i>	<i>178</i>
10.4.4	<i>Internationalization Via Ethnic Ties - Matrix 10.4 .....</i>	<i>180</i>
10.4.5	<i>Direction of Internationalization - Matrix 10.5.....</i>	<i>182</i>

10.4.6	<i>Psychic Distance and Internationalization - Matrix 10.5</i> .....	183
10.4.7	<i>Conclusions</i> .....	184
<b>11.0</b>	<b>CONCLUSIONS AND IMPLICATIONS FOR ACADEMIA</b> .....	<b>185</b>
11.1	INTRODUCTION .....	185
11.2	CONCLUSIONS - ADDRESSING THE RESEARCH PROPOSITIONS.....	185
11.3	IMPLICATIONS FOR THE LITERATURE.....	198
11.3.1	<i>Areas for Future Research</i> .....	203
11.4	LIMITATIONS OF THE STUDY AND LESSONS LEARNED .....	204
11.4.1	<i>Limitations</i> .....	204
11.4.2	<i>Guidelines for Conducting Asian Enterprise Research – A Reflection</i> .....	205
<b>12.0</b>	<b>CONCLUSIONS AND RECOMMENDATIONS FOR INDUSTRY</b> .....	<b>209</b>
12.1	INTRODUCTION .....	209
12.2	RECOMMENDATIONS TO 'KEY' STAKEHOLDER GROUPS .....	210
12.2.1	<i>Indian Enterprises</i> .....	210
12.2.1.1	Developing an International Planning Process .....	210
12.2.1.2	Information/Intelligence - The Key Areas .....	211
12.2.1.3	FMEDS Selection.....	217
12.2.1.4	Appointing Intermediaries .....	218
12.2.1.5	Organising for International Growth .....	220
12.2.1.6	Market Screening and Selection .....	222
12.2.1.7	Leveraging Asian Networks .....	225
12.2.2	<i>Business Support Services - Government / Private / Other</i> .....	227
12.2.2.1	Ethnicity - An Issue? - Some General Thoughts .....	227
12.2.2.2	Networking - Partnership Opportunities .....	230
12.2.2.3	Targeting International Business Support Services .....	231
	* <i>Recommendations - Pre-engagement Exporters</i> .....	233
	* <i>Recommendations - Initial Exporters</i> .....	234
	* <i>Recommendations - Advanced Exporters</i> .....	235
12.3	SUMMARY .....	236
<b>13.0</b>	<b>REFERENCES</b> .....	<b>237</b>
	<b>APPENDICES</b> .....	<b>283</b>

10.4.6	<i>Psychic Distance and Internationalization - Matrix 10.5</i> .....	183
10.4.7	<i>Conclusions</i> .....	184
<b>11.0</b>	<b>CONCLUSIONS AND IMPLICATIONS FOR ACADEMIA</b> .....	<b>185</b>
11.1	INTRODUCTION .....	185
11.2	CONCLUSIONS - ADDRESSING THE RESEARCH PROPOSITIONS.....	185
11.3	IMPLICATIONS FOR THE LITERATURE.....	198
11.3.1	<i>Areas for Future Research</i> .....	203
11.4	LIMITATIONS OF THE STUDY AND LESSONS LEARNED .....	204
11.4.1	<i>Limitations</i> .....	204
11.4.2	<i>Guidelines for Conducting Asian Enterprise Research – A Reflection</i> .....	205
<b>12.0</b>	<b>CONCLUSIONS AND RECOMMENDATIONS FOR INDUSTRY</b> .....	<b>209</b>
12.1	INTRODUCTION .....	209
12.2	RECOMMENDATIONS TO 'KEY' STAKEHOLDER GROUPS .....	210
12.2.1	<i>Indian Enterprises</i> .....	210
12.2.1.1	Developing an International Planning Process .....	210
12.2.1.2	Information/Intelligence - The Key Areas.....	211
12.2.1.3	FMEDS Selection.....	217
12.2.1.4	Appointing Intermediaries .....	218
12.2.1.5	Organising for International Growth .....	220
12.2.1.6	Market Screening and Selection .....	222
12.2.1.7	Leveraging Asian Networks .....	225
12.2.2	<i>Business Support Services - Government / Private / Other</i> .....	227
12.2.2.1	Ethnicity - An Issue? - Some General Thoughts .....	227
12.2.2.2	Networking - Partnership Opportunities .....	230
12.2.2.3	Targeting International Business Support Services .....	231
	* <i>Recommendations - Pre-engagement Exporters</i> .....	233
	* <i>Recommendations - Initial Exporters</i> .....	234
	* <i>Recommendations - Advanced Exporters</i> .....	235
12.3	SUMMARY .....	236
<b>13.0</b>	<b>REFERENCES</b> .....	<b>237</b>
	<b>APPENDICES</b> .....	<b>283</b>



## **List of Tables**

<b>Table</b>		<b>Page</b>
Table 3.1	'Phenomenology' and 'Positivism' Paradigms	25
Table 3.2	The Research Process	31
Table 3.3	Research Process Flow Diagram	34
Table 3.4	Gatekeepers	39
Table 3.5	Screening Criteria - Demographic Profile of Sample Frame Firms	42
Table 3.6	Gatekeeper Referrals	44
Table 4.1	Sample Frame Details	53
Table 4.2	Summary of Interviewee Profile	62
Table 4.3	Summary of Firms Profile	62
Table 5.1	Summary of Conclusions: Research Objectives	77
Table 6.1	Summary of Findings - Background of Firms and Pertinent Issues	106
Table 7.1	International Markets	112
Table 7.2	Summary of Findings - The Process of Internationalization	122
Table 8.1	International Market Withdrawal	134
Table 8.2	International Market Development	137
Table 8.3	Summary of Findings - The Extent of Characteristics of Internationalization	142
Table 9.1	Summary of Findings - Social Ties and Ethnic Networks	158
Table 10.1	Dimensions for Grouping Firms	160
Table 10.2	Justification of Screening Dimensions	161
Table 10.3	Internationalization Continuum - Key Differentiators	165
Table 10.4	The Key Characteristics of Group 1 Firms	166
Table 10.5	The Key Characteristics of Group 2 Firms	169
Table 10.6	The Key Characteristics of Group 3 Firms	171
Table 10.7	Key Issues / Critical Dimensions	175

Table 11.1	Conclusions: Research Propositions	187
Table 12.1	Internationalization - Information/Intelligence and Support Needs Plus Sources	213
Table 12.2	Profiles of Attitudes of Successful and Less Successful Exporters	215
Table 12.3	Developing an Export Strategy	217
Table 12.4	Export Modes - Checklist	219
Table 12.5	A Formal Approach to Engaging Appropriate Intermediaries	220
Table 12.6	Potential Advantages and Disadvantages of an Export Department	222
Table 12.7	A Formal Approach to Network Screening	226
Table 12.8	Identifying the Internationalization Business Support Needs of Ethnic Firms	230
Table 12.9	Clarifying Partnership Arrangements	232

### **List of Figures**

<b>Figure</b>		<b>Page</b>
Figure 3.1	Broad Research Process	33
Figure 12.1	International Marketing Planning Process	215
Figure 12.2	A Formal Approach to Country/Market Screening	224

### **List of Boxes**

<b>Box</b>		<b>Page</b>
Box 4.1	Plans to Return to Country of Origin	55
Box 4.2	Patriotism	55
Box 4.3	Citizenship	56
Box 4.4	Business and Religion	56
Box 4.5	Importance of Education	57
Box 4.6	An International Perspective	58
Box 4.7	Past Business Experiences	59

Box 6.1	A Family Business	81
Box 6.2	Decision-Making and Control	82
Box 6.3	A Management Team Approach	82
Box 6.4	Business Start-up and Evolution	83
Box 6.5	The Seed of Opportunity: Excess Market Demand	84
Box 6.6	Experience Never Hurts	84
Box 6.7	Financing	86
Box 6.8	Financial Investment	87
Box 6.9	What Can The Financial Institutions Do?	88
Box 6.10	Target Markets	89
Box 6.11	Focusing on The Asian Market	89
Box 6.12	It's an Asian Thing	90
Box 6.13	Business Planning	91
Box 6.14	Competition	92
Box 6.15	Product Standardisation Vs Customisation	93
Box 6.16	Competitor Monitoring	94
Box 6.17	Asian Business Clusters	95
Box 6.18	Recruitment and Staffing	97
Box 6.19	The Future	98
Box 6.20	Public Limited Company?	100
Box 6.21	Performance and Growth	101
Box 6.22	Anticipated Growth	102
Box 6.23	What Makes The Business Work?	103
Box 6.24	Succession Planning	104
Box 7.1	Reasons for Becoming International	108
Box 7.2	International Activities	109
Box 7.3	Key International Screening Criteria	110
Box 7.4	Key Forces Driving Internationalization (1)	115
Box 7.5	Key Forces Driving Internationalization (2)	116
Box 7.6	Pro-Active Internationalization	117
Box 7.7	Key Problem	119
Box 7.8	Internationalization Decisions in Hindsight	119
Box 7.9	The Importance of Networks to Internationalization	121
Box 8.1	International Experience	124



Box 8.2	Internationalization Resourcing Problems (1)	125
Box 8.3	Internationalization Resourcing Problems (2)	126
Box 8.4	Advice on Internationalization	127
Box 8.5	International FMEDS	128
Box 8.6	Nature of International Ventures Vs Domestic Ventures	129
Box 8.7	Overseas Production	130
Box 8.8	Setting up an Overseas Plant (FDI)	131
Box 8.9	Overseas Plant	132
Box 8.10	Critical Success Factors	133
Box 8.11	Withdrawal from International Markets	133
Box 8.12	New International Market Development	135
Box 8.13	Perception of the Indian Market	139
Box 8.14	Government Assistance	141
Box 9.1	Role of Asian Networks	145
Box 9.2	Asian Networks and The Firm's Decision-Making Processes	147
Box 9.3	Business via Asian Networks	148
Box 9.4	Asian Networks and Internationalization Opportunities	149
Box 9.5	International Asian Networks	151
Box 9.6	Asian Business Associations	153
Box 9.7	Asian Business Customs and Culture	155
Box 9.8	The Importance of 'Trust'	157
Box 10.1	Question 1.6 from the Interview Guide	176
Box 10.2	Question 1.3, 1.6, and 1.15 from the Interview Guide	177
Box 10.3	Question 3.1 and 3.6 from the Interview Guide	178
Box 10.4	Question 3.3 and 3.4 from the Interview Guide	180
Box 10.5	Question 2.3 and 5.4 from the Interview Guide	182

### ***List of Matrices***

<b>Matrix</b>		<b>Page</b>
Matrix 10.1	Customer Base	176
Matrix 10.2	Product Target Market	177
Matrix 10.3	Importance of Ethnic Networks to Business Growth	179
Matrix 10.4	Internationalization via Ethnic Ties	181

---

Matrix 10.5	Direction of Internationalization	183
-------------	-----------------------------------	-----

### ***List of Appendices***

<b>Appendix</b>		<b>Page</b>
Appendix 1	Gatekeeper Documentation	284
Appendix 2	Information Sent to Screened Firms	297
Appendix 3	Pilot Interview Guide	309
Appendix 4	Interview Guide	347
Appendix 5	Interview Guide Coding Structure	370

## Acknowledgements

This thesis is dedicated to my mother and father, Nachatar Kaur Hayer (maiden name Bring) and Jagtar Singh Hayer in acknowledgement of their unconditional love, encouragement, support, and belief in their five (5) children. I hope they can now enjoy their retirement in the knowledge that their dedication to their children's education has resulted in a solid foundation for future generations. I would also like to express my brotherly thanks to my sister and my three (3) younger brothers - Paramjit, Narinderjit, Harkinderjit and Gurchinder - who shielded me from all the hassles which *'Indian'* family life throws at the eldest son.



I would also like to express my sincere gratitude to Professor Stephen Young, my supervisor. I will never forget our first meeting. Following the presentation of my research interest, and my determined desire to pursue the DBA and not the PhD, Steve suggested that another senior Professor - who had attained a DBA from the renowned Harvard Business School - may be more suited to supervising my study. I recall that he was surprised at my response... I stated that I had been informed by a valued authority that he would put me *'through the mill'* and impart a philosophy towards research which would not only hold me in good stead throughout my career, but more importantly, enable me to become a respected doctoral supervisor myself. Well I certainly went *'through the mill'* and along the way developed a friendship that I value. Many thanks Steve.

Finally, I express my heartfelt thanks to the firms which participated in the study, without whom this study would not have been possible, and the many individuals and organisations which assisted and guided me throughout the study. I hope the study's recommendations and conclusions go some way towards repaying my gratitude. My thanks to you all.

A special thanks goes to my conscience which regularly provided me with a timely dose of perseverance and determination to complete the study. Whenever I questioned why I was pursuing the doctorate it would reply *"the difference between a successful person and others is not a lack of strength, not a lack of knowledge, but rather a lack of will"*. I pray my conscience continues to guide me.



## 1.0 The Study's Focus

### 1.1 Introduction - Nature of Study

*"The contribution of ethnic minority firms to the economy as a whole is considerable. They represent a significant and growing part of the small business market."*

- E. George, Governor of the Bank of England (BOE, 1999)

The writer argues that the long-term prosperity of the UK is dependent on improvements in the international performance of all UK enterprises regardless of ethnicity. Consequently, ethnic minority firms should be encouraged and supported in exploring avenues which present genuine opportunities for performance enhancement.

The study presented and discussed by the writer focuses on highlighting the significance and the importance of '*ethnic ties*<sup>1</sup>' and '*entrepreneurial/social networks*' as resources which ethnic minority firms could potentially utilise in order to facilitate the internationalization of the firm. It was perceived at the conception stage of the study that such ties and networks present the '*ethnic firm*' with distinct advantages over '*other*' firms in international activity.

The study sought to investigate the extent to which UK Indian firms had internationalized and the importance placed on ethnic ties and networks in the development and selection of their foreign market entry and development strategies (FMEDS).

Indeed the reported shift in international trade from the Atlantic region to the Pacific region has resulted in genuine opportunities presenting themselves to UK immigrant communities whose ancestral roots are in these new and growing international trade zones (NatWest Bank, 1997).

The outputs of the study provide: a contribution to improvements in the internationalization business practices of UK Indian enterprises; a contribution towards the development of models of internationalization, in particular identifying the important role which ethnic ties and entrepreneurial/social networks have; and a contribution towards support agency policies (public and private) along with other appropriate organisations. Indeed, the research methodology devised for the study was structured to ensure these outputs were attained.

---

<sup>1</sup> The term '*Ethnic Ties*' is defined here as meaning personal/emotional bonds or relationships of kinship and friendship shared amongst immigrants in the UK who emigrated from the Indian sub-continent and Indians else where in the world.

## 1.2 *Research Objectives*

In order to satisfy the research objectives of the study outlined below, an integrative framework of the internationalization of the firm - utilizing ideas and concepts derived from the contingency theory, resource-based perspective and strategic management literature, similar to that proposed by Bell and Young (1997) - was adopted as a plausible research framework and point of reference for the study (see **Volume 1, Section 3.3** for discussion).

The reader should note that since the thesis is submitted in fulfilment of the requirements of the degree of '*Doctor of Business Administration*' (DBA) (Hayer, 1997; Hayer, 2001), the outputs of the study stress the policy implications, both business policy (various aspects but particularly international business policy) and public policy.

The overall governing objective of the study was: ***To investigate the significance of ethnic ties and entrepreneurial/social networks in the internationalization of the firm.*** This objective was to be achieved by focusing the study on '*the internationalization of UK Indian enterprises*' as a case example.

In order to satisfy the governing objective, the following research sub-objectives which relate to market screening and selection, foreign market entry and development strategies (FMEDS), and policy issues, were also addressed by the study:

- SO1. To identify the methods and techniques adopted by UK Indian firms in the country screening and selection process in order to evaluate suitable international markets;
- SO2. To identify how UK Indian firms perceive overseas markets, their attractiveness, the barriers (tangible and intangible), and their perceptions regarding the assistance required (at both sides) to improve and enhance effective and efficient entry into overseas markets;
- SO3. To identify the foreign market entry and development strategies (FMEDS) adopted by UK Indian firms and the management strategies pursued;
- SO4. To investigate how cross-cultural ethnic links influence the internationalization of UK Indian firms (outward from the UK and inward to the UK), and establish whether ethnic ties become less or more important as the firm grows (domestically and internationally) over time;
- SO5. To identify the extent to which past studies have enhanced our understanding and research focus in the area of the internationalization of UK Indian entrepreneurs and their firms;

SO6. To evaluate the usefulness of support agencies (public and private), in particular with regard to the level of assistance available for internationalization as perceived by UK Indian entrepreneurs and their firms; and finally

SO7. To provide sound recommendations based on research which will be of value to:

- ◆ UK Indian entrepreneurs and their firms;
- ◆ business support agencies (public and private);
- ◆ international business academics, and others with interests in entrepreneurship and Indian enterprise, and internationalization per se; and
- ◆ to make a distinctive contribution to research in the field of internationalization.

### **1.3 Underlying Assumptions of the Study**

The underlying assumptions at the outset of the study were as follows:

- ◇ The majority of UK Indian firms are passive in nature when it comes to internationalization. They do not actively seek international opportunities and when internationalization is considered and investigated, it is a reactive action in response to their changing business environment, i.e. they operate in self defined vacuums as closed systems;
- ◇ The mechanism by which internationalization occurs is via relationships which exist with the family, the extended family and the Asian community at large, i.e. ethnic ties and social networks provide the conduit for international activities. This assumption implies that international exchange is primarily restricted to nations with which Indians have blood or ethnic ties; and
- ◇ The culture of the '*nation*' with which Indian entrepreneurs and their firms engage in exchange internationally, or the '*parties*' with which they engage in exchange internationally, have a significant impact on the internationalization process of UK Indian firms.

### **1.4 Reasons For Undertaking The Study**

As stated earlier, a particular aim of the study was to contribute to the literature in the area of '*the internationalization of the firm*' by establishing whether or not '*ethnic ties*' and '*social networks*' - which can be regarded as *Entrepreneurial Networks* - influence the internationalization of the firm.

The literature review undertaken by the writer, and presented in **Volume 1**, covered: the



Internationalization of the Firm (in particular Psychic Distance and Network Theory); Small and Medium-sized Enterprises (SMEs); Export Development Models; Ethnic Minorities; Asian Entrepreneurs and Asian Enterprise; Culture and Cross Cultural Management; and South East Asian Networks - all of which were relevant in the context of the study. It identified the following summarised<sup>2</sup> issues which enabled the writer to derive propositions (see Section 1.5) which contribute to both practitioner and academic audiences:

#### ◆ Internationalization

1. The literature on internationalization is constantly evolving. There is scope for contribution to the development of models of internationalization, particularly in the area of the importance of ethnic ties and social networks to internationalization; and
2. Certain sectors of business activity will feel a far greater need to internationalize than others as a result of intensifying international competition and changing world order. This will especially affect those firms which operate in marginal price competitive sectors where factor costs are of critical importance to survival.

#### ◆ Networks

1. When attempting to reconcile networks in a Western context with networks in an Asian context, it is apparent that the two (2) are fundamentally different. This is explained by the different ideologies which have led to their creation and sustainability;
2. It would appear that Asian networks are structured hierarchically, all networks being ultimately subordinate to the Asian community's 'social network';
3. Asian social networks have established themselves as a way of life over many generations, and as such they are integrated into the fabric of Asian society. They are a cultural trait. Asians develop and exploit social networks and ethnic ties for the accomplishment of a number of ends. These networks are sources of competitive advantage as well as competitive disadvantage. In Asian networks, there is a stronger emphasis placed on 'personal trust', as opposed to that of 'systems trust' which is prevalent in Western societies. In the Asian context, networks provide an infrastructure for doing business and establishing relationships. Networking is seen to come naturally to Asians and is an integral part of the cultural fabric of their motherland, and consequently will inevitably influence 'Asian' business practices both domestically and internationally; and
4. Western business networks are established as a means to support the capitalistic society of which they are a part. Westerners view the need to develop business networks from a perspective which will enable them to develop and execute business.

---

<sup>2</sup> Issues have emerged following the literature review. Evidence and references are provided in the relevant sections of Volume 1.

They are regarded as a necessary means to this end and are not deep rooted in the cultural fabric of Western capitalistic societies.

◆ **Culture**

1. The way in which people behave and interact with the wider environment differs according to their country of origin. The literature shows that Westerners are considered to be more individualistic, whereas Asians are considered to be more collectivist in orientation. These social differences influence the business behaviour and practices of individuals from different nations. The literature on Asian networks suggests that '*networks*' are a cultural characteristic of Asian communities, the roots of which are embedded in aspects of religion, duty, community, and honour;
2. The ideology of a child's parents (which is a manifestation of culture), and the community within which they grow up during their formative years of socialisation, have a life lasting impact on a child's behaviour. Although children may consciously choose to adopt, at a superficial level, certain norms of behaviour associated with their host nations culture, they will still maintain at their core the cultural values and ideology of their parents. This implies that continuity of culture within immigrant groups will exist in a host nation (i.e. sub-cultures will exist). However, the degree to which this is diluted over the generations, due to the diffusion of a host nation's national culture over generations of immigrant groups, is an important issue for future research; and
3. Individuals would prefer to engage in exchange with individuals who share similar cultural norms, approaching those with different cultural norms with caution and reservation. A '*cultural-gap*' may exist between parties from different societies which can lead to misunderstandings, generating noise which surrounds the communication process, in both encoding and decoding of messages, between the parties concerned.

◆ **Asian Entrepreneurs and Asian Enterprise**

1. Firms are predominantly concentrated in the small end of the spectrum of the definition of SMEs (i.e. micro-businesses);
2. Entrepreneurs are predominately concentrated in declining marginal areas of business activity where competition is significantly based on price (for example: retail, textile, and food sectors);
3. Businesses predominantly serve their own ethnic enclaves;
4. Entrepreneurs do not actively seek international opportunities;
5. Enterprises operate as family businesses which are financially ill-equipped, lacking in management skills and professional knowledge, and sceptical of outsiders, i.e. they lack resources;
6. Entrepreneurs are reluctant to participate in government agency business support



schemes;

7. Firms are not integrated into the mainstream and an issue regarding 'breakout' from ethnic markets exists;
8. The UK Asian community demonstrates a higher level of entrepreneurship than other communities;
9. Ethnic minority entrepreneurs have been disadvantaged by discrimination; and
10. Entrepreneurs maintain contact with relatives and friends on the Indian sub-continent and throughout the world.

### 1.5 Research Propositions

*"The purpose of exploratory research is to discover new ideas and insights; these are better attained via proposition formulation than hypotheses formulation."*

- Selltiz et al (1976)

It should be noted the following *propositions* relating to the context of this study were derived and justified based on the issues which materialised through the literature review (see Volume 1, Sections 3.7, 4.6, 5.7, and 6.7 for detail). It is these propositions which influenced this study's research design which is discussed and presented in detail in Section 3.0. The reader should also note that the study's findings were compared where possible vis-à-vis the findings relating to SMEs per se, in order to highlight ethnic enterprise idiosyncrasies and derive the focused conclusions and recommendations presented in this volume.

#### 1.5.1 Propositions: Internationalization

- P1.1 The management paradigm which exists within UK Indian firms is one which is orientated around 'strategic fit' as opposed to 'strategic intent'. This will restrict the pursuit of international opportunities;
- P1.2 The international growth of UK Indian firms is restricted due to lack of appropriate international management skills. Internal deficiencies exist which restrict internationalization (Crick & Chaudhry, 1995);
- P1.3 UK Indian firms will predominately be involved in export/import activities as opposed to other modes of international business, i.e. licensing, franchising, joint ventures, FDI, management contracts, etc., primarily because of issues relating to risk, control and



background factors (Crick & Chaudhry, 1995); and

P1.4 The support strategies adopted by support agencies are ineffective in encouraging UK Indian firms to internationalize. The supporting network of resources on which UK Indian firms may draw for advice and information regarding aspects of internationalization are inadequate (Marlow, 1992; Crick & Chaudhry, 1995).

### 1.5.2 Propositions: Ethnic Ties and Social Networks

P2.1 Networks are a way of life in an Indian context which can restrict the effective and efficient internationalization of UK Indian firms; these are a source of competitive disadvantage as well as competitive advantage (Ram, 1994; Hamilton, 1996);

P2.2 Wherever Indians live and work, the social networks that they create are similar in structure and in mode of operation with social networks shaping the way Indians do business in all settings (Hamilton, 1996);

P2.3 The importance attached to ethnic ties and social networks over the duration of international activities does not diminish over time (Hamilton, 1996);

P2.4 Where business partners based in other nations are necessary, great emphasis is placed on similarities in culture and the exploitation of 'social networks'. This becomes critical to the internationalization 'go' or 'no go' decision. For UK Indians, international social networks and ethnic ties provide a ready means for internationalization;

P2.5 Amongst the range of personal relations used by Indian entrepreneurs to maintain business trust, the family and regional ties are of particular importance. This will influence the personal networks of Indians in relation to network density and diversity, thus restricting internationalization activities; and

P2.6 Within Indian business networks there is, it can be argued, a sense of mutual suspicion and an absence of sincerity which may restrict internationalization (Hamilton, 1996). It is uncertain as to whether trust or suspicion are the major issues. The literature is divided as to whether network bonds would rest on trust or suspicion. Within networks, the writer suggests that possibly trust and mutual orientation exists, with suspicion existing between competing networks.

### 1.5.3 Propositions: Culture

P3.1 The cultural factors associated with Indians are unlikely to diminish to a level which will significantly change UK Indian Enterprise behaviour, i.e. the degree of cultural contamination will be restricted (Tayeb, 1988; Child, 1982);

- P3.2 Indian firms will exploit both systems trust and personal trust to enter international markets; the fact that *systems trust* exists in the UK does not diminish the vigour of *personal trust* in Indian business life (Hamilton, 1996); and
- P3.3 Indian entrepreneurs have to invest considerable time and resource in order to personalise economic relations and to undertake diffused mediating functions. This will restrict internationalization activities (Hamilton, 1996).

## 2.0 Organisation and Structure of Volume 2

Both volumes of this thesis have been structured in a manner which makes each volume self contained. **Volume 1** focused on the development of research issues and questions, and this volume, **Volume 2**, focuses on the investigation of these and the outputs of the investigation.

**Volume 1** presented the findings of the literature review and synthesis of the relevant streams of literature together with the derived research propositions for the study which are re-presented in **Section 1.0** of this volume. **Volume 2** presents: the research methodology; the research design; outlines the sample frame and its demographics; the findings of the field work; the conclusions and recommendations; the limitations of the study; and suggested areas for future research.

This volume has been structured in a manner to enable the reader to clearly understand the writer's argument and his findings, and gain an appreciation for the overall research conclusions: **Section 3.0** outlines the Research Methodology and Research Design of the study; **Section 4.0** outlines the sample frames demography and characteristics; **Section 5.0** summarises the study's overall findings; **Section 6.0** presents the pertinent background issues regarding Indian Enterprise, and serves to validate findings of past studies in order to ensure valid recommendations were made; **Sections 7.0, 8.0 and 9.0** present the findings of the fieldwork relating to the key dimensions of the study, i.e. *Internationalization, Ethnic Ties, and Social Networks*; **Section 10.0** probes the study's findings and presents three (3) emergent groups of businesses (each with distinct characteristics) which enabled the writer to present focused conclusions and recommendations; **Section 11.0** presents the study's conclusions and implications for academia as well as presenting the limitations of the study and future research directions; and the final section of the volume, **Section 12.0**, presents the writer's conclusions and recommendations directed at industry, policy makers, and other stakeholder groups.

A review of the contents page (page 3) provides the reader with a detailed break-down of the structure of the volume's twelve (12) sections. Cross referencing between sections and volumes is made throughout the volume so as to not only present the findings in the context of the study, but to also present justified conclusions and recommendations.

Each section follows on logically from the previous section in a coherent manner and is sub-



divided into relevant sub-sections in order to derive meaningful perspectives from the study's findings. Indeed each section concludes with a sub-section which outlines the key issues which materialised.

## 3.0 Research Methodology

### 3.1 Introduction

This section outlines the research approach and methodology adopted in order to address the research propositions presented in **Section 1.0**. A comprehensive discussion of the research process, research instrument, and methodology adopted is presented, alongside the approach followed to evaluate the fieldwork data/information. The reader should note that all research studies are managed as 'projects' and the key dimensions of project management (i.e. time, cost, and quality) always influence the research design and execution of activities. Indeed Churchill (1987) suggests the ultimate research design is one which is effective in addressing the research problem, and one which is constructed within the constraints imposed by the resources available for the study.

A key piece of research (as outlined in **Volume 1, Section 3.5.4**) which influenced this study's focus was that undertaken by Crick and Chaudhry (1995); which focused on the three (3) dimensions of: '*Exporting*' as a FMEDS, '*Government Assistance*', and '*Asian*' firms per se. The study was also a *quantitative* piece of work, which, as discussed later in this section, also presented the writer with methodological concerns when defining this study's research design and approach (see **Section 3.2**), primarily because of the richness of the data which the writer was seeking to gather in order to effectively explore decision-making processes.

Since Crick and Chaudhry's study was to explore the exporting activities of Asian firms, the writer believes it important for the reader to recognise that numerous researchers have criticised and cited export enquiry as being '*ethnocentric*' in nature (Cavusgil, 1982); '*self-centered*' due to a lack of cognisance of current knowledge (Aaby and Slater, 1989); '*suspect*' on methodological grounds (Cavusgil and Nevin, 1981; Czinkota and Johnston, 1981; Kaynak, 1985); and '*much too fragmentary and unprogrammatic to yield coherent results*' (Reid, 1983). Although the writer is not suggesting Crick and Chaudhry's study attracts all these criticisms, it is relevant to cite criticisms of past export enquiry because they influenced this study's design.

The criticisms presented above are interlinked due to many past export/internationalization studies being conducted within defined national borders such as the United States (Bodur, 1986; Katsikeas, 1991). In addition, numerous studies have also adopted non-stratified samples, lacking focus on firm size, prior experience or industry considerations. Indeed,

some studies fail to isolate exporting firms from non-exporters when reporting findings. Conversely, other investigations have focused very narrowly on a particular industrial sector within a specific national boundary. Crick and Chaudhry's study is subject to a number of these criticisms.

Overall, the writer argues the scope for the researcher to propose generalisations based on their findings when their studies are prone to such criticism are diminished. Indeed researchers have frequently reached contradictory conclusions (Miesenbock, 1988; Aaby and Slater, 1989). Furthermore, it can be argued that many studies are one-off '*snap-shots*' which appear to be disinterested in (or unaware of) previous researchers contributions. This leads Cavusgil and Nevin (1981) to state that "*a tradition of building upon previous research is not well established in international marketing*". Consequently, the writer has endeavored to ensure that this particular study: a) builds upon past research; and, b) identifies new avenues of research.

The writer in conducting this study has tried to avoid '*reinventing the wheel*' and both recognises and agrees with Czinkota's (1982) statement for "*more awareness of the international literature on the part of researchers ... which could eliminate some of the attempts to reinvent the wheel in different parts of the world*".

### **3.2 The Two Main Philosophies: Phenomenology and Positivism**

Before defining a research approach the writer initially had to 'weigh-up' the two (2) fundamental research philosophies in the area of the Social Sciences - '*phenomenology*' and '*positivism*' (i.e. '*induction*' and '*deduction*') (Saunders, Lewis, and Thornhill, 2000). These two (2) divergent views regarding the nature of research are discussed in this section.

**Table 3.1** highlights the main features of these alternative paradigms. The writer suggests that it is important for researchers, prior to designing their research methodology, to have a clear appreciation of the two (2) research philosophies primarily because:

- ◇ It clarifies all research design perspectives;
- ◇ It alerts the researcher to the uses and limitations of all methodologies; and
- ◇ It helps the researcher to identify and even create new research designs and methodologies outside their own experience.



Researchers who are primarily influenced by the positivistic tradition utilise a highly structured approach; for example, a series of personal interviews which lends itself to the orderly collection of data which can then be easily analysed by statistical computer software packages such as SPSS or SNAP. However, potentially important considerations as well as useful sources of information are ignored. Gummesson (1992) suggests non-verbal signs of communication such as body language, the physical environment or unexpected events which may occur during the interview are important influences on the response of an interviewee; and perhaps more importantly on how such a response can be *interpreted*. It is the emphasis on registering such cues and how they are subsequently interpreted which tends to delineate between the positivistic and phenomenological schools of thought.

The **advantages** of quantitative approaches are ease of comparison as data is reduced to numerical format and that data is amenable to statistical analysis. In addition, quantitative data is associated with analytical techniques with clear conventions which the researcher can use which enable the validity of the research findings to be easily evaluated (Hart, 1987).

The **weaknesses** of quantitative approaches are that: they tend to rely on a pre-designed research instrument; offer little opportunity to probe in depth; and tend to rely on the expressed perceptions and feelings of respondents rather than actual events (Van Maanen, 1979; McDaniel and Gates, 1993; Hart, 1987). However, they are financially cheaper than qualitative approaches and are able to access a much larger sample or population. Indeed advocates of quantitative methodologies maintain such deficiencies are manifestations of inadequate survey design, deficiencies in analysis, and failings in utilizing more powerful statistical techniques. They simply propose that more 'rigor' is required (Cavusgil and Nevin, 1981; Czinkota, 1982; Albaum and Peterson, 1984; Kaynak, 1984; Seringhaus, 1986; Aaby and Slater 1989; Katsikeas, 1991; Diamantopoulos et al, 1993).

However, researchers who are more critical of the extensive use of quantitative postal questionnaires/surveys as the sole means of gathering primary data/information, reinforce such collection tools often contain inherent response biases which sophisticated quantitative analysis will find very difficult to overcome (Dymsza, 1984). Indeed Hirschmann (1986) has also argued that since many of the key factors in 'marketing' are orientated around beliefs, behaviours, perceptions and values (i.e. behavioural aspects), such dimensions can only truly be explored by adopting more qualitative methods such as observation and interviews.

Conversely, Jones (1981) points out that many phenomenological approaches (holistic/

inductive in nature) and associated qualitative methods can be resource-intensive, with the methods adopted to analyse and interpret the gathered data being often much more complex than the quantitative methods and the positivist paradigm. Gill and Johnson (1991) describe induction as the opposite of deduction (as discussed above), involving the development of explanations and theories about the empirical observations following the research study findings (Chetty, 1996; Yin, 1993; Yin, 1984/1989; Eisenhardt, 1991; Eisenhardt, 1989; Eisenhardt and Bourgeois, 1988; Dyer and Wilkins, 1991; Burrell and Morgan, 1979; Evered and Louis, 1981; Moran, Frost and Pondy, 1983; Ouchi and Wilkins, 1985; Sanday, 1979; Schein, 1988; Smircich, 1983; Van Maanen, 1979/1988).

In comparison to quantitative methods, the reliability and validity of qualitatively-derived findings are often subject to more serious questioning and academic scrutiny, primarily because of the 'soft' nature of the data gathered, the potentially subjective influence of the researcher, and the lack of well formulated methods of analysis (Miles and Huberman, 1984; Griggs, 1987; Hart, 1989). Nevertheless, the academic community does acknowledge that qualitative methods do enable researchers to examine change processes over time, probe issues in more depth, and often provide rich and unique insights which quantitative techniques are unable to grasp (Chisnall, 1987; Easterby-Smith et al, 1991; Glaser and Strauss, 1967; Laing, 1967; Giddens, 1976; Hammersley and Atkinson, 1983). Indeed it was important for the writer to take note of Hart's (1987) conclusion that *qualitative methods* are particularly appropriate for any research which involves identifying and exploring complex behaviour and for enquiries which are exploratory in nature: dimensions which were important in this research study.

Historically there has been a strong bias towards quantitative research and the positivist perspective. However, over recent years there has been increasing evidence that a growing number of management researchers now acknowledge quantitative and qualitative methodologies are not necessarily mutually exclusive in practice. Smith (1975) proposes that the collection of data from numerous sources, using a variety of different techniques/methods, may assist in establishing the reliability of each set through a procedure known as '*methodological triangulation*'<sup>3</sup> (Denzin, 1970; Campbell and Fiske, 1959; Jick, 1979; Miller and Friesen, 1982).

Strauss and Corbin (1990) suggests that qualitative data may actually help to clarify quantitatively-derived findings and conclusions - again this was a key consideration for the

---

<sup>3</sup> Everything we experience is usually a reflection of our own projections. This means that to obtain a more authentic interpretation of reality we have to accumulate evidence from a number of different sources. This process is called '*triangulation*' because this research tradition suggests that we should have at least three (3) independent sources of evidence before the interpretation can be considered robust.



writer when constructing the research design against the work of Crick and Chaudhry (1995). Indeed, many researchers suggest that by combining qualitative and quantitative methods/techniques, the inherent disadvantages of each approach can be overcome (Smith, 1991; Heath, 1992). By adopting an appropriate 'mix' of methods, richer perspectives on aspects under investigation can be derived; in addition, risk of irrelevant findings and inappropriate conclusions are minimised (Easterby-Smith et al, 1991; Trow, 1957; Smith, 1975; Burrell and Morgan, 1979; Thorpe and Moscarola, 1991).

The writer also established that many researchers are influenced by a number of 'political' considerations when designing a particular research study. Easterby-Smith et al (1991) label a number of 'political' influences, for example, the attitude of academic institutions to phenomenological research and the inherent prejudice of many academic journal editors. It is only recently that many journals in the management area have been persuaded/ influenced to accept articles based on non-positivistic research design. The reader should be aware that the writer was not influenced by such 'political' pressures. The objective was to deliver a sound piece of quality research.

It is important for the reader to appreciate that when conducting a study of this nature, orientated around the 'internationalization process' of the firm, there is a historical dimension to the firm's current position which cannot be ignored. For instance, the historical reasoning behind the choice of international markets (source and supply), FMEDS pursued, the resources deployed, etc., will all have contributed to the current internationalization issues faced by the firm, and consequently, directly impact on the firm's current international performance and specific support needs. As a result, the writer argues that by adopting qualitative techniques, a greater understanding of the process is achieved which will provide a higher degree of opportunity to influence policy; a degree of understanding which would not be attained by adopting a pure logical-empiricist methodology (Rubenowitz, 1980).

Consequently, the inductive nature of the research study's focus suggested the use of qualitative research techniques as the most appropriate for data gathering and theory building (Gill and Johnson, 1991; Luck and Rubin, 1987) - bearing in mind Crick and Chaudhry's study. In addition, the approach would enable the writer to explore processes and gain a deeper understanding of the subject area (Green et al, 1988; Chisnall, 1986; Strauss and Corbin, 1990).

The literature clearly cites qualitative approaches as utilizing a number of techniques in order to describe, decode, and explain naturally occurring social phenomenon (Van Maanen, 1983). Indeed qualitative research is stated to be more concerned with the reasons



behind the phenomena, rather than the frequencies with which they occur or the strength of association between variables.

The main **advantages** of qualitative approaches relate to the richness of the data acquired (Hart, 1987) and its ability to lead to serendipitous findings (Miles and Huberman, 1984). However, these advantages have to be weighed up against the **weaknesses** associated with qualitative approaches; for example, they tend to be weak in external validity since they are self-generated and controlled (Hart, 1987) and such methods of analysis may not be well formulated (Miles and Huberman, 1984). A key disadvantage of adopting qualitative research methods is the associated financial cost of a study. A study will often involve a team of researchers over a long period of time conducting interviews, focus groups or various observational techniques. Coupled with this is the likelihood that data may be difficult and time consuming to analyse and may produce 'soft' data which lacks reliability and validity.

Indeed, some researchers argue that the 'soft' data generated by qualitative methods cannot be quantified or subjected to statistical procedures (Gordon and Langmaid, 1988; Strauss and Corbin, 1990); although, as stated earlier, descriptive statistics have been applied to qualitative data, as was the case in this study.

In conclusion, it can be argued that what is actually needed is a shift in the mind-set among management researchers in order to provide more insightful and meaningful research findings, a mind-set which recognises the strengths and weaknesses of both research traditions, and one which devises the most effective and efficient research approach to investigate a specific issue. Gill and Johnson (1991) suggest research methods can be placed on a continuum depending on the type of reasoning on which they are founded. At one extreme would be deductive methods and at the other extreme would be inductive methods. Indeed Easterby-Smith et al (1991) in their review of research philosophy suggest that in practice hardened advocates from both extremes do not hold consistently to one position or another. However, they note that in recent years there has been a movement away from positivism towards phenomenology. Indeed it is more common to see researchers in the management field adopt a '*pragmatic view by deliberately combining methods drawn from both traditions*'.

A key reason influencing the writer to adopt a qualitative research methodology (outlined in **Section 3.4**) was (as stated earlier) due to methodological concerns regarding many of the past export related studies being overly skewed towards quantitative approaches, where researchers gathered data via questionnaires; analysed the data via computer based

---

statistical analysis programmes/techniques (such as SPSS); and validated their hypotheses. A staving attack on this approach by Kamath et al (1987) highlights the view that the 'dominant use of a logical-empiricist methodology' has 'bedeviled' export research by producing conflicting results which are *"conveniently rationalised as the outcome of differences in industries, countries, sample sizes, time periods and so on, and are the result of all the bias and errors involving questionnaire construction and data collection"*.

Since quantitative approaches are associated with deductive, hypotheses testing research, and qualitative approaches with inductive, theory building research, the writer feels it important to justify why this study adopted a qualitative approach as the sole means of data collection. The primary reason (coupled with the points raised above) was because existing research on the international expansion of ethnic SMEs has focused very narrowly on FMEDS, in particular exporting (Crick and Chaudhry, 1995). The purpose of this survey was to explore the broader dimensions of internationalization, and explore the research propositions inductively identifying patterns and trends which may assist in theory building and policy creation, contributions which the writer believed could best be achieved via qualitative enquiry.

It is against the academic research methodological debate (presented in this section) that the writer constructed an appropriate and effective research methodology to address the research propositions presented in **Section 1.0**.

In light of the above issues/concerns, a number of decisions were made regarding the study by the writer (following discussion with both practitioner and academic colleagues) at the outset of this research study:

1. In spite of the valid criticisms of previous quantitative studies, an attempt to develop the body of knowledge (in the areas pertinent to this study) would build on existing concepts and internationalization theories and incorporate the findings of previous studies;
2. Purely qualitative techniques would be used to collect and analyse data; and
3. The research study would form the foundations of the writer's longer-term professional career in international commerce, UK competitiveness, SME development, and collaboration with leading academic centres of excellence in related areas. In addition, the study provides the writer with the opportunity to conduct longitudinal studies and/or comparative investigations in other nations, or sectors, on completion of the study.

### 3.3 The Research Process

Many researchers have suggested the 'research process' follows a number of sequential stages (see Table 3.2) commencing with the articulation of an argument and concluding with the findings and suggested way forward (Rummel, 1963; Selltitz et al, 1976; Howard and Sharp, 1983; Boyd et al, 1985; Churchill, 1987; Gill and Johnson, 1991).

<b>Stage</b>	<b>Description</b>
1	Formulate Problem
2	Determine Research Design
3	Design Data Collection Methods and Forms
4	Design Sample and Collect Data
5	Analyse and Interpret Data
6	Prepare the Research Report

Source: Churchill (1987)

However, there is common agreement amongst researchers that the research process is far from sequential, in that iteration at each stage and appraisal of the research process up to a given point is continually undertaken to ensure a valid and value adding research study. It should be noted that Simon (1969) suggests there are various ways of carrying out research. However, there is never a single, standard, correct approach.

Since this particular study is categorised as exploratory, the stages in the research process all presented the writer with learning points. Each stage provided new insights and challenges in order to structure and deliver a meaningful study. The reader should be aware that at each stage in the research process cognisance was taken of the knowledge and insight gathered and its implications before progression to the next stage.

An interesting point to register is that although the writer prides himself on planning and managing projects through to completion, there is full recognition that: one cannot plan for every eventuality; plans are based on information available at a particular moment in time; and cognisance of the other key influential factors (at any given time) are important



dimensions in project management. Consequently, whilst some researchers suggest that a research study should be planned in every detail prior to execution in order to avoid unnecessary delays (Gill and Johnson, 1991), the writer deliberately built 'slack' into the project plan which catered for reflection, evaluation and iteration in order to deliver a meaningful study.

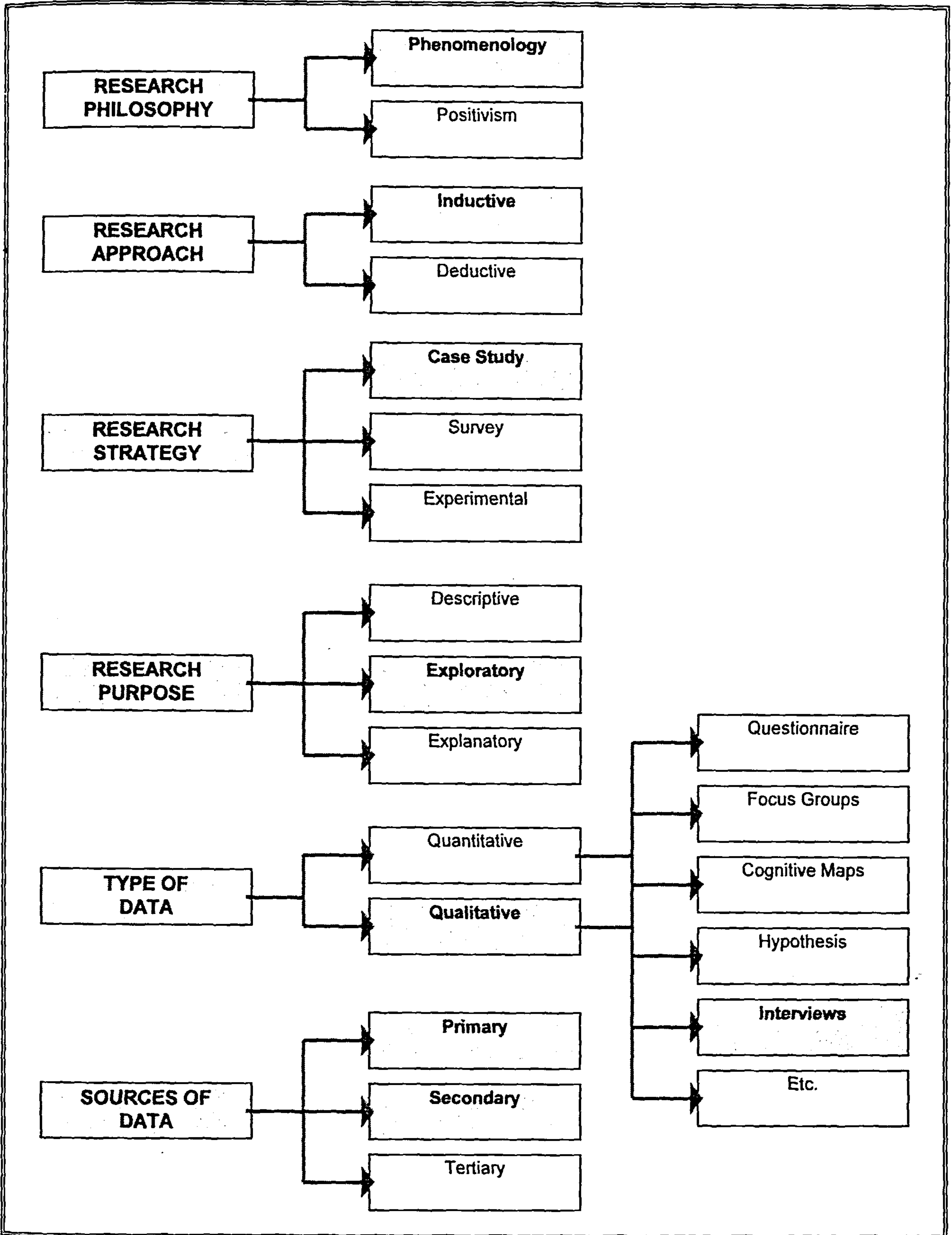
As a consequence of adopting this approach, the study progressed in a series of 'cleansing loops' which facilitated evaluation of the process as well as the results attained at each stage. This process assisted in clearly defining the research objectives and tasks to be executed. **Section 3.4** outlines the research process adopted in more detail. **Figure 3.1** outlines the broader research process adopted by the writer.

### **3.4 Research Methodology - Outline of Research Process Adopted**


This section discusses the methodology adopted for the study in greater detail. Following the review of the relevant literature (see **Volume 1**) in the areas of: the Internationalization of the Firm (in particular Psychic Distance and Network Theory); Small and Medium-sized Enterprises (SMEs); Export Development Models; Ethnic Minorities; Asian Entrepreneurs and Asian Enterprise; Culture and Cross Cultural Management; and South East Asian Networks, the writer adopted a multi-phase approach for the research study. The literature review assisted the writer to gain cognisance of what had been written in the area of the research study and evaluate the current position of knowledge in the subject area. Indeed Gill and Johnson (1991) suggest the literature review and preliminary discussions and interviews assist in identifying gaps in existing knowledge and assist the researcher in the clarification of how the proposed study will contribute to filling them.

The flow diagram presented as **Table 3.3** outlines the phased approach followed by the writer. Objectives were set for each of the phases illustrated within the overall research process. Each of the phases are elaborated upon in the following sub-sections.

Figure 3.1 Broad Research Process



**Table 3.3 Research Process Flow Diagram**

<b>START</b> 	<b>Phase 1</b> <ul style="list-style-type: none"> <li>◆ Formulation of research proposal and research study aims</li> </ul>	<b>Action</b> <ul style="list-style-type: none"> <li>◇ Broad and focused literature review</li> <li>◇ Collection of relevant information from secondary sources</li> <li>◇ Informal interviews with executives involved in international business operations and decision-making within UK Indian firms</li> <li>◇ Discussions with key academics experienced with researching Asian firms</li> <li>◇ Synthesis of: literature, secondary information, and informal key informant interviews</li> </ul>
	<b>Phase 2</b> <ul style="list-style-type: none"> <li>◆ Formulate research design</li> <li>◆ Select sample</li> </ul>	<b>Action</b> <ul style="list-style-type: none"> <li>◇ Define sampling frame</li> <li>◇ In-depth discussions with relevant agencies and organisations (i.e. Gatekeepers) which can assist in the recruitment of suitable firms for the study - secure co-operation</li> <li>◇ Briefing of Gatekeepers regarding study and referral process</li> <li>◇ Development and construction of sample frame database</li> <li>◇ Screen, select and enroll firms for the study, i.e. sample selection</li> </ul>
	<b>Phase 3</b> <ul style="list-style-type: none"> <li>◆ Design research instrument</li> <li>◆ Pilot test and validate instrument</li> <li>◆ Data collection</li> </ul>	<b>Action</b> <ul style="list-style-type: none"> <li>◇ Design semi-structured pilot-interview guide</li> <li>◇ Pilot test interview-guide with two (2) sample firms</li> <li>◇ Assess pilot interview guide and modify design accordingly</li> <li>◇ Launch and conduct remaining interviews with the sample frame adopting modified interview guide</li> </ul>
	<b>Phase 4</b> <ul style="list-style-type: none"> <li>◆ Design data analysis procedure</li> <li>◆ Analysis of data</li> </ul>	<b>Action</b> <ul style="list-style-type: none"> <li>◇ Devise coding system for interview analysis</li> <li>◇ Apply coding system to individual interviews</li> <li>◇ Collate interview findings</li> <li>◇ Undertake full analysis of findings</li> <li>◇ Evaluate achievement of research study objectives</li> <li>◇ Appraise research process, design and research instrument</li> <li>◇ Devise and prepare study's overall conclusions and recommendations</li> <li>◇ Identify areas for future research</li> </ul>
	<b>Phase 5</b> <ul style="list-style-type: none"> <li>◆ Communication of study's output</li> </ul>	<b>Action</b> <ul style="list-style-type: none"> <li>◇ Disseminate the study's findings, conclusions and recommendations</li> </ul>
<b>END</b>		



### 3.5 *Research Design*

As stated at the outset this study should be regarded by the reader to be exploratory since limited research has been undertaken in the area of *'ethnic ties'* and *'internationalization'* per se, and consequently research propositions are stated as opposed to research hypotheses (discussed in **Section 1.5** in more detail).

In constructing the research design, the principal factors of time, cost and quality of output were balanced to generate a feasible and acceptable research study. The resulting research design was one evaluated to be the most appropriate and effective for addressing the research objectives presented in **Section 1.0**.

Since the nature of the research questions were aimed at identifying salient aspects relating to the internationalization processes adopted by UK Indian firms, the types of questions which were to be asked were predominately going to be *'Why... ?'* and *'How... ?'* This line of questioning suggested that qualitative and exploratory research techniques were the most appropriate methods for data collection (see **Section 3.2**).

Consequently the writer chose to pursue *'face-to-face semi-structured in-depth personal interviews'* with key decision-makers within participating firms as the sole means of data collection (see **Section 3.5.2.3**). The objective was to conduct the interviews and extract the data required to test the research propositions.

Due to the scope and nature of the study, the writer initially proposed to interview a small sample of firms, somewhere between thirty and fifty (30-50). However, as stated earlier, the number of interviews to be conducted was constrained by the factors of time and resources available to complete the study, balanced against the quality of the study's output; consequently the actual sample size which emerged was twenty one (21) firms. The sample size was lower than that targeted as a result of many of the firms approached being reluctant to participate in the study. Indeed, many researchers have experienced problems when seeking to draw large numbers of Asian firms to participate in qualitative in-depth studies. However, the sample frame which emerged was considered large enough to undertake a degree of descriptive quantitative analysis (**Section 4.0** outlines the sample frame in more detail).

During the tentative stages of defining a suitable sample frame for the study, the writer sought to undertake a meaningful comparison between the sample profiles of the various

studies<sup>4</sup> (cited in **Volume 1**) relating to Asian Enterprise, SMEs, Internationalization, Culture, and Networks. However, it emerged that such an aspiration was untenable and unrealistic, and was unable to provide any meaningful base for rational comparison.

In particular, specific sample frame/study dimensions that emerged as making meaningful comparisons difficult were:

- ❖ Asian Enterprise studies did not differentiate between the various '*Asian*' communities<sup>5</sup>, a dimension which the literature suggests to be important from the perspective of undertaking meaningful '*cultural*' comparisons associated with behaviour.
- ❖ Past studies sought to address different research objectives, which naturally define specific sample frame profiles and demographics.
- ❖ Scholars and researchers did not provide sufficient demographic details of their sample frames to facilitate comparisons.

Consequently, the idiosyncrasies and lack of data concerning sample details presented in the literature led the writer to focus his attention on drawing out the salient and relevant results of past enquiry (as presented throughout **Volume 1**). This was relevant in order to define a suitable sample frame to explore the study's research objectives.

The reader should note that because the above deficiencies hindered meaningful comparisons (and the construction of a user friendly comparison table), the write sought to validate the results of past SME, Asian Enterprise, and Internationalization enquiry, primarily in order to ensure the study's conclusions and recommendations were founded on accurate and up to date findings. Indeed, the findings sections of this volume<sup>6</sup> highlight the unique features of the sample frame and provide a cross-reference to the results of past enquiry. In addition, the writer pursued this approach in order to provide a solid foundation from which future research enquiry can begin to address such nuances and deficiencies in the literature. Hopefully, this will facilitate effective comparisons to be made between studies in the future.

Indeed, the writer presents the demographic details of the study's sample frame (in tabular form – see **Table 4.1**) in **Section 4.0** as a reference point for future enquiry and comparison.

---

<sup>4</sup> Demographic issues relating to the firm, entrepreneur, and business performance data.

<sup>5</sup> This refers to Indian, Pakistani, or Bangladeshi communities.

<sup>6</sup> The following sections highlight the findings of the study: **Section 6.0**, **Section 7.0**, **Section 8.0**, **Section 9.0**, and **Section 10.0**.

### 3.5.1 Sampling Minority Populations

Prior to developing the proposed sample frame and research design, a review of past studies identified that many surveys have been concerned not with the population as a whole but rather with small groups within it. This was relevant to this study because the writer was proposing to survey an ethnic group in England which was a small group within the population as a whole. Hoinville and Jowell (1978) state that researchers could sample the general population and discarded those firms/individuals which do not qualify for inclusion. However, since the adoption of such an approach could be argued to be inappropriate and inefficient (not to mention lengthy and costly), many researchers have adopted a different approach to sampling minority populations, an approach which the writer pursued in order to construct a sample frame for this study.

Since the study focuses solely on UK Indian firms which currently operate internationally (or are contemplating international activity, or have been active internationally in the past) this presents some interesting problems from a sampling perspective. Since no directory or single point listing from which such firms can be extracted exists, the construction of a research sample for the study needs to be constructed sensitively in order to minimise any possibility of bias. Clearly the use of the electoral register which contains primarily names and addresses of electors is not an appropriate base from which to develop a sampling frame, since many assumptions would need to be made in order to develop an appropriate sample from the register for the study. Clearly identifying individuals who were currently managing firms operating internationally would be difficult.

In addition, if firms were contacted via the development of a mailing list (requesting them to participate in the study via a mailing), other problems would materialise. For example, in calculating the number of firms to be approached to participate in the study there is a need to predict *non-responses*. This is primarily in order to calculate how many firms require to be targeted initially in order to achieve the desired number of interviews. This is no easy feat, and should a very low response rate be experienced, time would be lost and costs would be incurred to undertake this process over again, with no guarantee that an improved response rate would result on a subsequent mailing. Fundamentally, the writer argues that the development of a initial mailing list presents many challenges in itself.

In addition, since Census statistics identify that immigrant groups are concentrated in particular areas of the UK and in particular districts, this will also influence the sample frame design and careful consideration must be given to this fact. It is also important to note that Census data becomes outdated from the day of publication and with the passage of time the



margin of error in Census data increases. However, since it still remains the best source of information regarding the identification of ethnic minority populations, the sample frame can be restricted to key Indian conurbations such as the ones pursued by the writer, namely the East and West Midlands (Hoinville and Jowell, 1978).

The proposed approach to sampling for the study was based on identifying regions of the UK where sufficiently large proportions of the survey population, i.e. Indians, resided. The writer accepted the consequent bias which may arise from this. Although undesirable, this was believed to be an acceptable trade-off for converting what may otherwise be an unviable survey into a manageable and realistic one.

In addition, within the identified regions, a focused screening criteria (see **Table 3.5, Section 3.5.2.2**) was applied to act as a filter in order to identify suitable firms for the study. This overcame the problem of inability to draw upon a national list of Indian firms and the issues discussed earlier. However, before the study commenced, it was quite clear that in order to implement the study and conduct the proposed interviews, there would be a need to gain the co-operation and confidence of the screened Indian firms so that they were willing to discuss and disclose in detail the firms history and international operations. The writer, whilst not unduly concerned with this factor, did acknowledge that gaining access to a suitable sample frame has been a major factor which has plagued many past 'ethnic' studies and prevented many studies from being conducted. Indeed the literature clearly identifies that SMEs per se are reluctant to participate in research.

In order to overcome this barrier, the writer approached and sought the assistance of credible 'Gatekeepers' (i.e. organisations and key individuals) who would act as intermediaries/brokers to assist the writer in developing the sample frame by referring qualified firms. **Table 3.4** provides a generic list of plausible 'Gatekeepers' - all of whom were approached by the writer for assistance (**Section 3.5.2.2** discusses Gatekeepers in more detail).

Gatekeepers who were prepared to assist in developing the sample frame and endorse the study were asked to record the reasons given by firms approached who did not wish to participate in the study. Key reasons provided by representatives of the firms approached who did not wish to participate were: the key people are not interested; the key people could not spare the time; and, the firm could not see any immediate direct benefit by participating.

Gatekeepers were personally briefed by the writer and provided with a revised (more targeted, user friendly) copy of the study's research methodology, outlining the study, its

benefits and anticipated outcomes. Gatekeepers were also provided with concise documentation outlining the screening criteria against which to refer firms and a faxback referral form addressed to the writer. **Appendix 1** contains the documentation which was forwarded to all potential gatekeepers.

**Table 3.4 Gatekeepers**

**Intermediaries**

- ◆ DTI/ Government offices (regional and national)
- ◆ Asian Business Associations
- ◆ Councils: Economic Development Departments
- ◆ Regional Chambers of Commerce
- ◆ Regional Business Links
- ◆ Regional TECs
- ◆ Regional Export Clubs
- ◆ Regional Universities (key academics and consultancy arms)
- ◆ The CBI
- ◆ Appropriate Trade Associations
- ◆ Regional Enterprise Centres
- ◆ Regional Members of Parliament (MPs)
- ◆ Prominent individuals in the Indian community
- ◆ Regional Business Bankers
- ◆ Regional Accountants and Solicitors dealing with Indian firms

The compilation of a database of *'firms by region'* and *'firm specific demographics'* was produced by the writer for the firms forwarded by *'Gatekeepers'*. The listing was then personally screened by the writer to validate the survey population and finalise the sample frame for the study. Screened firms were initially sent a covering letter requesting the firms assistance with the study; enclosed with the letter was a document outlining the background and purpose of the study, together with a list of topics for discussion during the interview (see **Appendix 2**). In addition, to encourage potential firms to be forthcoming, they were notified that their identity would be protected and kept confidential, with any reference to their firm being done via the use of a fictitious name, although all other reporting would reflect the real situation at the time of the study.

In addition, firms who agreed to participate in the study were encouraged to provide details of other firms who matched the screening criteria. Referrals via this channel only formed a small part of the firms who were contacted to participate. Again, all firms forwarded via this channel were validated accordingly by this writer prior to being approached. This approach was adopted purely to serve as a mechanism to increase the size of the sample frame. It should be noted that *'snowball sampling'*, as this approach is sometimes referred to (Hoinville and Jowell, 1978), also enabled the writer to identify the extent and nature of Indian networks, illustrating the interaction and networks of entrepreneurs and ties of

kinship, friendship and homeland ties. However, as stated earlier, the writer scrutinized such referrals so as not to bias the sample frame.

The writer argues that due to the problems outlined above in sampling minority populations, coupled with the nature of this research (i.e. exploratory rather than hypothesis-testing) there is justification in the use of this sampling method in order to derive a suitable sample frame (Hoinville and Jowell, 1978). The use of intermediaries (i.e. gatekeepers) is justified on the basis that no satisfactory national list of eligible Indian firms is available.

Consequently, a number of credible intermediaries (see Table 3.4) were selected to assist in the construction of the sample frame for the study. By adopting this approach, the writer achieved economies in the sampling process (Hoinville and Jowell, 1978). The writer would like the reader to note that the sample design was based on what was feasibly practicable and what was theoretically tenable.

### 3.5.2 The Research Process

This section discusses the five (5) phases presented in the research process outlined in Table 3.3, Section 3.4.

As briefly stated in Section 3.5.1 the construction of the sample frame was via the adoption of a *'gatekeeper approach'* in order to identify suitable UK Indian firms to participate in the qualitative semi-structured interviews to be conducted during Phase 3.

England (the Midlands - East and West) set the geographical boundaries for the study. England was selected primarily because the study aims to identify areas for further research which will require accessibility to firms by the writer.

The study, although initially proposed to be restricted to manufacturing firms from any Standard Industrial Classification (SIC), actually materialized to contain five (5) non-manufacturing firms<sup>7</sup> in the final sample of twenty one (21) firms. There was no restriction on the size (in terms of employees or turnover) of the UK Indian firms that participated in the study, both Small and Medium-size Enterprises<sup>8</sup> (SME's) and large firms were represented

<sup>7</sup> Four (4) of the five (5) firms had previously been involved in direct manufacturing. It was identified that all firms were heavily reliant on the manufacturing sector.

<sup>8</sup> *Small and Medium-sized Enterprises (SME)*: There are various definitions for classifying small and medium-size enterprises. The definition is generally one which relates to the number of employees, but others based on turnover also are provided. Government statistics divide businesses into three categories up to 25, 25-200 and over 200. Other studies have used a slightly different categorisation scale with small and medium-sized enterprises having less than 500 employees. Small and medium-sized enterprises are then further subdivided with 'micro' having up to 10 employees, 'small' being up to 100 employees, 'medium' up to 200 employees and 'large' up to 500 employees.



in the sample. It was hoped that a spread of firms by size would enable the writer to explore the evolution of internationalization amongst Indian firms. **Section 4.0** outlines the research sample frame in more detail.

Based on the sampling approach pursued by the writer (see **Section 3.5.1**) sixty (60) enterprises were recommended by Gatekeepers as potentially eligible to participate in the study. The profile of these firms were reflective of the actual sample frame which materialised for the study, i.e. not all firms were engaged in manufacturing; not all firms were internationally active; large, medium, and small sized enterprises were represented (**Section 3.5.2.2** discusses the screening criteria in detail).

### 3.5.2.1 Phase 1

Informal interviews took place with three (3) executives in UK Indian firms<sup>9</sup> involved in international business operations and decision-making. In addition, discussions with key academics<sup>10</sup> involved in ethnic minority research (predominately with experience of Asian Enterprise) also took place.

The objectives of this phase (in its entirety) was to reveal determinants of international decisions not already identified in the literature, especially issues relevant to 'Indian' firms. A crucial component of this phase was to probe for emergent dimensions<sup>11</sup>. Executives within UK Indian firms were asked: to identify important issues with regards to internationalization; explain crucial problems which they felt required to be addressed if effective internationalization is to be achieved; and identify and explain what solutions have been pursued to alleviate these problems and their effectiveness and development.

The output of this phase flowed naturally into **Phase 3**, the construction of a pilot semi-structured Interview Guide.

### 3.5.2.2 Phase 2

In order to satisfy the research objectives, **Table 3.5** presents the screening criteria that were *initially* constructed to identify firms eligible for the study. The reader should note that

<sup>9</sup> UK Indian firms are those in which a half or more of the owners, partners or directors are 'Indian'.

<sup>10</sup> Academics based at De Montfort University (Leicester), University of Central England (Birmingham), University of Warwick, and Kingston University (London).

<sup>11</sup> The idea is to enter the field with an open mind but at the same time not an empty head (Fetterman, 1989).

a few of the firms in the actual sample frame which materialised for the study did not satisfy the entire screening criteria. The actual sample frame is discussed in **Section 4.0**.

**Table 3.5 Screening Criteria - Demographic Profile of Sample Frame Firms**

**Criteria**

- ◇ Indian Firm based in England - it must be possible to trace the ancestral roots of the entrepreneurs back to the Indian sub-continent (directly or otherwise, for example, via East Africa);
- ◇ The firm must have been established and trading for a minimum period of 10 years;
- ◇ The firm must currently be operating internationally and have been operating internationally for a minimum period of 5 years (adopting any FMEDS or a variety of);
- ◇ The firm must have international relationships with a minimum of 4 countries;
- ◇ Geographical location: The Midlands - East and West (primarily Leicester and Birmingham);
- ◇ Size of firm: a spread of SME and large firms;
- ◇ The firm must be willing to participate in the research study or have participated in past studies;
- ◇ The firm must be seeking to enhance its competitive position (domestically and/or internationally);
- ◇ Industry sector: Manufacturing firms only (any industry); and
- ◇ Key people within the firm must have a basic level of fluency in English.

A brief explanation regarding the justification of 'Screening Criteria' follows below:

1. **Why Indians?** Census data identifies Indians as representing the largest population of Asian ethnic minorities in the UK.
2. **Why England?** England was chosen because it contains the largest population of Indians in the UK (98% of African Asians and 97% of Indians).
3. **Why the Midlands?** The East and West Midlands are two (2) of the regions in England which Census data identifies as being major regions of residence of Indians in the UK, i.e. they are key conurbations. They were also selected because of the Midlands' historical manufacturing concentrations.
4. **Why SMEs and Large Firms?** Indian firms from both these classifications were included in the sample frame in order to gain an insight into evolutionary processes which may be taking place. This was considered to enhance the study's findings and enable a better understanding of salient issues. Firms were sought that were seeking to enhance their competitiveness, primarily because the writer believed that only this type of firm would be likely to participate in the study, and the interview alone may stimulate their decision-making processes. The period of establishment and number of international markets

dealt with were defined purely in order to have established firms participate in the study, who may have experience of a broad range of international markets. It was believed that this criteria would serve to provide more insights.

5. **Why Manufacturing Firms?** The literature suggests that retailing, a sector in which many Asian firms operate, is not a highly international sector. In addition, internationalization of SME retailers, a sector in which Asian firms concentrate, is less likely, although, it was conceded that such firms may be involved more in import and export activities than other FMEDS.

As stated earlier (see **Section 2.5.1**) since no single database existed recording UK Indian firms, or one which could be easily interrogated to identify Indian firms which have international operations, credible 'Gatekeepers' were identified and briefed with regard to the study and requested to make referrals of suitable firms.

**Table 3.6** provides a detailed listing of Gatekeepers who actually assisted the writer by 'title', and the actual number of firms secured for the study with the respective Gatekeeper's assistance. All other gatekeepers who were approached, as listed in **Table 3.4**, were unable to assist with the process of recruiting firms for the study.

The writer established that databases which did exist from which ethnic firms could be identified were overall regionally located, poorly managed and/or confidential (i.e. membership restricted). Generally, they were created for specific purposes as defined by the originating organisation, i.e. to serve the attainment of their own organisational objectives. Gatekeepers who held such databases were reluctant to provide the writer with listings, because of concerns about data protection guidelines. As a consequence, the majority of Gatekeepers preferred to liaise with potential firms before disclosing their details to the writer. This process served as a valuable endorsement mechanism which assisted in firms considering participation in the research study.

In addition, an important endorsement was received for this study from the Government Offices for the East Midlands (GOEM) via the Director of Competitiveness for the region (Mr Martin Briggs). This was important because it enabled the writer to persuade Gatekeepers to assist in the study. Overall, endorsements eased the task to accessing firms in order to complete the study.



**Table 3.6 Gatekeeper Referrals**

Gatekeeper	Firms Recruited / Comments
<ul style="list-style-type: none"> <li>◆ Leicestershire Asian Business Association (LABA) - (11)</li> <li>◆ Institute of Asian Businesses (IAB - Birmingham) - (4)</li> <li>◆ Sandwell Asian Business Association (SABA) / Sandwell Business Link (Birmingham) - (3)</li> <li>◆ Birmingham Asian Business Association (BABA) - (2)</li> <li>◆ Business Link North Nottinghamshire - (1)</li>   <li>◆ Coventry Asian Business Association (CABA)</li> <li>◆ Birmingham City Council (Economic Development)</li> <li>◆ Business Link Leicestershire</li> <li>◆ Competitiveness Unit, Department of Trade and Industry (London)</li> <li>◆ First Enterprise Ltd (Nottingham)</li> <li>◆ Belgrave Development and Enterprise (Leicester)</li> <li>◆ Leicestershire Chamber of Commerce &amp; Industry - International Trade Services</li> </ul>	<p>These organisations all referred businesses for the study.</p> <p>The figure in brackets represents the number of firms which were secured for the study with the Gatekeepers assistance.</p> <p>In total 60 firms were contacted to participate in the study following the screening process which evaluated the eligibility of the firm for the study.</p>
<ul style="list-style-type: none"> <li>◇ Asian Business Consortium (Birmingham)</li> <li>◇ Northampton Asian and Afro-Caribbean Business Association</li> <li>◇ National Organisation of Asian Business (NOAB) (Birmingham)</li> <li>◇ Business Integration (Leicester)</li> <li>◇ Wolverhampton Asian Business Association (WABA)</li> <li>◇ Race for Opportunity (Nottingham) - Business in the Community</li>   <li>◇ All Chambers of Commerce within the Midlands</li> <li>◇ All Business Links within the Midlands (excluding any mentioned above)</li> <li>◇ All TEC's within the Midlands</li> <li>◇ Government Offices East Midlands (GOEM - Nottingham)</li> <li>◇ Regional DTI Office (Nottingham)</li> <li>◇ Leicester City Council</li> </ul>	<p>These organisations, although recognising the relevance of the study and its potential findings, were either reluctant to assist or unable to assist with the study.</p>
<ul style="list-style-type: none"> <li>● Professor David Crick (University of Central England<sup>12</sup>)</li> <li>● Professor Shiv Chaudhry (University of Central England)</li> <li>● Professor Monder Ram (De Montfort University<sup>13</sup>)</li> <li>● Dean Upkar Pardasi (University of Central England)</li> <li>● Professor Robert Blackburn (Kingston University)</li> <li>● Dr Anaradu Basu (Reading University)</li> <li>● Dr Moniar Tayeb (Herriot Watt University)</li> <li>● Dr Mark Johnson (University of Warwick - Centre for Research in Ethnic Relations)</li> </ul>	<p>These academics, who have undertaken recent research in the area of Asian Enterprise, were all contacted by the writer with regard to the study. Discussions took place concerning the study's design and the potential firms which would be best suitable for the study.</p> <p>No firms were recruited via these individuals.</p> <p>Their input was valuable during Phase 1 of the study.</p>
<ul style="list-style-type: none"> <li>● Snowballing</li> </ul>	<p>No firms were recruited via this approach</p>

<sup>12</sup> At the time when discussions took place both Professors Crick and Chaudhry were based at De Montfort University.

<sup>13</sup> At the time when discussions took place Professor Ram was based at the University of Central England.

### 3.5.2.3 Phase 3

It was decided at the outset that *'formal structured interviews'* define situations too tightly and would place limits on the quality of the study. The route of adopting a semi-structured/unstructured interview approach appeared to provide the writer with the opportunity to delve and probe deeply into the accounts of respondents, and to follow through elements of interest or relevance that would not be possible within a structured interview format (Robson, 1993).

An advantage of pursuing semi-structured interviews is that questioning remains consistent throughout the whole sample frame whilst allowing flexibility in responses, so that issues particularly illustrative or important to the study and/or respondent can be followed through.

Interviewees were encouraged to talk freely regarding the specific issues and topics posed to all firms in the sample via the *'semi-structured interview guide'*. One (1) of the key reasons for pursuing a interview method for data collection was that interviews are flexible and enable the interviewer to probe for specific answers. This allows spontaneity of response from an interviewee and thus providing an opportunity to gather more information than a response to a postal questionnaire. Indeed the writer ensured all questions were answered and complex issues explored in more depth, arguably more depth than allowed for by a postal questionnaire.

The writer chose to adopt a *'general interview guide approach'* (Patton, 1980) for interviewing. This involved the development of an *Interview Guide*<sup>14</sup> which outlined a set of issues to be explored with each interviewee. All interviews were conducted in the field, i.e. face-to-face on site at the interviewees premises. Sixteen (16) of the twenty one (21) interviews were taped.

**Section 4.0** provides background information regarding all interviewees.

The *'pilot test'* of the Interview Guide enabled the writer to gain a feel for the nature, frequency, and format of interviewee responses to individual questions. In addition the writer was able to formulate an initial coding system for open-ended question responses. This was accomplished by devising suitable categories (for individual questions) under which interviewee responses could be assigned in order to facilitate basic descriptive statistical

---

<sup>14</sup> The interview guide served as a checklist during the interview to make sure that all relevant subject areas were covered but still allowed freedom to explore, probe, and ask questions spontaneously as the interview was being conducted. The interview guide made interviewing across a number of different businesses more systematic and comprehensive by delimiting the issues to be discussed.

analysis. Analysis of the pilot interviews was important because it identified the appropriate changes necessary to specific questions prior to embarking on the full survey proper. The questions in the Interview Guide were grounded in the issues uncovered and identified during **Phase 1** (see **Section 3.5.2.1**) which were deemed to be relevant to the internationalization process, as well as additional issues relating to the internationalization of UK Indian firms revealed through the informal interviews and discussions.

The Pilot Interview Guide<sup>15</sup> (see **Appendix 3**) was devised by the writer and piloted with two (2) firms from the sample frame. The interviews took place with executives in UK Indian firms<sup>16</sup> involved in international business operations and decision-making. The interview probed particular issues relating to the research questions and research propositions. Following an appraisal of the writer's experience gained from undertaking pilot interviews, the Interview Guide was revised primarily to:

- ◆ Reduce the time necessary to conduct the interview;
- ◆ Remove unnecessary questions and enhance focus on the research objectives;
- ◆ Enhance the flow of questions and their wording; and
- ◆ Improve the overall structure of the interview guide to be more in tune with the interviewee's thought process whilst being interviewed, i.e. remove disjointedness.

The reader should note that in constructing the Pilot Interview Guide the writer did refer to discussions which had taken place with key academics<sup>17</sup> involved in ethnic minority research (predominately of Asian firms) during **Phase 1** (see **Table 3.6**).

The writer pursued pilot interviews in an open ended and exploratory nature to clarify and refine the sequence and style of questioning, and overcome any data limitations in order to address the study's research propositions and research questions.

The pilot interviews (2) were used to test the acceptability of the proposed Interview Guide. Consequently, pilot interviews were undertaken in a similar manner to that proposed for the main interviews. Based on the experience gained via the pilot interviews, the guide was modified to ensure a good response rate and ease the coding process of interview responses as stated earlier. Prior to commencing the pilot interviews, the writer had accepted that the orientation of questions might change from open-ended to closed, and vice-versa following evaluation of the pilots. Other improvements were also envisaged such

<sup>15</sup> The Interview Guide facilitated the investigation of how internationalization was shaped in different UK Indian firms and how Indian business owners developed their organisation and style within different organisational constraints and market climates.

<sup>16</sup> UK Indian firms are those in which a half or more of the owners, partners or directors are 'Indian'.

<sup>17</sup> Academics based at De Montfort University (Leicester), University of Central England, University of Warwick, Reading University, and Kingston University.



as layout.

The pilot interviews served the task of refining the data capture instrument, i.e. the Interview Guide, which the writer used to log and record the information extracted during the remaining interviews (19). The final Interview Guide contained more detailed questions on pertinent issues with appropriate space for recording anticipated responses and making notes. The Interview Guide was divided into a number of meaningful sections which flowed logically from one to the other. This process ensured that the same questions were asked to all interviewees in a standard way to ensure consistency and replication and minimising any potential bias. Interviewee responses were then recorded and subsequently coded in **Phase 4** (see **Section 3.5.2.4**) to enable analysis and interpretation.

The revised and final Interview Guide which was used for interviewing the remaining nineteen (19) firms is presented as **Appendix 4**. The Interview Guide, which served as the sole research instrument, was divided into the following seven (7) sub-sections:

1. Business Form and Structural Dynamics (15 Questions);
2. International Market Activity (20 Questions);
3. Ethnic Ties/Social Networks (7 Questions);
4. Agency Support (4 Questions);
5. Firm Growth and Performance (4 Questions);
6. Personal and Cultural Aspects (13 Questions); and
7. The Way Forward (8 Questions).

Sections one (1), five (5), six (6) and seven (7) enabled the writer to gain insights into the nature of the business as a whole. They also served to validate past studies regarding Asian Enterprise and business characteristics per se. This is a dimension which the writer believed to be important from the perspective of making valid and appropriate recommendations to this audience following the studies findings.

The Interview Guide contained questions which took the form of both *Open Questions*<sup>18</sup> and *Closed Questions*<sup>19</sup>. The writer believed it important to move away from the typical quantitative interview (which tends to use the closed format more or less exclusively) and

<sup>18</sup> **Open Questions:** In contrast to the closed question, open questions are typically less directed towards specific factual or yes/no, predetermined types of response. Open questions seek to give the interviewee much more initiative in terms of how they might respond. Typically they operate to elicit responses which are more discursive, concerning the interviewee's personal evaluation or attitudes towards a given issue or event. The open form of question gives the interviewee more space in which to work in responding; more room to relate their views, ideas, values, feelings, attitudes, motives and so on.

<sup>19</sup> **Closed Questions:** These are designed and tend to be asked in order to get at specific facts, figures or information, where the interviewer tightly controls the terms of the interviewee's answer - 'closing' down the possibilities for the interviewee to volunteer all sorts of information. The questions direct the interviewee towards a particular type of response.

adopt an approach which employed a mix of the two (2) types (see **Section 3.2**), but overwhelmingly more open-ended or non-directive forms of question (in a more conversational, naturalistic and qualitative form) were included. Indeed, interviewees were asked a range of structured, semi-structured and unstructured questions.

A less formal type of interview was proposed by the writer for the following reasons and contrasts with the survey form in the following ways (Seidman, 1991):

- ◇ The interviewer is aiming to '*get inside*' the subjective meanings and '*world*' of the interviewee. This is a more time consuming method, capable of revealing greater depth of response.
- ◇ The interview will tend to be less formal, more open, flexible and conversational, and it will take place in naturalistic settings.
- ◇ The roles of the interviewer and interviewee are defined differently; the interviewer will negotiate and adapt much more with the interviewee in the process of exploring the topics under discussion. In some cases the interviewee will '*set the agenda*' much more than the interviewer.
- ◇ Rather than working to a set schedule of questions, the interviewer will tend to use a flexible sequence of non-directed questions to trigger or '*steer*' the interviewee into talking about broad areas or themes. The interview process will therefore be subject to constant modification.
- ◇ The information recorded during the interview will differ considerably. It will be less structured, less predictable.

There is considerable debate about the most effective ways of recording interviews.

Researchers working with less formal techniques favor a method which least intrudes into the interview by inhibiting the interviewee (Seidman, 1991). It should be noted that the writer was extremely surprised at the number of interviewees (16) who were prepared to have their interview taped, since many researchers have suggested that the target audience in question (i.e. Asian) is extremely reluctant to participate in recorded interviews. This was very helpful in that recordings assisted the writer to log discussion and probe issues more deeply without having to constantly be taking notes. Recording assisted in asking more open questions and allowed the interview to be a more free-flowing discussion. All recorded interviews were subsequently transcribed ready for **Phase 4** (see **Section 3.5.2.4**).

All interviews took place at the business premises of the interviewee and lasted between two to three (2-3) hours. The writer was extremely surprised at the lack of interruptions which took place during the interviews, i.e. telephone calls, urgent business requiring the interviewees attention, visitors arriving, etc. Indeed, all interviewees regarded the interview as very important and had formally requested their staff not to disturb them during the interview. The writer believes that this may have been due to his personal qualities and presentation and the overall professionalism with which the field work was managed. Indeed, with regard to dress code, Bailey (1982) notes that respondents often look for cues in order to assess the interviewer. One important area is the interviewer's dress code. Bailey suggests that dress can help to legitimize the interviewers role and that (s)he should dress neutral and unobtrusively so as not to affect the interviewer-respondent relationship. The writer endeavored at all times to accomplish this end.

#### **3.5.2.4 Phase 4**

In order to ensure that meaningful output could be made from the study, a data collection and analysis protocol was devised by the writer to ensure validity and reliability of outcomes for the Interview Guide derived for **Phase 3** (see **Section 3.5.2.3**).

The reader should note that due to the volume of qualitative data that was collected, via the Interview Guide, restrictions regarding what is presented in this volume of the thesis has been made. The responses which in the main were quotations, opinions and explanations are selectively cited in the findings sections of this volume. The qualitative information presented (displayed in Boxes) has been selected to add texturalisation to the quantitative descriptive statistics which have emerged orientated around the research propositions and research questions.

On completion of the fieldwork the writer developed a coding framework for each of the structured questions and derived a coding structure for the semi-structured and unstructured open-ended questions (see **Appendix 5**). In order to minimise the problems which could have materialized during this stage, the writer endeavored to guide the interviews in a manner (based on experience gained whilst conducting the pilot interviews) which minimised potential problems. The production and use of the coding system ensured that basic descriptive statistical analysis could be undertaken.

The coding of data was based on the establishment of categories for interviewee responses to individual questions in the Interview Guide. For some questions it was possible to



construct a coding frame in advance of the fieldwork (i.e. closed questions), whereas for other questions (i.e. open questions) a coding frame could only be defined following the fieldwork and a holistic analysis of the sample frames response to each specific question. The decision as to how detailed the groupings should be was made in the light of the variability between interviewee responses recorded and the proposed method of analysis. The writer had envisaged that codes for certain questions would be difficult to construct since open questions by their nature contain an infinite array of possible answers. Consequently, the writer endeavored to construct 'code categories' in the light of the study's aims.

This particular phase of the research process was extremely critical since it would provide the data for analysis and interpretation, and provide a base from which recommendations would be drawn and formulated. Indeed, this phase was both drawn-out and time consuming since it had the potential, if not addressed well, to generate significant errors in the interpretation of the fieldwork findings and the subsequent formulation of recommendations. The reader should note that the task of devising the most appropriate coding structure for individual questions is heavily reliant on the researcher's ability to take full cognizance of individual responses and identify similarities across the responses of the entire sample frame. It is very much an iterative and subjective process which relies heavily on the researcher's ability to immerse him/herself in the data in order to identify similarities and determine the extent of differences between responses.

Following the editing and coding process, the data was input into Microsoft Excel, a statistical analysis software package, and appropriately analysed in a descriptive manner. Sophisticated statistical techniques were not applied primarily due to: the exploratory nature of this study; the size of the sample frame; the qualitative nature of the study; and the inclusion of a large number of open-ended and multi-response questions.

By gaining an understanding of the factors influencing the managerial conduct across the sample frame, implications about the process of internationalization and its impact on management/organisational performance were derived.

This phase provided the writer with an important insight into the international solutions generated by different UK Indian firms to similar problems, as well as enabling a comparison to be conducted with regard to the outcomes of activities via performance measures for success<sup>20</sup>. Analysis of the data collected identified specific firms which had generated superior solutions. The findings also enabled the writer to explore whether or not the transfer

---

<sup>20</sup> Growth in sales turnover and profitability over the period of international operation; Market share over the period; and the ability to meet the expectations of the owners.

of these solutions to the broader SME and UK Indian business community can be accomplished.

### **3.5.2.5 Phase 5**

The submission of this thesis is testimony to the accomplishment of **Phase 5**.

### **3.5.3 Sources of Error**

Since every stage of the proposed research design presents an opportunity for error, i.e. inaccuracies can arise via: the interviewer, the questions, the editing, the coding (see **Section 3.5.2.4**), the tabulation and the analysis, the writer endeavoured throughout the field work and analysis stages to minimise such errors.

### **3.5.4 Limitations of the Study**

At the outset of the study, the proposed research design provided a sound base from which the significance of ethnic ties and entrepreneurial networks to the internationalization of the firms could be understood. The research design was primarily designed to provide more insight into the potential importance placed by ethnic minority entrepreneurs on '*ethnic ties*' in their '*internationalization decision-making process*'.

However there are limitations relating to this study which materialized during it's execution. **Section 11.4** introduces and discusses the limitations of the study.

## 4.0 Introduction: The Actual Research Sample Frame

As stated earlier the focus of this study was primarily on '*Internationalization*' and '*Ethnic Networks*' per se. However, in order to probe these two (2) specific areas the writer believed it crucial to initially gain an understanding of both the individuals whom had kindly agreed to be interviewed and the firms with which they were involved. Only by gaining a clear understanding of the interviewees and their firms can valid recommendations (see **Section 12.0**) be made in the area of study. This section of **Volume 2** addresses this matter.

**Section 4.1** introduces and discusses the '*interviewees*' and endeavors to provide an overall feel for the individuals who were interviewed. For example, it ascertains from which countries individuals emigrated to the UK, their views about settlement in the UK, issues affecting decision-making, their international perspective, and their employment experiences.

**Section 4.2** briefly introduces the '*twenty one (21) firms*' and aims to provide the reader with an overall profile of the sample frame. The section focuses on issues such as: the geographical dispersion of the firms, the nature of the firms, their primary activities and industry sector, and their extent of internationalization.

The writer has structured this section in a manner that seeks to provide the reader with an overview and appreciation of the sample frame which is clearly important from the outset before proceeding further.

### 4.1 *The Interviewees*

The sample frame comprised of twenty one (21) individuals (all male) who were individually interviewed by the writer over the period September 1998 to December 1998 inclusive. All interviewees held a senior management post in their respective firms, i.e. either Chairman, Managing Director, Director, or Partner. This section provides background commentary about the sample frame detailed in **Table 4.1**.



Table 4.1 Sample Frame Details

FIRM DETAILS

INTERVIEWEE DETAILS

CODE	International	Manufacturing	Industry Classification	Location	Business Form	Employees	Place of Birth	UK Entry	Citizenship at Birth	Religion	Age	Education
P001	Yes	Yes	IT Related	Leicester	Limited	25	India (Delhi)	1963/64	Indian	Hindu	36	Secondary
P002	Yes	Yes	Textiles	Leicester	Limited	150-200	Malawi	1974	British	Muslim	55	Secondary
001	Yes	Yes	Textiles	Leicester	Limited	20	Zimbabwe	1977	British	Muslim	48	Secondary
002	Yes	-*	Textiles	Leicester	Limited	5	India (Punjab)	1968	Indian	Sikh	50	Secondary
003	No ****	Yes	IT Related	Leicester	Limited	12	Uganda	1972	Ugandan	Hindu	46	None
004	Yes	Yes	Food Processing	Birmingham	Public Limited	135-150	Pakistan (Punjab)	1961	Indian	Sikh	56	Graduate
005	No ***	Yes	Eng., Auto. & other Manuf.	Birmingham	Limited	25	India (Punjab)	1961	Indian	Sikh	51	Graduate
006	No **	Yes	Eng., Auto. & other Manuf.	Birmingham	Limited	30	India (Punjab)	1977	Indian	Sikh	39	Secondary
007	Yes	-*	Textiles	Birmingham	Limited	5	India (Punjab)	1956/1958	Indian	Sikh	49	Secondary
008	No **	Yes	Eng., Auto. & other Manuf.	Leicester	Limited	30	Uganda	1972	Ugandan	Hindu	40	Graduate
009	Yes	Yes	Textiles	Leicester	Limited	100	India (Punjab)	1951	Indian	Sikh	76	Graduate
010	Yes	Yes	Textiles	Nottingham	Limited	50-135	Pakistan (Punjab)	1958	Indian	Hindu	62	Post Graduate
011	Yes	-*	Textiles	Birmingham	Partnership	5	India (Punjab)	1955/1958	Indian	Hindu	49	Graduate
012	Yes	-	Textiles	Birmingham	Limited	12	England	Parents: 1961 (India, Punjab)	British	Jain (Hindu)	35	Graduate
013	Yes	Yes	Textiles	Leicester	Limited	100	Uganda	1972	Ugandan	Hindu	62	Graduate
014	Yes	-*	Textiles	Leicester	Limited	4	Kenya	1972	British	Hindu	76	n/k
015	Yes	Yes	Textiles	Birmingham	Limited	12-14	India (Punjab)	1967/1968	Indian	Sikh	41	Secondary
016	Yes	Yes	Eng., Auto. & other Manuf.	Birmingham	Limited	47	India (Punjab)	1950/1959	Indian	Sikh	47	Technical
017	No ***	Yes	Textiles	Birmingham	Partnership	21	Burma	1966	British	Hindu	56	Graduate
018	Yes	Yes	Textiles	Leicester	Limited	60	India (Punjab)	1963/1966	Indian	Sikh	41	Secondary
019	Yes	Yes	Eng., Auto. & other Manuf.	Leicester	Limited	30	India (Punjab)	1970	Indian	Sikh	43	Graduate

\* Has previously been involved in direct manufacturing; \*\* Scope exists for internationalization; \*\*\* Currently internationalizing activities; \*\*\*\* Was internationally active with a previous business

The bulk of the interviewees (15) were born between 1940 and 1959. Thirteen (13) of the interviewees were born in India with the majority (12) of these being born in the Punjab region of India (some before the formation of Pakistan). The ancestral roots of all interviewees can be traced back to the Indian sub-continent. Although all the interviewees are classified as '*Indian*', six (6) of the interviewees would fit the classification '*East African Asians*'. In addition, the overwhelming majority of the interviewees (20) were '*first generation*' UK Indians (i.e. not born in the UK).

Interviewees stated that the effects of Western socialisation had significantly influenced both their own personal perspectives and those of their children with regard to whether they perceived India or the UK being the country they regard as '*home*'. Interviewees and their children very much regarded the UK as their home. This finding reinforces Sekaran's (1983) suggestion that because culture is organic and dynamic, being both influenced and influencing the social environment of individuals on many levels, the cascading effect which a specific national culture has on business culture, organisational culture, and personal culture should not be regarded as unimportant. Indeed, a few interviewees stated that India has also changed over the years and consequently is different to their memories, and their ability to function effectively in India was perceived as questionable. In addition, it was commented that close acquaintance ties with family friends in India have diminished over the years, which would compound their ability to function effectively in that environment. This finding would suggest that both Child's (1982) and Allen's (1970) finding that Asian '*values*' as observed in India are being maintained in the UK is questionable and requires further exploration. This study's findings actually support Rafiq's (1988) suggestion that Asian culture will adapt to the socio-economic environment of the UK.

Indeed the study's findings are at odds with the Ballards (1977) suggestion that Asians would not assimilate with the UK because one day they would return '*home*'; and supports the findings of Jamel and Chapman (2000), D'Astos and Daghfous (1991), Cuellar et al (1997), Reardon et al (1997), and Oswald (1999) that ethnic minorities adapt their culture to interact with their host nations culture. It was identified that most (14) of the interviewees emigrated to the UK between 1960 and 1974, and it emerged that the majority of interviewees (18) had no future plans to return to their country of origin having now settled their family in the UK (see quotations in **Box 4.1**). Indeed, the study revealed that with this change in orientation (with regard to the country which interviewees regarded as '*home*') Desai's (1963) and Oakley's (1970) findings that Indian family's in the UK financially support family members in India is now questionable.



**BOX 4.1 - Plans to Return to Country of Origin**

**002** - *"I arrived in England in 1968 from India. I go on holiday to India and my business could exist there, but my scope has to remain here (in the UK) because of my children, they do not like India, they are born here, live here, and like it here. When they visit (India) they want to come home (to England). Unfortunately, I cannot do anything there (in India), well I can, but the family does not wish to, so I will stay (in England)."*

**009** - *"I came to England in 1951 from India and I have been back to India twenty times over the last forty eight years. However, I'm settled here (in England) and this is my country now. When I am born again I would like to be born here."*

**015** - *"My father arrived in England in 1967 and we followed in 1968. I would like to return to India, but I don't think I can. I don't have any close links there anymore. India is so corrupt now a days, it is a different world. I couldn't survive."*

However, the bulk of interviewees (14) still remain extremely proud and patriotic about their Indian origins and heritage. Interviewees focused on issues such as: the values of Indian people; the rich culture; and the respect which they receive from other nations because of their Indian heritage. It was also identified that being of Indian ancestry meant that a religious dimension was also at play. This dimension reinforced interviewee comments regarding the importance of values and family and the shared view regarding the betterment of society as a whole, as opposed to betterment of the individual at the expense of society, a finding also commented on by Child (1982). However, a number of interviewees did comment that being Indian had no significant impact on their perspectives and that they were indifferent (see quotations in **Box 4.2**).

**BOX 4.2 - Patriotism**

**P002** - *"I am very proud to be Indian, I have a proud heritage, it's a rich culture. We (Indians) have a lot of good values with regard to family and parents, Asian values are important."*

**019** - *"It means a great deal to me, I love being Indian, I think we are seen to be the most honest and respected people. We don't forget if someone has done us a favor. We are a very humble society. Westerners are more shrewd, self focused, whereas Indians are more family orientated."*

**002** - *"We are born Indian, many will say we are good people, many will say we are bad people. To me I am happy with what I am. Many people say that they are proud of being Indian but this is more patriotic, I am not proud or ashamed, I had to be born somewhere, that is the reality. Lots of people say they are proud of being Indian, I believe this is a false pride, your pride should be based on what you have done with your life, born Indian does not mean I have done anything, I have not earned anything."*

**005** - *"It doesn't really mean a lot to me to be Indian now, it isn't worth a lot. I'm not getting any benefits from being Indian, then on the other hand why should I? I'm living over here (in England), paying taxes over here, and they (India) are 6,000 miles away, why should they feel any affinity towards me?"*

Most interviewees (12) were born with 'Indian' citizenship. However, at the time the interviews took place nineteen (19) interviewees held 'British' nationality and only two (2) had retained their Indian citizenship. The majority of interviewees stated that they had changed their nationality to overcome business and holiday travel problems (i.e. visa issues)



which they had experienced with their prior citizenship which hindered international mobility (see quotations in **Box 4.3**). Since numerous scholars suggest the important influence which a combination of foreign birth, parentage, or extensive overseas experience has on the decision-maker's overall international orientation (Dichtl et al, 1990), one would expect to observe favourable attitudes towards internationalization from the sample frame (see **Section 7.0**).

### **BOX 4.3 - Citizenship**

**002** - *"My nationality was Indian. I changed (to British) because I have decided this (England) is my home, this is where my children are."*

**006** - *"My current nationality is Indian, but I've applied for British nationality. I will be British in a year or so. It is easier to travel on a British passport, it gets over the visa hassles."*

**009** - *"My nationality was Indian. I changed because in 1992, I had my Indian passport from 1948, me and a friend went to Pakistan to visit some Sikh Temples, he had a British passport. At this time I was proud to be Indian. But in Pakistan, he had no problems, but I did. I was so embarrassed that when I got back to the UK I changed my nationality because of the treatment I got. Why should I hold that passport (Indian) which is hated everywhere, when I can have a British one which gives me no hassle anywhere?"*

Sikh, Hindu, and Muslim religious groups were represented in the sample frame. The bulk of interviewees were Sikhs (10) and Hindus (9). It emerged that most interviewees (19) did not believe their religious beliefs and practices influenced their business practices or behaviour, stating that religion and business are divided. However, a few interviewees when probed by the writer on this issue did comment that because they believed in 'God', and were committed to their religion, religion does influence their business practices at a subconscious level (i.e. what is right, and what is wrong), and consequently will influence their personal ideology and shape the firm's business principles and behaviour. It emerged that these two (2) dimensions (i.e. business and religion) could not be easily divided since religion does influence behaviour as suggested by the Cultural Transfusive Triad referred to by Engel, Kollat and Blackwell (1973). Indeed, Child's work (1982) also supports this. (See quotations in **Box 4.4**.)

### **BOX 4.4 - Business and Religion**

**P001** - *"I am a Hindu. This (religion and business) is a difficult subject, do you mean religion as laid down by my parents, or as written, or my interpretation? It very much depends on the interpretation which my parents have given me and the enlightenment which others also convey to me. It governs my life. It does govern my business behaviour and personal relationships. It helps me to live with myself. It enables me to be compassionate to my fellow man. I always think of this when making decisions. I refer to this (religion) with regard to clarifying what is right and wrong. I always think of my fellow man, solutions must always be win-win."*

**003** - *"I am a practicing Hindu. I don't think it (religion) has anything to do with that (Business Practices). Religion doesn't have very much to do with the business side, it's very much individual. It (religion) provides a moral and belief pattern about how I should conduct myself."*

**017** - *"I am a Hindu. My religion does influence my business practices, the fact that I believe in God, does*

*influence me.”*

**019** - *“I am a Sikh. It may not show in my appearance physically, but deep down I am. It does influence my morality, which in turn influences my behaviour in business.”*

Overwhelmingly the predominant languages spoken by interviewees (other than English) were Punjabi and Hindi. However, the bulk of the interviewees were multi-lingual and could either speak, write, and/or read a number of different dialects. Indeed Dichtl et al (1984), Schlegelmilch (1986), and Swift (1991) suggest that the ability to converse in multiple languages is important in international success for SME's.

Eighteen (18) of the interviewees had been educated overseas, and eight (8) were graduates with a first degree. The balance were educated to secondary school level. Interviewees strongly believed that it was an advantage to be educated because it enabled them to capitalise upon opportunities as they presented themselves. Being 'educated' was stated to have played an important role in allowing interviewees to have achieved what they had to date. However, scholars are not in total agreement with the relationship between the decision-maker's educational achievements and export propensity (Simpson and Kujawa, 1974; Wiedersheim-Paul et al, 1978; Reid, 1983; Keng and Juan, 1989; Holzmuller and Kasper, 1990; Ogram, 1982; Cavusgil and Naor, 1987; Axinn, 1988; Dichtl et al, 1984).

It was identified that having personally gone through some formal education, interviewees were committed to the education of their children (see quotations in **Box 4.5**), a dimension which the findings of Sekaran (1983), Rafiq (1988), and Engel, Kollat and Blackwell (1973) suggest will influence the ideologies of future generations. Indeed Kerr, Dunlop, Harbison, and Myers (1976) suggest that as societies develop (the writer suggests influenced by education) their management styles will converge towards a style adopted in the Western countries. Consequently, a psychological step change in the attitudes of future generations with regard to their framework of management thinking can be expected (Sheldon, 1980; Johnson, 1987; Maignan and Lukas, 1997).

#### **BOX 4.5 - Importance of Education**

**009** - *“Education is always a benefit. Without it you cannot do any business. An illiterate person cannot do any business here (in England).”*

**012** - *“I have a Business Studies Degree, in a general sense it was helpful to the business, it brought in professionalism. If I think of the type of business I am running now, I most certainly have a different perspective with the Degree.”*

**018** - *“I have no formal qualifications. My level of education hasn't really made a big contribution to our success. However, if I was more educated I am sure we would have done better, for example, we (the brothers) would be better able to communicate with professionals, we wouldn't need to ask others, the Accountant, Solicitor, and*



*Banker, for as much advice as we do, we would have been able to judge things better for ourselves."*

**019** - *"I have a BSc in Mechanical Engineering (1978) which has been helpful in most of the technical aspects of the business. You do things differently if you are a graduate than if you are not a graduate, you are disciplined. You have done projects you can relate to, you can write reports, communicate, etc., this helps internally and externally when dealing with customers."*

Twenty (20) of the interviewees had resided overseas and were immigrants classified as first generation. It was identified that this dimension did influence all interviewees to travel internationally, be it for business or pleasure. Indeed, the bulk of interviewees frequently took vacations overseas. In general, interviewees regarded international travel as beneficial not only from a business perspective but also from a personal development perspective. Travel was identified to broaden interviewees overall perspective, sensitise them to cultural differences, and gain intelligence. Factors which Yaprak (1985), Daniels and Goyburo (1976), Bilkey (1987), Axinn (1988), Angelmar and Pras (1984), Dichtl et al (1984), Garnier (1982), Tookey (1964), Tesar and Tarleton (1982), Cunningham and Spigel (1971), and Topritzhofer and Moser (1979) suggest as important when executing international business and generating an international orientation (Maignan and Lukas, 1997) (see quotations in **Box 4.6**).

#### **BOX 4.6 - An International Perspective**

**001** - *"This (international exposure) does influence my perspective with regard to how I see international business."*

**010** - *"I like going to foreign countries and meeting people of different cultures and languages. I spend most of my money traveling."*

**011** - *"Travel has broadened my perspective. It is very educational seeing how countries have developed."*

**018** - *"It (international exposure) doesn't make me want to do international business. All I want to do is come back to England, and home. There are far too many language barriers, it scares me to think about how I would cope with dealing with these people with different cultures and languages. Here you can talk to anybody, do business with anybody, you know the laws, and so on."*

Fourteen (14) of the interviewees had had work experience outside of the family business, with a very high proportion of interviewees (16) having unrelated business experiences to their firms current line of activity. Many of the interviewees regarded their employment experience as a necessary activity in order to acquire necessary business skills prior to launching and developing their own business venture. This activity was identified to be important from the interviewees' perspective in enabling them to overcome many of the managerial deficiencies which Boswell (1973), Pardesi (1992), Carter et al (2000), and Wheelen and Hunger (1995) highlight as hindering SME growth and development. Indeed, interviewees were identified to be opportunity seeking (see quotations in **Box 4.7**).



### BOX 4.7 - Past Business Experiences

**001** - *"We had a family business in Africa (Malawi in Zimbabwe) which I joined after I left school. We had a retail shop, a Japanese motor trade franchise, and a detergents manufacturing business. When I arrived in England I stayed with my brother and cousin who lived in Blackburn, I hated it and so moved to Leicester and saw what my fellow colleagues were doing. Then I went into this business (Textiles manufacture), it was a pure gamble. If someone had asked me, 'Which fabrics were cotton or polyester?', I didn't know!"*

**003** - *"I have only worked (as an employee) for two years of my life. I used to be in a shipping and forwarding company as a manager doing customer clearances for incoming goods. I had always wanted to be in business. My employment was to get experience, like University, to prepare me for business. Rather than 'work' I call it my education."*

**016** - *"I went to college and did a City & Guilds, I did an apprenticeship, and worked for various firms before I started up on my own in engineering. I set-up on my own because it was something I always wanted to do since I was eleven years old. I made a decision that at a particular age I was going to do it one way or another. So I just walked out of my job and set-up. I had no leads for business, I just knew that if I didn't do it then, then I would never do it. The first four months were very tough, I didn't have any orders."*

**019** - *"I started as an apprentice with an Aircraft Fasteners business. The business had all the challenges and technologies an engineer could ask for, I went through all areas of the business from working on the lathe to sales and marketing, it was a good grounding which helps this business. The company supported me all the time. I went to do a Degree at Trent Polytechnic on block release. I had a good future with that business and could have been a senior manager by now. But I decided to join my brothers because their business had potential. Even though it was a big step downwards, it was the right step in terms of building a company upwards."*

## 4.2 The Firms

At the conception stage of defining a demographic profile for 'ideal firms' for the study (as outlined in the research methodology (see **Section 3.0**)), the writer anticipated few problems in enrolling sufficient 'suitable' firms. However, the task of persuading firms to participate in the study was more challenging than initially anticipated and many of the hurdles experienced by researchers in past studies were encountered (see **Section 11.4.2**). With the exception of one (1) firm, all participants were recruited via Asian Business Associations located in the Midlands (i.e. Leicester and Birmingham areas - see **Table 3.6**). The writer was able to persuade and recruit twenty one (21) firms in total to participate in the study. Two (2) of the firms were used to pilot the initial 'Interview Guide' prior to the fieldwork proper with the remaining nineteen (19) firms. **Table 4.1** also provides details regarding the sample frame of firms.

All twenty one firms (21) were from the Midlands region. Twelve (12) were based in the East Midlands with the balance (9) located in the West Midlands. It is important to recognise that the firms which participated in the study did not all match the screening criteria originally devised for the study (see **Section 3.5.2**). After considering each firm that was willing to participate on its individual merits, i.e. its ability to contribute to satisfying the research

propositions, the writer made judged compromises with regard to a handful of firms. These firms made the following key changes to the demographic nature of the sample frame: 1) not all firms (5) were manufacturers; and 2) not all firms (5) were involved in international activities.

In hindsight these demographic changes emerged to be advantageous with regard to the study's findings and recommendations which are discussed in the following sections. Especially in the identification of '*emergent groups*' with regard to internationalization (see **Section 10.0**) and the related recommendations.

Eighteen (18) firms were Limited, two (2) firms were Partnerships and one (1) firm was registered as a Public Limited Company (PLC) but did not have its shares available to the public, i.e. it was not quoted on the London Stock Exchange.

A significant proportion of the firms (15) employed between 1-49 employees. Only four (4) firms employed more than 100 employees.

Out of the five (5) firms which were not operational internationally at the time of the interview: one (1) had been operational internationally in the past; two (2) were in the process of internationalization, i.e. they had investigated markets and opportunities and had made a conscious decision to internationalize their activities and were in the process of implementing the decision. Indeed Anderson (1999), Reid (1981), and Schmidt (1996) would suggest that these firms were internationally active since their argument is that the process of '*going international*' begins when SME managers begin to consider '*whether*', '*where*' and '*how*' to operate overseas. The remaining two (2) firms were domestically orientated businesses which did see the scope for internationalization, although internationalization was not an activity they would pursue in the near future. Both of these firms had received unsolicited requests to supply internationally.

The bulk of the firms (13, 62%) were from the Textiles sector, with the remaining firms being classified by the writer as: Engineering, Automotive and Other Manufacturing (5), IT related (2), and Food Processing (1). This specific demographic dimension on the surface would support the suggestions of Wilson (1983), Wilson and Stanworth (1986), McEvoy and Aldrich (1986), Ward, Randall and Karisa (1986), MacMillan and McCaffery (1982), Deakins (1996), The Ethnic Minority Business Development Initiative (EMBI) (1991), Ram and Sparrow (1993), and Khan (1988) which allude to the notion that Asian enterprise is predominantly established in narrow ranges of industrial sectors and the further growth and development of Asian business necessitates diversification and '*breakout*'. This finding

questions the suggestions of Gidoomal (1998) and Basu (1995) who suggest Asian Enterprise per se is dynamic. Indeed Ram and Jones (1998) and Ram et al (2000) suggest that many of the Asian SMEs and self employed Asians are active in unattractive sectors.

The majority of the firms (16) were involved directly in manufacturing activities. Four (4) of the five (5) non-manufactures (all in the Textiles sector) had previously been involved in manufacturing businesses directly, and at the time of the study were either buying product from family members who were manufacturing, or from the individuals to whom they had sold their manufacturing concerns. These firms were basically traders (intermediaries in the supply chain) buying and selling textile product. The fifth non-manufacturing firm had never been involved in manufacturing and was purely a trading firm. Of those firms which had moved out of manufacturing, it was identified that they still maintained involvement with (and had a strong vested interest in) local manufacturing activities.



### 4.3 Summary

Table 4.2 provides a summary of the interviewees profile.

Dimension	Profile
Sample size	21 interviewees
Interview schedule	September - December 1998 (inclusive)
Interviewee profile	Senior Executive
Ancestral Roots	Indian Sub-continent
Generation	First generation (20); Second Generation (1)
Patriotic of Indian heritage	Yes (14)
Possibility of emigration to country of origin	Highly unlikely (18)
Current Nationality	British (19); Indian (2)
Religious Group	Sikh (10); Hindu (9); Muslim (2)
Dominant language spoken	Punjabi; Hindi; English
Education	Graduate (10); Secondary (11)
International travel	Frequent (business/holiday)
Past business/employment experience	Unrelated to current area of business activity (16)
Perspective	Optimistic

Table 4.3 provides a summary of the firms profile.

Dimension	Profile
Sample size	21 firms
Recruitment	Asian Business Associations (20)
Geographical location	East Midlands (12); West Midlands (9)
Manufacturing	16 firms
Internationally active	16 firms
Business form	Limited (18); Partnership (2); Public Ltd <sup>21</sup> (1)
Employees	1-49 (15); 50-99 (2); 100> (4)
Industrial Sectors	Textile (13); Engineering, Automotive and other Manufacturing (5); IT related (2); Food (1)

<sup>21</sup> Although this firm was registered as a PLC, its shares were held by family members and it was not quoted on the stock exchange.

## 5.0 Executive Summary of Findings and Conclusions

This section provides a concise summary of the study's findings and conclusions presented throughout this volume with particular reference to the study's research objective and sub-objectives.

### 5.1 Summary

With the literature review (see Volume 1) highlighting various factors hindering 'Asian Enterprise' research (Crick and Chaudhry, 1995; Marlow, 1992; Krcmar, 1987; Brown and Gay, 1986), it is not surprising that limited research has been undertaken in this area and consequently written about Asian Enterprise per se. The experience gained by the writer through undertaking this study reveals that there is a need to overcome aspects which can be categorised as 'engagement barriers'. Active engagement and effort is necessary from both sides, i.e. the researcher and Asian enterprises, to address this issue.

With regard to the need for support agencies to gain a better understanding of the needs of ethnic entrepreneurs, the urgency needed to address deficiencies is highlighted by economic factors which suggest that international competition is shaping the industrial horizons of many regions where ethnic firms have traditionally made considerable contributions to localised economies. Active partnership needs to be established which will enable firms to benefit from research findings whilst participating in the research process itself.

In the main, the underlying assumptions of the study were proven in so much that the evolutionary internationalization process identified suggests that as the firms establish themselves in their domestic markets, future growth and development requires them to pursue international opportunities as an extension of their holistic reactive business strategy, as suggested by Mitchell and Bradley (1986) who state that the typical "export behaviour of small firms is often, at best, unplanned, reactive and opportunistic". This finding also supports the suggestions of Schmidt (1996), the OECD (1997), and Eyre and Smallman (1998) who comment that internationalization is becoming recognised as a growth option by SMEs, and the earlier conclusions of Ansoff (1957), Luostarinen (1980) and Reid (1983) that internationalization must be regarded as a complementary strategy for growth and survival.

Indeed, the study revealed that the primarily driving forces for internationalization were external forces, such as the competitive environment, industry structural changes and



changing customer demands (i.e. macro and micro forces). This finding supports the views of Bilkey and Tesar (1977), Rabino (1980), Kaynak and Kothari (1984), Bauerschmidt et al (1985), Rao (1990), Green and Larsen (1987), Miesenbock (1988), Joynt (1982), Hartland-Thunberg and Crawford (1982), Reid (1982), Cavusgil (1984), Olson and Wiedersheim-Paul (1978), Snavely et al (1964), Pavord and Bogart (1975), Bilkey (1978), Wiedersheim-Paul et al (1978), Bannock (1987), Barker and Kaynak (1992), Tesar (1975), Reid and Mayer (1980), Kaynak et al (1987), Simpson and Kujawa (1974), Reid (1980), Weaver and Pak (1990), and Albaum et al (1989) who suggest that environmental factors generate push and pull dynamics which influence export activity.

However, as to whether the mechanism by which internationalization occurs is via relationships which exist within the family, the extended family and the Indian/Asian community at large - i.e. ethnic ties and social networks, implying that international exchange would be primarily restricted to nations with which Indians have blood or ethnic ties - this assumption was supported but not completely borne out. The study revealed that ethnic ties and social networks do have the potential to facilitate internationalization and had done so for some firms, which is in agreement with the suggestions made by Johanson and Vahlne (1990, 1992), Crick and Chaudhry (1995), Zafarullah et al (1998), Young, Bell and Crick (1998), Jones (1999), and Coviello and Munro (1997) who all acknowledge that networks per se do influence the internationalization process. However, the key issue which materialised through the study's findings was whether the entrepreneurs made a conscious decision to engage with their networks or not. Those who actively pursued their network contacts were able to better exploit international opportunities, a finding which would support the general notion that SME's can leverage significant advantages through engaging with their networks (Piorre and Sabel, 1984; Dick and Morgan, 1987; Mintzberg, 1973; Agiular, 1967; Peterson and Rondstadt, 1986; Scott, 1985; Melin, 1987; Chen and Hamilton, 1996; Hamilton et al, 1996; Carter et al, 2000; Birley, 1985; Aldrich and Zimmer, 1986; Tjosvold and Weicker, 1993; Hakansson, 1989; Malecki and Veldhoen, 1993; Perry, 1996).

With regard to the utilisation of 'family ties' as opposed to 'community ties', the entrepreneurs were drawn to factors relating to 'synergy' in considering the scope for exploiting international opportunities. This finding suggests that the internationalization process is far more complex than that presented by internationalization theories and possibly frameworks which seek to incorporate strategic management principles, contingency ideologies and resource base theory principles. The entire process of 'business formation and evolution' deserves more attention in order to better understand and come closer to revealing the reality of the internationalization decision-making process, a conclusion shared by numerous researchers (Young et al, 1990; Nicholas, 1986; Casson,



1986; Chi and McGuire, 1996; Madhok, 1996; Meyer, 1996; Yeoh and Jeong, 1995; Calof and Beamish, 1995; Bell and Young, 1998; Woodcock et al, 1994; Kumar and Subramaniam, 1997; Young, Bell and Crick, 1998; Oviatt and McDougall, 1994; McDougall et al, 1994; Jensen, 1996; Sanchez et al, 1996; Easton and Araujo, 1996; Jones, 1999).

From a psychic distance perspective, trade activities were not restricted to nations where the target nations '*national culture*' was similar to a '*Indian*' culture per se as defined by Hofstede (1980), Tayeb (1984), and Tayeb (1988). This finding is contrary to what scholars in agreement with the importance of '*psychic distance*' to the internationalization of the firm would expect to have observed (Johanson and Vahlne, 1977; Johanson and Wiedersheim-Paul, 1975; Hornell, Vahlne and Wiederheim-Paul, 1973; Nordstrom and Vahlne, 1992; Johanson and Vahlne, 1992; Luostarinen, 1979; Puxty, 1979; Kogut and Singh, 1988).

However, at a transaction and operational level, '*sub-cultures*' within the host nation with which engagement were sought were important and the '*cultural distance*' between the trading parties was identified to be important, as suggested by Sandstrom (1992), i.e. empathy was critical to an effective '*exchange atmosphere*'. This finding supports the findings of Bell and Young (1998), Petersen and Pedersen (1997), Benito and Gripstud (1992), O'Grady and Lane (1996), Sandstrom (1992), and Andersen and Strandsov (1996) who report that firms in general do not enter foreign markets in accordance with successively increasing *psychic distance* as predicted by the Uppsala Model.

The study's findings support Langhoff's (1997) suggestion that psychic distance is not appropriate in explaining the internationalization behaviour of firms because it leads to confusion rather than solving the problems related to the understanding of a firm's behaviour in cross-cultural contexts. Indeed, the study revealed that the concept itself should relate more to *individual cognitive thinking* (i.e. the decision-maker) than to the behaviour of the entire firm as suggested by researchers supporting the psychic distance proposition. Indeed, the writer is in agreement with Langoff's suggestion that it is more important to focus on the inter-cultural competency of the firm in order to gain a better understanding of the firm's ability to succeed in multiple international markets. Such a competency focus provides links to the resource-based theory perspective (Sanchez et al, 1996; Andersen and Kheam, 1998).

### 5.1.1 Internationalization

Overall, interviewees were identified as adopting reactive postures to external stimuli, a finding which contradicts Cavusgil's (1980) assertion that the process of initial internationalization for firms of all sizes is a more rational outcome of strategic market development. Indeed, formalised planning processes were lacking in the bulk of firms, especially amongst the firms operating in Textiles sectors. Market forces materialised as dictating the reactive strategic intentions in many of the firms which could be considered to be, as Melin (1992) suggests, the consequence of '*strategic opportunism*', a finding supported by Mitchell and Bradley (1986). Indeed, the study's finding supports the SME literature which suggests that SME managers experience major problems with regard to expansion decisions and strategic planning (Bosworth and Jacobs, 1989; Mendham and Bannock, 1982; Wheelen and Hunger, 1995; Barber et al, 1989; Storey, 1994; Berry, 1998) and possibly as Jones (1998) suggests, rely to some degree on the spin-off and spill-over effects from large business innovation.

Although all the firms were family businesses and wished to grow, the family did not wish to relinquish ultimate control internally or externally through becoming a public limited company (PLC). The management paradigm which existed within the bulk of firms would suggest a '*strategic fit*' orientation. Again, this finding supports many of the findings of past SME enquiry (Berryman, 1982; MacMillan, 1975; Pardesi, 1992; Bilkey, 1978; Cavusgil and Nevin, 1981; Cavusgil and Kaynak, 1982; Bannock, 1987; Carter et al, 2000).

For the majority of firms, their products were considered to be '*commodity*' like in characteristics which for many of the firms reinforce the adoption of a '*strategic fit*' perspective. Whether this orientation had restricted the pursuit of international opportunities was difficult to establish for all firms, although, based on the study's findings, the writer draws empathy with Jones (1998) statement that in comparison to larger firms SMEs are less able to exploit economies of scale and scope and may experience difficulty servicing small niche markets spread internationally. However, international opportunities were (for most firms) pursued with the aim of improving the competitive position and survival prospects of the firm, primarily in response to changes in industry structure and environmental forces driven in the main by shifts in factor costs, a finding shared by Bilkey and Tesar (1977), Rabino (1980), Kaynak and Kothari (1984), Bauerschmidt et al (1985), Rao (1990), Green and Larsen (1987), Miesenbock (1988), Joynt (1982), Hartland-Thunberg and Crawford (1982), Reid (1982), Cavusgil (1984), Olson and Wiedersheim-Paul (1978), Snavely et al (1964), Pavord and Bogart (1975), Bilkey (1978), Wiedersheim-Paul et



---

al (1978), Bannock (1987), Barker and Kaynak (1992), Tesar (1975), Reid and Mayer (1980), Kaynak et al (1987), Simpson and Kujawa (1974), Reid (1980), Weaver and Pak (1990), and Albaum et al (1989). This was more acute for textiles related firms.

In the overwhelming majority of firms, international growth was restricted due to the lack of international exposure and experience of the owner-managers and/or key internal decision-makers in the area. Indeed, Yaprak (1985), Daniels and Goyburo (1976), Bilkey (1987), Axinn (1988), Angelmar and Pras (1984), Dichtl et al (1984), Garnier (1982), Tookey (1964), Tesar and Tarleton (1982), Cunningham and Spigel (1971), Maignan and Lukas (1997), and Topritzhofer and Moser (1979) suggest that such decision-maker attributes are important in international success.

Much of the international experience and learning was gained '*on-the-job*' with little if any formal international management training or understanding during the '*pre-engagement*' and '*initial*' phases of the export development process (this is discussed in more detail later in this section). Most firms developed competencies and skills through experience and were reluctant to pursue support from mainstream support agencies. This finding is shared by Bell (1994), Watkins (1983), Carter et al (2000), and Hull (1987) who report that SME owner managers are less likely to seek external support and are highly sceptical of external advice. Indeed, the study supports the findings of Bragard et al (1985) who comment that whilst SME owners recognise the usefulness of professional help they are reluctant to use formal schemes. Indeed, Anderson's (1999) finding that for '*international business development*' local agencies are rarely seen as relevant is also supported.

Internally, the majority of firms lacked professionally qualified and experienced international personnel. However, many interviewees did not perceive these deficiencies as acute and believed they were all part and parcel of the risks associated with being in business. This finding supports the findings of Dichtl et al (1990) and Crick and Chaudhry (1995) who suggest SMEs generally lack an international orientation primarily because of underlying deficiencies in internal resources and abilities.

The bulk of firms were identified as purely adopting export and/or import FMEDS. This was predominately because of the advantages of these modes, especially their flexibility, the speed of entry and/or exit, and the minimisation of risk from adverse international forces which such modes provide the firm (see Young et al, 1989). This finding supports Buckley et al (1979), Dudley and Martens (1993), and Schmidt (1996) who suggest that export operations constitute the first step in the process of internationalization and could be considered as a stage which is critical to the firm's advancement to other forms of inter-



national business such as licensing, joint ownership or wholly owned production (FDI) abroad.

However, there was a high degree of complacency amongst the firms regarding FMEDS. The majority of firms were adamant that they would not change or expand their FMEDS to more committed modes such as setting-up overseas production facilities (i.e. FDI). Such a mode was regarded as extremely high risk and difficult to manage effectively and efficiently whilst also diminishing the flexibility which exporting and/or importing presented the firm. A lack of understanding, technical skills, organisational structure, managerial competency, etc. emerged as factors which compounded this perspective, especially when genuine economic advantages existed for the firm through the pursuit of more committed forms of FMEDS. This finding is against what Dunning (1980), Williamson (1981), and Petersen and Pedersen (1997) would expect to observe. Indeed, the finding can be argued to support Mitchell and Bradley's (1986) suggestion that export behaviour is unplanned, reactive and opportunistic; McGee's (1989) conclusion that the most pervasive problems facing SMEs are internal and resource related when it comes to international expansion and development; and Maignan and Lukas' (1997) suggestion that there is a need for firms to possess a global vision and mindset. However, the finding does support the findings of McDougall et al (1994) who established that in some international new ventures (INV) firms are reluctant to internalise activities at a point where economic benefits from internalisation would be generated.

The bulk of firms were unaware of what assistance was available to them from government funded business support organisations or what benefits the assistance could deliver for them. This finding supports: Crick and Chaudhry's (1995) finding that the take-up of internationalization business support by Asian entrepreneurs is lacking; Marlow's (1992) finding that ethnic entrepreneurs rarely consult the professionals; and the findings of Anderson (1999) and Carter et al (2000) which suggests that there is a need for a review of the effectiveness of the support services currently provided.

The majority of firms (in line with SMEs per se) perceived Government funded support services as lacking and not genuinely of any value to them. Of those firms which had utilised such services, most had negative views with regard to the services which they had received. Many interviewees believed they were better off going it alone. Indeed, interviewees generally felt that a better understanding of Asian firms and their entrepreneurs' needs is necessary, and a more genuine, empathetic and effective delivery interface devised. In addition, Asian Business Associations were identified as a possible channel through which the Asian business community could be engaged, although some interviewees reported that such associations lacked the resources and competencies to be able to deliver the business

support necessary. They believed capacity building was a possible avenue which could be pursued in order to overcome such limitations.

With regard to internationalization per se, three (3) groupings of firm emerged based on a three (3) phase export development process presented by Leonidou and Katsikeas (1996). They concluded that despite the differences among the various stage models as to the number, nature and content of the stages, the export development process can be divided into three (3) broad phases - *pre-engagement phase*, *initial phase*, and *advanced phase*. It was identified that the information/intelligence and support needs of firms in the three (3) different categories varied based on these evolutionary stages of internationalization.

The study's findings with regard to the information/intelligence and support needs of the firms, and the sources which the firms utilised in order to satisfy their internationalization '*information/intelligence support gap*', highlights the significance of Asian and other networks during the '*pre-engagement*' and '*initial*' phases of internationalization. This supports the findings of Coviello and Munro (1997) and Carter et al (2000) which suggest that networks represent a mechanism to overcome resource deficiencies rather than being the driver of internationalization per se. Indeed, the study bears out the findings of Simmonds and Smith (1968), Laage-Heflman (1989), and Lindqvist (1988) which suggest that although industries as well as nations may differ with regard to the relative importance of firm and person relationships, the personal influence on relationships is strongest in the early establishment of relationships with routines and systems becoming more important later (i.e. the advanced phase) in the process.

It was clearly identified that the sources and nature of information differs for firms which are contemplating internationalization and which operate domestically, i.e. in the pre-engagement phase, vis-à-vis those firms which operate internationally, i.e. in the initial or advanced phases of the export development process. Such firms were identified as having different external environment experiences which influenced decision-making perspectives and the management paradigms of firms at different phases of internationalization.



### 5.1.2 Ethnic Ties & Social Entrepreneurial Networks

The study's findings that interviewees regarded Asian Networks and ties as double-edged swords offering both assistance and restriction is in agreement with Ram's (1994) conclusion, which alludes to Asian networks being a basis for '*competitive advantage*' and '*competitive disadvantage*'. Indeed, Smith's (1894/1986) suggestion that mutual suspicion and absence of sincerity fuels such attitudes is supported by the study.

It materialised that the '*networks*' greatest leverage appeared to be in supporting business transactions within the Asian community both domestically and internationally. This finding supports propositions made by Ward and Randall (1988), Werbner (1984), Waldinger et al (1989), Ward (1991), and Bailey (1985) who suggest that '*social networks*' are integrated in to the fabric of UK Asian Enterprise. However, the study did identify that Asian Networks were considered to offer little advantage with regard to stimulating and executing activities with mainstream sectors and facilitating the pursuit of breakout strategies. Indeed, Redding's (1996) suggestion that with very complex relations where interpersonal trust is difficult to extend beyond a narrow circle, and turns into a constraint which generates self imposed strategic limitations and delivers *competitive disadvantage*, is supported by the study's findings.

Many interviewees did utilise their Asian Network during the initial tentative steps to internationalization and during the initial stages of establishing international business. This finding supports Anderson's (1999) suggestion that networks are important during the pre- and initial- phases of the internationalization process. Indeed, this finding supports Johanson and Vahlne's (1990 and 1992) acknowledgment (in defence of their thesis) that networks do influence the internationalization process. However, this was predominately because of the networks' ability to provide readily accessible intelligence and information about such dealings, primarily because others in the network were also unsure about international growth and development and were prepared to pool ideas for mutual benefit, assistance, and peace of mind (i.e. reassurance). This supports the suggestions presented by Mintzberg (1973), Agiular (1967), Peterson and Rondstadt (1986), Scott (1985), and Melin (1987) who argue that networks and personal contacts are important for managers and the decision-making process; and the findings of Pierre and Sabel (1984) and Dick and Morgan (1987) who report that networks and family ties are utilised by SMEs and contribute to their success. Indeed, Blankenburg's (1992) suggestion that networks can provide a realistic avenue to international growth are also supported by the study's findings.



The interviews conducted would suggest that there are subtle but genuine differences in the nature of Asian Networks in different countries. A governing force which determines their dynamics would appear to be the *'host'* nations: culture; degree of Westernisation; democracy and liberalisation of trade practices; penetration of media; education levels; and tolerance of sub-cultures. Many interviewees implied that due to differences in these factors across international borders the impact of Asian Networks in a business context varied. This finding questions the validity of Hamilton's (1996) assertion with regard to Chinese Networks which are reported to be similar in structure and in mode of operation wherever they are, especially since this study suggests that micro and macro factors influence the *'network'* dynamics of immigrant groups in different national settings. Indeed the study revealed that the nature of business in India where Asian Networks per se are prevalent, was regarded by many interviewees as totally unacceptable and inappropriate from a UK Indian perspective.

Both cultural and business orientation between UK and South Asia Indians was identified to be perceived as different. The only shared similarity emerged to be that Indians wherever they reside globally have a shared ancestral and historical heritage which provides immediate familiarity and assurance (genuine or otherwise), i.e. a person's roots provide an immediate ice-breaker providing a basis for familiarity and discussion and business opportunities to be explored. This finding questions the validity of Child's (1982) suggestion that South Asian culture per se has continuity over generations in different national settings. However, the study's findings support the suggestions of Sekaran (1983), Rafiq (1988), Engel, Kollat and Blackwell (1973), Jamel and Chapman (2000), D'Astos and Daghfous (1991), Cuellar et al (1997), Reardon et al (1997), and Oswald (1999) who present the argument that socialisation in a different national setting will influence immigrant attitudes over the generations.

The study revealed that the degree of emphasis placed on and importance of Asian Networks diminishes as firms establish themselves as international players. Networks were more important during the pre-engagement and initial phases than the advanced phase of the export development process. Most interviewees stated that following the exploration and set-up periods of international business, the role of the Asian Network becomes more situation dependent, with interviewees feeling comfortable to drop-in and out of the network as they feel appropriate and business needs dictate. This finding supports Anderson's (1999), Simmonds and Smith (1968), Laage-Heflman (1989), and Lindqvist (1988) findings which suggest networks are utilised *'as and when'* necessary.

Asian Networks were identified as an enabling resource which was readily accessible to interviewees in assisting them in identifying suitable international partners and

intermediaries. This finding supports arguments presented by Johanson and Mattsson (1988), Johanson and Sharma (1987), and Johanson and Vahlne (1990) suggesting that such *'international bridges'* can be important in the initial steps abroad and in the subsequent entry of new markets. It also supports the suggestions of Von Hippel (1985) and Hauschildt (1992) who suggest that networks also provide major input into innovation and creativity which enables decision-makers to resolve marketing problems, identify new products/services and exploit potential new market opportunities. Indeed, it supports Ibeh and Young's (2001) suggestion that internationalization can be regarded as an entrepreneurial act.

However, the overriding force (governing whether business transactions were executed) was identified to be significantly influenced by whether or not the parties felt comfortable with one another and clearly understood each others motives and background. This materialised to be over and above any *'ethnic ties'* which may have brought parties together. This finding assisted in clarifying why interviewees, who had initially begun to trade with other Asians internationally or other nationalities who shared similar values and customs (for example, Chinese in South East Asia), reviewed the *'relationships advantage'* to source and/or sell on a more solid business footing once they had gained a better understanding of the other party's markets dynamics. This review of the relationship ensured that they were not being taken commercial advantage of whilst also being extremely sensitive to the initial Asian partner's feelings in order to avoid destructive conflicts (Habib, 1987; Blodgett, 1992; Demirbag and Mirza, 2000; Koot, 1988; Hyder and Ghauri, 1993; Reynolds, 1984). Indeed, as mentioned earlier Simmonds and Smith (1968), Laage-Heflman (1989), and Lindqvist (1988) do suggest that routines and systems become more important as firms become international players. The study's findings support this suggestion. Overall, social Networks materialised as being critical during the early stages of internationalization. They were identified as providing important intelligence for the entrepreneur prior to him/her gaining sufficient information personally or directly via transactions to change their mode of practice.

As Wong (1996), Pierre and Sabel (1984), and Dick and Morgan (1987) would expect, many interviewees proved to have a greater affiliation and sustained stronger ties (and valued these ties more) with individuals who were part of their extended family, and/or individuals who shared similar ancestral regional roots. This was identified as influencing the family and personal networks of interviewees in relation to their network's density and diversity.

Interviewees were also strongly influenced by their religious communities which in turn influenced their social networks. Generally, interviewees were more comfortable dealing with individuals who shared similar values as themselves, values which led to immediate



affiliation. Indeed, many interviewees sought initial international relationships based on this. Consequently, this screening factor restricted the internationalization activities of interviewees, initially to countries and regions where they (or their social ties) had connections. This was perceived by interviewees as minimising their firms exposure to risk. This finding supports Johanson and Vahlne's (1992) finding that interplay between actors in a foreign market and a local firm has resulted in many new firms entering foreign markets almost blindly, citing 'social' exchange processes as being key factors to the internationalization process. This is true even where industry structural changes had 'pushed' firms to seek international customers and/or suppliers the network offered assistance in validating and securing potential partners.

The degree to which Asian Networks were absent of *'mutual suspicion'* and *'sincerity'* was difficult to gauge. It was identified that most interviewees felt the degree to which they could rely upon the network one hundred percent (100%) was calculated at both subconscious and conscious levels governed by the individuals with whom they were involved. This was especially prominent amongst the textiles related firms where the industry's structural forces were generating higher degrees of competition amongst Asian firms. This led to a heightened focus on *'trust'* as a dimension of the relationship, which Silin (1972), Wong (1988), Sit and Wong (1989), Ryan (1961), and Barton (1983) argue is a central issue and crucial factor in upholding a complex network of trading relations.

The degree of importance which all interviewees attached to *'trust'* was extremely high with transactions being conducted when an acceptable level of trust had been established. However, a few interviewees did comment that trust per se was a rare commodity and Western work attitudes and Capitalistic cultural traits were eroding the historical *'trust bonds'* which existed in the Asian community, these bonds being the basis on which interviewees themselves had established their firms.

This change was identified as giving rise to a higher degree of suspicion and absence of sincerity in current business transactions and supports the notion that within established networks trust and mutual orientation exists, whilst competition between entrepreneurial networks exists when firms are competing for the same customers and/or suppliers. This supports Smith's (1894/1986) suggestion that mutual suspicion and absence of sincerity are characteristics of network relationships, with trust being neither absolute nor unconditionally given. Consequently, trustworthiness can be considered as essentially tentative and transient, with personal trust requiring continual renewal.

With regard to internationalization, the above changes in network dynamics would influence



the degree to which Asian Networks can genuinely provide international opportunities, especially over the generations as socialisation in a 'host' nation influences an individual's *'mind-set'* (Jamel and Chapman, 2000; D'Astos and Daghfous, 1991; Cuellar et al, 1997; Reardon et al, 1997; Oswald, 1999). This is compounded further by the cultural traits of Indians in different nations and their actual competencies and capabilities in providing genuine international opportunities to one another which can be realised, i.e. synergy.

### 5.1.3 Culture

The majority of interviewees believed UK Indian culture (social and business) is changing and will change rapidly over the next generations. Significant shifts in ethnic minority cultural practices cannot be restricted due to factors regarding socialisation in a host nation, i.e. natural osmosis will occur where a new cultural equilibrium is realised. Indeed, most interviewees believed that UK culture will/has also changed to become more multi-cultural and tolerant (in some geographical regions more rapidly than others). This finding is in agreement with the views of Jamel and Chapman (2000), D'Astos and Daghfous (1991), Cuellar et al (1997), Reardon et al (1997), and Oswald (1999).

The nature and business practices of second and third generation UK Indians was reported by most interviewees to be more Western in orientation and nature. However, elders, i.e. the first generation (note: the bulk of interviewees (20) were first generation) did value and behave in accordance with traditional Indian practices and endeavored to pass on these values and customs to their children, values and customs which interviewees had personally been taught during their childhood socialisation in a different host nation, for example, India (see Table 4.1).

Most interviewees preferred working in an environment such as the UK where '*systems trust*' is prevalent. Interviewees believed this to provide them with the ability to have a basis for legal recourse should business dealings not go according to plan. However, interviewees did not diminish the value of '*personal trust*' or the emphasis which they placed on it. Many interviewee stated that their success was based to a great extent on the personal trust others had in them and they had in others. Indeed interviewees reported that this was the nature of the environment in which they were raised as children, i.e. '*my word is my bond*'.

All interviewees considered trust per se as a paramount and essential factor in their ability to pursue and realize international opportunities. Interviewees regarded mutual orientation and trust as fundamental for transactions to take place with other parties regardless of ethnicity. This finding supports the suggestions of Buckley and Casson (1988) and Demirbag and Mirza (2000) who emphasize a need to focus on *personal trust* rather than *system trust* in international strategy development, and in particular in the implementation of FMEDS. However, most interviewees stated that trust was becoming a rare quality in today's business environment, and indeed amongst Indians themselves, especially with regard to the second and third generations attitudes which they believed to be driven by Western influences. It is important to note that Interviewees did not condone Western influences or

values, more that they felt a sense of loss of solid and good Indian values and practices was taking place.

The bulk of interviewees were involved in numerous social and business activities, clubs, and gatherings in order to personalise many of their business transactions (both Indian and Mainstream segments). It was identified that this served a number of purposes amongst which was the ability to develop a long-term relationship, enhance the trust dimension, and amicably resolve any conflicts which had arisen before they gained enough momentum to strain the relationship to a unrecoverable position.



## 5.2 Summary of Findings and Conclusions: Research Objectives

Table 5.1 summarises the findings and conclusions of the study with regard to the research objectives (governing and sub-objectives) established at the outset (see Section 1.0).

<b>Table 5.1 Summary of Conclusions: Research Objectives</b>	
<b>Overall Governing Objective:</b>	<b>Conclusion</b>
<p><i>To investigate the extent and characteristics of internationalization by UK Indian firms and the processes by which UK Indian entrepreneurs and their firms internationalize, in particular the significance and importance of 'ethnic ties' and 'entrepreneurial/social networks' during and after the internationalization decision-making process.</i></p>	<p>The study identified that with regard to internationalization per se three (3) distinct groups of firms emerged. Similarities with the three (3) broad phases of the 'export development process' presented by Leonidou and Katsikeas (1996) and the three (3) groups were identified, i.e. pre-engagement, initial, and advanced phases.</p> <p>The findings suggest that the process of internationalization follows an incrementally staged process (Johannson and Vahlne, 1975) with the path to international activity commencing with exporting and having the potential to progress to more committed forms of international activity such as FDI. Progression from one stage to another is natural as the firm gets to grips with particular international markets, their dynamics, and feels more comfortable as uncertainty and risk diminishes.</p> <p>The responsibility for international activity was found to be retained by a few key individuals within the organisation in senior management posts, individuals who had developed their international knowledge and skills via their 'hands-on' experiences. It was identified that rather than pursuing a programmed form of learning, a slow process of dealing with problems and achieving an 'adaptive' understanding of 'the way to do things' in an international context had emerged within these firms.</p> <p>The study identified that 'ethnic ties' and 'social networks' do influence the internationalization of UK Indian firms. However, their importance diminishes as the firm becomes an established international player.</p>
<b>Research Sub-objectives (7):</b>	<b>Conclusions</b>
<p><b>SO1.</b> <i>To identify the methods and techniques adopted by UK Indian firms in the country screening and selection process in order to evaluate suitable international markets.</i></p>	<p>The study identified that all firms targeted, or were contemplating targeting, Europe as their key international export market. Sub-cultures rather than national cultures were regarded as important from a market screening and selection perspective.</p>

The study revealed that in addition to the dimensions of the international party's ability to pay/supply, and a mutual orientation geared towards fostering long-term relationships, the firms also sought cultural compatibility between the 'actors', i.e. empathy was identified to be a critical dimension of a suitable environment/atmosphere for exchange. It should be noted that the skills and competencies of the international partners were prerequisites.

#### SO2.

*To identify how UK Indian firms perceive overseas markets, their attractiveness, the barriers (tangible and intangible), and their perceptions regarding the assistance required (at both sides) to improve and enhance effective and efficient entry into overseas markets.*

Trust per se was identified to be a critical dimension of doing business. Interviewees were reluctant to export to, or import from, countries with which they had personally had their trust betrayed, and where the legal infrastructure available to them to rectify the situation identified to be inadequate and lacking. India was identified as such a market.

The networks emerged as a resource which offered the potential to assist in the internationalization decision-making process, by providing the entrepreneur with valuable information in assessing acceptability, feasibility and vulnerability dimensions associated with the international decision-making process.

#### SO3.

*To identify the foreign market entry and development strategies (FMEDS) adopted by UK Indian firms and the management strategies pursued.*

The bulk of firms purely adopted export and/or import FMEDS. This was predominately because of the advantages of these modes, especially the flexibility, the speed of entry and/or exit, and the minimisation of risk from international forces which they offer the firm.

The majority of firms would not consider changing or expanding their FMEDS to more committed modes such as setting-up overseas production facilities (i.e. FDI). This was seen to be extremely high risk and difficult to manage effectively and efficiently by 'the family', it would also restrict the flexibility which exporting and/or importing offered the firm.

There was a high degree of complacency amongst the firms. The bulk of firms were extremely reluctant to change their FMEDS and ruled out adopting other FMEDS in order to develop international activities. A lack of understanding, technical skills, managerial competency, etc. may well compound this perspective, when genuine advantages may exist for the firm by pursuing more committed forms of FMEDS.

#### SO4.

*To investigate how cross-cultural ethnic links influence the internationalization of UK Indian firms (outward from the UK and inward to the UK), and establish whether ethnic ties become less or more important as the firm grows (domestically and internationally) over time.*

The study clearly identified that international networks do, or have the potential to, assist in international growth. However, it emerged that their importance diminishes as the firm becomes an established international player.

It was identified that it was not sufficient to have a international network to become internationally active. Capabilities, competencies, synergy, and business acumen were more important. Interviewees consciously



screen network contacts (domestically and internationally) against these dimensions prior to engagement in business transactions. This can be regarded as part of their risk evaluation process.

Networks were identified to be more important during pre-engagement and initial phases when there is a need for information and operational guidance and expertise. It was also identified that as the firm learns through experience, 'hands-on' experience, it develops its own cognitive knowledge and the nature of interaction and resource dependence on the network diminishes.

**SO5.**

*To identify the extent to which past studies have enhanced our understanding and research focus in the area of the internationalization of UK Indian entrepreneurs and their firms.*

The literature review identified that the area of 'internationalization' and 'UK Asian Enterprise' is ill researched with understanding being vague and lacking. There is clearly scope for improvement in understanding.

**SO6.**

*To evaluate the usefulness of support agencies (public and private), in particular with regard to the level of assistance available for internationalization as perceived by UK Indian entrepreneurs and their firms.*

The study revealed that the bulk of firms were unaware of what internationalization assistance was available to them from business support organisations (Government or otherwise), or what benefits the assistance could deliver for them.

The majority of firms perceived Government support services as lacking and not genuinely of any value to them. It emerged that interviewees believed that a better understanding of Indian firms and their entrepreneurs needs was necessary and a more genuine, empathetic and effective delivery interface devised, not only in an international dimension, but also a domestic one.

**SO7.**

*To provide sound recommendations based on research which will be of value to:*

- ◆ *UK Indian entrepreneurs and their firms;*
- ◆ *business support agencies (public and private);*
- ◆ *international business academics, and others with interests in entrepreneurship and Indian enterprise, and internationalization per se; and to make a distinctive contribution to research in the field of internationalization.*

Based on the study findings, the writer has been able to outline and present recommendations targeted at: UK Indian entrepreneurs and their firms, business support agencies (public and private), international business academics, and others with interests in UK entrepreneurship and Indian enterprise, and internationalization per se.

In addition, the study has enabled the writer to make a distinctive contribution to research in the field of internationalization.



## **6.0 Background of Firms - An Insight into UK Indian Enterprise**

### **6.1 Introduction**

This section contains a report of the findings relating to some general business dynamics of the sample frame. This section is primarily aimed at highlighting any idiosyncrasies which 'UK Indian' firms demonstrate vis-à-vis SMEs in general and validating the findings of past Asian Enterprise research studies. Overall, an appreciation of the findings contained in this section provides an important reference point from which constructive recommendations to firms and the various stakeholders can be made. This section is constructed in a manner which provides the reader with a 'snap-shot' of Indian Enterprise dynamics which require appreciation before overlaying the complexities of international trade as presented in **Sections 7.0 and 8.0**, and the dynamics of networks presented in **Section 9.0**. The section is justified on the basis that it constitutes an important building block of up-to-date intelligence which enriches the understanding of the internationalization processes of UK Indian enterprises.

The section reports on: the business orientation of the firms and the nature of decision-making within the firms; how the firms were conceived and evolved; the nature of business finance, both for start-up and expansion; the nature of the firms' customer base and target markets; the extent of formalised business planning processes and the nature of market research undertaken; the competitive forces which govern the firms' industrial sectors; the importance attached by interviewees to their firm being located amongst 'clusters' of Asian firms; the linguistic nature of communication both internally within the firm and externally with other parties; the nature of human resource recruitment; how business performance is monitored, and interviewee attitudes towards growth and future opportunities; the extent to which interviewees aspire to attain a PLC status; what interviewees believe to be the driving force behind their business; and the significance of succession planning to the firms' sustainability and growth.

### **6.2 Family Orientation and the Indian Entrepreneur**

In all twenty one (21) firms there was a strong influence of 'Family' throughout the firm's establishment and evolution (Fletcher, 2000). This finding supports the findings of Piorre and Sabel (1984) and Dick and Morgan (1987) who report that networks and family ties are utilised by SMEs and contribute to their success.

Indeed, all firms employed family members with the bulk of firms (14) employing both immediate<sup>22</sup> and extended<sup>23</sup> family members. This finding reinforces the findings of Bailey (1985) who suggests the mobilisation of family, ethnic, and social ties is often regarded as a *'fundamental aspect'* of these firms, with owners and employees often accepting a set of obligations that are characteristic of a family enterprise; and Lewis and Rout (1998), who suggest Asian firms are often saturated in the ideology of the *'family'* in a much broader sense than the Western notion of the nuclear family, suggesting that *'family'* in an Asian context blurs somewhat with notions of *'community'*.

It was also identified that most of the firms (11) were established solely by the individual interviewed (see quotations in **Box 6.1**). Of the remaining firms six (6) were established in association with family members, and four (4) were established in association with non-family members who were subsequently bought out by the Family.

### **BOX 6.1 - A Family Business**

**002** - *"In my whole life I have only worked for six months for someone else, as a steel foreman in London. This really upset me and made me cry because I was unable to understand English and they (other White employees) swore at me and made fun of me. This is when I insisted on my sisters husband to let me work for them. I had to get out, I didn't want any wages from them, and I received none, I had the determination to start on my own. I gained experience via his family's business. I then moved to Leicester and first started in manufacturing and got to know a lot of the other local manufacturers who asked me to sell their products for them, which I did from my garage. Hard work, willing to live on less and demand helped the business grow."*

**019** - *"There wasn't an idea to set-up a business. My brother made things for his own use and others wanted them. The business developed from there and everyone in the family assisted. I was working for another company and if my brother needed things to be made I arranged for the tools to be made to help him. We were sitting in the garage cutting them by hand and that was how we started."*

Without exception *'Shares'* in the firms were all held solely by their respective family members. No shares were held by non-family members, with the majority of firms (16) retaining shares within the immediate family. Nineteen (19) firms were described as *'family'* businesses by the interviewees with decision-making being predominantly retained by the family in seventeen (17) firms (see quotations in **Box 6.2**).

<sup>22</sup> The term 'immediate family' refers to the family unit, i.e. Husband, Wife and Children.

<sup>23</sup> The term 'extended family' refers to the immediate family plus blood relatives, for example, grand parents, uncles, aunts, brothers, sisters, cousins, nephews, nieces, etc.



**BOX 6.2 - Decision-Making and Control**

**P001** - *"This is a family business, my father started it and his sons and daughters went into it, we have helped to grow it. It is our lively hood and I will continue to work for the family business indefinitely. Decision are made by the family management and do not go against the family's objectives and long-term sustainability. Operational running decisions are made by myself. Overall strategic decisions and investment decisions are family based and managed by my father and the individuals who have financial stakes. Consultation within the family is always made.*

*We (the Family) may decide to promote staff to senior level based on technical competence in production and technology, but with regard to finance and control we will maintain these, after all we took the risk for the future of our family."*

**011** - *"We came over in 1958, me at ten years of age, my mother, and two of my younger sisters, and within three months we were all in the business my father had set-up. We were packing and re-packing stockings and socks. I was standing on the market stalls from the age of eleven up to the age of nineteen when I went to University. Then we bought our first shop in Hansworth (1961). The business expanded from there. It was all family controlled."*

**012** - *"At the end of the day it (the business) is a family business, it is a matter of building up a business for the family's benefit. The last business just seemed to be working for the bank. We were getting orders in and just paying their bills. This business is clearly focused around the family's interests."*

In only four (4) of these firms was decision-making retained solely by one (1) individual, i.e. the interviewee. However, a small number of the firms (4) were working to restrict the family's involvement in decision-making in favour of a collective 'management team' decision-making approach. Indeed, a few firms (4) were very proud of having achieved this, already preferring a management team approach to the alternative 'blinkered'<sup>24</sup> family approach (see quotations in **Box 6.3**). This finding highlights a possible growing shift in the entrepreneurial styles as suggested by Ettinger (1982) from the 'independent' to the 'organisational' member amongst Indian enterprises.

**BOX 6.3 - A Management Team Approach**

**013** - *"This is no longer a family business, it was initially. We know have a team of outsiders who run the business, although the ownership of the business is still family."*

**016** - *"Although this is a family business, we don't look at it as one. We have a professional management team here. There are no restrictions placed on people who are not family members, the best person for the job gets it. People are promoted on merit and performance, very much as a PLC, not because of family ties."*

**6.3 Business Start-up and Evolution**

Eight (8) firms were identified to be new start-ups in their current line of activity. The remaining thirteen (13) firms had evolved from previous business ventures. Reasons for start-up ranged from: having the drive and desire to succeed and be independent; being in

<sup>24</sup> A term used by interviewees.



the right place at the right time, i.e. timing and luck; through to, constantly seeking opportunities (see quotations in **Box 6.4**).

### **BOX 6.4 - Business Start-up and Evolution**

**010** - *"I started because a few things came together, in business you need some luck, a friend of mine who was working at Courtaulds who knew I wanted to start my own business, asked me to start by making Sweat Bands, about twenty years ago, Sweat Bands were starting to become very popular. At the same time I also heard that the Council for Small Industry in Rural Areas were prepared to help anybody who was thinking about starting a business in rural areas with a view to creating employment in rural areas. They gave me a loan of £10,000 not in cash but in securing machinery. They also found me this location at a reasonable rent. These factors which came together helped me set-up making Sweat Bands. I employed a mechanic and two machinists and each year because of our technical knowledge, which was our main strength, the business evolved as we kept innovating each year with different products and kept ploughing back profits and kept diversifying, buying different machines. Luck favoured me a lot, about eighty percent. We started from wrist bands and diversified into Head Bands and Racket Grips, and then customers asked for product to be printed with Football Teams names on, so we began producing millions of wrist bands, head bands and racket grips with football team colours and names. Then we were asked to print products with pop groups on, so we did millions of these. Then with the help of a few customers we started exporting the products to Germany. Right from the very start a few jigsaw pieces fitted together and we started exporting from the very beginning. Our very first parcel went to Bali (Indonesia), since then we have exported our products practically all over the world. Over the twenty years we have grown and grown and now we have one hundred and thirty people employed and we export to about twenty five countries. We produce about forty different items, we started with two employees occupying 2,500 sq.ft. now we occupy 22,000 sq.ft. we have just grown and grown."*

**011** - *"My father died in 1984 so we moved out of retail (textiles) into wholesaling because retailing was getting very competitive. Corner Shops were selling the same things. In the stockings and tights business Petrol Stations were beginning to stock them, Supermarkets were beginning to sell everything. We were feeling the competition so we moved away from retailing. High Street rates were also getting very, very high at that time. I gave up my Dentistry in 1987 and joined the wholesaling business, and my brother and I set this operation up. It expanded because we changed our range of products from ladies, gents and childrens wear to specialise on childrens wear. There wasn't as much competition in this area at that time in 1988. 1988-1992 the business expanded exponentially it doubled turnover every year, phenomenal growth. 1993 it started to slow down because of other Asian businesses, which are very good at copying, mimicking, Asians will always do this. They entered the wholesale market and ruined the business, which they are very good at doing. In 1993 we closed that business down, voluntary liquidation. We settled everyone and came out of it cleanly. I took a break for a year to decide what to do. I did some Dentistry, my brother opened up some retail boutiques. I then set-up on my own in trading, which is where I am now."*

**016** - *"We started up as engineers, machining and tool-making, from this we moved into this current business producing our own end-products. I started in engineering in 1983, but the objective was always to have some form of end product and not rely on subcontracted work from others. The tool-room side was a base to work from. Once we had that, we had the capability to make our own tools for our own products and it evolved from there. We went into Sun Beds first and found that demand was seasonal. It was very busy from February to July then it just died a death, because people wanted a tan before they went away on Holiday. By this time I was working very close with Philips, so through discussions we developed a concept in heating, which is 98% efficient from the moment you switch on. By adding this onto the business, it became a viable business all year round. This took care of the winter months. We did have a relationship with a particular Sun Bed firm during the engineering years and it was this that triggered us off. However we were going to develop Push Chairs, the designs we had then still haven't been developed over the last eighteen years. Then all of a sudden one of the companies we were dealing with accidentally began to use us for developing their new products, more like a design-house, this company ran into trouble and we thought it was something we could do and we developed this business from there. I get a buzz from designing a product, promoting it and seeing it used out in the market, so whatever we were going to produce had to satisfy this criteria. We have always been creative, some of the ideas we have come up with and developed three years later other firms begin to introduce."*

The majority of firms (16) chose their area of activity because of excess demand in the market place at the time of entry (see quotations in **Box 6.5**). This was predominately the case for firms which entered the textiles sector. The remaining five (5) firms chose their sectors based on past experience and technical skills and knowledge (see quotations in



**Box 6.6).****BOX 6.5 - The Seed of Opportunity, Excess Market Demand**

**002** - *"We were supplying a London manufacturer doing CMT (cutting and sewing) for them. Our machines were on Hire Purchase. We just stitched and supplied. The demand was there. There was also a quota at this time on all the Far East country suppliers. There was nothing unique, there was demand. Britain was not willing to import but it was willing to produce here."*

**018** - *"When we started-up we had no competencies, non-whatsoever. Our wives were working for someone in a textile factory. They knew a bit about it, how to stitch garments together. At the time we started the business the garments were very simple, i.e. sweatshirts, that was all we had to make. Then as time has gone by we moved into more complicated garments. There was a shortage of clothing at that time and demand was there. Anyone who started up had customers who were prepared to buy. We just had to make samples and go to the wholesalers and sell. If they liked the price and your gear they would buy it."*

**019** - *"The business just happened, the demand was there and we directed our own resources to make the products needed. The product was unique. It was the product that was needed, we didn't market the business."*

**BOX 6.6 - Experience Never Hurts**

**005** - *"We knew how to make things and how to process them from a drawing. When we started there was a lot of work around that we felt we could do, nothing specific at that time, all engineering work. We had experience in engineering through our past employer. Technically we knew what we were doing. I worked for a firm for eleven years from an apprentice and they put me through college and gave me an apprenticeship and on the job training. Through this job I gained commercial experience as well as workshop experience on the machines. My brother followed a similar route."*

**006** - *"When I started up I was just fighting for survival. I was twenty two years old and on the dole. I came to the UK in 1977. I was a student and then started a job with a similar electroplater. Two years after I joined I lost my job due to deep recession in the Midlands. I tried hard to find other work but due to lack of education I didn't get anywhere. I was very worried about what would happen in the future if I stayed on the dole so I thought about starting my own business in the same area I worked. It was a big gamble. I had a old Unit which was very cheap. The lease was fixed for three years so I knew the commitment. The difficulty was that the business was not doing so well when I started, if I hadn't signed that lease I could have left it, but because I had the commitment to pay I was locked in and I was forced to make it work. I wouldn't be hear if it was not for that lease, I just couldn't walk away."*

**010** - *"I had worked with Courtaulds for ten years before I started this business, I'd also worked at ICI, and a research association based in Nottingham immediately after my formal education at Manchester University. So I had a pretty good appreciation of the knitting industry in the UK. In all these jobs I was involved in technical services and product development on the knitting side, and my job made me visit many knitters in the UK. Hence, I thought based on this knowledge that at some point, typically Indian I suppose, I wanted to paddle my own canoe and become independent and I set-up this business."*

The bulk (18) of the firms had undertaken no formal market research into the potential of their chosen area of business activity and were heavily reliant on their past experiences. Experiential learning was highlighted as significant in the growth and development of the firms both domestically and internationally.

The study findings support Curran and Blackburn's (1993) suggestion that the motivational factor of 'independence' was significant amongst the interviewees in stimulating entrepreneurial activity. However, it also emerged that the findings of Ward, Randall and Krcmar (1986), Shapero and Sokol (1982), Ward (1986), Bannock (1981), Waldinger, Ward

and Aldrich (1985), McEvoy and Aldrich (1986), Mitter (1986), Jones et al (1994), Wilson and Stanworth (1986), and Deakins (1996), which suggest that a history of disadvantage and discrimination has led many Asian entrepreneurs to seek independence in marginal areas of economic activity, were also substantiated by the study. Many researchers suggest that the industrial sectors within which these firms are active highlights the need to encourage Asian firms to diversify their activities in order to remain viable (MacMillan and McCaffery, 1982; Deakins, 1996; The Ethnic Minority Business Development Initiative (EMBI), 1991; Ram and Sparrow, 1993; Khan, 1988; Ram and Hillin, 1994; Curran and Blackburn, 1993; Blackburn, 1994; Deakins, Hussain and Ram, 1994; Ram and Barrett, 2000; Wilson, 1983)

### **6.3.1 Financing the Business**

The overwhelming majority of interviewees (19) had sourced start-up capital for their businesses through their family and personal savings. Three (3) of these firms had also borrowed additional funds from their Asian friends. Three (3) firms had also secured bank loans to assist in start-up, and one (1) firm was able to secure a government grant to establish the business in a rural area. These findings support Carter et al's (2000) findings with regard to SMEs per se. Indeed, the findings support past studies (Ram and Sparrow, 1993; Wilson and Stanworth, 1986; Ward, 1987) which suggest that the financing of start-up Asian enterprises is an issue, with many Asians relying on their family and community networks for finance. In the case of the sample frame, this may well have been compounded by the cost of institutional finance having been too high for the industrial sectors which the firms entered, a factor suggested by Ward (1987) and Ram and Jones (1998).

All firms had financed the expansion and business development of their business via re-ploughing their profits, with seventeen (17) firms supporting this with Bank finance in the form of loans. Only two (2) firms had secured expansion finance through Finance Houses. This supports the findings of Curran and Blackburn (1993), and Deakins, Hussain and Ram (1992 and 1994) who identify that SMEs owned by ethnic minority entrepreneurs are no different from White-owned SMEs (see Carter et al, 2000) in being heavily dependent on the Banks for external finance. Indeed, Curran and Blackburn (1993) and Blackburn (1994) confirmed that for business development ethnic minority firms are dependent on Bank finance and that it is crucial to the firm's success.

However, generally there appeared to be a reluctance to borrow money from financial institutions. Reasons ranged from: unsatisfactory past experiences with lenders when they



needed finance (i.e. empathy and understanding) specifically at start-up, to issues regarding loss of control, risk, transparency of the relationship, and trust. Overall, interviewees had an adverse impression of financial lenders and preferred to grow their business via organic methods where possible. Interviewees also stated that, as owner-managers of 'established' firms, the financial institutions were now prepared to lend them money primarily because they had a financial history. It was also identified that some firms, again predominantly from the textiles sector, were reluctant to invest new funds for growth and development of the firm given: the current business climate; their present business performance; and diminishing industry opportunities (see quotations in **Box 6.7**). Indeed, Deakins (1996) draws attention, especially for firms in these circumstances, to the importance of establishing a good business relationship with the Bank Manager to facilitate the firm's growth and development needs and assist with the funding of breakout strategies.

### **BOX 6.7 - Financing**

**002** - *"I started in business with low capital, personal savings and a small overdraft facility from the Midland Bank. The Bank is willing to lend me money for expansion, but I am not taking it because I am not confident that it will be immediately beneficial to me because of the danger ahead (for this industry) that I see."*

**003** - *"I had to make my own arrangements to set-up. I sold the house, it was a big risk. Now, we finance through the cash flow of the business and personal finance. We have tried to get external finance but we have never been successful. I have got fed up with it and stopped thinking about it, we try to do it ourselves. I don't rely on any finances from outside."*

**007** - *"I started with fifty pounds of personal savings, I borrowed £4,500 from friends and relatives and the additional £6,500 I required eventually came from Barclays bank after some difficulties. You see, in September 1977 an opportunity rose, I knocked on every banks door, high street and Indian, the Punjab National Bank, you name it I went to everyone and they wouldn't lend me the money. It was only with an Agents endorsement I got it. I have been with that Bank Manager for twenty years now. The Banks reasons for not lending to me were, lack of personal funds, lack of security, etc."*

**019** - *"We used savings. I have always believed in not borrowing money. Its only in the last two years, and when we started our portfolio of buildings, that we have learnt it does pay to use other peoples funds properly. You can make it work to your advantage."*

Indeed, fourteen (14) firms were identified as planning to make, or were currently in the process of making, significant investments in the business over the next three (3) years. In line with interviewee expectations of increasing employee numbers, investments were identified to be primarily focused in production related areas, for example, technology driven to reduce unit cost and increase production capacity whilst simultaneously improving quality levels, productivity, and consistency. Reasons for investment were primarily orientated around sustaining competitiveness, securing long-term business viability, and keeping pace with industry structural changes. A few firms were seeking to invest and capitalise upon industry opportunities which had presented themselves whilst others were seeking to diversify and invest in new business areas (see quotations in **Box 6.8**). However, with 'formalised planning' per se identified as a weakness for many of the firms and the findings

of Scase and Goffee (1980) and Boswell (1973) identifying that limitations of management skills, specifically in the area of forward financial planning being acute in SMEs, the returns on any financial investment by these firms is questionable. Indeed Berryman (1982) highlights poor financial management as one of the six (6) main causes of SME failure.

### **BOX 6.8 - Financial Investment**

**006** - *"Investment in new technology for production speed is planned. We are at the stage where we are competing with the very big boys who are established. We have to compete with their technology."*

**013** - *"We are not planning any investments, the way its going (the industry), I'll have to wait and see. We had a different vision a year ago, but because of the current crisis we just have to watch our steps. We were looking to expand into dying and finishing and the manufacturing of garments not just fabrics."*

**018** - *"We are not planning to invest in this business, but we are planning to increase our property holdings. This business will stay the same, the profits will be ploughed into other channels, mainly properties."*

**019** - *"We have been investing over the past two years. We have invested in other product lines, whether we keep it under this core business or start something else only time will tell. These are different business activities to what we are doing now, we are diversifying."*

When interviewees were asked to comment on what financial institutions could do to facilitate the growth and survival of Indian firms per se, they provided some interesting comments as outlined in **Box 6.9**. In general, interviewees felt that financial institutions should: gain a better understanding of Asian Enterprise; improve the communication interface; have genuine empathy with business conditions; increase the degree of flexibility in their lending criteria; and better target Asian entrepreneurs. Indeed, certain banks have recently begun to recognise a need to adjust their marketing strategy to cater for dimensions of ethnicity and change their practices to win ethnic customers (NatWest Bank, 1997). It was also suggested that Asian entrepreneurs meet financial institutions half-way by preparing, for example, better business plans and viable financial propositions on the understanding that financial institutions are also commercial enterprises. It became apparent to the writer that this area is in need of more focused research in order to better understand Asian firms, their financial needs, and the effective management of their finances.

### **BOX 6.9 - What Can the Financial Institutions Do?**

**001** - *"The Banks need to get their finger out, they should look at ethnic businesses more closely. They (the Banks) are all the same, if you don't need their help your their best customer, but when you need their help they don't want to know. They need to be more flexible and understand the problems we face. I am very wary of them, I don't want to borrow unless I have to. The rules are too tight, i.e. business plans, etc."*

**002** - *"If you have a good proposal every bank will lend you money, but if not, forget it. They (the Banks) need to better target the Asian community. But the Asian's should try to understand that they have to persuade the banks to lend the money."*

**004** - *"I think there is a lot of lip-service, when it comes to real help it is very tight. Asian businesses need to be better understood. Their needs are different because when an Asian starts business they will not go to the banks, they will go to friends, whereas an indigenous guy wouldn't."*

**008** - *"In the past, Banks used to trust Asians, but now because of the bankruptcies they are beginning to distrust us. We had a lot of hassle with Natwest for needless things, it could have been because two of the largest double glazing companies in Leicestershire which went bust banked with them. We are now with Barclays. The manager understands Indian firms and customs. We feel comfortable."*

**019** - *"You have to be very good with your Bank Manager. Without my bank manager on my side I don't think I would have been going as long as I have in business. He has confidence in me. He is only interested in your position improving and your balance sheet being healthy. He (the Bank Manager) runs a business also."*

### **6.4 Target Markets - Customers and Consumers**

It is important to recognise that all firms (21) were decoupled from the 'Consumer' by intermediaries in the supply chain, i.e. they were involved in B2B<sup>25</sup> relationships. Most firms (12) targeted mainstream intermediaries (i.e. non-Asian) as opposed to Asian intermediaries with their products and services. Reasons ranged from: minimising financial risk; the physical nature of the product and its market/consumer appeal; the adoption of a business perspective which does not differentiate between 'Asian' and 'non-Asian' customers; and customers who may be 'Asian' in origin but who actively adopt Western management practices so as to be considered as mainstream customers (see quotations in **Box 6.10**). This finding illustrates that there is not only recognition by the firms of the need to increase interaction with mainstream customers but also quantitative evidence of such a shift. This finding supports the suggestions of researchers who have sought to encourage ethnic firms to seek new markets and customers and reduce their over-reliance on ethnic markets and customers for their future survival and growth (MacMillan and McCaffery, 1982; Deakins, 1996; The Ethnic Minority Business Development Initiative (EMBI), 1991; Ram and Sparrow, 1993; Khan, 1988; Ram and Hillin, 1994; Curran and Blackburn, 1993; Blackburn, 1994; Deakins, Hussain and Ram, 1994; Wilson, 1983).

<sup>25</sup> Business to Business relationships.



**BOX 6.10 - Target Markets**

**009** - *"Our key customers are the Multiples, they account for 85-95% of our production. The remaining capacity supplies wholesalers, market traders, shop keepers, 80% of these are Asian. Actually, we are trying to reduce our wholesalers and market trader business, we only have 10-15% left now, they used to account for 100% of our business, we are doing this because it minimises our exposure to financial risk."*

**012** - *"A small proportion of the goods we buy in, which account for ten percent of our turnover, are for ethnic communities, not just Asian, for example, dresses that are more frilly than what the majority of the UK people would buy. We don't target the Asian community specifically, and I am not actively seeking to serve that part of the market."*

**014** - *"We sell to anybody. At the end of this year seventy percent of our turnover will be generated by exports to Europe and Ireland. This is predominantly non-Asian. Cash & Carries, Wholesalers, Group Stores, Importers, we will sell to anyone. We focus on developing export markets."*

**018** - *"100% turnover is from the stores, Etans, New Look, etc., within these stores they have different sections, for example, within Etans we are dealing with nine different buyers, for example, Childrenswear, Jerseywear, Jersey Dresses, etc., so really it is like having fourteen different customers. New Look is run by a young Punjabi, but the business is very, very much western in style and management, so we don't have any Asian customers really."*

Indeed three (3) of these firms dealt purely with mainstream customers. Only one (1) firm believed that the majority of its output would be appealing purely to customers and consumers who were 'Asian' per se. This was entirely due to the product on which the interviewee had decided to focus the firm's capabilities (see quotations in **Box 6.11**).

**BOX 6.11 - Focusing on the Asian Market**

**017** - *"We do all types of embroidery. We produce work for wholesalers, fabric suppliers, furnishings suppliers, multiples and independent stores."*

*As a business we are constantly looking for new applications for our skills and capabilities in the embroidery trade. The opportunities are endless, the scope for exploiting embroidery is vast. However, the embroidery supply market is very competitive, there are a lot of people doing it."*

*Fifty percent of our embroidery designs are purely targeted at the Asian market. This represents sixty percent of my turnover and I would like to grow this. This is our the niche market. It is easier for me to sell to this market."*

Overall, without exception, each firm (21) marketed 'mainstream' products to be consumed by mainstream consumers and/or had capabilities which could be re-directed to satisfy 'mainstream' consumer demands.

Of the firms which had Asian 'customers'<sup>26</sup> (15) ten (10) firms had Asian customers accounting for over forty percent (40%) of their customer base, with Asian customers accounting for over sixty percent (60%) of the customer base in eight (8) of the firms. These percentages represent a high degree of dependency on Asian customers/intermediaries for

<sup>26</sup> Note: No firm had 100% Asian 'customers/intermediaries'.

these particular firms. This was especially noticeable in the textile related sector which was identified as a sector highly dominated by Asian firms (see quotations in **Box 6.12**). Again this highlights the need to encourage ethnic firms to seek new markets and customers and reduce their over-reliance on ethnic markets and customers for their future survival and growth wherever possible.

### **BOX 6.12 - It's an Asian Thing**

*002 - "Of our customers, seventy percent are Asian and thirty percent are White. My domestic suppliers are mainly Asian. It is not my choice, there just aren't many others (non-Asian) left (in the industry). I also sell a lot of imported garments, but they predominantly also come from Asian suppliers, they account for seventy percent of international supplies. Predominantly my suppliers are Asian."*

## **6.5 Business Planning**

A significant portion of the firms (16) adopted reactive postures to market changes which influenced the firms' financial planning and affected the firms' ability to develop robust future plans (see quotations in **Box 6.13**). This finding supports the findings of Scase and Goffee (1980), Boswell (1973), Bosworth and Jacobs (1989), Mendham and Bannock (1982), Wheelen and Hunger (1995), Barber et al (1989), Berry (1998), and Storey (1994) who suggest that SMEs per se suffer from inadequate planning.

Although passive and subconscious objectives existed which governed the running of the firm, overwhelmingly these objectives were oriented around safeguarding the 'family's' well being today and over the years to come (Fletcher, 2000). In general, the firms were: deficient of a clear visionary direction and long-term explicit corporate objectives; unable to evaluate external influences; and unable to professionally manage the contraction or growth and development of the firm. Operational 'crisis management' practices were apparent, noticeably in firms operating in textile related sectors. This finding supports the findings of SME and Internationalization researchers who suggest that many of the factors which hinder SME growth and development are internal (Schollhammer and Kuriloff, 1979; Pardesi, 1992; Ettinger, 1982; Crick and Chaudhry, 1995; Bamberger, 1982; Johannisson, 1984; Reid, 1983; Cavusgil, 1984; Axinn, 1988; Aaby and Slater, 1989; Broom and Longenecker, 1979; Miesenbock, 1988; Carter and Jones-Evans, 2000; Barrow, 1993; Berryman, 1982).

However, some firms (5) did see the benefits of long-term planning and had instigated formal planning processes which were stated to benefit the firm. Indeed, numerous scholars and practitioners suggest that future SME growth and development require active policy



maker support in business planning and management related areas (Birch, 1979; Bannock, 1981; Curran and Stanworth, 1986; Storey and Johnson, 1987; Bannock and Peacock, 1989; Stanworth and Gray, 1991; Carter et al, 2000).

### **BOX 6.13 - Business Planning**

**001** - *"Many Asian firms don't have business objectives and business plans. Maybe its Asian nature. We just jump into the deep end and learn how to swim, this is the Indian culture. If you look at the majority of Asian manufacturing firms in Leicester, this is what they did. We get into this business and we'll try to make the best of it. We are not like 'George', we take every year as it comes. We are not that ambitious, we do not want to be a PLC, we will strive to do the best we can, but we don't really have a goal. The business was set-up to provide the family with a good standard of living. It is very important to me to be independent, I would not work for someone else. We have never sat down and thought what we will do over the next five years, but we have sat down and said what equipment and machines we need. We entered this industry because the people we knew in Africa were successful in this trade and we tried to emulate their success or better in the UK."*

**005** - *"So far our business planning is on the hop, we adopt a crisis management approaches to our business. This seems to work for us because we are driven by the customer. We have to swap and change as the customers require. We mould ourselves around them. We don't plan, if we do its daily, and it changes daily. The key objective is to be better off next year than this year. We haven't been achieving this so far, the last two years have been stagnant, a lot more hassle for less work."*

**008** - *"Nobody can plan everything, no matter how hard you try, something comes and messes it up for you. You do plan, but there are limits to the degree you can be meticulous on your planning. I think if you really plan well it all gets messed up, a lot of people cannot cope with that and think that the whole world is against them. You just need a rough idea of where you want to be. All the expansion we have had has never really been planned."*

**012** - *"We do now plan, but you need to keep things in perspective, I was talking to a chap from Business Link this morning who came in, one of the things I realised was that I cannot spend too much time with him because you can spend a lot of time planning but not doing, and doing is important, you have to pay for the overhead expenses, it cannot be done purely on the planning side, you have to buy and sell product. You have to trade. So I want to keep planning in perspective. At the moment in terms of business plans, we have done a one year business plan. It is not a full fledged one, i.e. fifty pages. We have looked at the financial side of it, i.e. cash flow projections, profit and loss and balance sheet for the twelve month period. I'm not planning to close the business after one year so I do plan longer-term for a successful business, but in terms of actually spending time planning budgets over an extensive period of time and preparing three or five year plans, I'm not spending any time planning budgets at this time, but I am mentally thinking about it. When I feel more secure about our position I will sit down and try to plan for three years."*

## **6.6 Competition and Market Research**

All firms believed that they operated in highly competitive markets, with fifteen (15) firms reporting that they were facing competition from both domestic and international competitors. Saturated markets, excess supply, low industry entry barriers, low customer switching-costs (resulting in high customer bargaining power), standardised products, and constantly changing global industry dynamics (from both a supply and demand perspective causing changes in buyer behaviour characteristics) materialised as critical determining factors in many firms (especially those in the textiles sector) not only being caught in the middle - trying to be *'all things to all men'* (Porter, 1985) - but also forcing them to adopt reactive business strategies (see quotations in **Box 6.14**).

This finding reinforces the critical need for firms to address business planning per se as



discussed earlier in **Section 6.5**. Indeed, from an internationalization perspective Bilkey and Tesar (1977), Rabino (1980), Kaynak and Kothari (1984), Bauerschmidt et al (1985), Rao (1990), Green and Larsen (1987), Miesenbock (1988), Joynt (1982), Hartland-Thunberg and Crawford (1982), Reid (1982), Cavusgil (1984), Olson and Wiedersheim-Paul (1978), Snavely et al (1964), Pavord and Bogart (1975), Bilkey (1978), Wiedersheim-Paul et al (1978), Bannock (1987), Barker and Kaynak (1992), Tesar (1975), Reid and Mayer (1980), Kaynak et al (1987), Simpson and Kujawa (1974), Reid (1980), Weaver and Pak (1990), and Albaum et al (1989) suggest that environmental factors (of which competition is one) generate significant push and pull forces which influence the internationalization decision-making process, and that such factors need to be incorporated into an effective business planning framework by firms seeking international opportunities.

### **BOX 6.14 - Competition**

**001** - *"This is a competitive industry because there are a lot of knitters around and the product is standard. The industry is worldwide therefore you have to compete with the imports. We don't have a monopoly, there is more supply than demand. This is why we focus on quality and delivery. There is always someone who will supply cheaper. Therefore, we have to consider this when taking orders on. Our domestic competitors tend to be smaller sized firms, mainly other Indians, I know most of them personally, we drink together. Our international competitors are importers from the Far East, Hong Kong, Taiwan, Indonesia, India, and Pakistan, the last two for basic fabrics such as cotton."*

**002** - *"This is a very competitive industry, we have many domestic competitors, in the UK it is our own Asian people. Internationally our competitors are not the Europeans, it is the Far East, India, China, Hong Kong, and Taiwan. Key competitor, there are many, all along our competitors are our own people (Asians). Competition at the retail end is with the buying power of the large retail stores, they buy internationally, large quantities, for example, socks are purchased in Sri Lanka at £1. In the UK the make up cost is £1.50 before profit margins are added. How can we compete? Competition is at many levels. It is out of our control."*

**011** - *"Competitive? Yes, very much so. In the past there was always a market for anything, you could sell literally anything, but now the competition is fairly aggressive, there are very few secrets, everybody knows where everything is being made, at what price, even the customer can argue with you because he knows the cost of every component that is incorporated into a garment. There is a higher level of awareness within the industry and transparency in trading. We have a lot of competition and people are trying to make inroads. This is why we get into bed with a customer, once we do this we handcuff ourselves, go into vertical integration, we get under his skin so nobody else can, even if he is standing naked nobody can get between us."*

From a product/service perspective, the bulk of firms (17) categorized their 'product offering' as being standard vis-à-vis the competition. However, a number of firms (3) had actively decided to focus resources to develop 'Brands' and 'Switching Costs' through the development of differentiation, primarily through focusing on the development of the augmented product. The key objective of these firms was to retain their existing customers and develop new customers through market penetration and market development strategies (Ansoff, 1957) (see quotations in **Box 6.15**).



**BOX 6.15 - Product Standardisation V's Customisation**

**004** - *"The Food Industry has always been very competitive. The greater the opportunities for selling it (food) the more people will enter. Margins are always under pressure. The important thing is making the housewife and user well informed about your brand, they then get confidence and will insist on it because of the quality. Prices must be reasonable, I believe branding is the only way forward. We focus on this (the Corporate Brand name) strength now."*

**012** - *"There are too many traders in our sector of the market, it is too competitive, for example, my fathers top ten customers ten years ago are probably my main competitors now. Consequently, this means there are more importers and wholesalers now. The market is shrinking. All demographic figure show that the population of children is declining and there are more traders entering the market (childrens clothing) all the time. Predominantly from the Asian community because of familiarity, they see other successful Asians in the business and they think lets have a go. Some may well be successful, but from an Industry perspective as a whole it just means that there are too many traders, and when you get too many traders you get too much price cutting, it comes down to price competition."*

*"The childrenswear trade is very difficult at the moment, there is just too much competition in the market, margins have gone down considerably over several years. We are positioned in the low to medium price bracket of the market and there is just a hell of a lot of competition in that area. We are still trying to figure out ways to earn a better margin and that's why we have set up the new venture which is trying to do more contract clothing for anything, mens, kids, ladies, whatever, for example, Airline clothing, promotion wear, store groups who place regular orders for merchandise."*

Surprisingly, only two (2) firms actually undertook any formal competitor monitoring activity. As far as overall market research was concerned, eighteen (18) firms categorized their research as passive with the bulk of information being gathered informally via customers, the trade, and attending exhibitions. A few firms (4) did utilise personal contacts and networks to solicit opinions and information again on an informal basis, a finding which is in agreement with regard to SMEs per se (Carter et al, 2000). It was not surprising (as stated earlier) that due to market research deficiencies that planning activities were identified to be lacking in many of the firms. Consequently, the focus on 'price' and 'cost-cutting' measures become increasingly apparent for firms in saturated markets with little thought given to product development and new business opportunity identification. Indeed Berryman (1982) cites these characteristics as being significant in the failure of SMEs.

The firms which did undertake competitor monitoring activities were able to make informed 'positioning decisions' in their sphere of activity, focusing on the development of differentiation and switching-costs. For these firms, competitor intelligence was identified to constitute a valuable input in business planning processes (see quotations in **Box 6.16**).



**BOX 6.16 - Competitor Monitoring**

**011** - *"We don't know our domestic competitors, but do know the international ones, the Cotton Mills. We do go to exhibitions and international trade fairs together with our customers and stand on their stand. Competitors do approach them with product, credit terms, and we do our best to match them. Our research is purely of this form. The customer at the end of the day wants the lowest price with the least hassle. We do not worry about any competition coming into our established customers. A relationship is established which is based purely on trust, for example, if they are approached by another seller selling at a lower price we will endeavor to match that. Ours are transparent relationships."*

**016** - *"There are too many competitors to know them by name. We are the market leaders in 'vertical' tanning machines not 'lye down', the Germans lead that market. We do monitor our competitors only when we are putting together tenders or when we are competing for the same order. Other than that we just look at our own marketing strategy. Ten years ago we used to have twenty six competitors in Birmingham alone, now there are only two left, so we don't worry about them too much, as long as we get our act together and come out with new products annually. Competition never frightens us, its only when they disrupt the price structure does it become worrying because it confuses the customer. The customer then requires to be educated as to the realities of the situation with regard to the benefits, for example, the differences between a Mini and a Rolls Royce, they are both cars at the end of the day, it all depends on what you want. We monitor them (the competition) at trade exhibitions. I was at a Trade Association meeting yesterday of fifteen of the UK market leaders so I have a good feel for what they are doing."*

**018** - *"This (textiles) is a very competitive industry. There are fewer customers now and everyone wants them. Pricing is very difficult because companies are after the same business. We know many of our competitors. We don't monitor them, we don't go to many exhibitions. We know who deals with which stores (the multiples) and in which areas (product categories). What the stores do is if they are sourcing a garment they will fax a handful of suppliers and ask us all to give a price for the garment. So we know who is doing what. Most competitors are of comparable size to us."*

**019** - *"We know our main competitors, some of them personally, but we don't really monitor them, you only see their products on new cars, it is then that you realise why you lost (the order). You get an insight into their (the competitions) development and product range, we monitor them passively, you do also get some ideas about what they are up to from your suppliers and customers. When you are quoting (for a contract) you also know who is being considered as well, it is here where you are able to gage the degree of development necessary and evaluate whether they are capable of doing it also. My colleagues do go to trade and motor shows to see what's around, my eldest brother who is the Managing Director goes to the NEC regularly, to any trade exhibition which is related to our 'capabilities'."*

**6.7 Business Location - 'Asian Business Clusters'<sup>27</sup>**

The bulk of firms (18) were located in areas where there was a high proportion of Asian firms (i.e. 'Clusters'). However, most firms (17) reported that being located in an 'Asian Cluster' was not important to their current business activities. Indeed, the overwhelming majority of firms (20) reported that it was unimportant to the firm's future success to be located in an 'Asian Cluster', and from a supply chain perspective they could geographically be located anywhere in the UK. Indeed, one (1) interviewee believed it to be an advantage not being located in an Asian Cluster because it divorced his business from the 'cost-cutting Asian mentality'.

Those interviewees who believed being located in an Asian business cluster was important

<sup>27</sup> Note: The term 'cluster(s)' is used here to refer to density and concentration of Asian firms in a localised area.



for their firm, did so because it provided them with access to: their customers and/or suppliers who were predominantly Asian firms; and/or the 'labour skills' they required for their business to function. In addition, indirect benefits, such as competitor intelligence, could be derived from being part of an Asian Cluster (see quotations in **Box 6.17**). This finding supports Redding's (1996) suggestion that Asian Networks or localised clusters of 'similar' firms drive efficiencies, primarily because firms are competing for the same scarce resources - be it people, suppliers, or customers.

### **BOX 6.17 - Asian Business Clusters**

**004** - *"At the moment it is important because we service the Indian independent (retailer) and at least eighty five percent of the independents are of Asian origin, although some have moved out to a English area, but that would mean that the indigenous population that they are serving like Asian foods. This (Asian Independents) is our main business at this moment."*

**006** - *"I think it is very important being located in an Asian area. We have a very good location, this is a prime position because of accessibility. Above all this is very close to the residential area where our (Indian) community lives, because eighty percent of the shop floor workers are Asians. They work longer hours because they live near by, I believe this has a part in our success. The majority of my workers can walk to work, it only takes ten minutes."*

**008** - *"Location is not really important to us directly, but indirectly from a customer point of view our location is perfect. This is a heavily populated Asian shopping location, at least once a week virtually every Asian in Leicestershire will visits this area for shopping, etc, and it makes it easier for them to pop in and see us and our show room. It works."*

**009** - *"This business was based here when there were very few Asians in Leicester. Other Asian firms established themselves here later. Its not really important to us now. This location is more for manufacturers who deal with continental Europe. It was important (in the past) with regard to our wholesale business because this was and still is the wholesale district, but with regard to the current business we do with multiples it (location) makes no difference."*

**012** - *"Our location is not important to us, but because of the trade we are in (textiles), being surrounded by Asian firms, its going to happen, for example, one of our businesses is based in the middle of the wholesale district of Birmingham, and they are all Indian and Pakistanis around there. It is more important to us to be in the wholesale district than to be in a Asian area, because customers travel to these areas."*

**018** - *"Our location isn't important to a great extent, location with regard to frequent public transport access for workers is more important. However, it (the location) does help with regard to getting our workers. To be honest, the Asian workers are the best, they will work, they are reliable and committed. The others (non-Asian employees) have put their personal lives a lot higher than working. The Asians tend to be more committed and our location helps in recruiting them."*

## **6.8 Communication - Internal and External**

Most interviewees stated that other than English the four (4) most important languages for 'external' communication were respectively Hindi, Punjabi, German, and French. German and French languages were stated because many of the firms dealt with European customers and/or suppliers who were able to speak these languages and preferred to communicate in these languages given the choice. This supports the findings of Dichtl et al (1984), Schlegelmilch (1986), and Swift (1991) who highlight the importance of language



skills in the international success for SMEs. However, seven (7) firms were adamant that externally other than English no additional language was necessary for communication. This finding supports Daniels and Goyburo's (1976) suggestion that English is the most essential international language.

Key '*internal*' language needs were respectively Punjabi, Hindi, and Gujarati. Six (6) firms were adamant that internally other than English no additional language was necessary for communication. This linguistic capability can be argued to be necessary according to the findings of researchers which highlight that Asian entrepreneurs utilise their community networks to recruit staff for their firms (Ward and Randall, 1988; Werbner, 1984; Waldinger et al, 1989; Ward, 1991; Bailey, 1985; Werbner, 1990).

This finding would suggest that in general the '*management*' of UK Indian firms need to be able to communicate in a number of different dialects/languages, not only to ensure the basic functioning of the business internally but also in order to maximise international opportunities.

## **6.9 Recruitment and Staffing**

The predominant channel used for employee recruitment by the bulk of firms (16) was the '*Asian Community Network*'. Indeed, it was identified as the most favoured method of recruitment amongst the majority of firms (13) by a significant margin. This finding supports the findings of Werbner (1990) and Wilson and Stanworth (1986). Indeed, the finding highlights the extent to which strong community bonds exist within the Indian Community and the desire to safeguard cultural harmony in a work setting in order to effectively execute work. However, a few interviewees from the textiles sector did suggest that the quality and professionalism of their employees recruited via the network would not take the business forward over the long-term. The firms operating in other industrial sectors were identified as adopting a more professional approach to recruitment and were not relying on Asian networks for the recruitment of their employees (see quotations in **Box 6.18**). This is a practice which Sekaran (1983), Rafiq (1988), Engel, Kollat and Blackwell (1973), Jamel and Chapman (2000), D'Astos and Daghfous (1991), Cuellar et al (1997), Reardon et al (1997), and Oswald (1999) would expect to observe becoming more widespread as future Asian generations enter family businesses since they will have developed Western management ideologies.

It should be noted that interviewees frequently suggested that '*Asian Workers*' have a more



dedicated work ethic than 'Western Workers' and this was important for their firm. For example, Interviewee 019 commented that *"If you need anyone to graft and work you can generally be guaranteed it will be an Asian. If it wasn't for the Indians working for us I can definitely say that there would have been times that we would not have made deliveries and broken promises to our customers. Its the culture, they do look after you when you need them. The other cultures do also, but to a point, they regard their social life as important"*. This finding highlights that the cultural values of Asians per se are not entirely being eroded by Western Capitalistic attitudes and Hofstede's (1994) suggestion that in order to manage effectively<sup>28</sup> one has to know the 'things' to be done and one has to know the 'people' who have to do them (1994) is valid, i.e. understanding their culture is imperative and a fundamental requirement in effective management.

### **BOX 6.18 - Recruitment and Staffing**

**004** - *"Initially, I just recruited friends via my social network. I just trained them and hoped. This is a difficult process and continues to be. Recruiting the right staff isn't very easy. It needs a lot of interviewing technique which I do not have. I just used to use my 'gut feeling', which isn't the way to do it, but now we hire a professional recruitment consultancy."*

**016** - *"Initially, recruitment was by word of mouth, people I already knew from my previous business. It is very difficult to recruit the right people. The best way is to head hunt people you know who are doing a good job, and referrals. Most of the people we are taking on now are through Agencies, because we don't get the right response from the press advertisements."*

**019** - *"Recruitment is through the Job Centre and advertisements in National and Local papers. We target areas where the skills I need are available, for example, skilled tool markers are based in the Midlands. We use the right media to advertise in. Advertising is our favoured method. Referrals is a very good channel also, but advertisements is preferred because by referrals you may miss the opportunity to identify someone who has a little more to offer and can enhance your business. Ninety percent of our current employees have been recruited via advertisements."*

A significant proportion of firms (13) were anticipating their number of employees to rise over the next three (3) years. The predominant area of employment was identified to be 'production'. However, six (6) firms did not believe employee numbers would rise over the next three (3) years.

Over the past three (3) years there was an equal number of firms (5/5) which had experienced an increase and decrease in employee numbers with only five (5) firms having kept employee numbers static over the same period. Overall, there were mixed views regarding employee number growth/decline. It can be argued interviewee views on this matter would be based on how they perceive the future for their firm and industry (see **Section 6.10**).

<sup>28</sup> Management can be defined as getting things done through (other) people (Koontz and Weihrich, 1988).



## 6.10 The Future

Most interviewees (12) were optimistic regarding what the future had to hold for their firm, although it was identified that this view was more a 'state of mind'. Indeed, this finding supports the findings of Mendham and Bannock (1982), Schollhammer and Kuriloff (1979), Bamberger (1982), Johannisson (1984), Carter et al (2000), and MacMillan (1975) who suggest that the decision-maker's attributes, caliber, experience, expertise and motivation are especially important in (and the most significant influence on) SME development and success.

The optimistic and pessimistic perspective of interviewees was generally governed by their: past experience; managerial professionalism; industry changes; exchange rate fluctuations; sales performance; ability to plan the way forward; internationalization; technical influences; and changes in competition intensity.

Overall, it was identified that it was the business sector in which firms operated which had the most noticeable influence on the entrepreneurs perspective, i.e. products and markets. Firms operating in the textiles sector were identified as being the most uncertain as to what the future had to hold for them and were extremely anxious for help (see quotations in **Box 6.19**). Indeed, the suggestion made by Birch (1979), Bannock (1981), Curran and Stanworth (1986), Storey and Johnson (1987), Bannock and Peacock (1989), and Stanworth and Gray (1991) recommending active policy maker support to assist SME growth and development was identified as necessary for firms in declining industrial sectors.

### **BOX 6.19 - The Future**

**002** - *"I'm pessimistic about the future for this business. To look forward is very difficult, I believe it is going to be tough in my trade (textiles)."*

**007** - *"I am pessimistic about this area of activity (textiles), but optimistic in the way that no matter what happens I have to do something. The Asian community has one good thing, when they hit a brick wall they'll go through, around, over, any way they can find, they'll even build a tunnel if they have to."*

**010** - *"I am not optimistic, we are suffering. At the moment business is going through a difficult time because of the strong pound. In the past our exports kept growing, in December 1996 our exports were at their peak, and they have plummeted from January 1997 as Sterling got stronger and stronger. Customers were having to pay more for the same goods so their orders began to fall. Virtually throughout the whole of 1997 and 1998 compared to 1996 production figures our exports fell from sixty percent of sales to less than ten percent. We have had to cut back an awful lot on employees as turnover and profitability is down. We hope that in a few months time that when the pound devalues we will return to a better export position again."*

**018** - *"I am not optimistic. My views and mood changes everyday, sometimes I just want to shut everything down, other times you feel on top of the world. The things I've had to deal with over the last two weeks, I just feel like committing suicide, that's how bad it is. The things which are giving me problems were fine before, I just cannot figure it out. Things are just not running smoothly."*



### **6.11 Business Form: Limited Vs Public Limited Company**

It was identified that most firms (13) had no ambition to become public limited enterprises, i.e. achieve a PLC status, although five (5) firms had seriously investigated and considered the possibility. The strong mind-set of the interviewees orientated around safe-guarding family interests and retaining control and independence were key influential factors in not wishing to pursue a PLC status. The findings of Lewis and Rout (1998) and Curran and Blackburn (1993) support this notion. It materialised that for many of the interviewees/firms, to actually achieve a PLC status was more associated with (as Maslow (1954) suggests) the attainment of personal '*self-actualisation*' needs which would represent the pinicle of their business achievement, attracting recognition from their peers and the mainstream.

However, it was identified that becoming a PLC was not a position which interviewees genuinely wished to attain. Interviewees feared their business would be transformed and their personal weaknesses highlighted, primarily in the area of the necessary managerial professionalism which is required to manage a PLC. This factor alone influenced many interviewees who had seriously considered pursuing a PLC status to remain independent.

In addition, interviewees felt that by becoming a PLC many of the cultural traits which they had instilled in the firm would be negated and that this would transform the personal identity (culture) of the firm. Indeed, interviewees argued that the success of the firm since start-up was because of such traits (see quotations in **Box 6.20**). However, it also emerged that the findings presented by Ward, Randall and Krcmar (1986), Shapero and Sokol (1982), Ward (1986), Bannock (1981), Waldinger, Ward and Aldrich (1985), McEvoy and Aldrich (1986), Wilson and Stanworth (1986), Mitter (1986), Jones et al (1994), and Deakins (1996) reporting that disadvantage and discrimination were prominent factors in the rise of ethnic enterprise also had a influence on the reluctance to genuinely pursue a PLC status.

**BOX 6.20 - PLC?**

003 - *"We have not considering this (becoming a PLC) at present. Possibly in the future because I have an ambition to be a PLC more than anything else. I don't know anything about being a PLC, it is an ultimate."*

004 - *"We might become a PLC. There are no plans at this moment. We have just changed our accountant from an Asian accountant to Ernest and Young, these are the kind of people who prepare you for four years to become a PLC. The opportunity is there. I intend to run it (the business) like a PLC now. We are called a PLC and this is the first step to becoming a floated PLC."*

009 - *"We would not become a PLC. We have had letters for purchase and the buying of shares. This is a family company and will always stay as one whilst I am alive. When I go, my children will decide."*

010 - *"We would not become a PLC, we're not big enough, on the other hand I never set this business up to get bigger and bigger, it gives me personal satisfaction, its my baby, I started it from scratch, its a way of passing life the way I wish and make a livelihood. I don't want to go public."*

011 - *"Its a problem of ego (to become a PLC), what does it really mean? Our people (Asians) are not really geared up for it, they lack the professionalism. A lot of PLCs are now going back and privatising themselves by buying their shares back because of the hassles with the share price not reflecting their true performance. Its horses for courses. We're happy as we are at present, we have control at the end of the day."*

012 - *"I don't see myself floating the company right yet, that's a far way away yet, its not totally out of my mind. I enjoy having control over the company. If I bring in outside equity holders then I have to relinquish on that control. I'm not sure I want to do that at the moment."*

019 - *"When we were discussing possibilities with 3i (Investors in Industry) this (becoming a PLC) was considered. The areas of concern was that we lack middle management. Unless we address this issue I don't believe a PLC will come from this business."*

**6.12 Performance Measurement and Growth Opportunities**

All firms monitored their performance against historical achievements in 'Sales' and 'Profits' and in the main adopted a very inward looking 'closed-system' approach to performance evaluation and consequently business planning (see Section 6.5). Only six (6) firms compared their performance against competitors and only one (1) firm undertook some form of basic benchmarking with firms in unrelated areas of activity. The larger firms had more formal and sophisticated performance measurement systems to facilitate decision-making (see quotations in Box 6.21).

It is important to recognise that the reasons behind business formation (i.e. fundamentally family prosperity, independence, control, achievement, etc.) strongly influenced the degree of satisfaction and acceptance of achievement in performance terms. It was identified the driving forces of the firms are very different to that of a PLC, i.e. the maximisation of the wealth of 'external' shareholders. The sample frame was more focused on maximising the 'Family's wealth' linked very closely to family employment and independence as implied by Lewis and Rout (1998), Schollhammer and Kuriloff (1979), Fletcher (2000), and Curran and



Blackburn (1993).

The firms were identified as the fundamental source of the family's livelihood and income enabling the lifestyle which interviewees enjoyed to be sustained and enhanced. Consequently, interviewees were identified as actively restricting their firms from growing beyond a certain size, a size which would require delegating decision-making and control and introducing professional management both in their domestic and international activities, a finding which Ettinger (1982) associates with a 'independent' entrepreneurial style.

### **BOX 6.21 - Performance and Growth**

**002** - *"It (the business) has done well and we have made money out of it. I did not desire to be very big, I wanted to remain independent. I measure performance simply by the fact 'do I have money in my pocket'. I am happy with performance."*

**004** - *"We use computer systems to measure transactions and productivity. Every morning I receive performance measures with regard to what we did yesterday... stocks, gross profit, it is all I need. I roughly know what the overheads are. We monitor performance historically and against competitors. We tend to get letters saying, 'you are a very profitable company, can we buy you?' etc. I think we do well, I'm not getting bad signals. We strive to improve year on year. We are targeting to be a £100M turnover company in two years time from £70M currently. I think when you come to a new country you have the urge to do something that you can prove something to yourself, not anyone else, for betterment, not necessarily economic betterment. This is why I left British Rail."*

**006** - *"We keep an eye on the good named companies and their turnover and see how we compare year on year. So we can plan. We also check against our historical performance. This sets the base for next years targets. Our sales over the last sixteen years have gone up and up. During the first three years, business doubled and trebled every year. In 1996 we were £1M in turnover, in 1997 we were £1.2M, and this year we have done £1.4M. We have been growing at approximately twenty percent per annum. We are currently at a turnover of £1.5M."*

**008** - *"We focus on profitability which has always been growing. What I have always said is that we should look at other double glazing companies and look at their accounts if they are Limited. At present the only measure of how well we are doing is the Bank Managers statement, the Accountant statement, and our suppliers comments, REA, who say we are one of the best performing companies they have. Our turnover is £1.8M."*

**009** - *"One has to work on profit always but bearing in mind the circumstance. Its very difficult to set annual profit targets. So long as your head is above the water that's it. We don't worry about other companies. We just do our business and look at year on year performance."*

**010** - *"We don't believe a lot in turnover, we believe more in profitability. There is a saying that 'turnover is vanity, but profitability is sanity'. We compare against historical performance but not against other firms. Our turnover is currently £1M, eighteen months ago it was £2.14M. We have been heavily hit by the value of sterling."*

**019** - *"Every year we are a success, we meet our targets, which is always to meet last years target, we always exceed that. We look at turnover and profits margins. Turnover is the biggest factor. Buying is also a important measure. We do look at the performance of large Multi-National firms who have large turnovers but very poor margins, I am happy with this business because we make better margins. Our turnover is £2.5M at present, and last year it was £2.1M."*

The majority of interviewees (14) were identified as intending to grow their business (7 moderately, and 7 substantially) over the next three (3) years; whilst five (5) firms would be pleased if they could maintain their existing business; and two (2) firms were taking action to consolidate and down-size their activities and operations. Again, firms in the Textiles sector



were unlikely to see significant growth (see quotations in **Box 6.22**).

As stated earlier in **Section 6.10**, issues surrounding 'growth' are very much governed by the 'mind-set' of the interviewee which is influenced by the many factors suggested in **Section 6.10** (see Maignan and Lukas, 1997).

### **BOX 6.22 - Anticipated Growth**

**001** - *"We intend to sit tight, because the economic forecast is not too good. Because we don't have very high borrowings we are reasonably comfortable. If recession comes we are well placed. We are not going to grow over the next three years, we will ride it out."*

**005** - *"A lot depends on our international activities. We don't plan, the key objective is to be better off next year than this year, we haven't been achieving this so far. The last two years have been stagnant, a lot more hassle for less work. I think we are facing a slight decline."*

**009** - *"We do not want to expand anymore than this. The more you expand the more trouble you get into. This size of business is fine. This years turnover is £8M. At the most we will grow to £10M but no larger than that."*

**010** - *"The future is going to be tough, we will try to get it back to our previous level. At the moment business is going through a difficult time because of the strong pound. We have had to cut back an awful lot on employees as turnover and profitability is down. We hope that in a few months time that when the pound devalues we will return to a better export position again. We cannot manufacture in the UK its too expensive, its a matter of survival."*

**011** - *"Diversification will take place, we seek to wind this business up, there is no good will here. With regard to customers, South Asia is also going through a recession which is partly the reason why we have decided to diversify, our customers are having a tough time with regard to payments. If you can foresee something and don't act then you are a fool, so this is why we have decided to get out. This is how we came out of the retail business, the wholesale business, and this is again how we are coming out of this business as well. The warning signs are there and you have to take heed. We will not pull out completely but we will reduce the business."*

**016** - *"Growth is expected to be quite considerable, thirty to forty percent growth year on year over the next four years. We lost a fair chunk at the start of the year by deciding to drop the mail order business (£2M). We should have had a £5M turnover this year if we had kept it. We will recoup this next year and then grow exponentially with the new products we will be introducing."*

### **6.13 The Driving Force Behind the Business**

There were mixed feelings as to what was actually the driving force behind 'making the business work' and 'successful' to date. From interviewee responses it was identified that, in order of frequency, being close to the customer, their own personal qualities, the family, the products, and the employees, were important aspects which had got the business to where it is today (see quotations in **Box 6.23**). Indeed, the study's findings suggest strong links to MacMillan's (1975) suggested five (5) reasons for the survival and growth of SMEs per se.



**BOX 6.23 - What Makes the Business Work?**

002 - *"Trust, keeping up with the times, keeping up-to-date with customers, suppliers, the market, etc."*

004 - *"Unity within the family, clearly understanding their (family members) duties and delivering."*

005 - *"Really hard work, taking care of the employees with regard to their facilities and pay, and not asking employees to do something I wouldn't do... respecting them."*

009 - *"When I started business an elderly White friend said to me, he was a shoe manufacturer, 'Mr Singh if you want to succeed in business never forget you must sell quality at the right price and you must be humble and loving to your customers. They will say so many things, but you must not forget you have to sell to them if you are to succeed in life'. Since that time I have never produced anything which was not of top quality. When I used to buy from others I would only buy the top quality stuff and sell it as keen as possible. With love you can conquer all and succeed all. When you loose your temper, not only do you loose business, but you loose yourself also."*

016 - *"The commitment to succeed, I am the major driving force behind this business."*

017 - *"Service, ideas, keeping customers happy, hard work, and reliability."*

019 - *"People, my employees, without them I have nothing, if I don't trust them to deliver then I don't have a business."*

**6.14 Succession - The Next Generation**

It was identified that the bulk of firms (15) were concerned about issues relating to succession planning with most firms (11) having a high degree of concern in this area. It was identified that the fundamental basis of the firm *'to provide for the Family'* was becoming strained. Western values and the socialisation of interviewees' children were stated by interviewees to have led to the second generation wishing to accomplish different goals and pursue different ideologies to those of their parents (Sekaran, 1983; Rafiq, 1988; Engel, Kollat and Blackwell, 1973; Jamel and Chapman, 2000; D'Astos and Daghfous, 1991; Cuellar et al, 1997; Reardon et al, 1997; Oswald, 1999; Maignan and Lukas, 1997).

Interviewees alluded to the point that the culture and dynamics of their firm are expected to change towards a more Western Capitalistic ideology, should their children enter the business or continue with it. This finding supports the suggestion made by Kerr, Dunlop, Harbison, and Myers (1976) that as societies develop their management styles will converge towards a style adopted in the Western countries. The interviewees' key concern was identified to be oriented around whether it would be for the betterment of the firm and family. They were concerned as to how integration and change would be managed (see quotations in **Box 6.24**).

**Section 9.0** explores cultural shift in more detail. Suffice it to state here that the study



identified that cultural changes in UK born Indians have led to succession issues within many UK Indian firms.

### **BOX 6.24 - Succession Planning**

**002** - *"Succession is an issue, our way of doing things is now out dated. Change is so fast. My children would have to take over a completely new business. My children are trying but they are unable to put in as much effort as I did. I'm worried in some things but on the other hand there are other opportunities out there. We are looking into other area, for example a car dealership with a car manufacturer, we are seeking to diversify."*

**004** - *"The success of this business is based on the hard work of five brothers and now the next generation coming in and joining the business. We have not forced any member of the family to join. If they want to become Doctors they can. The first thing I said to my son was that you are welcome to join the firm but don't say to me five years on, 'I would have been a brilliant Lawyer dad, but you made me a Grocer!'."*

**005** - *"Succession was not a major issue in the past, but it is becoming to be one now. Only recently my son came into the business but my brother is more sceptical. It is always a risk because the traditions on which the business has been established may not be shared by the next generation. We are training him in the business. We'll suck it and see. If they don't want to come in what can we do?"*

**018** - *"If something was to happen to my brother, I would not be able to run the business, I don't know how he feels. We have key people insurance policies, I will try for a year and if it doesn't work I would sell the business. I cant see my children taking over this business as it is. My son who has just joined the business, didn't want to go to University, he wanted to work with me. As long as I'm with the business he is with me. If something goes wrong with me I don't know what will happen next."*

**019** - *"Succession planning is a difficult part of running a business, anybody who walks into this company first looks at the key personnel, if you take the key personnel away, the core goes and there is no business left. So we do have an issue. We play our cards very close to our chest, this is part of Asian culture, this doesn't safeguard against long-term problems. We need to learn how to delegate, we are now addressing this issue."*

*I don't want my children to come into this business straight away, I want them to learn in other industries and businesses, so when they come in they have to make the business better than I can do. To do that I cannot teach them, they have to learn this outside. I can only teach them what I know. They have to educate themselves and work for a few years in industry."*

### **6.15 Summary**

As stated at the outset of this section, the writer believes it important for the reader to grasp an understanding of the basic dynamics of UK Indian Enterprise as presented through the sample frame in order to better appreciate the study's recommendations. The primary aim of probing Indian enterprise dynamics, as presented throughout this section, was to validate past study findings which focused on 'Asian Enterprise' per se and 'SMEs' in order to ensure that this study's recommendations are based on up-to-date findings, and safeguard against any possible erroneous recommendations being presented by the writer. The section provides a sound base of intelligence on UK Indian Enterprise before proceeding on to the following sections which introduce 'International' and 'Network' dimensions.

Overall, the findings of past studies in the area of Asian Enterprise were validated as still relevant. In addition, the study revealed that the findings of researchers who have made



contributions to the 'SME' literature are broadly applicable to Asian Enterprise per se.

Three (3) of the key dimensions requiring management and policy attention which have materialised in this section are:

- ◆ Business Planning per se (which incorporates the following two (2) dimensions)
- ◆ Breakout / Diversification and
- ◆ Succession Planning

**Table 6.1** provides a summary of the findings presented in this section on '*Background of Firms - An Insight into UK Indian Enterprise*'. The findings are consistent with the findings of past research studies of '*Asian Enterprise*' as opposed to '*Indian*' firms per se since past studies have predominantly not differentiated between different Asian communities, i.e. Indian, Pakistani, and Bangladeshi.

**Table 6.1 Summary of Findings - Background of Firms and Pertinent Issues**

Dimension	Findings
Family influence Family employment Shareholding	Extremely high Yes (21) Family members (immediate/extended)
Decision making	Family (17); Management Team (4); ultimately the shareholders, i.e. the family
Business drivers/Stimuli to entrepreneurial activity	Excess market demand (16); Expertise (5)
Source of start-up finance	Family/savings (19); Supplementary bank loans (3); Asian friends (3)
Financing past/future growth Perception of financial institutions	Retained profits; organic; supplementary loans Poor; Require to be more focused and empathetic
Influences impacting investment decisions	Industry attractiveness; growth; profitability; competitiveness
Investment areas targeted	Productivity gains (primarily in production)
Position of firm in supply chain Nature of product Customer profile Consumer profile Business planning Nature of competition Market research Generic strategy pursued	Intermediaries Standard vis-à-vis competitors (17) Asian; Mainstream Mainstream (20) Reactive (16); Proactive (5) High - domestic and international in nature (15) Informal; Passive (18) Cost Leadership
Business strategy pursued	Market Penetration; Market Development; Diversification
Physical business location Future importance of current location Languages - internal communications Languages - external communications Recruitment/staffing strategy Most pessimistic industrial sector Performance indicators adopted Future growth objectives	Amongst Asian firms (18) Low (17) Punjabi; Hindi; Gujarati; English Hindi; Punjabi; German and French <sup>29</sup> ; English Asian Community Network Textiles Profits; Sales (based on historical performance) Maintain (5); Moderate growth (7); Substantial growth (7)
Driving forces behind the business	Product; Personal qualities; Being close to the customer; Family
Importance of succession planning	High (15) - identified as a major issue of concern

<sup>29</sup> For internationally active firms.



## **7.0 The Process of Internationalization**

### **7.1 Introduction**

This section reports on the overall process of internationalization undertaken by the sample frame. It presents the study's findings relating to: why international opportunities were pursued; the basis on which firms screen international markets; the degree to which psychic/cultural distance influences target market selection; the key forces which influenced the internationalization 'go/no go' decision; specific factors experienced by firms which influence international growth and expansion; and the importance of Asian Networks in the internationalization decision-making process.

The findings contained in this section provided the writer with an important analytical contribution to the intelligence base regarding the 'process' of internationalization, which had/was taking place amongst the sample frame. This intelligence was drawn upon in order to present constructive recommendations to the firms and the various stakeholders.

### **7.2 Reasons for Internationalization - Objectives**

The majority of firms (8) became internationally active over the period 1990 and 1994 with a smaller peak of internationalization (5) emerging between 1975 and 1979.

The bulk of firms (11) sought international opportunities to satisfy growth and expansion objectives whereas other firms (8) sought to improve profit margins. This findings support Schmidt (1996), the OECD (1997), and Eyre and Smallman (1998) suggestion that internationalization is becoming recognised as a growth option by SMEs. Indeed Ansoff (1957), Luostarinen (1980) and Reid (1983) conclude that internationalization must be regarded as a complementary strategy for growth and survival.

However, it was identified that structural changes in the firms' respective industries and broader macro environmental factors were significant stimuli to internationalization. Indeed, this finding supports Bilkey and Tesar (1977), Rabino (1980), Kaynak and Kothari (1984), Bauerschmidt et al (1985), Rao (1990), Green and Larsen (1987), Miesenbock (1988), Joynt (1982), Hartland-Thunberg and Crawford (1982), Reid (1982), Cavusgil (1984), Olson and Wiedersheim-Paul (1978), Snavely et al (1964), Pavord and Bogart (1975), Bilkey (1978), Wiedersheim-Paul et al (1978), Bannock (1987), Barker and Kaynak (1992), Tesar (1975), Reid and Mayer (1980), Kaynak et al (1987), Simpson and Kujawa (1974), Reid (1980),



Weaver and Pak (1990), and Albaum et al (1989) who suggest that many SMEs pursue international opportunities in order to improve their competitive position and survival prospects in response to changes in industry structure and environmental forces.

Without exception, all firms which had decided to enter international markets (19) had an optimistic perspective. Internationalization was: a necessity for some firms for survival reasons; an ego trip for others; an opportunity for new business development for some; and a natural planned progression for proactive firms to satisfy defined growth and development objectives. Interviewees were unanimous in stating that 'product', i.e. the 'right' product, is critical for international success (see quotations in **Box 7.1**).

### **BOX 7.1 - Reasons for Becoming International**

**002** - (Year: 1988) *"We internationalized when the Berlin wall came down. This is when the real big boom came. This is when we totally concentrated on the European market. The objective was to trade. Because of East Germany, whatever we were making was going like a Hot Cake. It was an opportunity to develop the business. We thought that Russia would open up more and we felt that there would be more demand for our products and we would have a good channel to enter the market. But it didn't happen. Now we realise that that was all a dream."*

**010** - (Year: 1978) *"My objective was to spread our goods all over the world. Ego. Initially I was very thrilled and excited. I can remember that once we went on holiday to Greece and we went into a sports shop and our wrist bands were hanging there. It was a fantastic feeling."*

**016** - (Year: 1992) *"Our objective was to balance company sales and not be so affected by UK recessionary influences. I was optimistic, if others can do it, I cant see why we couldn't. But it was a learning curve that took us a while, we had no one to hold our hand, we learnt the hard way, we made a lot of mistakes, but some of these mistakes are helping us now; mistakes such as, doing exhibitions we shouldn't have done, and taking on people we shouldn't have taken on."*

**019** - (Year: 1992) *"The objective was to keep the existing business and grow. The industry was going this way (international), we had little choice. At around the time when the Japanese were introducing Pan European activities, because Nissan was 60% of our business, the threat was there that we may loose this business, the important decision at this time was that we look at other customers so that we could reduce the risk to the business. It was at this time we spread our wings and actively went looking for other European customers. We have achieved this and we now don't have all our eggs in one basket."*

Ten (10) firms were anticipating that international activities would make a considerable contribution to the firm's future growth. This supports the suggestion of many researchers (Hunt et al, 1967; Bilkey 1978; Cavusgil and Nevin 1981; Ogram, 1982; Czinkota and Johnston, 1983; Piercy, 1983; Cavusgil, 1984; Dichtl et al, 1984; Axinn, 1988; Withey, 1980, Brasch, 1981; Tesar and Tarleton, 1982; Edmunds and Khuory, 1986; Weaver and Pak, 1990; Perkeft, 1963; Simmonds and Smith, 1968; Bilkey and Tesar, 1977; Lee and Brasch, 1978; Cavusgil et al, 1979; Gronhaug and Lorentzen, 1983; Sullivan and Bauerschmidt, 1989) that active exporters perceive internationalization as important to the firm's growth and profitability.



A combination of 'push' and 'pull' factors were identified as influencing internationalization decisions - factors such as the exchange rate fluctuations and European Union changes. Amongst those interviewees who were less optimistic about international activities, there was a feeling that they were becoming increasingly restricted to the domestic market where competition was intensifying. These firms were unable to identify a way forward for their business because factor costs were making them less competitive vis-à-vis their international competitors (see quotations in **Box 7.2**). This finding highlights the need for support agencies to facilitate changes in management attitudes and provide assistance orientated around generating management paradigm shifts to seek new opportunities and enhance competitiveness. This suggestion supports the conclusions of Birch (1979), Bannock (1981), Curran and Stanworth (1986), Storey and Johnson (1987), Bannock and Peacock (1989), Carter et al (2000), and Stanworth and Gray (1991) who recommend active policy maker support to assist SME growth and development.

### **BOX 7.2 - International Activities**

**002** - *"As the pound has got stronger we have been forced to focus on the domestic market. It depends very much on currency issues and peoples views of the UK, they now see us as being very expensive, they may never come back, the market may go."*

**007** - *"Changes in international trade will impact my business quite a lot. Directly it is cheaper for me to import from the Far East. Indirectly, because the people I am selling goods to are selling to European countries they are not getting orders because of the strength of the pound. They are suffering so I will suffer."*

**010** - *"The contribution that International activities make to this business all depends on the exchange rate. We are now supplying to the UK market only. Internationally it is very competitive. Because of the value of Sterling we have lost international customers to competitors from cheaper labour cost countries, for example, Portugal, Spain, Italy. It will be very difficult to get them back unless the pound devalues."*

**015** - *"International activities will become a major part with regard to making decisions but information and market research is needed. Currently international activities account for ten to fifteen percent, the target is to grow this. We need to be more aggressive both on the supply and sourcing sides of the business."*

### **7.3 International Market Screening Criteria**

Most firms (17) stated that their key international market screening criteria was governed by the other party's ability to pay/deliver and the development of a long-term mutually orientated relationship. Generally, these factors were fundamental considerations for all interviewees when considering international business per se. Indeed, this finding supports Bannock's (1987) findings which highlight finance and payment delays as major problems facing UK exporters.

Interviewees considered the holistic situation and relationship's atmosphere in order to



undertake a mental 'cost-benefit' analysis on which the internationalization decision would be based. It is interesting to note that only one (1) firm drew attention to the need for written contracts and agreements to safeguard relationships. The majority of interviewees focused on the intangible 'management', 'people' and 'relationships' side of doing international business. These findings support the findings of other researchers concerning the factors affecting the internationalization 'go/no go' decision (Bilkey, 1978; Cavusgil and Nevin, 1981; Tookey, 1964; Cooper and Klienschmidt, 1985, Alexandrides, 1971; Cavusgil, 1976; McGuinness and Stevenson, 1982; Brasch, 1981, Johnston and Czinkota 1982; Reid, 1983; Cavusgil and Naor, 1987; Yaprak, 1985; Rabino, 1980; Ogram, 1982; Johanson and Mattson, 1984; Lee and Brasch, 1978; Tesar, 1975). Indeed, trust and belief in the other party were factors which proved to be of critical importance to relationships and their longevity (see quotations in **Box 7.3**).

### **BOX 7.3 - Key Internationalization Screening Criteria**

**002** - *"In trade, making any decision, it doesn't have to be international, it is your cool understanding, you have to have the confidence that the other party will deliver. You have to look beyond the person and see the potential of the market that they are in, can they sell the product? Only when this is true is it good for you, otherwise you are in difficulties. You need to look at the full situation."*

**004** - *"The atmosphere has got to be congenial and acceptable to both. This reflects whether or not you can make a deal. But our business is not one deal we seek a partnership for the long-term."*

**009** - *"We will supply any country so long as our customers will pay us. We have to make sure they are going to be good customers, we take references about their standing and the people running the business."*

**011** - *"At the end of the day all products are virtually the same, it is the quality of service that people come back for. Customer loyalty is built up for a number of reasons over a number of years - familiarity: environment, faces, they know you are accessible, your services, your responsiveness to hick-ups, if an apologies necessary they know they will get it. It is a trusting relationship and a partnership. Mutual orientation is essential."*

**018** - *"We seek to gain confidence in the customer and their trustworthiness. You can never tell really. We would need to be comfortable with them, we would need to know about their background, we wouldn't deal with cowboys or dodgy customers, we would deliver small quantities until we felt comfortable with the relationship. Then we would supply on a more regular basis in larger quantities. I will not sell to any Tom, Dick or Harry. It is based on referrals and knowing who I am going to be dealing with. They have to manage things at their end. This is important because it is very difficult fighting a legal battle with companies overseas for money owed."*

#### **7.3.1 The Importance of 'Psychic/Cultural Distance' in Market Screening**

As highlighted in **Section 6.4**, most firms (12) dealt with mainstream 'customers' and, with the exception of only one (1) firm, the balance (20) supplied products targeted at mainstream 'consumers', i.e. products' appeal was universal.

From an 'export/supply' perspective, the study revealed that of the firms which were internationally active (16) the bulk targeted Europe which accounted for the greatest



proportion of their international sales revenue. This was regardless of the firm's industry sector. Indeed, of the firms which were not internationally active (5), all stated they would seek to supply European countries. Interviewees believed Europe represented the best international market for the firm's products and services (see Table 7.1). This finding is contrary to what scholars in agreement with the importance of '*psychic distance*' to the internationalization of the firm would expect to have observed (Johanson and Vahlne, 1977; Johanson and Wiedersheim-Paul, 1975; Hornell, Vahlne and Wiederheim-Paul, 1973; Nordstrom and Vahlne, 1992; Johanson and Vahlne, 1992; Luostarinen, 1979; Puxty, 1979; Kogut and Singh, 1988). Indeed, based on the ethnicity of the interviewees, one would have expected to observe firms predominantly targeting nations where the national culture was similar to a '*Indian*' culture per se as defined by Hofstede (1980) and Tayeb (1984 and 1988).

From an '*import/sourcing*' perspective, differences in international 'supply' markets did emerge primarily, because of industry sector differences: firms operating in the Textiles sector (13) predominantly sourced materials from South East Asia. For these firms, sourcing emerged to be based on product, quality, and price factors. The firm operating in the Food Processing sector was driven to source product globally where sourcing was driven by availability of product. The internationally active IT related firm endeavored to source within the European Community (EC) primarily due to competencies in production and manufacturing technology being located in this region. Finally, the Engineering, Automotive and Other Manufacturing firms (5) predominantly sourced within the UK and EC.

These findings highlight that, although the firms can be classified as '*UK Indian*' firms, they do not primarily adopt Market Screening criteria orientated around selecting international markets (export and/or import) which are considered to be psychically similar to '*their*' ethnic origins, i.e. India. Rather, it emerged that a considerably larger proportion of the international markets, especially markets which the firms supply via exports, are '*psychically*' closer to the UK than India - and arguably with European Union (EU) integration are generally much closer psychically to the '*UK*' than '*India*' at a national culture level.

However, as stated in Section 6.4, it was identified that a number of firms (predominantly within the Textiles sector) did have international 'customers' per se who shared similar (if not identical) cultural norms to the interviewee. This suggests that from a psychic distance perspective interviewees chose to engage in international business transactions with specific '*sub-cultures*' within selected international markets (Section 9.0 discusses Social and Ethnic Ties and their influence on international business development and growth in more detail).

**Table 7.1 International Markets<sup>30</sup>**

'Export' Markets	'Import' Markets
<p><b>Textiles (13 Firms):</b></p> <ul style="list-style-type: none"> <li>◆ UK</li> <li>◆ Eire</li> <li>◆ EC (7)</li> <li>◆ Holland (6)</li> <li>◆ Germany (7)</li> <li>◆ Austria</li> <li>◆ Belgium (6)</li> <li>◆ Finland (2)</li> <li>◆ Spain</li> <li>◆ Italy</li> <li>◆ Denmark</li> <li>◆ France (6)</li> <li>◆ Scandinavia (3)</li> <li>◆ Russia</li> <li>◆ Canada</li> <li>◆ Sweden (3)</li> <li>◆ Saudi Arabia</li> <li>◆ Global</li> <li>◆ US</li> <li>◆ Egypt</li>   <li>◆ Estonia</li> <li>◆ Malta</li> <li>◆ Dusseldorf</li> <li>◆ Hamburg</li> </ul> <p><b>Food Processing (1 Firm):</b></p> <ul style="list-style-type: none"> <li>◆ UK and EC</li> </ul> <p><b>IT Related (2 Firms<sup>31</sup>):</b></p> <ul style="list-style-type: none"> <li>◆ UK</li> <li>◆ Global</li> <li>◆ EC</li> <li>◆ South America</li> <li>◆ Israel</li> <li>◆ India</li> <li>◆ Middle East</li> <li>◆ South Africa</li> <li>◆ Germany</li> <li>◆ France</li> <li>◆ Norway</li> <li>◆ Belgium</li> <li>◆ Holland</li> </ul>	<p><b>Textiles (13 Firms):</b></p> <ul style="list-style-type: none"> <li>◆ China (4)</li> <li>◆ Hong Kong (2)</li> <li>◆ Taiwan (5)</li> <li>◆ Korea (5)</li> <li>◆ Singapore</li> <li>◆ Indonesia (3)</li> <li>◆ India (5)</li> <li>◆ Pakistan (2)</li> <li>◆ Philippians</li> <li>◆ Brazil</li> <li>◆ Mexico</li> <li>◆ Africa</li> <li>◆ Thailand (2)</li> <li>◆ Portugal</li> <li>◆ Bangladesh</li> <li>◆ France</li> <li>◆ Denmark</li> <li>◆ Rumania</li> <li>◆ Italy</li> <li>◆ Sweden</li> <li>◆ Japan</li> <li>◆ Tanzania</li> <li>◆ Zimbabwe</li> <li>◆ Zambia</li> </ul> <p><b>Food Processing (1 Firm):</b></p> <ul style="list-style-type: none"> <li>◆ Global</li> <li>◆ India</li> <li>◆ Australia</li> <li>◆ Turkey</li> <li>◆ US</li> <li>◆ Canada</li> </ul> <p><b>IT Related (2 Firms):</b></p> <ul style="list-style-type: none"> <li>◆ UK</li> <li>◆ EC</li> </ul>

<sup>30</sup> Figure in brackets indicates the number of interviewees which stated the country by name.

<sup>31</sup> Only one (1) firm operated internationally, markets shown relate to this firm.



<b>Engineering, Automotive and other Manuf. (5 Firms):</b> <ul style="list-style-type: none"> <li>◆ EC (2)</li> <li>◆ Global</li> <li>◆ Germany</li> <li>◆ Jersey</li> <li>◆ Ireland</li> <li>◆ Isle of Man</li> <li>◆ France (2)</li> <li>◆ Sweden</li> <li>◆ Austria</li> <li>◆ Norway</li> <li>◆ Finland</li> <li>◆ Argentina</li> <li>◆ Australia</li> <li>◆ South Africa</li> </ul>	<b>Engineering, Automotive and other Manuf. (5 Firms):</b> <ul style="list-style-type: none"> <li>◆ UK</li> <li>◆ EC</li> </ul>
--	---

Whilst the internationalization literature suggests that firms are likely to enter markets with 'low' psychic distance, especially during their initial international market development activities (Barkema et al, 1996; Morosini et al, 1998), on the surface this was not apparent for any of the firms from an export perspective when considering the sample frame as 'Indians'. However, when probing the dimension of 'international partners' in more detail, it became apparent that for some firms 'cultural similarities' were important.

Indeed, the study's findings support Sandstrom's (1992) suggestion that at a transaction and operational level 'sub-cultures' within a host nation with which firms engage is important, and the 'cultural distance' between the trading parties is a significant influence on the development of a successful relationship, i.e. empathy is critical to nurturing an effective 'exchange atmosphere'.

This finding supports the findings of Bell and Young (1998), Petersen and Pedersen (1997), Benito and Gripstud (1992), O'Grady and Lane (1996), Sandstrom (1992), and Andersen and Strandsov (1996) who report that firms in general do not enter foreign markets in accordance with successively increasing *psychic distance* as predicted by the Uppsala Model. The study's findings also support Langhoff's (1997) suggestion that psychic distance is not appropriate in explaining the internationalization behaviour of firms because it leads to confusion rather than solving the problems related to the understanding of a firm's behaviour in cross-cultural contexts. Indeed, it emerges that the concept itself should relate more to *individual cognitive thinking* (i.e. the decision-maker) than to the behaviour of the entire firm as suggested by researchers' supporting of the psychic distance proposition. Indeed, Langhoff's suggestion that it is more important to focus on the 'inter-cultural competency' of the firm in order to gain a better understanding of the firm's ability to succeed in multiple international markets is supported by the study's findings.

#### **7.4 Key Forces Driving Internationalization**

Of the firms which were actively operating internationally (16), the majority (14) did not proactively seek to become international, suggesting that a global vision and mindset was lacking (Maignan and Lukas, 1997). Most firms stated that unsolicited orders/enquiries had lead to the firms entry into international activity (see quotations in **Box 7.4**). This finding supports the findings of many researchers (Snaveley et al, 1964; Pavord and Bogart, 1975; Bilkey and Tesar, 1977, Bilkey, 1978; Wiedersheim-Paul et al, 1978; Kaynak and Kothari, 1984; Bannock, 1987; Barker and Kaynak, 1992) who suggest that unsolicited orders are a critical success factor (CSF) in export initiation. As stated in **Section 6.5**, for the majority of interviewees, planning both domestically and internationally is very much a reactive process with external influences driving firms to make short-term decisions. This findings contradicts Cavusgil's (1980) assertion that the process of initial internationalization for firms of all sizes is a more rational outcome of strategic market development. Indeed, as presented earlier, formalised planning processes were lacking in the bulk of firms and especially amongst the firms operating in textiles sectors. Market forces materialised as dictating the reactive strategic intentions in many of the firms which could be considered to be, as Melin (1992) suggests, the consequence of '*strategic opportunism*', a finding supported by Mitchell and Bradley (1986).

Indeed, many interviewees were unaware as to how their unsolicited enquiries were generated. It would appear that international demand factors governed the market screening criteria of international customers and influenced whether or not they were prepared to source from UK manufacturers/suppliers.



**BOX 7.4 - Key Force Driving Internationalization (1)**

**P001** - *"We were international immediately, there was demand, we received unsolicited orders, the customers found us. We didn't actively promote ourselves internationally. The enquiries came on their own from overseas. I don't know how they heard of us, possibly they saw our job advertisements in 'One to One' (industry magazine) or the machinery producers told them!"*

**009** - *"Before we entered Europe directly our goods were already there indirectly. I used to sell to wholesalers in London. People from Europe went to them and they bought my goods. They liked the quality and style of the goods and sourced us directly."*

**010** - *"The very first customer came to us via the machine manufacture, who gave them our name. He was a German chap living in London. Their business was buying textiles sportswear items from England and supplying all over the world. His previous supplier had let him down and he had a pile of orders, we couldn't supply the whole volume. Our very first order was for Bali, then West Indies, Australia, East Africa (Nairobi), Germany, Austria, Scandinavia. From day one, our first order made us international."*

**018** - *"It's not a case of what we want, it is more about wherever you get a good price or offer, whether it's France, Germany, Sweden, or in the UK, you take it. If the customer wants to buy and there is money in it we will sell. We have been very lucky, we never went out selling. We have been fortunate that people have been coming through our doors asking to see our range. It was important for the customer to have our garments to attract their customers. We went international via the wholesalers customers sourcing us directly, we have never exhibited our products at exhibitions."*

The remaining firms (in order of magnitude) cited: domestic competition, industry force and network contacts (1) as key factors influencing their internationalization. This last firm's experience supports Johanson and Vahlne's (1992) finding that interplay between actors in a foreign market and a local firm has resulted in many new firms entering foreign markets almost blindly, citing 'social' exchange processes as being key factors to the internationalization process. Whilst the other firms' driving forces for internationalization support the findings of Bilkey and Tesar (1977), Rabino (1980), Kaynak and Kothari (1984), Bauerschmidt et al (1985), Rao (1990), Green and Larsen (1987), Miesenbock (1988), Joynt (1982), Hartland-Thunberg and Crawford (1982), Reid (1982), Cavusgil (1984), Olson and Wiedersheim-Paul (1978), Snavelly et al (1964), Pavord and Bogart (1975), Bilkey (1978), Wiedersheim-Paul et al (1978), Bannock (1987), Barker and Kaynak (1992), Tesar (1975), Reid and Mayer (1980), Kaynak et al (1987), Simpson and Kujawa (1974), Reid (1980), Weaver and Pak (1990), and Albaum et al (1989) who report that international opportunities for many firms are pursued in order to improve the competitive position and survival prospects of the firm in response to changes in industry structure and environmental forces (see quotations in **Box 7.5**).



### **BOX 7.5 - Key Force Driving Internationalization (2)**

**P002** - *"Initially we bought locally but as the UK industrial supply base declined we had to buy from overseas. We had to respond to the changing market."*

**002** - *"Time has pushed me to be (international), to look into international trade, to export. Because local trade was dying out, it was getting very crowded here. We were forced because of competition and pricing."*

**005** - *"Our declining sales and survival has forced us to seek international opportunities. The UK's manufacturing industry is decreasing every year. It is a diminishing market. To keep up and expand the business we have to look internationally and the nearest is Western Europe. We are not currently international but we are actively seeking to become international."*

**011** - *"It (internationalization) evolved because the home market was saturated, there was fierce competition here. We were going through partial recession at the time, or depression, things were getting tough here and we thought lets look to an outside market and it just happened. It wasn't that we were successful domestically and we thought lets try and expand, I think that we were pushed into it to some extent."*

**019** - *"We do undertake certain initiations, i.e. we send samples out, but this is done in response to unsolicited enquiries from other businesses. Initially we were dealing in the UK only. The Japanese manufacturers like Nissan began globalizing and pan European programmes started emerging. This took us international. It was the centralisation of their core purchasing activities, that is how we moved, because we were supplying the UK we then had to deliver to international locations. We could have sat back, but the Germans, and other suppliers would have taken up the business. It was the changing structure of the industry we were serving which lead us to become international."*

It materialised that the decision-making processes underpinning international growth and development activities were dependent more on emergent developments and chance than on formal rational strategic thinking (Newbould et al, 1978; Olson and Bokor, 1995; Berry, 1998). Indeed, the study's findings support Wiedersheim-Paul et al (1978) and Olson and Wiedersheim-Paul's (1978) conceptual framework of the factors which influence a firm's pre-export decision-making behaviour, i.e. external or internal 'attention evoking' stimuli which act as 'triggering cues' in decision-making. It also supports their suggestion that the firm's actions are dependent not only on the characteristics of the firm and the environment in which it operates but also on the characteristics (and *cultural* background) of the individual decision-maker.

### **7.5 Pro-active Internationalization**

Only four (4) firms were pro-active in planning their internationalization and did so (or were doing so) to seize international opportunities in order to grow and develop the firm. They had identified growth opportunities through sourcing from (i.e. importing) or selling directly to (i.e. exporting) international suppliers and/or customers. By reducing the number of intermediaries in their supply chain, the firms were able to make better informed decisions with regard to international growth and development opportunities (see quotations in **Box 7.6**). This finding supports the findings of Yaprak (1985), Daniels and Goyburo (1976),



Bilkey (1987), Axinn (1988), Angelmar and Pras (1984), Dichtl et al (1984), Garnier (1982), Tookey (1964), Tesar and Tarleton (1982), Cunningham and Spigel (1971), and Topritzhofer and Moser (1979) who suggest that decision-maker attributes are important in international success, attributes such as - international contacts, overseas travel, knowledge of international markets, etc. Indeed, this finding supports the suggestion of many researchers (Hunt et al, 1967; Bilkey 1978; Cavusgil and Nevin 1981; Ogram, 1982; Czinkota and Johnston, 1983; Piercy, 1983; Cavusgil, 1984; Dichtl et al, 1984; Axinn, 1988; Withey, 1980, Brasch, 1981; Tesar and Tarleton, 1982; Edmunds and Khuory, 1986; Weaver and Pak, 1990; Perkeft, 1963; Simmonds and Smith, 1968; Bilkey and Tesar, 1977; Lee and Brasch, 1978; Cavusgil et al, 1979; Gronhaug and Lorentzen, 1983; Sullivan and Bauerschmidt, 1989; Carter et al, 2000) that active exporters perceive internationalization as important to the firm's growth and profitability. Indeed, Carter et al (2000) identified that SMEs per se have concerns about access to overseas markets and developing the international dimension of the firm.

#### **BOX 7.6 - Pro-active Internationalization**

**004** - *"An opportunity presented itself. We were seeking suppliers. We approached well known brand manufacturers directly to cut out the middleman. Then other suppliers came to us via their sales force and agents. We also approached the embassies for supplier details. Initially we couldn't buy directly from the supplier because we were not large enough to buy a whole container, but as we got larger we were and they were pleased to serve us."*

**007** - *"We internationalized to cut out the middle man and improve our margins. We wanted to grow and develop the business and improve our competitiveness. When I started, YKK was the main supplier of zips and they had a sole UK distributor. I started importing the same article from their company in Italy and elsewhere. The UK office found out and stopped me, but their patent ran out and Taiwan wanted to produce that kind of zip so I sourced it from them. There is always a way around it, if someone has got the urge to do it then they will, but you need luck and Gods grace."*

**016** - *"What we didn't want was all our eggs in one basket, because we had gone through two recessions and we didn't want to keep going through the same thing where recession would keep setting us back. So we decided to pro-actively go out there and seek business abroad. We started by doing some exhibitions and had some response and the leads were followed up. Initially we also took on distributors, but we made some bad choices here because they did nothing. It was hard going initially. Its only been in the last four years or so that we have started to get a bit more professional and have the right set-up, the show room helps in communicating what we do and what we expect our distributors to sell. We now lay down the law with distributors with regard to targets because over the last six years we have now established our products, whereas before we were chasing people to be our distributors. Its taken seven years to develop a sound reputation for distributors to want to be our distributors. This is the best way, but it takes a long time to get it to this stage."*

It was identified that only one (1) firm could be categorised as a 'global start-up', i.e. the firm had entered a global supply (i.e. export) market from day one of activity.



## 7.6 Key Problems Affecting International Growth & Expansion

The key problem which many firms (10) stated they faced focused on the strength of 'Sterling' vis-à-vis other currencies. Interviewees stated that the UK Government must address this issue if UK manufacturing is to be able to compete with international competitors who have lower factor costs (see quotations in **Box 7.7.**). The high value of Sterling was also identified as restricting the markets which interviewees could realistically supply, especially since 'price' is always a consideration in the customers buying behaviour characteristics. It was identified that the firms which focused on the value of Sterling to be competitive internationally (i.e. adopted a '*Cost Leadership*' based generic strategy as suggested by Porter (1980)) - clearly recognising that they would constantly face competitive pressures from suppliers of similar goods who reside in less developed economies where factor costs of production are lower - could be regarded as pursuing reactive and short-term strategies (see **Section 6.4** and **Section 8.9**) to defend themselves against their international competitors, strategies governed by an external dimension which they have little if any direct control over, i.e. exchange rates. There appears to be a need for many of the firms to reposition their products/business based on '*differential advantages*' vis-à-vis competitors and develop '*switching costs*' for their customers - real or perceived.

The study's findings supports the findings of many SME researchers who highlight that many of the barriers to growth and development are internal, suggesting that factors generally stem from management inadequacies (Scase and Goffee, 1980; Boswell, 1973; Bosworth and Jacobs, 1989; Mendham and Bannock, 1982; Wheelen and Hunger, 1995; Barber et al, 1989; Storey, 1994; McGee, 1989; Bell, 1994; Berryman, 1982). Indeed, the study supports the findings of many researchers (Dichtl et al, 1990; Crick and Chaudhry, 1995; Mitchell and Bradley, 1986; Tookey, 1964; Cavusgil and Naor, 1987; Bilkey and Tesar, 1977; Kirpalani and MacIntosh, 1980; Piercy, 1981; Kaynak, 1985; Ito and Pucik, 1993; Reid, 1982; Ali and Swiercz, 1991; Liouville, 1992; Keng and Jiuan, 1989; Ortiz-Buonafina, 1990; Garnier, 1974; Cavusgil, 1976; Withey, 1980) who suggest that underlying deficiencies in internal resources and abilities limit the extent of SME international orientation.



**BOX 7.7 - Key Problem**

**P002** - *"The UK is very expensive with regard to production inputs therefore this rules out many markets for our products. If UK factor costs were lower we would consider other markets."*

**002** - *"My headache, as is everyone else's, is that the Pound (£) is too strong. The product that we make here when we sell it into Europe is too expensive. This is beyond our control."*

**010** - *"Exchange rate is **THE** problem, this is why we are suffering at the moment. We are forced to focus on the UK market, this is why we are thinking about international production in Rumania."*

**011** - *"I would really like to cease trading all together because it is getting very, very aggressive, and very competitive. The competition is getting hungrier and hungrier, more ruthless, and unethical. I think in about 12-18 months I will probably wind the business down and diversify. I am currently looking at two possibilities in totally different sectors to textiles. The foreign exchange rate makes it more advantageous for us to import here."*

Additional internationalization problems concerned: recruitment of 'quality' human resource; sourcing quality suppliers; lack of capacity; and finance. On reflection, the bulk of interviewees (14) stated that they would not change any of the decisions which they had made in the past which have affected their firm's performance. It was identified that the majority of interviewees accepted the firm's disposition whether it be positive or negative and saw it as part of the risk of being in business, and a key characteristic of being an 'entrepreneur' and businessman (see quotations in **Box 7.8**).

**BOX 7.8 - Internationalization Decisions in Hindsight**

**006** - *"I think I made a good decision, the best decision I ever made because I'm making a good living. No regrets."*

**009** - *"I don't regret anything. It has always gone smoothly, climbing up and up. Every day problems are always there, but this is part of business."*

**011** - *"Internationalization, today is essential, you cannot survive without it, especially when we are moving with this country into the EEC, with a single currency, you cannot swim against the current, you won't survive, the current is too strong. I have no regrets. I feel that we could have more support from various agencies, whom... I don't know."*

**014** - *"I've never really thought about it. I am a business man. I take risks."*

**7.7 The Importance of Asian Networks to Internationalization**

With regard to the firm's internationalization process, the majority of interviewees (10) stated that 'the Network' was very important prior to internationalization in order to acquire information - i.e. minimise risk and provide reassurance - which provided input for the decision-making process, although seven (7) interviewees stated that 'the Network' was of no assistance.



However, over the process of internationalization, it emerged that the importance '*status*' of '*the Network*' fell from '*important*' to '*relatively important*' (7) with more interviewees (7) stating that its importance became more '*situation dependent*'. It emerged that once firms were operational and established international players (for the bulk of interviewees) the role of '*the Network*' became marginal and very much situation specific. This would suggest networks do serve an initial role to reduce risk, minimise losses, and maximise success possibilities, i.e. they are important from the perspective of making an informed business decision. This finding supports the findings of Anderson (1999), Simmonds and Smith (1968), Laage-Heflman (1989), Jones (1999), Malecki and Veldhoen (1993), Hakansson (1989), Perry (1996), Birley (1985), Aldrich and Zimmer (1986), Tjosvold and Weicker (1993), and Lindqvist (1988).

Overall, the study's findings with regard to '*networks*' per se support past studies which suggest that for SMEs networking and the leverage of networks to the firm's advantage is an important characteristic trait of SME owner/managers (Mintzberg, 1973; Agiular, 1967; Peterson and Rondstadt, 1986; Granovetter, 1973/1982; Mitchell, 1973; Rogers and Kinkaid, 1981; Knone and Kuklinski, 1982; Johannisson and Peterson, 1984; Von Hippel, 1985; Aldrich et al, 1989; Szarka, 1990; Von Hippel, 1985; Hauschildt, 1992; Coviello and Munro, 1997). Indeed, the study supports the findings of Scott (1985) and Melin (1987) who suggest that there is considerable overlap between the decision-maker's personal network and those of the firm.

The findings of Piorre and Sabel (1984) and Dick and Morgan (1987) who report that networks and family ties are utilised by SMEs and contribute to their success are also supported by the study's findings. Indeed, Blankenburg's (1992) and Johanson and Vahlne's (1990 and 1992) suggestions that networks can provide a realistic avenue to international growth are also supported. These findings suggest that the concerns which Curran et al (1991) present over the meaning of the term '*network*', the extent of its coverage and its relevance to SMEs requires closer investigation. Indeed, the study supports Ram's (1994) suggestion that the popularity of the '*networks*' notion is significant in the debate on ethnic minority enterprise.

However, it should be noted that the network was not perceived by interviewees as a 'be all and end all' to internationalization and long-term success in international (or domestic) markets. Rather, interviewees perceived the network as a resource which can be accessed to assist decision-making processes if need be (Andersen and Kheam, 1998). It was identified that interviewees also considered the network to be a '*double-edged*' sword; not



necessarily very reliable and accurate in dissemination of information, and possessing many hidden personal agendas not necessarily aimed at safeguarding one's own personal interests. This supports Smith's (1894/1986) suggestion that mutual suspicion and absence of sincerity are characteristics of network relationships and that trust is neither absolute nor unconditionally given. Consequently, trustworthiness can be considered as essentially tentative and transient with personal trust requiring continual renewal. Indeed, Ram (1994) concludes that Asian networks are a basis for competitive advantage and competitive disadvantage (see quotations in **Box 7.9**).

### **BOX 7.9 - The Importance of Networks to Internationalization**

**002** - *"When we first came to the UK networks worked because (for example) a man may come from my village (in India) to a man in Wolverhampton (from the same village in India) who would help get him a job. But from then on it was up to that individual to develop himself, as it was for me. The network did play a role in the mans life but his life now begins from there, and it has nothing to do with the network. However, we (Indians) are capable of using the network to help partly, although initially it is very important. The real crunch is as the business grows it becomes less important."*

**003** - *"They can be useful. It all depends on the situation and your needs. They are not everything though."*

**004** - *"Dilution is natural (in the use of networks) as the firm grows. As your experience increases your know-how improves. Then your decision-making machinery changes. Networks are not as critical as they were when we were small. They are still critical but not to the same extent. It remains a help."*

**005** - *"With regard to networking I believe you can drop in and out. I prefer it this way."*

**007** - *"When the business gets to a certain stage and is established with a reputation then you have to be very careful (in using the network). You can only go to certain people, even within the family, to discuss issues. You actually become more vulnerable in a way. It very much depends on the situation."*

**015** - *"Every firm is influenced by networks, the degree and extent of importance change based on the situation which presents itself."*

## 7.8 Summary

Table 7.2 provides a summary of the findings presented in this section on the 'process of internationalization'.

Dimension	Findings
International planning	Reactive
International objectives	Growth and expansion; Improve survival and profitability opportunities
Internationalization drivers	Push factors; industry structural changes; international competitors entering domestic market
International perspective	Optimistic
International CSFs	Product; Overall service
Key problem	Exchange rates; Strength of Sterling
Fundamental issues - Screening Criteria	Payment; Delivery of supplies; Scope for long-term mutually orientated business relationship
Operational issues - Screening Criteria	Trust; People
Psychic Distance issues	'Sub-cultures' are more significant in international decisions than 'National' cultures
Key international export markets	Europe
Import markets	Global - driven by industry dynamics and pursuit of factor cost improvement gains
Dominant generic strategy	Cost Leadership
International problems/headaches	Identifying quality HR; Sourcing quality suppliers; Finance; Lack of local production capacity for international market consumption/supply
Importance of Asian Networks	Initially high and diminishes as the firm becomes established as an international player. They influence the 'go/no go' decision



## **8.0 Extent and Characteristics of Internationalization**

### **8.1 Introduction**

This section presents the study's findings relating to the sample frame's extent and characteristics of internationalization. The section appraises the study's findings relating to: the interviewees experience in and exposure to international activities; resource deficiencies hindering international growth; the extent to which firms sought internationalization advice and guidance; the foreign market entry and development strategies (FMEDS) pursued by firms; the extent to which firms were domestically orientated vis-à-vis internationally orientated; whether firms would consider foreign direct investment (FDI) as a viable FMEDS; the perceived critical success factors (CSFs) associated with managing international activities; the reasons for withdrawal from specific international markets; international markets which are perceived to offer future international growth opportunities; interviewee attitudes with regard to the Indian sub-continent as a viable international business opportunity; and what interviewees believe Government support agencies require them to do in order to assist their firms to enhance their international business performance.

The findings contained in this section provided the writer with a contribution to the intelligence base from which constructive recommendations to the firms and the various stakeholders were devised.

### **8.2 Extent of International Business Experience and Exposure**

Most interviewees (11) had no international business experience prior to their decision to seek international opportunities. Of those interviewees who had subsequently gained international experience, the majority (6) had gained it through '*hands-on*' experience via their international business dealings; one (1) had gained international exposure through employment and another had gained an insight to international business by attending a seminar focusing on the financial aspects of international business. In general, interviewees had no formal training or education in international business, it was very much a '*hands-on*' reactive introduction and experience. This finding supports the notion that prior to commencing international activities many SME managers lack an international business orientation which many researchers considered as a barrier to initiating international activity (Dichtl et al, 1990; Crick and Chaudhry, 1995; Tookey, 1964; Reid, 1982; Cavusgil and Naor, 1987; Bilkey and Tesar, 1977; Kirpalani and MacIntosh, 1980; Piercy, 1981; Kaynak, 1985; Ito and Pucik, 1993; Ali and Swiercz, 1991; Liouville, 1992; Keng and Jiuan, 1989;

Ortiz-Buonafina, 1990; Garnier, 1974; Cavusgil, 1976; Withey, 1980; Simpson and Kujawa, 1974; Pavord and Bogart, 1975; Dichtl et al, 1983; Schlegelmilch, 1986; Bradley, 1984; Axinn, 1988; Aaby and Slater, 1989; Pinney, 1983; Reid, 1983; Cheong and Chong, 1988; Moon and Lee, 1990; Wiedersheim-Paul et al, 1978; Holzmuller and Kasper, 1990; Ogram, 1982; Dichtl et al, 1984).

Indeed the findings support Anderson's (1999) suggestion that agency support, in order to overcome many of the barriers to internationalization, must be more focused on the specific needs of firms (and their owner/managers) at the various stages of internationalization (see quotations in **Box 8.1**.)

### **BOX 8.1 - International Experience**

**005** - *"I have been to seminars and my importing experience has familiarised me with the documentation and payment issues. We haven't imported raw materials for production, it was finished machines for production processes from India. This is our only experience of importing."*

**016** - *"It (internationalization) was a learning curve that took us a while, we had no one to hold our hand, we learned the hard way, we made a lot of mistakes, but some of these mistakes are helping us now, i.e. mistakes: doing exhibitions we shouldn't have done, taking on people we shouldn't have taken on."*

**019** - *"Its (internationalization) all been a learning curve. My employment experience has been of extreme benefit to me. We talked to friends (about international issues) and kept our eyes open generally."*

### **8.3 Internationalization Resourcing Problems**

The majority of internationally active firms (10) cited lack of international experience as being the major internationalization resourcing problem prior to and during the early phase of international activity. Other shortages related to: skills, industry knowledge, technical knowledge, and language deficiencies. In addition, some firms felt they lacked financial resources to capitalise upon international opportunities. It was identified that regardless of the problems and hurdles which the firms experienced, interviewees recognised that nobody else would sort them out on their behalf. It was identified that interviewees possessed a 'solutions' orientated mind-set to overcome any hurdles they faced.

The study's findings support many of the results presented by researchers regarding the problems experienced by firms and the barriers to export initiation and growth (Czinkota and Ricks, 1981; Bannock, 1987; Bodur, 1986; Cannon, 1980; Dichtl et al, 1984; Walters, 1989; Tesar and Tarleton, 1982; Axinn, 1988; McFarlane, 1978; Seifert and Ford, 1989; Rosson and Ford, 1980; Erramilli, 1990; Weinrauch and Rao, 1974; Karafakioglu, 1986; Keng and Juan, 1989). In addition, the study's findings also support the suggestions presented by



Boswell (1973), Wheelen and Hunger (1995), McGee (1989), and Berryman (1982) that the most pervasive problems for SMEs which hinder expansion are internal and resource related, many of which stem from management inadequacies.

Indeed, the study also supports the findings of many researchers (Dichtl et al, 1990; Crick and Chaudhry, 1995; Mitchell and Bradley, 1986; Tookey, 1964; Reid, 1982; Cavusgil and Naor, 1987; Bilkey and Tesar, 1977; Kirpalani and MacIntosh, 1980; Piercy, 1981; Kaynak, 1985; Ito and Pucik, 1993; Ali and Swiercz, 1991; Liouville, 1992; Keng and Juan, 1989; Ortiz-Buonafina, 1990; Garnier, 1974; Cavusgil, 1976; Withey, 1980) who suggest that underlying deficiencies in internal resources and abilities limit the extent of SME international orientation (see quotations in **Box 8.2**).

### **BOX 8.2 - Internationalization Resourcing Problems (1)**

**P001** - *"The main issue for this business was that we didn't know all the contacts and customers for this line of activity. We had no experience of the industry and technical competences were deficient for production, we hired this in, we recruited a ex-Philips specialist. It turned out he didn't understand the issues either."*

**010** - *"Language is an issue, if we could speak German, French and Scandinavian fluently we could have done a lot more business. In this business we have to understand each customers specific requirements in detail. Our international customers have to be English speaking because our work involves a lot of different colours and designs, we cannot afford to get it wrong. Credit control and the management of exposure to financial risk is also important. We resolved these (international) issues through trial and error. We just carry on trying to do our best."*

**012** - *"Cash, this is always a problem. From a sourcing point of view we have to open a Letter of Credit (LC) to our suppliers, and LCs normally need to be opened, if you think about the supply chain, three months prior to shipping the goods (for a manufacturer), and it takes a month for the goods to arrive here, so from a financial commitment point of view our funds could be tied up for 4-5 months; which is quite a heavy burden to take on from a financial point of view, you need (financial) strength to do that. Other issues just flow on from this. If you have good financial backing to help you to import then there is really nothing to stop you so long as you have the staff who are going to go out there to do the business."*

**016** - *"We had no skills selling internationally. What happens, at this stage is you tend to take the first person (Distributor) that comes along without looking at their background and looking at what they are capable of doing. Payments was also an issue. Initially this was difficult, we just shook hands on deals, and credit was given. We found that they took the goods and did not want to pay. So instead of doing business we found ourselves chasing them around. We learnt from that and have now set the whole thing up professionally with Letters of Credit (LCs). So if people wanted to deal with us they had to do it on our terms."*

Only six (6) firms commented that they experienced no major problems when they internationalized. This was predominantly because of the approach and solutions they had implemented and established for their international relationships, such as the effective management and use of intermediaries and a professional approach to business management in general (see quotations in **Box 8.3**).



**BOX 8.3 - Internationalization Resourcing Problems (2)**

**001** - *"We had no major problems, we only deal with the third parties, that is Agents, because we never go to the source in the country. They always come to us to sell products."*

**011** - *"Skills one can always higher, skills are forever available, people who are working in this industry will advise you during the initial phases and later on they can be hired on a part-time basis, consultancy basis, and then on a full-time basis as the business grows. It is very very important to have the right people who know what they are talking about, the right language is critical. I don't have that expertise, what I do have an expertise in is common sense, that of a shopkeeper mentality, i.e. you buy something for £1 and you sell it for £1.25. I make sure I know my margins and focus on efficiencies and ensuring that people do their jobs. I also aim to keep customers happy and that my interests are protected. These are very very basic fundamentals. I haven't had any formal education in this area but I have found that these apply equally to running a corner shop or business employing 200 people. Intuition is what guides me."*

**8.4 Advice Sought on Internationalization**

Approximately half (10) of the firms had sought advice with regard to improving international performance from external organisations and/or individuals. Many were not aware of what advice was available and others who had secured advice were not impressed with its value or relevance to their firm. Many of the interviewees believed it to be more beneficial to undertake activities themselves (see quotations in **Box 8.4**).

Most firms developed competencies and skills through experience and were reluctant to pursue support from mainstream support agencies. This finding is shared by Bell (1994), Watkins (1983), Carter et al (2000), and Hull (1987) who report that SME owner managers are less likely to seek external support and are highly sceptical of external advice. Indeed, the study supports the findings of Bragard et al (1985) who comment that whilst SME owners recognise the usefulness of professional help they are reluctant to use formal schemes. Indeed, Anderson's (1999) finding that for international business development local agencies are rarely seen as relevant is also supported.

Indeed, the suggestions of Marlow (1992) and Crick and Chaudhry (1995) that 'Support Services' need to be tailored for ethnic minority firms could be questioned given the generic similarities in deficiencies and characteristics of Indian SMEs to SMEs in general. The writer suggests that there would appear to be a need to establish the extent to which services actually require to be 'tailored', or whether it is more appropriate to 'package' and communicate support services uniquely (i.e. devise a distinct positioning strategy) with empathy at the core of the augmented product/service to penetrate ethnic segments. Nevertheless, the suggestions of Kirby (1988) and Leyshon and Turner (1988) for enhancing advice programmes remain valid.



**BOX 8.4 - Advice on Internationalization**

**007** - *"I have spoken to Business Link, and the BCCI, but I have found that nobody has been able to give me something I didn't know. I have not had a single penny grant from any body up to now. I don't think they are able to give me anything from which I can benefit. I think that if you want to learn about business you learn from other peoples mistakes."*

**009** - *"I don't believe in that (advice from Agencies). Nothing will be forthcoming so why bother. We work things out ourselves and leave it to God. It is within yourself to progress."*

**010** - *"A lot of advice is now available, the Government is spending a lot of money on this. Some firms many have genuinely benefited but I've heard all the advice. It is easy to give advice without the responsibility. I have never used them. I am very cynical of the advice which is dished out, the advice is very rarely given by people in the thick of business, mostly people who have never run a business, who get a fixed salary coming in each month. My employed jobs required me to give advice, now I am at the sharp end it is very different."*

**013** - *"They (Agencies) are useless and a waste of time. I was a TEC Director for two years. There is too much red tape. The companies that require help don't get it. It all costs money. They say they help us, but they don't, although it is subsidised I can do it myself. If I go through them I am paying four times the market rate and I am not in control because of the rules and guidelines."*

**016** - *"We have had a few bad experiences where consultants have come in and given us reports, but at the end of the day you still have to do it yourself. I don't need any of that. We think the best way to do it is ourselves, I quite enjoy this, its good experience. We may use them again, it depends on what our needs are. Most of them, no I wouldn't, I'd have nothing to do with them."*

**017** - *"I've tried before and it doesn't work for me. They are a waste of time. If anything they have held me back. Now that I have learnt a lesson, I have to be very careful with regard to where the advisor is coming from, what he does, and their background, their level of success, etc. They have to be vetted and managed very carefully. A few years ago we were approached by Business Link who undertook a two year study to produce a business plan for us. It was a complete waste of time. The quality of advice was very poor."*

**8.5 Adopted FMEDS**

Regarding the nature of international activity of those firms operating internationally: the majority of firms (7) purely sold product internationally (i.e. were exporters); four (4) firms purely sourced product internationally<sup>32</sup> (i.e. were importers); and five (5) firms both sold and sourced product internationally<sup>33</sup>.

'Exporting' and 'Importing' were identified to be the two (2) major forms of FMEDS adopted amongst the firms (16). Some firms did utilise Agents and Distributors to assist in international export and import activities. Only one (1) firm deployed 'Management Contract' as a form of FMEDS. It was identified that the key considerations in selecting a FMEDS were: the firm's degree of exposure to risk; investment costs; loss of control; top management time; the speed of entry/exit; resource requirements; and the degree of flexibility/ manoeuvrability the FMEDS provided the firm. A number of firms were reluctant to use Agents due to the negative experiences which they had had with such intermediaries

<sup>32</sup> One (1) of the firms contemplating internationalization was also seeking to purely source product internationally.



in the past (see quotations in **Box 8.5.**)

The study's findings support the results of Buckley et al (1979), Dudley and Martens (1993), and Schmidt (1996) who suggest that export operations constitute the first step in the process of internationalization, and could be considered as a stage which is critical to the firm's advancement to other forms of international business (such as licensing, joint ownership or wholly owned production abroad). As such, they deserve an effective business support infrastructure in order to nurture internationally competitive firms for the UK.

### **BOX 8.5 - International FMEDS**

**009** - *"We purely export, our goods go to every EC country as well as Finland, Russia, Canada. The EC is our most important market. We send goods to the Multiples distribution centre marked for individual stores in various countries and they distribute the products via their own distribution channels. We don't have Agents. We used to have Agents to sell around the country, but we lost a lot of money doing that. Agents are only concerned with their own commission. They will sell to anybody. A lot of businesses were going bankrupt, we lost £2.5M like this. We don't want Agents because it minimises our exposure to financial risk."*

**011** - *"We are traders, we do not import product it goes directly to our customers. We are basically a trading office. We provide sourcing skills, we source product and develop product and we provide the after sales service."*

**016** - *"We use distributors and purely export our product. We don't use Agents, we have had a bad experience with Agents. We have also tried setting up our own company in France which is still going but not doing very well, we have also tried this in Ireland. It just takes too much commitment and time, we find that Distributors have been the best method of tapping international markets."*

### **8.6 International Ventures Vs Domestic Ventures**

The bulk of firms (12) regarded international activities as similar to domestic activities and treated them inseparably. Only four (4) firms treated international activities as distinct from domestic activities. This finding supports the results of Dichtl et al (1990) and Crick and Chaudhry (1995) suggesting that SMEs per se (regardless of ethnicity) lack an international orientation. Those firms which did not differentiate between the two (2) areas of activity were predominantly driven by factor cost, industry forces and adopted reactive practices.

Consequently, export and import FMEDS were prevalent modes for the sample frame since they provided firms with a high degree of flexibility coupled with minimal risk (see quotations in **Box 8.6.**)

<sup>33</sup> One (1) of the firms contemplating internationalization was also seeking to *sell* and *source* product internationally



**BOX 8.6 - Nature of International Ventures Vs Domestic Ventures**

**005** - *"This venture (internationalization) is being treated very differently to our domestic activities. Primarily because we haven't done it before."*

**016** - *"We have people dedicated to managing the export side of our business. Besides me there are two others who purely deal with international activities."*

**019** - *"They (international and domestic activities) are on par. Its only when we have a new (international) customer, we have to screen them very carefully."*

**8.7 FDI as a Possible FMEDS**

The majority of interviewees (14) ruled out any possibility of overseas production<sup>34</sup>. Many ruled it out on personal grounds, where as others perceived it as a high risk/loss of control strategy which they would not be able to manage either effectively or efficiently (see quotations in **Box 8.7**.)

In general, the perspective of interviewees was significantly focused on maintaining a business which they could personally manage and control, a dimension which Lewis and Rout's (1998) findings suggesting that Asian firms are saturated in the ideology of the family would support. Overseas production was regarded by interviewees as alien and the domain of Large and Multi-National Corporations (MNCs) and an activity riddled with many difficulties which they felt they could not cope with due to internal management deficiencies.

A lack of understanding, technical skills, organisational structure, managerial competency, etc. emerged as factors which compounded this perspective, especially when genuine economic advantages existed for the firm through the pursuit of more committed forms of FMED. This finding is at odds with what Dunning (1980), Williamson (1981), and Petersen and Pedersen (1997) would expect to observe. Indeed, the finding can be argued to support Mitchell and Bradley's (1986) suggestion that export behaviour is unplanned, reactive and opportunistic; and McGee's (1989) conclusion that the most pervasive problems facing SMEs are internal and resource related when it comes to international expansion and development. However, the finding does support the findings of McDougall et al (1994) who established that in some international new ventures (INV) firms are reluctant to internalise activities at a point where economic benefits from internalisation would be generated. Indeed, the suggestions of Lee and Brasch (1978) and Tesar (1975) that SME decision-makers do not necessarily pursue rational economic goals and have long-term planning

horizons are also supported by the study's findings.

It can be argued that the *'family orientated mind-set'* had blinkered many interviewees' perspectives when seeking to grow the firm, i.e. the physical size of business is a decision which interviewees had already decided consciously or subconsciously and this governed their growth strategies and decision-making processes.

### **BOX 8.7 - Overseas Production**

**P002** - *"We would never consider overseas production because of our investment in the UK and the loss of control. This is not even an option."*

**009** - *"We would not consider it (international production). We do not want to move to the other side of this city. We are happy exporting. A business which is in your control is a business with which you can succeed."*

**011** - *"With the current business we would not consider it. We want to get out. With the new venture, we wouldn't. Too high a risk. It would be a nightmare."*

**013** - *"With regard to overseas production you have to trust the people. You need control. You need the right people, if you don't have any of these you can't do it. I have thought about it but I don't seriously think it is worth it because I lack these items."*

**018** - *"I don't want to leave Leicester. You face so many problems here running a business, even though everything is here, the cotton, yarns, fabrics, the workers, you still face problems. I wouldn't even dream of going somewhere else. It would take so much of your time, you wouldn't be back for months at a time. I'd miss the family. When I go on holiday overseas it doesn't make me want to do international business. All I want to do is come back to England, and home. There are far too many language barriers, it scares me to think about how I would cope with dealing with these people with different cultures and languages. Here you can talk to anybody, do business with anybody, and you know the laws."*

However, of the remaining firms, five (5) had seriously researched and investigated overseas production possibilities and were open to the possibilities of setting-up overseas production facilities<sup>35</sup>. However, a number of these firms did not believe they could resource the necessary commitment to set-up operations and manage them. Issues of risk, control, management, and the quality of personal life were important considerations in determining the *'go/no go'* decision (see quotations in **Box 8.8**). The study's findings are supported by the findings of numerous researchers (Bilkey, 1978; Cavusgil and Nevin, 1981; Tookey, 1964; Cooper and Klienschmidt, 1985, Alexandrides, 1971; Cavusgil, 1976; McGuinness and Stevenson, 1982; Brasch, 1981, Johnston and Czinkota 1982; Reid, 1983; Cavusgil and Naor, 1987; Yaprak, 1985; Rabino, 1980; Ogram, 1982; Johanson and Mattson, 1984; Lee and Brasch, 1978; Tesar, 1975; Eriksson et al, 1997) regarding the factors which influence SME internationalization *'go/no go'* decisions.

<sup>34</sup> This included two (2) firms which were not internationally active when interviews took place.

<sup>35</sup> One (1) of these firms was not internationally active when interviews took place.



**BOX 8.8 - Setting up an Overseas Plant (FDI)**

**010** - *"About twelve months ago I began investigating setting-up a manufacturing plant oversea in Rumania to produce the identical products. This will give a better profit margin against international competition. We cannot manufacture in the UK its too expensive, its a matter of survival. Our international relocation will involve the shipping of machinery from the UK. When I went to Rumanian I found out it was a lot cheaper over there with the current value of the Pound. So I have been doing a lot of field work and in a weeks time I will be returning to Rumania to rent premises and get some people, and organise the shipping of machines from the UK. It will all happen within the next three months."*

**015** - *"Before we would invest in overseas production we would have to ensure we have good management, a local understanding of the markets, the necessary quality of product, and ensure that output levels are achievable. We have investigated this possibility. We are planning a £10M expansion of the production facilities. We are looking at India and the Far East. However, control is an issue. It will probably be in the UK for these reasons but it will be a lot more costly."*

**016** - *"We wouldn't make the commitment, its not really worthwhile setting-up a manufacturing base elsewhere. Language could be a problem. I've thought about it. I've been to India but its getting the reliability. The amount of time you have to spend over there to set it up yourself. I don't need it. Its the hassle factor. I've looked at India and the Eastern block countries."*

**017** - *"Three months ago I went to New York, there is a very large Asian community there, I took some samples. The businesses sourcing embroidery are buying from India and Pakistan. But when they saw my quality of embroidery they were very keen to buy from me. The only problem is that we cannot take their orders because we have not got the capacity to supply. Then one of my friends suggested that we should set-up a similar company in New York to service that market. The only problem is that it is not very easy to start a company very far away. You need a lot of financial capital. I am thinking that in possibly 6-12 months time starting something in New York."*

**019** - *"This is difficult for our business. Design input is critical, it is the value-added activity. The only thing we would do overseas is production because of cost advantages. We will consider this as time passes. It makes a lot of sense. We have considered, India and Portugal. We are seeking to set-up a plant in India possibly. We did research on this in depth. However we are shying away from the Indian market now. My mind tells me not to do it. I don't trust the Indian market. There is a lot of red-tape, a lot of lining has to be done, that's the culture they are in. Things are very slow there. I have seen friends go there and spend millions of pounds which they have lost. It needs the politicians to change and stop theses activities. It is very very risky and dangerous. To be honest you don't get a lot of time in the day to look at this. It will take one of us out of this core business every year for a few months to set-up the infrastructure."*

The remaining two (2) firms which were not internationally active stated that overseas production (i.e. FDI) would be the only viable mode of FMED for their firm. These firms regarded overseas production as an appropriate FMEDS given the changes in their industry, the nature of their product, and the needs of their customers (see quotations in **Box 8.9**). They considered that FDI would be essential to make internationalization a viable economic business proposition.

This finding supports many researchers' suggestion (Tesar, 1975; Bilkey, 1978; Schlegelmilch, 1986; Sullivan and Bauerschmidt, 1991) that the proximity to a target market has the potential to influence export activity. Indeed, the study clearly identified that geographic and logistical dimensions relating to proximity of domestic and potential international markets influence a firm's FMEDS selection process. Indeed, the proximity and availability of transport and other infrastructural factors were important considerations for



these two (2) firms in their international decision-making processes, a dimension supported by the findings of Verhoeven (1988) and Samiee and Walters (1990).

Overall, this finding suggest that firms reach a 'state' of internationalization which will not necessarily remain unaltered due to backward or forward momentum. This is at odds with unidirectional models of internationalization presented by Johanson and Vahlne (1977), Forsgren (1989), and Welch and Luostarinen (1988). This conclusion actually reinforces Bell and Young's (1998) assertion that the nature and patterns of internationalization are contingent upon many internal and external environmental factors.

### **BOX 8.9 - Overseas Plant**

**006** - *"Although we are not international yet, I believe that the only way I could internationalize my business is by setting-up production units overseas. Speed of delivery and service is critical in this business. The furthest I could realistically supply with this plant is France. Transport would be one of the key costs. This will influence price, and it can make you competitive or expensive. This would make local production essential to remain competitive."*

**008** - *"We are not active internationally yet, but overseas production would be the only way I believe we could enter international markets, however, the risks are greater."*

### **8.8 'International' Critical Success Factors (CSF's)**

The bulk (15) of internationally active firms (16) stated that the product(s) which they sold and/or sourced internationally could be classified as 'standardised'. The remaining firm stated that its products had to be customised for its international markets. The critical success factor (CSF) which emerged as the most important amongst the firms was the 'overall service' which they provided. Other CSFs stated by interviewees were: design and innovation; their personal determination; sourcing skills; the product; the price; and one (1) firm simply stated 'overall professionalism'. As stated in **Section 6.6**, due to limited market research being undertaken by the firms, the views of the interviewees regarding CSFs are subjective in nature and may not reflect the true CSFs for the firms.

However, the findings of the study reinforce results presented by Cavusgil and Kaynak (1982) who suggest product quality, good personal relationships, frequent communication, long-term commitment, competitive pricing and good terms of sale/credit; and Bell's (1994) assertion that the possession of suitable products or technology, adequate human and financial resources and marketing related competencies (for example: good market intelligence and distribution, competitive pricing, communications with clients, customer care, etc.) are essential elements in contributing to survival and long-term export



development and success (see quotations in **Box 8.10.**)

### **BOX 8.10 - Critical Success Factors**

**017** - *"My father had always told me that if you want to do anything always do it right, never cut corners, otherwise you would never be successful. This has always been important to me. We now have the best machinery. We are now designing in-house, our quality is the best, our service is excellence. We use the best threads in the market. We offer the complete embroidery service. We are very flexible. Service is critical to our customers, we do not make any false promises with regard to delivery. We have established a good reputation in the market as a credible firm. The embroidery supply market is very competitive, there are a lot of people doing it. The market is so big, we are having a little success because we do not do what other people are doing. We are constantly inventing new things and bringing them to the market. This is why over the last four years we have grown very very fast."*

## **8.9 Withdrawal From International Markets**

Twelve (12) of the internationally active firms (16) had ceased trading with international markets, with the key driving force being increases in the costs of supply and/or decreasing profit margins, i.e. they were decisions based on economic viability. International demand and supply conditions were also identified as influencing international market entry/exit decisions. However, the majority of interviewees did state that they would resume business with markets from which they had withdrawn should the situation improve/reverse (see quotations in **Box 8.11.**). This suggests that many of the firms are highly sensitive not only to exchange rate fluctuations (see **Section 7.6**) but also the individual factor-cost conditions of markets. This finding is supported by past studies which have highlighted that adverse home market conditions, spare capacity, exchange rate fluctuation, etc. will also influence a firm's international reactions (Tesar, 1975; Bilkey, 1978; Wiedersheim-Paul et al, 1978; Rabino, 1980; Reid and Mayer, 1980; Joynt, 1982; Kaynak et al, 1987; Pavord and Bogart, 1975; Kaynak and Kothari, 1984; Simpson and Kujawa, 1974; Reid, 1980; Weaver and Pak, 1990).

### **BOX 8.11 - Withdrawal from International Markets**

**001** - *"At the moment I am not doing anything with Pakistan and India purely because they do not have the product I need at this time, however, over time this will change."*

**002** - *"We cannot close the door on any market. What you are selling may not be selling in certain markets today, however, in the future it may."*

**010** - *"It is only because the value of Sterling that we have stopped trading with all the countries which Taiwan is now supplying, i.e. mainly Asean and Middle Eastern countries. South East Asean competitors have begun to seek international customers and are far more price competitive than us."*

**012** - *"We used to buy heavily out of Korea but this has stopped now. I don't know whether it became more expensive or whether we could source it more cheaper, its usually a combination of the two. Quality was not the issue. Margin governs our buying decision."*

It was identified that from an 'export' perspective that firms had withdrawn from relatively few international markets. However, the reverse was true from an 'import' perspective (see **Table 8.1**). Indeed, an interesting finding was the number of firms which had withdrawn from India, Pakistan and Bangladesh. Their withdrawal was cited by the bulk of interviewees as being permanent. This finding is contrary to what scholars in agreement with the importance of 'psychic distance' to the internationalization of the firm would expect to have observed (Johanson and Vahlne, 1977; Johanson and Wiedersheim-Paul, 1975; Hornell, Vahlne and Wiederheim-Paul, 1973; Nordstrom and Vahlne, 1992; Johanson and Vahlne, 1992; Luostarinen, 1979; Puxty, 1979; Kogut and Singh, 1988). **Section 8.11** discusses findings relating to the nature of business opportunities with the Indian sub-continent in more detail.

Withdrawal from international markets (shown in **Table 8.1**) was not peculiar to any specific industry, rather it was across three (3) of the four (4) industry sectors represented by the sample frame.

'Export' Markets	'Import' Markets
<b>Textiles (13 Firms):</b> ◇ Asean Countries ◇ Middle Eastern Countries	<b>Textiles (13 Firms):</b> ◇ Dependent of price and quality ◇ None (3) ◇ India (6) ◇ Pakistan (3) ◇ Bangladesh (2) ◇ Vietnam ◇ Korea
<b>Food Processing (1 Firm):</b> ◇ None	<b>Food Processing (1 Firm):</b> ◇ India ◇ Pakistan
<b>IT Related (2 Firms):</b> ◇ Italy	<b>IT Related (2 Firms):</b> ◇ India
<b>Engineering, Automotive and other Manuf. (5 Firms):</b> ◇ None (1)	<b>Engineering, Automotive and other Manuf. (5 Firms):</b> ◇ None

<sup>36</sup> Figure in brackets indicates the number of interviewees which stated the country by name.



## 8.10 'New' International Market Development

Over the next three (3) years the overwhelming majority of firms (14) were seeking to develop new overseas markets, primarily in order to safeguard survival and grow and develop the firm as a whole. It was identified that through past business experience many of the interviewees were conscious of the effects which external influences could have on their business from both *push* and *pull* perspectives. The influences include, exchange rates, global economic factors, etc. They recognised that their business environment was rapidly changing and if they were to prosper and survive it necessitated the maximisation of opportunities as they materialise. It could be argued that this finding has uncovered a realisation by many of the firms that the adoption of reactive strategies is no longer sufficient and there is a need to overcome many of the factors highlighted by Berryman (1982) as leading to SME failure (predominantly internal) and genuinely perceive internationalization as a complementary strategy for the firm's growth and survival as suggested by Ansoff (1957), Luostarinen (1980) and Reid (1983) (see quotations in **Box 8.12**).

### **BOX 8.12 - New International Market Development**

**001** - *"We are always looking for more countries. We don't go out to (the market to) look, we attend exhibitions and go to representative stands. If they have what we need or like we will source it."*

**004** - *"It depends on the product. I will be developing a relationship with Brazil. The product leads you to the country. You are always lead by product. The supplier is Brazilian. As a businessman you will source supplies which will sell at a certain price in your markets, but you will buy from another market which will sell it to you for less allowing you to make a margin. You have to look for a niche."*

**007** - *"It all depends on product, price and quality. There has to be a profit margin for us. We source internationally to be competitive. If we do not remain and grow internationally we will not be successful."*

**009** - *"We will supply any country so long as our customers will pay us. We have to make sure they are going to be good customers. We take references about their standing and the people running the business."*

**012** - *"At present I am not actively looking but as the firm grows I will. The business is a handful as it is. I cannot afford the time to be way from base which the traveling would cause. Internationalization decisions are always made with regard to product. It is this that has to be sourced."*

**016** - *"Its (seeking international opportunities) just on going. We don't deal with America. It is something we are looking at. It is a very volatile market. You have to have your act together before you go in or you can loose a lot of money."*

**017** - *"We have had enquiries from France, Holland, Belgium, Germany, but at present we cannot supply to them. They heard about us through the UK wholesaler who we supply. They buy and see our products and enquire who manufactured them. This is how they find us and make the initial contact. We are seeking international markets because the enquiries we are receiving from international customers demonstrates that there are a lot of opportunities internationally for our business."*

Specific international markets which were cited as worthwhile targets to develop are shown in **Table 8.2**. An interesting study finding was that none of the interviewees cited that they

were contemplating developing or pursuing the Indian sub-continent as an international market. Again, this finding contradicts what scholars in agreement with the importance of '*psychic distance*' to the internationalization of the firm would expect to have observed, given the interviewees' place of ethnic origin (Johanson and Vahlne, 1977; Johanson and Wiedersheim-Paul, 1975; Hornell, Vahlne and Wiederheim-Paul, 1973; Nordstrom and Vahlne, 1992; Johanson and Vahlne, 1992; Luostarinen, 1979; Puxty, 1979; Kogut and Singh, 1988). Indeed, the study's findings contradict the suggestion presented by Crick and Chaudhry (1995) that ethnic entrepreneurs are more likely to start exporting to countries psychically closer to their roots (see **Section 8.11**).

The study revealed that firms were more focused on developing and penetrating European markets, which scholars in agreement with the importance of '*psychic distance*' to the internationalization of the firm would expect to observe had the firm been categorised as '*English*' and not '*Indian*', primarily because of Europe's low psychic distance from the UK.



<b>Table 8.2 International Market Development<sup>37</sup></b>	
<b>'Export' Markets</b>	<b>'Import' Markets</b>
<p><b>Textiles (13 Firms):</b></p> <ul style="list-style-type: none"> <li>• Always seeking new markets (5)</li> <li>• None (2)</li> <li>• EC (2)</li> <li>• Russia</li> <li>• Poland</li> <li>• France</li> <li>• Holland</li> <li>• Belgium</li> <li>• Germany (2)</li> <li>• US</li> <li>• Morocco</li> </ul> <p><b>Food Processing (1 Firm):</b></p> <ul style="list-style-type: none"> <li>• UK</li> <li>• EU</li> </ul> <p><b>IT Related (2 Firms):</b></p> <ul style="list-style-type: none"> <li>• None (1)</li> <li>• Always seeking new markets (1)</li> </ul> <p><b>Engineering, Automotive and other Manuf. (5 Firms):</b></p> <ul style="list-style-type: none"> <li>• Always seeking new markets (2)</li> <li>• US</li> </ul>	<p><b>Textiles (13 Firms):</b></p> <ul style="list-style-type: none"> <li>• Always seeking new markets (6)</li> <li>• None (2)</li> </ul> <p><b>Food Processing (1 Firm):</b></p> <ul style="list-style-type: none"> <li>• Always seeking new markets</li> <li>• Dependent on 'product'</li> <li>• Global</li> </ul> <p><b>IT Related (2 Firms):</b></p> <ul style="list-style-type: none"> <li>• EU</li> </ul> <p><b>Engineering, Automotive and other Manuf. (5 Firms):</b></p> <ul style="list-style-type: none"> <li>• None</li> </ul>

### **8.11 The Indian Sub-continent - Business Opportunity?**

A large proportion of firms (9) did stress major reservations about doing business with firms in India. Concerns focused around the '*nature of the business practices*' of Indian firms on the sub-continent and the '*business culture*' which exists. Interviewees stated that there is a need for these firms (i.e. those based in India) to enhance their professionalism and adopt a more mutually orientated approach to business transactions, an approach with a long-term trust orientated base structured around positive inter-partner relations (Demirbag and Mirza, 2000). Many were adamant that they did not wish to do business with firms from India because of their past experiences (see Section 8.9), an experience which interviewees cited many UK Indian firms are still experiencing even today (see quotations in Box 8.13).

This would support the views that UK Indian Enterprise culture cannot be regarded as similar to that observed on the Indian sub-continent due to UK socialisation having taken place (Jamel and Chapman, 2000; D'Astos and Daghfous, 1991; Cuellar et al, 1997; Reardon et al, 1997; Oswald, 1999)

As stated earlier this finding would appear to contradict what scholars in agreement with the importance of '*psychic distance*' to the internationalization of the firm would expect to observe given the interviewees place of ethnic origin (Johanson and Vahlne, 1977; Johanson and Wiedersheim-Paul, 1975; Hornell, Vahlne and Wiederheim-Paul, 1973; Nordstrom and Vahlne, 1992; Johanson and Vahlne, 1992; Luostarinen, 1979; Puxty, 1979; Kogut and Singh, 1988). Indeed, the study's findings do question the validity of Child's (1982) suggestion that South Asian culture per se has continuity over generations in different national settings.

The study's findings support the suggestions of Sekaran (1983), Rafiq (1988), and Engel, Kollat and Blackwell (1973) who present the argument that socialisation in a different national settings will influence immigrant attitudes over the generations. Indeed, the findings could be argued to support the suggestion made by Kerr, Dunlop, Harbison, and Myers (1976) that, as societies develop their management styles will converge towards a style adopted in the Western countries (Hofstede, 1980; Tayeb, 1984; Tayeb, 1988).

---

<sup>37</sup> Figure in brackets indicates the number of interviewees which stated the country by name.



**BOX 8.13 - Perception of the Indian Market**

**003** - *"In a business context I am more comfortable in a Western environment because I have had some bad experiences dealing with the Indian market I believe the Western market is a more honest market."*

**004** - *"We have ceased trading in a few countries, sometimes you have to because of the suppliers quality and business practices. For example, in India and Pakistan, these people are looking for one container sales. The reason is because they will sell you something in one go, they don't really care about a long-term relationship. They will send you a first-class sample but the actual goods for the order are totally against the specification or sample. But the paperwork is correct. They know they won't get another order from us because they have done the dirty on us. But they don't care they are only after the single scam. They get the money two weeks before we get the goods. They are silly because they will not get any more business and we are more cautious, we will only deal with people of repute."*

**007** - *"I don't buy from India, Pakistan or Bangladesh. I have had bad experiences. I have a shop and my brother-in-law also has a shop. We went to the Punjab and ordered some product worth £24,000. What we ordered was not delivered, everything that we were sent had no relation to what we had ordered. We lost money, so we decided never to buy from them again directly. We will buy in the UK from the importers who are Punjabi. They don't send the right materials, they should learn from the Japanese, Hong Kong, Taiwan, Singapore. These people whatever they promise they will send. They are only interested in sending the goods once, they are not interested in sending it for the long-term. They get their money and they don't want to know you. They have no sense of how to deal with a proper business community. The business structures in India, Pakistan or Bangladesh are not right. India, Pakistan and Bangladesh must improve their business practices if they wish to supply other nations. They have to build a good reputation."*

**009** - *"I don't want to deal with any suppliers from India, Pakistan or Bangladesh, because I have lost money with them once. I don't trust Indians or Pakistanis, I am Indian myself but I have a British nationality, my life has been based on honesty and truth and I don't want to see those corrupt people anywhere, you don't trust them. They will cheat you all the time. Their aim is to cheat, our aim is to be decent and nice where we deal. So why should I take the risk of dealing with those people who I know are all corrupt. It is Indians who have done me, even in this country, so what about the Indians over there they are all corrupt, even in the Government from the bottom to the top."*

**017** - *"When I was importing from India, I used to face a lot of aggravation and problems, goods I had ordered were not what was sent. I had problems selling these, so I was looking for an opportunity where my business was not affected by these problems. I was seeking to manufacture locally. It took me two years. Indian quality wasn't very good either."*

**018** - *"We have imported garments from India, but the quality was pathetic. I got to know the supplier through my relative in Delhi. A lot of people are buying from India, but I wouldn't. They show you one thing and send something completely different. I just don't trust them."*

**019** - *"I don't trust the Indian market. There is a lot of red-tape, a lot of lining has to be done, that's the culture they are in. Things are very slow there. I have seen friends go there and spend millions of pounds which they have lost. It needs the politicians to change and stop these activities. It is very very risky and dangerous."*

**8.12 Government Assistance**

When interviewees were asked what the Government and its Support Agencies could do to facilitate their growth and survival, they provided some interesting comments as outlined in **Box 8.14**. Interviewees suggested that a better understanding (similar to that required by the financial institutions (see **Section 6.3**)) is necessary if Government is to be effective in directing support activities. A number of interviewees felt that being 'Indian' should not give 'Indians' any right to privileges. However, they did suggest that Indian firms are distinct from 'other' firms in dynamics and orientation. Some interviewees believed that Indian

entrepreneurs did not do enough to help themselves to improve their business performance and position.

Overall, the views of interviewees clearly suggest that Government and its agencies could do more to assist Indian firms to set-up and grow and develop, especially in new growth areas of activity and internationalization per se. Indeed, many researchers suggest there is a need to encourage Asian firms to '*breakout*' and diversify their activities in order to remain viable (MacMillan and McCaffery, 1982; Deakins, 1996; The Ethnic Minority Business Development Initiative (EMBI), 1991; Ram and Sparrow, 1993; Khan, 1988; Ram and Hillin, 1994; Curran and Blackburn, 1993; Blackburn, 1994; Deakins, Hussain and Ram, 1994; Wilson, 1983).

Specifically, interviewees from firms in the textile sector felt that they were not being listened to, and more importantly that there was "*a Government conspiracy to allow them to go out of business*". It would appear a cultural change is necessary not only in Government's attitude towards Asian entrepreneurs but also vice versa! Indeed, Marlow (1992) highlights that little consideration is given by support agencies to the dimension of '*ethnicity*'. Consequently, the study suggests that Marlow (1992) and Crick and Chaudhry's (1995) suggestions that support services require to be tailored for ethnic minority firms require further consideration (see **Section 8.4**).



**BOX 8.14 - Government Assistance**

**001** - *"We need a Asian interface where we can go and communicate and interface with the government agency for assistance. Someone starting today would have a big problem, we need an advisory body to assist these people. Language barriers, empathy with the people, and trust issues are important."*

**002** - *"We have never asked and we have never received any help. I was very pleased when John Major invited us to London and told us that we should not feel like foreigners, this is your home, you tell us what we should do, how should this place be run. This won the hearts of many Asian business people. At least the government has said it. We need direction, they (the Government) say go into electronics, computing, this is not realistic, we have no understanding, it is for the younger generation, it is not our cup of tea. It has become dangerous to be in the textile trade. They (the Government) know it is going to collapse. This will predominantly fall on the Asian community."*

**003** - *"They (the Government) spend a lot of money with agencies, there are forty seven different agencies within Leicestershire. They do nothing but take money from the Government and when you want something there is a lot of red tape in getting any help from them. These agencies need to understand their local regions, the industries, people, cultures and tailor their services to be effective."*

**009** - *"Business advice is not the fuel of business, how can you run a car without petrol. Businesses need fuel, help with low interest rates and the strength of the pound. At this moment in time we are actually in recession, which the Government does not admit, there is hardly any growth in business, they talk about the betterment of long-term industry and not the short-term, the patient is on the death bed, will you wait for next year, by that time they will be dead, he wants the injection now. The injection is reducing the interest rate and devaluing the pound against other countries. We cannot compete if the pound is strong. That is the sort of help we want. I am not asking for money from the Government I am only asking for is a viable environment to do business in. There is no empathy with businesses. They focus on the workers, but what about us, the employers, the manufactures, the exporters who earn the foreign exchange and pay their salaries and create jobs? Nobody is trying to help us. How can you spend on education, the health service if we don't produce the wealth. The thinking is wrong."*

**010** - *"Our chancellor (Gordon Brown), Peter Mandelson, Blair keep saying, 'you (businesses) must be innovative, produce new products, be efficient, etc.', have they run a business themselves? I don't think they have, they haven't got a clue. They don't know how the cookie crumbles. Constantly focusing on increasing the businesses cost base which leads to loss in international competitiveness and not assisting businesses to develop and grow on an equal international playing field. Government will help in this country if you just happen to be a super-dooer clever person who is producing leading edge products. We are in the mundane textiles industry, nothing that we produce has such a high tech input or output that others cannot produce it. For us the Government does not want to know. Container loads of textiles are coming to this country, M&S, BHS, Principles, C&A, Littlewoods, etc, I would say on average 80-90% of the merchandise on their shelves are not made in the UK. The developing countries supply them. Our textile producers are not going to get any awards and especially not from this Government. Only if my exports keep doubling year on year I may be a runner up for an award. If anything they have done me and my fellow textile producers more harm by keeping the value of the pound high. We are competing with textile producers from several countries who produce at a fraction of the cost. Here the government insists on a minimum wage, National Insurance contributions, Health and Safety, environmental costs; so the Government does interfere with manufacturing costs, but is not interested in whether or not you can sell profitably or not after the increase? We are competing with countries who do not have these additional cost pressure. I don't want any charity from the Government but if the Government is going to have free trade don't impose on the cost of production. Let market forces take care of."*

**011** - *"I feel that we could have more support from various agencies, whom I don't know, because even the agencies like the Confederation of British Industry, the Institute of Directors, and the British Chamber of Commerce could do more in the type of support they give. We are marginalised by the main industry because none of us (Asian businesses) employ 200+ employees so I feel that we are relegated to some extent and marginalised. What the Government does to some extent is cosmetic and the people it uses is the 'old wine in a new bottle' situation. We need professionals who will follow up. They don't necessarily have to be Asians, this is the biggest problem as well. Even Asian professionals used by Government agencies tend themselves to have their own likes and dislikes and not give impartial advise which is a shame."*

**017** - *"Government can play a very big part, they are spending a lot of money through Business Links, TECs, etc, to help businesses. The only problem is it is not coming through to the right people. They need to better understand the Asian business community and help them accordingly. Generally there is a lack of support from every angle for small businesses. I am not saying other communities businesses are not suffering, what I am saying is that Asian businesses are suffering even more. At the end of the day when you present your report will people action it? My experience is that nobody takes any notice of these things."*



### 8.13 Summary

Table 8.3 provides a summary of the findings presented in this section on the 'extent and characteristics of internationalization'.

Dimension	Findings
Internationally active firms	16
International experience prior to internationalization	None
Learning processes pursued	'Hands-on'
International resourcing problems	Lack of experience; Skills; Industry/technical knowledge; language deficiencies; Finance
Quality of business agency advise received	Poor/low; not relevant to immediate needs
FMEDS Key FMEDS considerations Management of international venture	Export; Import Exposure to risk; Investment; Control; Flexibility Indifferent to domestic activities (12)
FDI as a FMEDS	Highly unlikely - High risk; Loss of control; Inability to effectively manage
International CSF's	Product; Overall service
Reasons for withdrawal from international markets	Increasing cost of supplies; Decreasing profitability; Lack of competitiveness
Importance of Indian market to future international growth plans	Very Low
'New' markets	European countries (EU)
Improvements in Government support services	Need to be more focused and empathetic



## **9.0 Ethnic Ties and Entrepreneurial/Social Networks**

### **9.1 Introduction**

This section provides a focused report on the sample frame's beliefs relating to '*ethnic ties*' and '*entrepreneurial/social networks*' in the context of enterprise per se and the overall process of internationalization. It presents the study's findings relating to: the role which Asian networks play; the significance of such networks to the decision-making processes of the firms; the extent to which firms have generated business via their networks; the genuine international opportunities which Asian networks present firms; the role which Asian Business Associations play in sustaining and extending network contacts; the extent to which network relationships require maintaining; and the role which networks play in establishing and maintaining '*trust*'.

The findings contained in this section provided the writer with a valuable contribution to the intelligence base from which constructive recommendations to the firms and the various stakeholders were devised.

### **9.2 The Role of Asian Networks**

The majority of interviewees (16) perceived '*Asian Networks*' as predominately serving a '*social*' role enabling them to keep up to date with community affairs, personal friendships, and family developments. They were also identified as providing a medium through which introductions to other individuals were made whilst also reinforcing the interviewee's own personal identity and values.

Most interviewees (12) perceived '*Asian Networks*' as being of importance to their firm to a certain degree. It materialised that the networks greatest leverage appeared to be in supporting business transactions within the Asian community both domestically and internationally. This finding supports suggestions made by Ward and Randall (1988), Werbner (1984), Waldinger et al (1989), Ward (1991), and Bailey (1985) that '*social networks*' are integrated into the fabric of UK Asian Enterprise, although a few interviewees were adamant that the network alone was not sufficient to enable business to take place and cited other factors such as trust, capabilities, product, price, etc. As being more important.

However, the study did identify that Asian Networks were considered to offer little advantage with regard to stimulating and executing activities with mainstream sectors and facilitating the pursuit of *'breakout strategies'*. Indeed, when transacting business with the *'mainstream'*, the Asian Network was identified to be extremely lacking in support and knowledge. Indeed, Redding's (1996) suggestion that with very complex relations interpersonal trust is so difficult to extend beyond a narrow circle that it turns in to a constraint, which generates self imposed strategic limitations and delivers *competitive disadvantage*, are supported by the study's findings.

The findings also suggest that Asian Networks are inward looking and perpetuate a *'closed system'* ideology and share all the disadvantages associated with closed systems. Primarily due to their insular nature many firms adopted reactive strategies to changes in the broader environment. In addition, Asian *'Social Networks'* per se were identified as very different in nature to the Asian *'Business Networks'*. The former serves a community need and the latter serves a business transaction need. However, the two (2) networks do overlap and are intertwined as suggested by Lewis and Rout (1998), with the degree of overlap being determined by the mind-set of the individual. For example, differences between first and second generation perspectives will influence attitudes with regard to the networks' value (discussed below) (see quotations in **Box 9.1**).

An important finding was that Asian Networks (social and business) appear to be more important and significant to first generation Indians, in particular to those interviewees who had set up their business in a heavily Asian dominated industrial sector such as textiles. It was identified that these firms were established and developed predominantly via the Asian Network, with many of the interviewees operating in this sector still maintaining that the network offered their firm genuine opportunities for business growth and development. Indeed, this finding supports Redding's (1996) assertion that business networks are more significant (i.e. stronger) than the individual firms that make up the network.

However, interviewees who were more mainstream focused were found to perceive the Asian Network in a very different light. The network's relevance and impact from a *'value-added'* perspective to the future of these firms was regarded as negligible for similar reasons to those suggested by Redding (1996). Indeed, these interviewees perceived the network very much as social and not business related. However, as businessmen they did not rule out the possibility that the network may provide a business opportunity at some point. This finding supports the findings of Scott (1985) and Melin (1987) who suggest that there is considerable overlap between the decision-makers personal network and those of the firm, and the findings of Von Hippel (1985) and Hauschildt (1992) who suggest that



networks can assist in identifying opportunities.

The study has drawn attention to the likely possibility that with the passage of time, changing external market forces, and advances in technology, the nature and methods by which business is transacted will change in a UK Indian Enterprise context. Indian firms were identified as increasingly adopting Western business practices and ideology and not necessarily through choice. The role of the Asian Network was identified to be changing in this context, especially in transactions with mainstream customers and suppliers. With these changes Networks are predominantly being orientated around serving and satisfying social needs, with Western capitalistic practices emerging as beginning to penetrate firms and govern their business behaviour and practices. This finding supports Randlesome's (1996) suggestion that the business culture of any nation (and the firms within it) grows out of its business environment both past and present; and Darlington's (1996) suggestion that individuals may be influenced by cultures other than their 'apparent' nationality. Indeed, the finding could be argued to support the suggestion made by Kerr, Dunlop, Harbison, and Myers (1976) that as societies develop their management styles will converge towards a style adopted in the Western countries (Hofstede, 1980; Tayeb, 1984; Tayeb, 1988).

The study's findings would suggest that 'social' and 'business' networks can be visualised at opposing ends of the same spectrum with the individual determining the extent to which overlap occurs (similar to a Venn Diagram). Significant overlap would occur when there is a potentially viable business opportunity between specific network participants.

### **BOX 9.1 - Role of Asian Networks**

**002** - *"It (the network) helps in business, but at the end of the day it is not sufficient for a business, you need more than that. It is good for socialising and maintaining a close knit community. It mainly satisfies my social dimension. Networking to me is like, should I wish to marry my sons, networking is very important to find a girl. It is very valuable. Via the network you can feel the love, hate, whatever it is, the network gives you this. When it comes to business, it is some help, for example, I have a plumber doing work at my house and he has other jobs now because I have mentioned it to friends, but for more serious things which are not concerned with the Asian community it is not very useful. I sell ladies wear for the mainstream and the network has little to contribute to this because I am selling to Whites. It would be different if I was selling 'Saris', then the network would be important. Knowing others is not enough. The product is more important. The community and networks are not going to be significant in this. The community when it comes to business is fine, i.e. I know you and you know me, but, when it comes to the crunch, trade is trade. If you think the community will save you forget about it. Nobody is going to save you, you are only fooling yourself. The community may even cut you down sharper than others. Others don't know you, the community does, and those who know you are more dangerous. They know how many garments you have imported, where from, etc. Pure business is business."*

**004** - *"The Indian community seem not to network as much as they could from a business perspective. They are always slightly insecure at the back of their minds. The reasons are quite unknown to me because if someone asks me who is dealing in foods, then I would give them the names, it doesn't bother me. But I learnt that from the English environment. I don't think its very much Asian. I see networking creating a bond, by giving one another the opportunity to access your contacts and friends. If they provide a good service you network them into your own society so to speak. The majority of Indians I know don't do this. They don't like to see others do well."*



**010** - "Of course it (the Asian Network) can help if there are people who can help. My personal feeling is that those people will face more hurdles unless they can make their own way themselves. Depending upon other Indians they will be exploited, left right and centre to the hilt, because most of us Indians, no matter how many millions we make never feel secure, the second and third generation are OK they are becoming professionals and getting regular salaries coming in, I'm talking about the first or maybe second generation who are in businesses. This is in our blood because of our background of so many years we never feel secure."

**011** - "My father had extensive contacts on a social basis with the exporters at that time. He was very active in the community relations, which meant that he traveled extensively throughout the UK so he made social contacts which introduced him to business contacts. So he was fairly ahead of his competitors at that time so therefore we used to get new products all the time, new fashion products that were coming in, new colours he was always in touch, so from that point we were ahead of our competitors. It was through the Asian community that the business established itself, selling into the community and buying from the community. Networking comes in with regard to reassuring your decision. If you have a good relationship with a person who willingly will help you and you value their opinion, it is worth its weight in gold. It is far better than learning through experience. Your not wasting your time.

Looking at the business historically. For the first 20 years you have no choice, that's (the Asian Network) all that you have. There were very few professional organisations you could go to get market research and marketing reports done and to validate the appropriateness and suitability of products. But now there are agencies and professional networks business people you can approach for assistance. Also social networks are now gradually dying, family networks may still be there, but otherwise how reliable are they? They do play a part but as time goes by they play less and less a critical role.

The community network does form a part of how business is done. However, it is increasingly a insignificant part in the climate of today's business. Networking is still important. You need contacts, wherever they maybe. Family breakdowns are happening all over the world, you go back home (India) where there are very strong family ties, I would say today that 75% of civil litigation is now family based. Family assets are being divided up and sold. Its sad, but it is the way of the world.

I see networks as a communication system in which you can bounce ideas off people who you think will give you an honest opinion. Bouncing ideas, getting ideas, validating ideas, its a two way thing, you would do the same for them without showing any bias, favoritism, or discrimination, or any benefit to yourself."

**012** - "This (Asian Network) is not important to me to further my business. However, the first person that my father imported from was an Indian company, so he probably got introduced to somebody by a friend, i.e. I need this product, and others may have had a contact in Hong Kong who could supply. But from there on we didn't actively look for Indian firms. We found Agents in the countries from which we wanted to buy from. Its better to have someone who is a local instead of worrying whether he is Indian. I don't actively go out to get my business through Indians, although most of my work is through Indians at the moment, but this is because the industry is heavily dominated by Asians."

**017** - "The opportunities for this business are far greater in other areas than selling to the Asian community. We are only doing it at present, because the items we are producing are in demand in both markets. It is on a first come first served basis. We are actually getting more work from the Asian community because it is easier for us to do."

### **9.3 Asian Networks and the Firm's Decision-Making Processes**

Only a few interviewees stated that their firm's decision-making process was influenced by individuals outside the family and/or management circle. This was identified to be because of concerns relating to issues of: confidentiality, trust, genuineness of advice given, and scope for exploitation. The mind-set of interviewees was generally focused on the fear of being taken advantage of and the exposure of their personally perceived weaknesses/limitations to outsiders. The family orientated perspective of interviewees reinforced this attitude with past experiences of interviewees also supporting this perspective (see quotations in **Box 9.2**).



This finding highlights that interviewees regard their Asian Networks and ties as 'double-edged swords' offering both assistance and restriction. This supports Ram's (1994) conclusion which alludes to Asian networks being a basis for 'competitive advantage' and 'competitive disadvantage'. Indeed, Smith's (1894/1986) suggestion that mutual suspicion and absence of sincerity fuels such attitudes is also supported.

### **BOX 9.2 - Asian Networks and the Firm's Decision-Making Processes**

**004** - *"It depends on what it (the decision) is. My brothers and family are first then the management and also people in the food industry. Customers and suppliers."*

**012** - *"Decisions are made within the family and with senior staff if need be. In the old company we had a management structure so we would discuss issues with the appropriate people. We also use professional advisors if need be."*

**014** - *"Decisions are made within the family. But as Asian businessmen we do get together and discuss issues generally in a broad sense."*

**016** - *"It depends on the subject. We have professionals in all areas. I will discuss it with the most appropriate. If we need a management meeting we will have one. Long-term issues tend to be discussed initially amongst the family. But this is then debated with the management team. The internationalization decision was made by myself."*

**018** - *"Decisions are made by the family, mainly by me and my brother. You don't tend to discuss your secrets outside. You never go outside."*

## **9.4 Business Via Asian Networks**

The bulk of interviewees (14) stated that they had received no business via their 'Asian Network', although there was agreement amongst interviewees that the network was a source of information and intelligence. However, it materialised that if opportunities did not present themselves between network parties to transact business then the network purely served a social function (see Section 9.2). Many interviewees commented that they did not anticipate receiving any business (especially high volume business) through the network. They believed that their firm had to generate business through other channels and by other means. The network was perceived by interviewees very much as a double-edged sword which was treated with caution as outlined in Section 9.3 (see quotations in Box 9.3).



**BOX 9.3 - Business Via Asian Networks**

002 - *"We haven't received any business via the Asian Network. I don't believe networking is the only key. It is one connection. Even if it was not there I could go into Europe and sell our products. It is wrong to emphasize that the network is critical. It has a very small role to play. Yes I know you, but if I haven't got anything to give you, and for you to make money out of it, then what does this knowing one another mean, nothing."*

005 - *"I cannot say with any certainty whether we have gained any business through the Asian Network. If I introduce two parties together I do not know what they are doing. Introductions are important because it is like an endorsement, i.e. I know a little bit about this person and the other and they both know me so there is some immediate potential for the two parties to develop a relationship between themselves."*

009 - *"Networking is important to us, not so much the Asian Networking, but business networks which our designers have exploited. The non-multiple business grew through our Asian Network, but this is not the business we want to continue, it is high risk."*

011 - *"The one area where our Asian Network did help was that when we used to retail we did import some items from the Punjab, Ludiana, which just so happens to be a key area for cotton supplies. I still had some details of my fathers contacts who were retired and I contacted them. They merely reaffirming the contacts that I was establishing with the Mills, clarifying that the people I was talking to were the right ones or whether I should avoid them because they were having some bad problems. They validated the leads and provided a blessing I suppose."*

012 - *"It (the Asian Network) hasn't got us any business yet. I only consider networking to be of use if it can help you get your foot in the door. I do recommend other friends if someone is seeking a certain product or service which I know they supply, and I'm sure they do it for me, but it isn't something which is done to a great extent. It is very infrequent. 50% of the businesses we deal with internationally are Asian. We got to know them via contacts in the trade and referrals. Not through the community as such, in fact I don't believe I have had any business through my own community."*

013 - *"We purely approach people in the market. Asians are very jealous people. We don't let people progress. They won't tell you anything from which you can make money, it's our nature."*

016 - *"At the end of the day I suppose if you keep at it (the Asian Network) something is bound to happen. I don't hold out a lot in this area, its not very reliable. We haven't had business through the so called Asian Network."*

017 - *"We haven't had any business through the network. In general when someone is making money from somebody they will not recommend you, because they are cutting their own throat. If they were recommending me they would be doing it to their own competitors, because if I sell the same thing to their direct competitor it will directly affect their business."*

019 - *"Only our Industry Networks have helped us."*

**9.5 Asian Networks and International Opportunities**

Seven (7) interviewees believed that 'Asian Networks' could accelerate internationalization, with most interviewees (10) stating that it would very much depend on the situation and opportunities which presented themselves. Interviewees believed that 'community networks' and 'extended family networks' do offer potential. However, factors such as the international parties': skills, access to resources, capabilities and potential, education and knowledge, motivation, willingness, professionalism, credibility, trustworthiness, and perspective and mind-set were factors identified to be of importance when seeking to engage in any potential business with network contacts internationally, especially if the relationship was to remain



viable in the long-term (see quotations in **Box 9.4**). This finding supports the notion that interconnected exchange relationships evolve in a dynamic less structured manner and that increased mutual knowledge and trust lead to greater commitment between international market actors (Turnbull and Valla, 1986; Johanson and Mattson, 1988; Nordstrom, 1990; Blankenberg and Johanson, 1992).

It was also identified that international Asian networks were of little advantage to second and third generation UK Indians because of the socialisation process they had been involved in through being raised in the UK. The perspectives of UK Indians were stated to be different to those of Indians elsewhere around the world. It was suggested by interviewees that those Indians born in the UK would not realise a great degree of 'genuine' advantage over other Westerners seeking international opportunities with the Indian sub-continent. However, it was stated that their parents' heritage does provide them with immediate empathy and a degree of historical cultural understanding which provides an advantage.

Apart from this advantage it, was suggested that future generations would undergo a similar learning process to any other person with a different nationality. This finding raises questions regarding where the genuine international opportunities exist for future UK Indian generations; whether they are in exchange relationships with Indians based in South East Asia or whether they are with Indian immigrants residing in other Western Capitalistic societies where the extent of psychic distance between the UK and their host nation is low.

#### **BOX 9.4 - Asian Networks and Internationalization Opportunities**

**003** - *"Asian Networks can definitely help in internationalization. My previous business in shipping and forwarding expanded because of this. I got a contact who said he had a contract from India to supply computer products and would I take care of it. I went to India to meet the importers and this led to us becoming partners. I opened offices in India, Singapore, UK, USA, all based on a network socialisation thing. Unfortunately this did not work out in the long-term because of differences in culture and opinion, but it did happen."*

**004** - *"The network does offer me small opportunities, my sister and her husband in Canada do sometimes says that there is a supplier there. But they don't actively go out looking for a supplier. We also use our Indian brother-in-law for exporting a few things, just to support him a little bit, its more paternalistic and family based than serious business."*

**008** - *"Asian Networks probably do offer internationalization opportunities, but it is more a question of who is on the other side, for example, although we are not international, one of my uncles lives in South London and he runs our joint interest there, but I have also got a uncle who lives in North London who we have always said we will help do the same thing if he wishes, but he doesn't have the capabilities to do it, or the ability to do it. This is essential to business."*

**010** - *"I honestly believe that your work would have been more useful 10-20 years ago. More and more so called ethnic people, those who could not speak English, who didn't have anything to do with mainstream businesses, are mainly retired. The present generation don't need any dependency on others, other than the normal dependencies of businesses on one another, they don't need to depend on other Indians to help them through this world, not people who are now in their 20s or 30s, they don't need it, twenty years ago this may have been important. They are educated, up-to-date, professional, they know everything which is going on here. They can communicate with suppliers and customers on the level. The network offers them very little benefits domestically or internationally."*



**012** - *"I think they (Asian Networks) offer genuine opportunities for internationalization, but not that its more of an opportunity than something else. Its just a readily available one. I think you will find with most ethnic communities, that if you go to another country and you come across somebody from a familiar background then you may feel more comfortable dealing with them at first. But when you are more familiar with that country, you will probably go out and spread your wings and look for the best sourcing you can get. I believe that this is how my father in the past did most of his overseas buying in many places. He just got to know a or some Indian people who were there and got a sourcing foothold there and then just started buying from Chinese, or others. Now I use local agents, for example, we sourced from Portugal this way, even though there are Indian communities there. The Agent was introduced to us by a local."*

**013** - *"I don't believe they can help. The second generation have a different outlook. They don't need that (Asian Network). They are in the mainstream already. They don't want to get involved in the community either. Everyone I know who has used the international Asian Network has lost money. Our (UK Asians) outlook is different to theirs (Asians in other countries), most people have struggled who have gone through that route."*

**014** - *"I am not sure because one should not be working purely with Asians one has to look at the trade that other Asians around the world are in."*

**015** - *"I don't believe they offer genuine opportunities because the western disease has got to the next generation. The English disease is: the first generation work hard, the second generation have everything laid down for them and they follow and get on with it, and the third generation get educated and want nothing to do with the family or community. They want something different in life. They don't want to work with the family business. This is the English disease and this will effect how Asian firms internationalize."*

**016** - *"To a certain extent Asian Networks do offer internationalization opportunities, but if your going to do business you have got to get the professional people who are capable, there is no point saying there is a family member I'll bring him in. I go round to some businesses and it upsets me, they have a professional set-up and then they'll put people in there who cant speak English trying to serve the customer. Its not the right way of doing things. Why not get someone professional, you'll have to pay then a little bit more, but they are going to bring a bigger return back. I think this family thing, some Asians take it a little bit too far, if they are not competent or don't have the potential, your far better off getting in someone professional, they will make one hell of a difference. I've experienced this not only in this business but others. Family can hold the business back."*

**019** - *"I don't think Asian Networks can help internationalization. The first generation may have the contacts, but I don't think they ever thought that they would be doing international business. The second and third generations may be able to exploit such connections, but they will not know the culture and people so it will not really be an advantage. You would be better off doing it professionally."*

## **9.6 International Synergy - Genuine Business Opportunities**

The bulk of interviewees (19) reported that they had overseas relatives who were in business. However, the majority of interviewees (14) stated that there was no scope for doing business with their overseas relatives. Most interviewees (16) stated that this was predominately due to their respective lines of business being totally unrelated, i.e. no scope for synergy.

It was identified that in situations where business opportunities were present, interviewees were reluctant to transact business because of the potential negative effects on their personal relationship should problems arise with the business relationship. It can be argued that with such a psychologically deep-rooted feeling, the potential for international Asian Networks being used as a means of genuinely facilitating and executing business can be questioned (see quotations in **Box 9.5**), especially with extended family members.



**BOX 9.5 - International Asian Networks**

**005** - Overseas relatives reside in: India, Canada, Australia

*"They run retail shops and estate agencies. I've thought about Canada but they are in a worse situation than we are. We couldn't work together because our businesses are poles apart. If an opportunity where we could work together presented itself I would have no reservations. The only proviso being that I would like to get to know them better, because we all buy things on credit and when the money is due to be paid some people may make excuses. So you are more likely to lose money in the extended family system. Also you harm the personal relationship forever from there on."*

**008** - Overseas relatives reside in: Canada, India, Australia, Kenya

*"The only place I would consider is Canada. My cousin's sister lives in Canada and she has two sons in their 20's, now that's a possibility. My ex-business partner who went to Canada is doing what we are doing here. We know the potentials there if we want to do it. But at the moment we would rather stick around here. I do not really know the ones in India but they are out of the question they are not really competent to do anything. I would only consider India if I was living there, but then it's pointless using them, you might as well do it yourself. It is more a question of what relatives currently do, and what they are capable of doing. My wife's relatives have a retail shop which sells bangles, etc. which supports three brothers and their families. They will never understand anything above that. You need people who can cope with this business, they need competencies and they must be able to learn the business and wish to learn."*

**010** - Overseas relatives reside in: India, Dubai

*"My cousins in Dubai are Agents for a large cement manufacturer, my brother in Bombay is a manufacturer and exporter of socks, and other relatives are in services. There is no real scope for business because most of them are in hot countries. Our products are only sold into cold countries. I've also come to learn that blood and money don't mix. We would probably spoil our relationship. I have been asked several times by my brother to help develop his business by distributing their products, but I have got enough on my own plate here, and I am not now hungry enough"*

**011** - Overseas relatives reside in: USA

*"None of my relatives overseas are in business. I haven't considered business with them, at one time this would have been the only way of spreading one's business, of expanding it. Today, I think in a changing environment one would try to avoid it. Because, it complicates relationships these days. It is very difficult to impose certain decisions on each other, as one would in a Board Meeting of a limited company with people who were not related to you, without any hang-ups, favors, or fear, without it affecting your relationship the minute you stepped outside the board. You bring your problems home literally, the question of seniority comes into it also, i.e. what you can and can't say because of customs; you can't speak openly, so it hinders the growth of the company. It just complicates things unless there is a genuine benefit to be gained. There is a trend to move away from this."*

**013** - Overseas relatives reside in: Tanzania, India

*"All my relatives are in business, but there are no trade opportunities. The contact is not very great and they are in different businesses. You have to assess the ability of the people, their ability to handle it or not. I would rather approach people who could handle it."*

**016** - Overseas relatives reside in: India, USA, Canada

*"Business opportunities may exist, but I think it is very unprofessional to do it that way, just because you have a family member over there, trying to use that is a backward step. I think if you're going to do it, you do it professionally, you find the right person. If you're going to do business you have got to get the professional people who are capable. Family can hold the business back."*

**018** - Overseas relatives reside in: India

*"None are in what we would call genuine businesses, and there is no real scope for business. In India, they live in villages, how can you do business with them! They wouldn't understand."*

**019** - Overseas relatives reside in: (All in the UK)

*"It's not really possible. If I want to set up a similar business overseas, it is the people skills which are most critical, i.e. technologists and management. If we didn't, then we would lose business and damage our reputation. It's too risky."*

The study also revealed that interviewees were frequently in contact with their relatives locally, nationally and internationally respectively on a daily, weekly and monthly basis. This



finding established that active international networks existed. Interviewees stated that they valued this family interaction and commented that they were raised to value and respect kinship ties (see **Section 9.2**) as part of their childhood socialisation. This finding would support Child's (1982) suggestion that Indian culture as encountered on the Indian sub-continent has continuity with the first generation. Indeed, it supports Lewis and Rout's (1998) finding that Asian firms are saturated in the ideology of the family and Crick and Chaudhry's (1995) finding that Asians are in frequent contact with overseas relatives.

Overall, the finding supports Blankenburg's (1992) suggestion that networks can provide a plausible avenue for international growth.

### **9.7 Networking: Asian Business Associations - Business or Social Clubs?**

Whilst twenty (20) of the interviewees were members of an '*Asian Business Association*', the overwhelming majority perceived such '*Associations*' as failing to effectively represent the Asian '*business community*' needs. They perceived the Associations more as '*social*' clubs. An interesting finding was that many interviewees felt they were under an obligation to join because of perceived peer pressure via their social networks within the Asian community.

Associations were considered to provide no real value to the firms in the form of business support and tangible benefits and representation on their behalf was cited as negligible. This finding supports Perry's (1996) suggestion that intermediary organisations need to enhance network opportunities for SMEs and address their own deficiencies in order to add value to SMEs. Indeed, interviewees believed such associations to be dominated by individuals who were self-interested and wished to further their own personal agendas. The Associations were considered to provide no real value except to those on the Board (see quotations in **Box 9.6**).

It can be argued that such Associations in their current form actually restrict and positively hinder genuine business support being targeted and delivered to the Asian business community, especially since the study identified that such Associations promote themselves as '*representing the views and needs of the Asian business community as a whole*'.

Interviewees stated that problems and issues which are genuinely manifesting themselves in the business community do not appear to surface for targeted support to be devised and delivered.

It was also suggested that the role of such Associations will diminish with regard to the



needs of the second and third generation Asians, with these individuals being more familiar and knowledgeable about the needs and culture of mainstream suppliers and customers and the sources of genuine advice and business support. Interviewees suggested that future generations may feel reluctant to join Asian Business Associations which offer no genuine value to them personally or to their firm, and consequently the Associations need to modernise with the times and begin to address the needs of future generations if they are to survive.

The findings would suggest that there is a need to formulate an appropriate model at a regional level to ensure genuine business advice and support is delivered to those Asian firms which would benefit from assistance. Such a model needs to be effective and transparent and void of personal agendas and focused around the 'customer' and 'competitiveness' per se, together with a framework which must be constructed to support economic regeneration. Indeed, it could be argued that the concerns which Marlow (1992) highlights regarding mainstream support agencies not catering for the dimension of 'ethnicity', and other findings which suggest that business support services require to be tailored for ethnic minority firms (Marlow, 1992; Crick and Chaudhry; 1995), could be overcome through the establishment of partnerships with 'credible' Ethnic Business Associations (see Section 8.4, and Section 8.12.)

### **BOX 9.6 - Asian Business Associations**

**001** - *"I am a member of the Leicestershire Asian Business Association, but I've never really used them. I was offered membership and joined. I've never really gained any benefit. I'm there basically as a statistic for membership. I've never really thought of it in a sense of developing my network."*

**002** - *"I was a founder member of the Leicestershire Asian Business Association (LABA) over 10/15 years ago. We set up LABA in order to provide guidance to the community so it could grow. I believe we achieved that. But the challenges have increased and we are losing touch with what guidance is necessary. I stepped down from LABA because I didn't know the direction to follow."*

**003** - *"I am a member of the Leicestershire Asian Business Association. It isn't really a business association, but rather a social service. It does help develop my contacts."*

**007** - *"I am a member of the Birmingham Asian Business Association (BABA) and the Institute of Asian Business (IAB). The National Organisation of Asian Business (NOAB) is run by ???. However, NOAB is only a family organisation, its not a democratic or properly run organisation. There is no representation from outside organisations. It is supposed to be a national organisation, there is no representation from London, or other areas. This organisation is a joke. There are no proper constitutional mechanisms."*

**008** - *"We are members of the Leicestershire Asian Business Association (LABA) but we haven't achieved anything from or through them. I have stopped going to their meetings. But I do know some more people socially. This type of networking doesn't generate much business and really is a waste of time. There is a need for such an association so long as they do something constructive or helpful, but if they are there just for the hell of it, then no. It currently doesn't do me any good."*

**009** - *"I've been with the Leicestershire Asian Business Association (LABA) but it doesn't help me, there is hardly any business done in it, it is mainly professionals. It has done nothing for the businesses. The only people who can do anything is the government and the DTI. Others have no purpose they are just a waste of public money. No body helped me, or wanted to know my problems, and understand in what way they could*



*help me and my fellow businessman. I have no faith in all these organisations and associations. LABA's President is a Solicitor, before it was an Accountant, and before that an Accountant, then a Seller not a businessman. There is not one manufacturing businessman on the board who will do something and take an active role. It is a waste of time. Nobody actually helps the business, that's what I think and have seen. They talk about silly things and its a waste of time. This is my experience."*

**011** - *"I am a member of the Institute of Asian Business (IAB) and Asian Traders Association, we have this stupid association called the National Organisation of Asian Business (NOAB) they are all farty and cosmetic organisations, they get a bit of a grant from Government for one year, the Government throws petty cash at them. At the end of the day the Chairman and the Vice-Chairman, etc. seek to get an OBE after 2-3 years and they then disappear into the thin air from which it was created. It aims to achieve nothing, it does nothing, they bring people with Mayor chains to the top table as mere decorations, and you think to yourself what the f\*\*\* am I doing here? Associations of this kind are a total waste of time, the biggest status is to be a office bearer."*

**012** - *"I am a member of the Institute of Asian Business (IAB). Me and my uncle were involved with the National Organisation of Asian Business (NOAB) at the early stage but it didn't continue, I wont say too much about it. I didn't enjoy being involved in that association. It seemed too personal and it didn't deliver anything. I couldn't see any real action, the point of joining an association like that is that the community generally benefits, and if it calls itself the National Organisation of Asian Businesses it should be generally a national organisation, and I don't think it was a national organisation, it was based around this part of Birmingham. I think there are too many organisations of that sort, I mean every now and then you hear of someone who has done well in business setting up this type of association. I don't see why there should be ten other associations just in Birmingham, forget the rest of the country, which are essentially trying to promote Asian issues and do the same thing. Its fragmentation isn't it? I don't do any networking in the IAB. Most of the time I don't have the time to go or the inclination."*

**013** - *"I am a past President of the Leicestershire Asian Business Association (LABA). I don't believe it helps Asian businesses anywhere. They don't want to help our businesses. It's all lip service. A modern approach is necessary."*

**015** - *"I am a member of the Institute of Asian Business (IAB) and the Birmingham Asian Business Association (BABA). These are self interest associations, they have no real focus, they are talk shops with no strategy and objectives, and no real success."*

**017** - *"I am a member of the Institute of Asian Business (IAB), it is useful for social networking and exchanging view. But these kinds of associations cannot really do anything. They have no real authority or influence."*

**018** - *"I have only just recently joined the Leicestershire Asian Business Association (LABA), because I have an issue which Asian businesses wish to have addressed and I think this is a possible channel to go through. If you have any problems I believe you need to have an organisation behind you, it does help. You need an interface which can communicate your concerns."*

## **9.8 Developing and Sustaining Asian Networks**

Virtually all interviewees (20) were involved in extra curricula activities with various Asian social clubs and/or within their respective Asian communities. Interviewees were found to value their community and took an active part in its functioning and maintenance of traditions and cultural values. However, it was identified that the bulk of interviewees (16) believe that Indian customs in the UK will be significantly eroded by UK customs and norms over the forthcoming generations. This would noticeably influence business behaviour and practices both within and amongst Asian firms, a finding which Child's (1982) work would disagree with, but one with which the findings of Sekaran (1983), Rafiq (1988), Engel, Kollat and Blackwell (1973), Jamel and Chapman (2000), D'Astos and Daghfous (1991), Cuellar et al (1997), Reardon et al (1997), and Oswald (1999) would concur, i.e. socialisation in a different national settings will influence immigrant attitudes over the generations. Indeed, the



finding could be argued to support the suggestion made by Kerr, Dunlop, Harbison, and Myers (1976) that as societies develop their management styles will converge towards a style adopted in Western countries (Hofstede, 1980; Tayeb, 1984; Tayeb, 1988).

However, although interviewees felt that Western values would erode Indian traditions, they also felt that traditional UK customs would change to accommodate Indian traditions and that a completely new UK culture would emerge, a culture reflecting that of a multi-cultural society. Factors such as education, media, work environment, and the social circles of second and third generation Indians were cited by interviewees as driving a lot of the cultural changes within and between communities. Indeed, interviewees commented that family structures were changing and the nature of ties and networks with overseas relatives were also changing (see quotations in **Box 9.7**).

It can be argued that within this context of change, the sustainability of international Asian Networks over the generations will diminish and provide a diminishing genuine advantage to each subsequent generation with regard to exploiting international kinship networks with increasingly distant relatives.

### **BOX 9.7 - Asian Business Customs and Culture**

**002** - *"We (Indians) will definitely be influenced more and more, we (first generation Indians) are ourselves influenced to a degree, i.e. our dress codes. It is better for us to bring change in rather than be forced to accept it. This way we benefit."*

**003** - *"Our customs will be replaced, but not totally. UK Asian children will grow up in a more organised manner with regard to work, holidays, etc. But they will maintain the family bonds, on the negative side: they will become very independent, outgoing and have no respect for the family or themselves. This is going to happen anyway."*

**006** - *"Customs will change, maybe not 100%. But today people are learning how other people live and maybe some of the things will be adopted by the mainstream also, I don't know. At the end of the day Indian culture will dilute over the generations. I believe there will be a UK culture. Even Indians living in India are changing their culture. There are a lot of changes going on everywhere. Whether good or bad, it has got to come."*

**009** - *"Times are changing, the youngsters are losing our culture, they are getting to be more western. We are losing our identity slowly. In possibly 2-3 generations there may not be any true Indian business people. The next generation may want to branch out into something different. The point is they will be very westernised, even more so than my sons, so when they grow up they are going to be English people more or less. Times are changing. Social Networks will not be as important to them as much, but business networks will."*

**010** - *"Definitely, customs will change, this will be positive, Asians will only be successful if they behave and treat the population with no difference. Now a days Asians are professionals, they are brown businessmen. Asians who are born here, raised here, live here, make their lively hood here, plan to die here, then the sooner they assimilate themselves in the host country the better. The new Brown professionals will not be like this; they do not want to be bracketed as ethnic people who may need help of the ethnic society. They are educated, up-to-date, professional, they know everything which is going on here. They can communicate with suppliers and customers on the level. They are not ethnic, they look ethnic, but they are not ethnic."*

**011** - *"Customs will never be replaced, they are modified, for example, a traditional Indian ceremony back home takes five days. Here it is a Sunday afternoon due to the Western pressure of time. Also the level of awareness by the indigenous population of Indian customs is far higher and the gap is not as big as it used to be, for example, our children get Diwali holidays at school, Religious Education is now multi-cultural, there are more inter-marriages with respect for each others culture, Indian food has broken a lot of barriers, etc. I think there is*



going to be a nice marriage between the two cultures.”

018 - “There will definitely be a change in customs because of the media really, TV, magazines, etc., there is no way you can stop it. I’m not saying they will lose their identity completely. Indian kids are sticking very closely together and creating their own Western culture by mixing things together. You have very little control over the kids these days. We are going to have to accept changes in their behaviour, if we don’t we will lose our children. They will change, e.g. if you send your child to University, regardless of whether it’s a girl or boy, I guarantee you that 75% of that child’s Asian values and thinking has gone. Only 25% will return, with a strong sense of Asian values.”

019 - “Customs will be replaced, this is the toughest part our generation is going to have to learn. There will be more inter-racial marriages, respect of traditions will decline, family structures will collapse, they are more friendly and open. I think this is sad, to see us lose our culture, but no matter how much you try you cannot stop it. The kids are far more advanced, they want more out of life than we ever did. English values are accepted far quicker than what was by my generation.”

### 9.9 The Role of Networks in Cementing ‘Trust’

There was unanimous agreement among interviewees (21) that ‘Trust’ was critical and crucial in sustaining business relationships. This is a finding which Silin (1972), Wong (1988), Sit and Wong (1989), Ryan (1961), and Barton (1983) suggest is central in upholding a complex network of trading relations. However, it was pointed out that genuine trust is a rare commodity since business is based on a transaction process. Networks were regarded by a few interviewees to assist in the development of relationships via introductions and endorsements. However, the degree of trust established between the parties transacting business was itself a function of the transaction process based on the evidence derived by the two (2) or more parties through the relationship. As stated in **Section 9.8**, interviewees commented that Western influences were changing traditional Indian cultural practices and that whereas in the past an Indian’s word was his/her bond, in today’s world this is no longer the case. With Indians becoming more Westernised and capitalistic in nature (i.e. the notion that *‘business is business’*), second and third generation Indians are adopting a capitalistic approach to business transactions where trust appears to be relegated in priority (see quotations in **Box 9.8**).

It can be argued that the role of the network in potentially cementing and endorsing trust is gradually being eroded as Western influences penetrate the UK Indian community. Indeed, Smith’s (1894/1986) suggestion that mutual suspicion and absence of sincerity is fuelled by such attitudes is also supported. With such changes occurring, the writer suggests that future generations will be more focused on *‘systems trust’* as opposed to the first generation’s orientation which has predominantly been focused on *‘personal trust’*. Both forms of trust will be important but the balance will shift towards that observable in Western Capitalistic societies.



**BOX 9.8 - The Importance of 'Trust'**

**001** - *"Trust is very important to me. Networks play an important role here. In the past morals were there, now its too Anglicised, over the last 10 years. Trustworthiness towards our fellow Asian has declined, we have to vet our customers carefully nowadays."*

**004** - *"Trust is very important. I think everything revolves around trust. If you cant trust people around you and the atmosphere around you, you begin to feel uncomfortable and it disturbs me. I'm a very sensitive man, I cannot sleep if I feel I cannot trust someone, it bothers me. I like to live for the truth. I will back the truth. My children know that."*

**005** - *"If you tell things and do things in trust, you would like to be paid back in trust and not be taken advantage of. This is very important to me. By and large, networks do help in establishing trust, but because of western influences this is changing."*

**007** - *"Trust is very important, without it you cannot get anywhere. In the olden days my generation would honour their commitments, everyone would pay up. But recently over the last 5-7 years the younger generation which has come up want to be either a millionaire or they don't want to do anything. They want to be big but they don't realise the hard work and the sweat which has gone into the companies run by their parents generations. They want the Mercedes, big house, business success, they don't realise it takes years to build a good business. They set up and fail owing a lot of money to others, and the next day they set up again. This is a problem. The first generation have built up a good platform, they have worked damn hard doing tough jobs, they have built up strong relationships on trust and honour and they have educated the children. Now it is crumbling to a degree."*

**012** - *"Trust is extremely important. Networks play a very small part in cementing trust. You can get to know people through a network but whether you can trust them is another thing. Trust takes some time to develop and unfolds with the relationship, it has to be earned. My father and Uncle were able to develop an extreme amount of goodwill from suppliers which in turn helped to move the business forward. The business is based on the trust you get from your suppliers. If you cannot get this then it is very difficult to progress."*

**017** - *"Trust is very important. This is the hardest question you have asked me. In the 20th Century everyone is there for their own advantage and not your advantage. I think these days to give 100% trust is not wise, because if you are seeking your advantage from somebody and they trusted you, that means that there is no trust, because you are taking advantage of him, or vice-versa. There should be trust, but because of modern times trust is becoming a rare quality to find and give."*

**019** - *"Trust is very important. Networks cannot do a lot, joining any association is simply to benefit you in some way. Therefore others are there for the same reasons, to take advantage of you. This does not develop trust, there is an aspect of business and back-stabbing. You will formulate a friendship and some trust with somebody but not everybody."*

## 9.10 Summary

Table 9.1 provides a summary of the findings presented in this section on 'social ties and ethnic networks'.

Dimension	Findings
Role of Asian Networks Importance of networks to business	Predominately informational; Social Situation dependent; Needs driven
Networks ability to influence mainstream interaction	Low
Importance of networks	More important to first generation Asians in traditional business sectors
Decision-making influences	Decision-making is more influenced by 'family networks' than 'social networks'
Business via the network	Negligible; More informational; Can be a double edged sword
International opportunities via the network	Situation dependent; needs driven
International business opportunities with family members overseas	Dependent on 'synergy' between parties
Contact with relatives overseas	Frequent (telephone and visits)
Role of Asian Business Associations	Perceived as 'Social Clubs'; Modernisation required
Developing the Asian Network	Accomplished via social interaction within the community
Importance of 'trust'	Critical; Essential in business; Both 'personal' and 'systems' trust are necessary
'Trust' and the 'networks'	Networks facilitate the development of trust



## 10.0 The Three (3) Emergent Groups

### 10.1 Introduction

By combining and adopting an holistic approach to the fieldwork findings presented in earlier sections<sup>38</sup> **'three (3) groupings'** have emerged based around the study's *'Internationalization'* and *'Ethnic Ties and Networks'* theme. Firms have been grouped on the basis that they broadly share similar characteristics on pertinent research aspects as presented in **Table 10.1**. Please note that the 'Groups' have emerged by taking a holistic view of the research findings focused around the Research Propositions<sup>39</sup> outlined in **Section 1.5**.

The writer argues that only by identifying commonalities between firms can meaningful and focused recommendation be made to the entrepreneurs, their firms and other parties who have a vested interest in the firms' sustainability and growth.

**Section 10.2** provides justification for the key dimensions applied to screen the firms. This in turn led to the emergence of the three (3) distinct groups. **Section 10.3** details and discusses the characteristics of each group.

The reader should note that, although the firms in each group share similar profiles per se with regard to the key dimensions, there is a degree of variability with respect to other pertinent issues which were probed via the Interview Guide (see **Appendix 4**), i.e. a degree of heterogeneity may exist between firms in the same group with respect to other dimensions not shown in **Table 10.1**.

---

<sup>38</sup> Sections 6.0, 7.0, 8.0 and 9.0.

<sup>39</sup> Research Propositions are shown in brackets against each dimension in **Table 10.1**.

**Table 10.1 Dimensions for Grouping Firms<sup>40</sup>**

1. Whether the firm operates internationally.
2. The importance of Asian Networks to the firm (P2.1/P2.2).
3. Whether the importance of Asian Networks diminish as relationships are established (P2.3).
4. The scope for international business via Asian Networks (P2.2/P2.5).
5. The proportion of 'customers' which are Asian (P2.4).
6. The international markets which are supplied (P2.4).
7. Whether the firm is proactive or reactive to external forces (P1.1).
8. The risk profile of the firm, which is reflected by the FMEDS adopted (P1.3/P2.6/P3.3).
9. Whether deficiencies in international management skills hinder the firm (P1.2).
10. Whether the firm had international resourcing problems (P1.4).
11. Whether the business practices of second and third generations will change and result in different, 'non-Indian', business practices being adopted (P3.1).
12. Whether a higher education level/more professional management characteristic influences business orientation (P1.1).

Note: Links to specific propositions are shown in brackets (see Section 1.0).

## 10.2 Justification of Grouping 'Dimensions' Selected

The 'dimensions' which were selected to identify 'emergent groups' were chosen primarily because they are pertinent to the study's research focus and are directly linked to the study's research propositions. In addition, due to the exploratory nature of the study, the writer believes that the dimensions selected are key dimensions. It is anticipated that the dimensions will enable future research studies to probe in more depth (quantitatively or qualitatively) specific aspects of a firm's 'internationalization strategy' and the role of 'ethnic ties and social networks'.

The dimensions selected form the criteria against which firms have been screened in order to identify if any similarities between firms exist. A brief explanation for the justification and selection of each dimension is provided in Table 10.2.

<sup>40</sup> Groupings have emerged by applying these dimensions in the order they appear as a screening criteria.



Table 10.2 Justification of Screening Dimensions

Dimension	Description / Justification
1	<p><b>Whether the firm operates internationally</b>            This dimension was fundamental to initially divide the sample frame into two (2) groups, i.e. those which were internationally active and those which were not.</p>
2	<p><b>The importance of Asian Networks to the firm (Links to P2.1/P2.2)</b>            This dimension was applied in order to ascertain the degree of importance, from a <i>'doing business'</i> perspective, which interviewees attached to their networks. The dimension serves the need to provide an insight into whether or not Asian networks provide a sound medium for international business activity to flourish, i.e. do they provide a commercial advantage to Indian entrepreneurs.</p>
3	<p><b>Whether the importance of Asian Networks diminish as relationships are established (Links to P2.3)</b>            This dimension was important from the perspective of exploring whether Asian Networks provide a medium through which introductions can be made internationally. It would then enable the writer to probe, following transactions between the parties taking place, whether the degree of importance of the network to the then established <i>'trading'</i> relationship diminished over time to become more situation dependent.</p>
4	<p><b>The scope for international business via Asian Networks (Links to P2.2/P2.5)</b>            This dimension was applied to clarify the extent to which the international Asian Networks which exist provide genuine scope for international business expansion for UK Indian firms. The writer believes it important to establish the extent to which interviewees believed they could engage network contacts in the execution and development of their internationalization strategy.</p>
5	<p><b>The proportion of <i>'customers'</i> which are Asian (Links to P2.4)</b>            This dimension was used to validate the propensity for interviewees to execute business transactions with fellow <i>'Asians'</i> and ascertain the extent to which Asians are trading with the mainstream as opposed to individuals and firms associated with their own community. This dimension was used to highlight issues regarding <i>'breakout'</i> and the importance of Asian Networks to the firm's long-term sustainability. The dimension would also highlight the degree to which interviewees preferred to transact business with individuals who shared similar <i>'cultural'</i> norms.</p>
6	<p><b>The international markets which are supplied (Links to P2.4)</b>            This dimension was regarded as important from the perspective of validating whether or not interviewees prefer to execute international</p>

business with individuals in nations which share similar '*cultural*' norms and characteristics as their own, i.e. the degree of importance placed on the cultural/psychic distance dimension of international activity. This variable is distinct from '*Variable 2*', in that markets which offer the greatest growth potential to Indian firms may be markets in which they have no significant cultural advantages (i.e. degree of similarity from a '*Indian*' perspective) over other UK firms.

- 7 Whether the firm is proactive or reactive to external forces (Links to P1.2)**  
This dimension was selected in order to explore the extent to which firms were adopting '*strategic fit*' as opposed to '*strategic intent*' strategies.
- 8 The risk profile of the firm. Which is reflected by the FMEDS adopted (Links to P1.4/P2.6/P3.3)**  
This dimension was used to explore the FMEDS adopted by firms in order to ascertain risk profiles. Firms adopting FMEDS such as exporting and/or importing were regarded as firms pursuing low risk strategies, whereas firms with, for example, a wholly owned subsidiary (WOS) were regarded as adopting '*higher*' risk strategies requiring a higher degree of managerial and financial commitment. In addition, the adoption of more committed FMEDS was interpreted by the writer to gauge the level of trust in overseas partners.
- 9 Whether deficiencies in international management skills hinder the firm (Links to P1.3)**  
This dimension was regarded to be important from the perspective of establishing the extent to which '*pre-internationalization*' experience, training and/or knowledge was important in internationalizing the firm, i.e. did deficiencies in skills hinder the firm's speed and effectiveness in internationalizing. The phrase '*pre-internationalization experience*' used in this context refers to the degree to which interviewees had gained personal experience or knowledge about international business prior to internationalization. For example, had they gained experience via: employment in the field, attending training programmes/seminars related to internationalization, attending trade-missions, attending international trade fairs/exhibitions, etc? Basically, it refers to the extent of their exposure to the international dimension as opposed to the domestic dimension prior to internationalizing the firm.
- 10 Whether the firm had international resourcing problems (Links to P1.5)**  
This dimension was applied in order to ascertain the degree to which international assistance could be targeted at firms to enhance performance and competitiveness, both internally and externally. Internal deficiencies relate to aspects such as: human resources, capital equipment, specific functional skills (e.g. marketing), finance, etc. External deficiencies include aspects such as: business agency support, financial support by institutions, availability of empathetic and knowledgeable consultants/business advisors.
- 11 Whether the business practices of second and third generations will change and result in different '*non-Indian*' business practices being**



**adopted (Links to P3.1)**

This dimension was applied because it was important to establish whether the *'international business practices'* of UK Indian firms are likely to change, and the specific salient dimensions which are likely to change. The writer believed it to be important to ascertain whether the influence of Asian Networks in a *'business'* context will change from being more or less significant for future generations.

**12 Whether a higher education level and/or more professional management characteristic influences business orientation (Links to P1.2)**

This dimension was applied in order to establish whether the education of interviewees influenced the degree of professional management within the firms, which in turn may have influenced the strategic orientation of the firm.

### **10.3 'Group' Characteristics - Key Differentiators**

As stated earlier, three (3) groups emerged when the interview data gathered from each of the participating firms was analysed and evaluated against the dimensions presented in **Table 10.1** and discussed in **Section 10.2**.

The key characteristics of each group are presented and discussed in the following sub-sections. **Table 10.3** highlights the key differentiators between the groups and presents a possible *'emergent'* internationalization continuum for the firms based on the study's findings.

As stated in **Volume 1, Section 3.0**, any particular firm's process of initial internationalization may be considered as an incrementally staged process (Johannson and Vahlne, 1975) with the path to international activity commencing with exporting and progressing to more committed forms of international activity such as FDI. Such stages would appear as natural progressions from low commitment to international markets to a high degree of commitment as the firm gets to grips with any particular international market's dynamics and feels more comfortable as risk diminishes.

The study's findings would suggest that similar characteristics are also apparent for the sample frame following analysis of the three (3) emergent groups. Indeed, there are similarities with the three (3) broad phases of the *'export development process'* presented by Leonidou and Katsikeas (1996):

- ◆ The ***pre-engagement phase*** - This includes three (3) types of firm: those selling their goods solely in the domestic market and not interested in exporting; those involved in the domestic market but seriously considering export activity; and, those that used to export in the past but no longer do so;
- ◆ The ***initial phase*** - This includes firms involved in sporadic export activity and considering various options. Firms can be classified as having the potential to increase their overseas involvement but being unable to cope with the demands of exporting which lead to marginal export behaviour or withdrawal from selling abroad altogether; and
- ◆ The ***advanced phase*** - This includes firms which are regular exporters with extensive overseas experience which frequently consider more committed forms of international business.

In light of similarities between the three (3) emergent groups and Leonidou and Katsikeas (1996) classification of phases of the '*export development process*' (as presented above and discussed in detail in **Volume 1, Section 3.3.2.1**), the writer believed it appropriate to adopt '*the phases*' as a means of categorising each firm's '*stage of internationalization*'.



Table 10.3 Internationalization Continuum - Key Differentiators

Group Characteristics		
Pre-engagement Phase Group 1 5 Firms	Initial Phase Group 2 8 Firms	Advanced Phase Group 3 8 Firms
⇒ <b>Not International</b>	⇒ International	⇒ International
⇒ Predominant customer base: <i>Mainstream</i>	⇒ Predominant customer base: <b>Asian</b>	⇒ Predominant customer base: <i>Mainstream</i>
⇒ Predominant consumer: <i>Mainstream</i>	⇒ Predominant consumer: <i>Mainstream</i>	⇒ Predominant consumer: <i>Mainstream</i>
⇒ International network influence is <b>perceived</b> to diminish as local relationships establish	⇒ International network influence <i>experienced</i> to diminish as local relationships established	⇒ International network influence <i>experienced</i> to diminish as local relationships established
⇒ <i>No scope</i> for international business exists via network	⇒ <b>Scope/No scope</b> for international business exists via network	⇒ <i>No scope</i> for international business exists via network
⇒ Networks are <i>important</i> for the firms growth	⇒ Networks are <i>important</i> for the firms growth	⇒ Networks are <b>unimportant</b> for the firms growth
⇒ <b>Anticipated</b> Target Market: <i>Europe</i>	⇒ Target Market: <i>Europe</i>	⇒ Target Market: <i>Europe</i>
⇒ <b>Perceived</b> Importance of international business: <i>Low</i>	⇒ Importance of international business: <i>Low</i>	⇒ Importance of international business: <b>High</b>
⇒ <b>Predicted</b> FMEDS: <i>Exporting/Importing</i>	⇒ FMEDS: <i>Exporting/Importing</i>	⇒ FMEDS: <i>Exporting/Importing. Prepared to consider more committed forms of FMEDS</i>
⇒ Prior-international experience: <i>None</i>	⇒ Prior-international experience: <i>None</i>	⇒ Prior-international experience: <i>None</i>
⇒ SIC: <b>Not Traditional</b>	⇒ SIC: <i>Traditional</i>	⇒ SIC: <b>Mixed</b>
⇒ Academic split: <b>Predominately Graduates</b>	⇒ Academic split: <i>Secondary/Graduate</i>	⇒ Academic split: <b>Predominately Graduates</b>

### 10.3.1 Characteristics of Group 1 (5 Firms<sup>41</sup>) - Pre-engagement Phase

These firms (5) are classified as in their '*pre-engagement phase*' of the export development process (Leonidou and Katsikeas, 1996) and seeking to address questions orientated around '*whether*', '*where*' and '*how*' to internationalize. Consequently, this stage involves the need to gather, analyse, and interpret information. This need for information influences the firm's international '*go/no go*' decision and enables the process of evaluating the options available to the firm regarding potential target markets and appropriate FMEDS. **Table 10.4** lists the key characteristics of the firms in Group 1.

**Table 10.4 The Key Characteristics of Group 1 Firms**

1. **None** of these firms were active internationally, although they were interested in developing international opportunities;
2. The bulk of interviewees (4) believed ethnic networks to be important in the growth of the firm and networking in the community was an important activity;
3. The bulk of interviewees (4) believed the role of international ethnic networks would diminish as the firm established itself in international markets;
4. The majority of interviewees (3) believed there was **no** scope for international business with members of their family (immediate and/or extended) who reside in other nations;
5. The majority of firms (3) had the **mainstream** accounting for the bulk of their customer base with the actual '*consumer*' of the products/service being mainstream for four (4) of the firms;
6. All firms were **seeking to supply** European countries;
7. The bulk of firms (4) adopted a '*strategic fit*' strategy based on responding to external stimuli;
8. All firms sought to adopt low risk FMEDS, i.e. importing and/or exporting. However, the majority of firms (3) recognised that they would require local production facilities in order to be competitive;
9. The majority of interviewees (3) had no internationalization experience;
10. The bulk of interviewees (4) were experiencing problems/hurdles relating to internationalization;
11. All interviewees believed that the business practices of second and third generation Indians will be substantially different to their own personal practices;
12. The majority of interviewees (3) did not perceive international activities contributing significantly to their firms growth in the future;
13. The bulk of firms (4) operated in sectors which are not traditionally associated with Asians; and
14. The majority of interviewees (3) were Graduates.

With regard to '*target markets*', all firms were seeking to penetrate European countries. This

<sup>41</sup> All firms are involved in manufacturing activities.



---

finding contradicts what would be expected by the *'psychic distance'* literature on internationalization (Johanson and Vahlne, 1977; Johanson and Wiedersheim-Paul, 1975; Hornell, Vahlne and Wiederheim-Paul, 1973; Nordstrom and Vahlne, 1992; Johanson and Vahlne, 1992; Luostarinen, 1979; Puxty, 1979; Kogut and Singh, 1988), which suggests that firms are likely to enter markets with *'low'* psychic distance, especially during their initial international market development activities (Barkema et al, 1996; Morosini et al, 1998). On the surface, this was not apparent for any of the firms in this group and it would appear that the dimension of psychic distance at a *'national level'* had little influence over the market screening and selection process. Firms did not perceive markets outside Europe as offering them any significant business advantage from an export perspective.

Europe emerged as the market which interviewees could easily affiliate with and felt comfortable to explore - it was regarded as *'next door'* - and any business activity with European markets was considered by the firms as being within their scope of control. Consequently, any Asian Networks further afield from Europe were not realistically pursued given the level of management time/commitment which would be necessary to oversee such business activities whilst simultaneously safeguarding the firm's reputation internationally.

The firms understood the critical need to be fully conversant with the general documentary and regulatory mechanisms necessary for the conduct of international trade as well as those conditions pertinent to their specific business/industrial sectors. This knowledge and awareness of internationalization and the necessary operational, technical, and procedural requirements to support such activity was gathered primarily via *'hands-on'* experience and supported by discussions with family and close network contacts. Indeed, the firms placed heavy reliance on their *'networks'* to provide much of the information necessary to address many of the questions pertinent to international expansion during this initial *'go/no go'* phase of the internationalization dilemma. Networks were identified as critical and were utilised in order to provide information relating to potential target markets and all necessary information relating to operating in countries individual firms perceived as offering the maximum potential, i.e. legislative practices and market characteristics. The firms were eager to learn the *'pitfalls'* and *'pros and cons'* of international activity in order to safeguard against financial losses and other risks.

Due to the *'ad-hoc'* approach adopted at the internationalization conception stage, it was not surprising that the firms had low performance expectations from any possible international business activity they were to engage in, and were sceptical of the potential contribution to business growth which internationalization could provide.

Whilst the firms recognised that information gathering in order to make informed managerial decisions was important and not necessarily difficult via *'the network'* (Asian and other business contacts) and published information via libraries, they were concerned as to the integrity, depth, and accuracy of the information alongside how best to interpret the information in order to formulate an appropriate international strategy per se. The decision to internationalize was identified as a stressful one due to the uncertainties and potential risks involved primarily due to lack of experience.

In addition, whilst psychic distance at a national level was not perceived to be a critical issue for the firms, they did recognise the need to find out more about the culture and market preferences of the countries being considered for targeting. It was in this area of activity that the firms felt their *'Asian Networks'* would provide leverage. The networks would assist in addressing specific issues relating to *'making things happen'* at the operational level, i.e. the identification of local partners, the provision of market intelligence, and generally minimising the scope for failure and poor investment decisions.

The firms strategised that when they had established themselves as international players in specific markets and gained a high degree of market intelligence via *'hands-on'* activities, they would be better positioned to enhance their international performance by developing their own immediate networks and contacts in the international markets being served. Consequently, they envisaged reducing their dependency on the Asian Network which would facilitate internationalization in the *'pre-engagement'* and *'initial'* phases (during which the network is anticipated to play a critical role in initially establishing the firm internationally).

Initially, interviewees anticipated that their Asian Networks would provide trustworthy international contacts who would have empathy and understanding of the Indian culture and minimise the firms exposure to risk.

### 10.3.2 Characteristics of Group 2 (8 Firms<sup>42</sup>) - Initial Phase

These firms (8) are classified as in the *'initial phase'* of the export development process (Leonidou and Katsikeas, 1996). Following the *'pre-engagement phase'* these firms are all internationally active and involved in export/import activities. Table 10.5 lists the key characteristics of the firms in Group 2.

<sup>42</sup> Five (5) firms are involved in manufacturing activities



**Table 10.5 The Key Characteristics of Group 2 Firms**

1. All firms were active internationally;
2. All interviewees believed ethnic networks to be important in the growth of the firm and networking in the community is an important activity;
3. All interviewees believed the role of international ethnic networks diminished as the firm established itself in international markets;
4. The group was split (4/4) in their belief that there was scope for international business with members of their family (immediate and/or extended) who reside in other nations;
5. The majority of firms (5) had 'Asians' accounting for the bulk of their customer base, although the actual 'consumer' of the products/service was mainstream;
6. All firms were **supplying** European countries;
7. The bulk of firms (6) pursued a strategic fit strategy based on responding to external stimuli;
8. All firms adopt low risk FMEDS, i.e. importing and/or exporting;
9. The bulk of interviewees (6) had no pre-internationalization experience prior to internationalization;
10. The majority of interviewees (5) experienced problems/hurdles when they internationalized;
11. The bulk of interviewees (7) believed that the business practices of second and third generation Indians will be significantly different to their own personal practices;
12. The majority of interviewees (6) did not perceive international activities contributing significantly to their firms growth; and
13. The bulk of firms (7) were active in sectors which are traditionally associated with Asians, i.e. Textiles.

These firms were aware of the necessary operational, technical, and procedural requirements to support their international activity. Awareness emerged primarily entirely via 'hands-on' experience supported by discussions with family, close friends, and newly formed relationships with 'target market' contacts.

Responsibility for international activity was retained by a few key individuals within the organisation in senior management posts who had developed their international knowledge and skills via their 'hands-on' experiences. Consequently, rather than having pursued a programmed form of learning, a slow process of dealing with problems and achieving an 'adaptive' understanding of 'the way to do things' in an international context had emerged (Gibb, 1998) within these firms.

With regard to 'target markets', all firms were exporting to Europe as opposed to countries

which would be considered to present the firms with 'lower' levels of psychic distance (from an 'Indian' perspective) for similar reasons to those explained in **Section 10.3.1**.

The firms recognised the need to foster strong customer relationships in order to develop and grow their international revenue streams. There was a strong recognition of the need to gain a heightened level of understanding relating to the culture and market preferences of the countries being served in order to improve performance and develop market commitment. A strong need to cultivate and develop both social and business relationships incorporating cultural appreciation and empathy was understood by the firms. However, the firms were sceptical of the full potential which their international activities offered. Firms addressed international activities with caution and almost half-heartedness and adopted an almost opportunist perspective which sought to minimise risk and maximise return. A 'toe in the water' mentality was identified to be imbedded in the 'mind-set' of this group. These findings highlight similarities to Leonidou and Katsikeas' description of firms in the 'initial phase'.

With regard to Asian Networks, the group believed that their networks did play an important role in their initial international growth and development, albeit an increasingly diminishing role as the firms began to establish themselves in selected international markets with which familiarity was developing and local supportive networks emerging.

The group acknowledged the need to focus on intangible resources (such as networks) which the firms reported to be vital during this initial phase of internationalization. The group reinforced the importance of all their networks, both Asian and other (for example, business colleagues, customers and their wider business contacts), in providing guidance and assistance to them in adapting their firm to accommodate international activities per se and the demands of specific international markets. However, the group was divided (4/4) in stressing whether or not they faced problems which necessitated seeking external guidance/assistance to resolve them. Half of the group (4) were reluctant to seek assistance outside their network from support agencies per se.

### **10.3.3 Characteristics of Group 3 (8 Firms<sup>43</sup>) - Advanced Phase**

These firms (8) are classified to be in the 'advanced phase' of the export development process (Leonidou and Katsikeas, 1996), having migrated through the 'pre-engagement' and 'initial' phases. These firms were all internationally active and involved in export/import



activities. Half (4) had considered and investigated more committed forms of FMEDS. Table 10.6 lists the key characteristics of the firms in Group 3.

**Table 10.6 The Key Characteristics of Group 3 Firms**

1. All firms were active internationally;
2. All interviewees believed ethnic networks to be unimportant in the growth of the firm and networking in the community is more a social activity;
3. All interviewees believed the role of international ethnic networks diminished as the firm established itself in international markets;
4. The bulk of interviewees (7) believed there was **no** scope for international business with members of their family (immediate and/or extended) who reside in other nations;
5. The bulk of firms (6) had the **mainstream** accounting for the bulk of their customer base with the actual '*consumer*' of the products/service also being mainstream;
6. The majority of firms were (5) **supplying** European countries with the balance (3) supplying other regions as well;
7. The majority of firms (5) adopted a strategic fit strategy based on responding to external stimuli. The balance (3) adopt proactive strategic intent strategies;
8. All firms adopted low risk FMEDS, i.e. importing and/or exporting. However three (3) firms had seriously investigated overseas production possibilities;
9. The majority of interviewees (5) had no pre-internationalization experience prior to their internationalization;
10. The bulk of interviewees (6) experienced problems/hurdles when they internationalized;
11. All interviewees believed that the business practices of second and third generation Indians will be significantly different than their own personal practices;
12. The bulk of interviewees (6) believe international activities will contribute significantly to their firms growth;
13. Half of the firms (4) were active in sectors which are traditionally associated with Asians; and
14. The majority of interviewees (5) were Graduates.

This group had built on their internationalization learning experiences gained during the earlier phases (presented in **Section 10.3.1** and **Section 10.3.2**) and were identified to be experienced exporters and/or importers. The firms clearly recognised and acknowledged the importance of internationalization to business growth and profitability. The firms understood the need to adapt internal practices and behaviour to accommodate international markets, to adopt appropriate market screening and selection processes when seeking new international opportunities, and the need for internal structural change and the shift

<sup>43</sup> Six (6) firms are involved in manufacturing activities

---

necessary in the management paradigm of the firm in the context of operating internationally.

In light of the recognised growing importance of international trade to the firms' performance, the firms had undergone internal restructuring to effectively integrate *'international operations'* as a part of the *'core'* business activity. The group had built on experience gained from the previous phases suggesting that *'generative'* learning (Gibb, 1998) was very important in the firms' evolution to this phase of internationalization. The generative process clearly involved reflection, analysis, and creativity in thinking and planning in order to *'see the bigger picture'* and clearly identify the firms' role in this. The *'hands-on'* learning experience had resulted in a more programmed approach to addressing international activities. Quite clearly, this group had gone through a *'learning process'* which had enabled them to question their ideology, i.e. reconsider the assumptions, beliefs and values which, although appropriate when serving their domestic customers, were no longer valid or appropriate for an active international player.

Indeed, the Asian Networks which had provided valuable insights, information, and support to the firms in securing entry into international markets were reported to be less important in developing specific market penetration, and developing the business in the international markets being served. The Asian Network were found to be more important during the earlier two (2) phases of the export development process presented by Leonidou and Katsikeas (1996).

Familiarity with specific international market dynamics had led to half the firms (4) considering/investigating more committed forms of FMEDS, primarily because their degree of market intelligence has been enhanced via *'hands-on'* activity. In addition, market potential could be better evaluated due to the business performance data (i.e. profitability, sales, and costs) which was now available for scrutiny.

Whilst the firms valued the leverage potential of their Asian Networks, they also recognised that the role and critical importance of the network changed over the process of internationalization. At this stage of development, the networks were identified to be more *'social'* and the *'new networks'* which had emerged in order to support the *'business transaction process'* - networks which impacted the firms profitability and competitiveness - became more critical to performance. However, the group acknowledged that whenever a new business venture was being pursued, then the Asian Network would be scrutinised and engaged for leverage in order to be successful with the new venture and minimise financial risk.



### 10.3.4 Conclusion

Similarities can be drawn between the three (3) emergent groups and the characteristic traits of the firms profiled in the three (3) phases of the export development process presented by Leonidou and Katsikeas (1996), i.e. pre-engagement (Group 1), initial (Group 2), and advanced (Group 3). Firms appear to naturally progress from *Group 1* to *Group 3*, i.e. from a state of low commitment to international markets to a state of high commitment. This migration was identified to be contingent on the firm's ability to effectively grapple with the idiosyncrasies of particular international markets and their dynamics. A feeling of comfort with international activities led firms to feel more comfortable with the perceived level of financial risk.

The role of Asian Networks per se would appear to diminish as firms' progress through the three (3) phases. The networks appear to be more critical during the first two (2) phases, providing an invaluable source of information and facilitating the internationalization process, predominantly at an operational and implementation level. Consequently, it can be argued that Asian Networks do fulfill a vital role which enables Indian firms to establish themselves as international players during the critical initial stages. On achievement of this objective, specific market networks established around the transaction process, to support the attainment of systems objectives, become more critical to the growth and development of the firm with the heavy reliance on the initial Asian Networks diminishing.

Since all firms (21) were seeking to target European markets, it can be argued that psychic distance at a '*national*' level does not influence '*market screening*' processes. Firms were more concerned about identifying international partners/contacts who were credible, trustworthy, empathetic and understood Indian culture per se, i.e. sub-cultures and practices were identified to be more important.

#### **10.4 Key Issues / Critical Dimensions (2X2 Matrices)**

To avoid developing solutions and recommendations based purely on '*one dimensional thinking*', especially when dimensions may well be multi-faceted, the writer believes that by combining key dimensions and adopting a '*bi-polar*' or '*two dimensional matrices*' approach to problem/solution identification/generation, complex situations can be simplified. This will facilitate the development of more focused solutions and recommendations which the writer suggests can only be accomplished via the clarification of key variable relationships.

Whilst the writer recognises and acknowledges that the reader may perceive the matrices presented in this section to be an oversimplification of complex relationships (the writer acknowledges that this may well be true), from a perspective of generating solutions for the firms which operate in the '*real*' world and those stakeholders who have vested interests in seeing these firms survive and succeed in the long-term, the writer believes an approach which provides illumination and may/will lead to the development of positive recommendations is justified. Indeed, McDonald and Leppard (1992) encourage this approach for practitioners at the sharp-end of '*making things happen*'.

Based on the focused nature of this study, i.e. '*internationalization*' and '*ethnic ties and networks*' per se, a number of key issues/critical dimensions have emerged as justifying closer scrutiny and consideration in conjunction with the characteristics of the firms in the three (3) emergent groupings presented and discussed in **Section 10.3**. The key issues are presented in **Table 10.7** and are presented diagrammatically in a more visually appealing way in simple two (2) variable format matrices (see **Matrices: 10.1, 10.2, 10.3, 10.4, and 10.5**) which are discussed in the following sub-sections.



**Table 10.7 Key Issues / Critical Dimensions**

1. The importance of Asian Customers V's Mainstream Customers to the participant firms (See **Matrix 10.1**);
2. The degree to which the '*products/services*' offered by the firms can be categorised as '*Ethnic*' products as opposed to '*Mainstream*' products (See **Matrix 10.2**);
3. The nature of the Supply Chain's end '*consumer*', i.e. Ethnic consumers V's Mainstream consumers (See **Matrix 10.2**);
4. The extent to which '*Ethnic Ties*' are perceived to be important to the firm's future growth and development (See **Matrix 10.3**);
5. The extent to which scope exists for international growth and development via '*international ethnic ties*' (See **Matrix 10.4**);
6. The perceived role, per se, of internationalization to the firms' future growth and development strategy (See **Matrix 10.5**); and
7. The extent to which the '*International*' markets served by the firms are '*psychically*' similar to their '*Indian*' cultural background (See **Matrix 10.5**).

**10.4.1 Customer Base - Matrix 10.1**

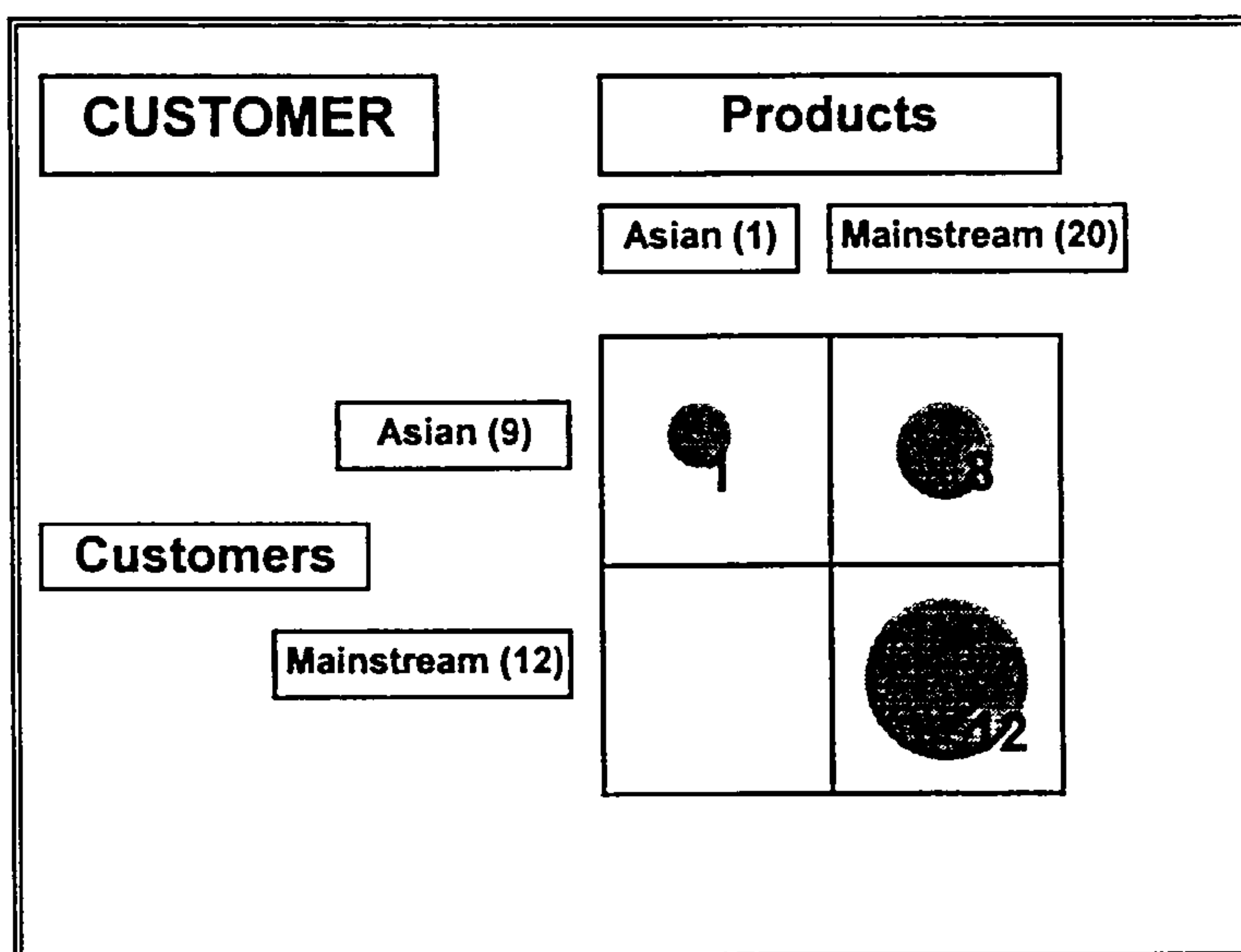
Interviewee responses to *Question 1.6* (see **Box 10.1**) from the Interview Guide were drawn upon to construct **Matrix 10.1**.

**BOX 10.1 - Question 1.6 from the Interview Guide**

**Q1.6:** *Approximately what percentage of your products would you describe as 'Asian/Indian' items? Why?*

It was identified that the bulk of firms' (12) had a predominantly mainstream customer base. The remaining firms (9), all of which had a predominance of Asian customers, maintained these customers/intermediaries primarily because of the industry within which they competed (for example, Textiles) had a dominance of Asian firms per se within it and not necessarily for other reasons. Consequently, the findings would suggest that the *'ethnicity'* of customers is not a critical issue in the screening and selection process applied to *'customers'* per se, but rather industry structure and dynamics influences such decision-making.

**Matrix 10.1 Customer Base**





**10.4.2 Product Target Market / Consumer Base - Matrix 10.2**

Interviewee responses to Questions 1.3, 1.6, and 1.15 (see Box 10.2) from the Interview Guide were drawn upon to construct Matrix 10.2.

With the exception of the one (1) firm which had decided to purely focus the firm's capabilities on catering for the Asian Market, the remaining firms (20) provided a product offering which was consciously targeted at the 'mainstream' consumer. The product was identified to appealed to both Mainstream and Asian markets alike and was not re-packaged and differentiated to appeal to a specific ethnic group, i.e. the product had a universal appeal.

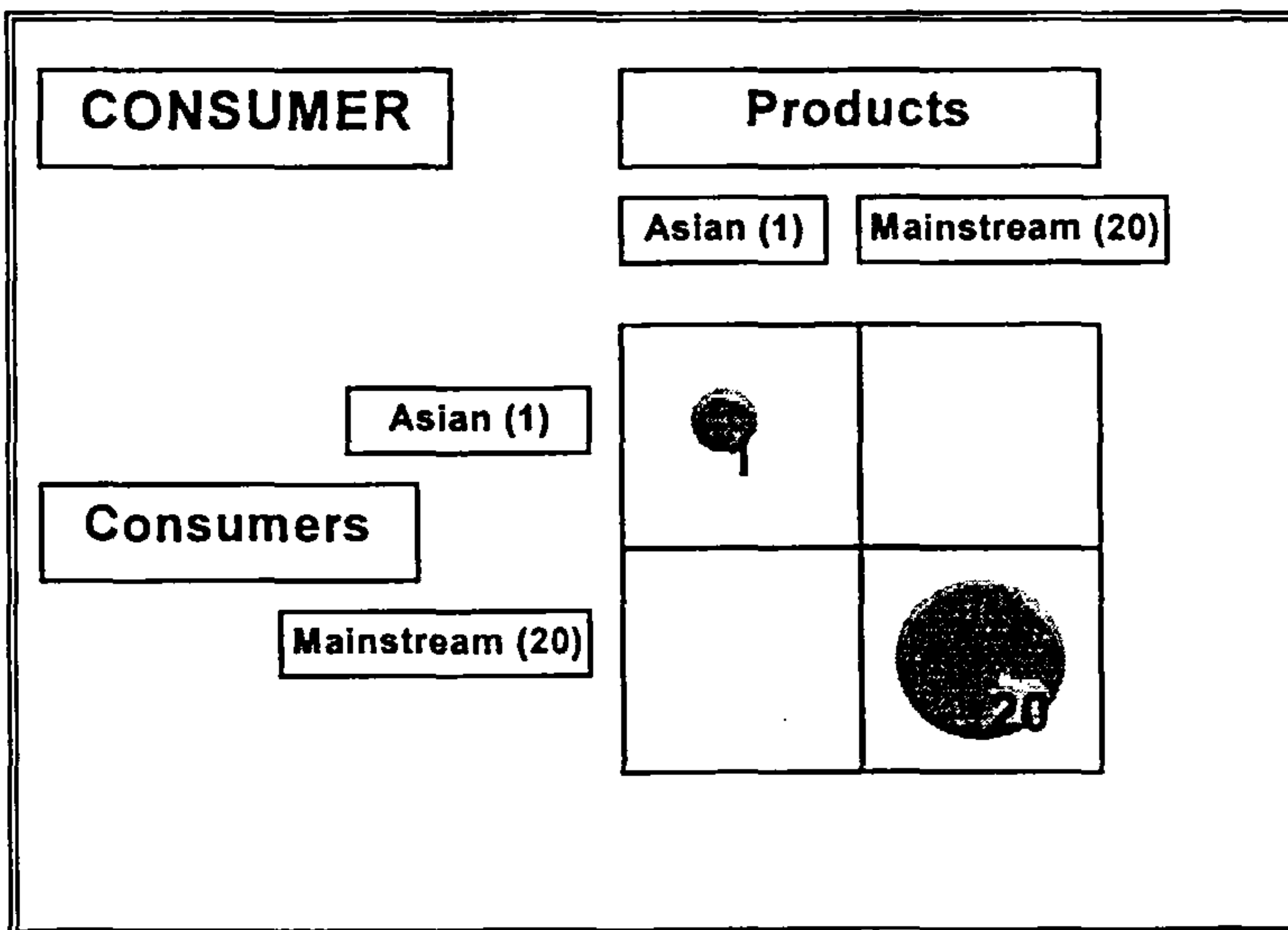
**BOX 10.2 - Questions 1.3, 1.6, and 1.15 from the Interview Guide**

**Q1.3:** How would you classify your firms primary activities? What is/are your firm's major product(s)? How do you classify your customers? Why did you choose the current line of activity?

**Q1.6:** Approximately what percentage of your products would you describe as 'Asian/Indian items? Why?

**Q1.15:** Approximately what percentage of your customers and suppliers are from the Indian/Asian community (internationally and domestically)? Discuss. What percentage of turnover or expenditure do they represent? (for the domestic market and internationally) Discuss.

**Matrix 10.2 Product Target Market**



### 10.4.3 Importance of Ethnic Networks to Business Growth - Matrix 10.3

Interviewee responses to *Questions 3.1 and 3.6* (see **Box 10.3**) from the Interview Guide were drawn upon to construct **Matrix 10.3**.

#### **BOX 10.3 - Questions 3.1 and 3.6 from the Interview Guide**

**Q3.1:** *Do you believe networking in the Indian community to be an important activity for you and your firm? Why? Define networking? Discuss specifics.*

**Q3.6:** *Has networking resulted in any major business for your firm? What international markets have been accessed via networks? In your opinion, have your international ethnic links influenced the internationalization of your firm (outward from the UK and inward to the UK)? How? Discuss specific market details.*

Overall, it was identified that a high level of importance was placed on the 'importance'<sup>44</sup> of Asian Networks by the firms' (12). However, when the dimension of 'business generated'<sup>45</sup> via the Asian Network is considered against the dimension of importance, the bulk of firms' (14) reported that no business was generated.

However, on closer examination of the data it would appear that of the twelve (12) firms which placed a high level of importance on the network, five (5) - 42% - had generated business. With regard to the firms (9) which placed a low level of importance on the network, only two (2) - 22% - had generated business.

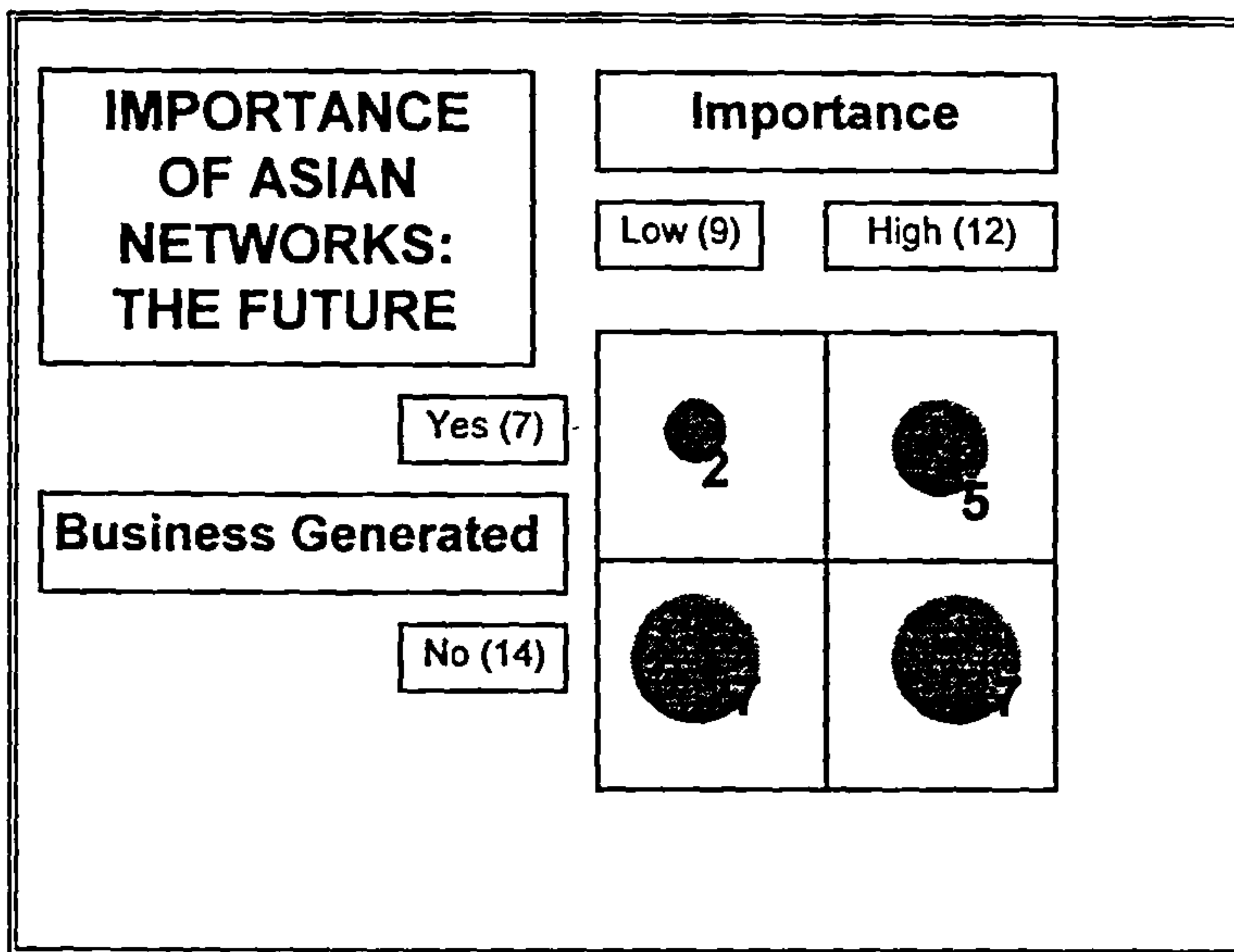
The findings would suggest that firms which actively pursue business via the network, recorded by the degree of importance which they attach to their networks, have the potential to generate a higher level of business via their networks than those firms' which choose to be less active in leveraging their networks to generate business advantage.

<sup>44</sup> Importance: This refers to the degree of importance which interviewees attach to Asian Networks with regard to the future from the perspective of generating business.

<sup>45</sup> Business Generated: This refers to the extent to which Asian Networks have to date generated business for the firms.



**Matrix 10.3 Importance of Ethnic Networks to Business Growth**



**Business Generated:** This refers to the extent to which Asian Networks have to date generated business for the firms.

**Importance:** This refers to the degree of importance which interviewees attach to Asian Networks with regard to the future from the perspective of generating business.

#### 10.4.4 Internationalization Via Ethnic Ties - Matrix 10.4

Interviewee responses to *Questions 3.3 and 3.4* (see **Box 10.4**) in the Interview Guide were drawn upon to construct **Matrix 10.4**.

#### **BOX 10.4 - Questions 3.3 and 3.4 from the Interview Guide**

**Q3.3:** *In which countries do your family members reside? Is there scope for business with these countries? Why? How many of your relatives, who reside overseas, run businesses? Of these, how many are in your line of business? Discuss specific market details.*

**Q3.4:** *Do you believe that Indian social networks can promote/accelerate internationalization? Have they assisted you? How? Discuss specific market details.*

Approximately half of the firms (10) reported that not only was there little scope for 'accessing'<sup>46</sup> international markets via their international family networks, but there was also little 'synergy'<sup>47</sup> between the activities and capabilities of the firms/family members who resided overseas and their firm's activities.

Of the firms (7) which could expand internationally via their family networks, only three (3) firms - 43% - regarded this option as realistic.

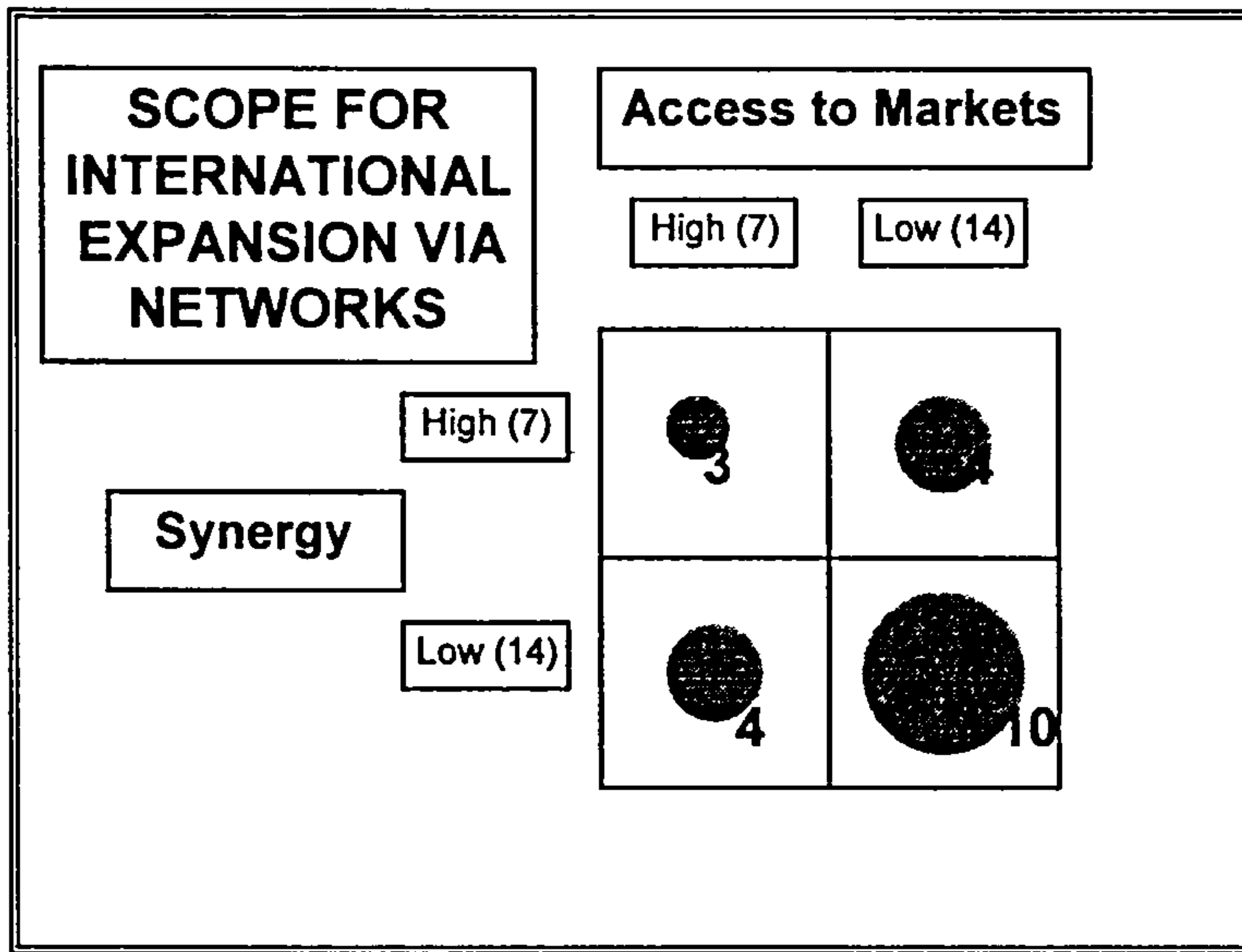
The findings would suggest that, based on the whole sample (21), only three (3) firms - 14% - had a positive attitude towards the scope for international expansion via their international family networks with the primary reason relating to synergy and the long-term commercial viability of the business relationship.

<sup>46</sup> Access to Markets: This refers to the extent to which international contacts provide the scope and skills for FMED, i.e. their genuine ability to provide a medium for market entry.

<sup>47</sup> Synergy: This refers to the degree of business potential between the firm and its Asian Network contacts in international markets, i.e. are the businesses complementary, and do they offer scope for a genuine business relationship.



**Matrix 10.4 Internationalization Via Ethnic Ties**



**Synergy:** This refers to the degree of business potential between the firm and its Asian Network contacts in international markets, i.e. are the businesses complementary, and do they offer scope for a genuine business relationship?

**Access to Markets:** This refers to the extent to which international contacts provide the scope and skills for FMED, i.e. their genuine ability to provide a medium for market entry.

### 10.4.5 Direction of Internationalization - Matrix 10.5

Interviewee responses to *Questions 2.3 and 5.4* (see **Box 10.5**) in the Interview Guide were drawn upon to construct **Matrix 10.5**.

#### **BOX 10.5 - Questions 2.3 and 5.4 from the Interview Guide**

**Q2.3:** *In order of importance to your firm, with which countries does your firm currently have international relationships? Why? What FMEDS does your firm currently adopt (and has adopted in the past) with each country? How have FMEDS changed? Why? In which year did international relationships commence with each country? What role did your ethnic ties and social networks play?*

**Q5.4:** *How do you see international activities contributing to your total annual sales volume over the next 3 years? Future plans (formal or not) or ideas for international business - it's role? Why? Discuss.*

Approximately half of the interviewees (10) reported that internationalization did offer their firms genuine growth opportunities<sup>48</sup>. However, eight (8) of these firms - 80% - believed international opportunities lie predominantly in Europe<sup>49</sup>. Of the firms (11) which did not see great scope for international growth, the bulk (10) - 91% - also believed that Europe offered the greatest opportunities for international business. With regard to the firms (3) which targeted international markets further a field, two (2) - 67% - believed there was high opportunities for growth.

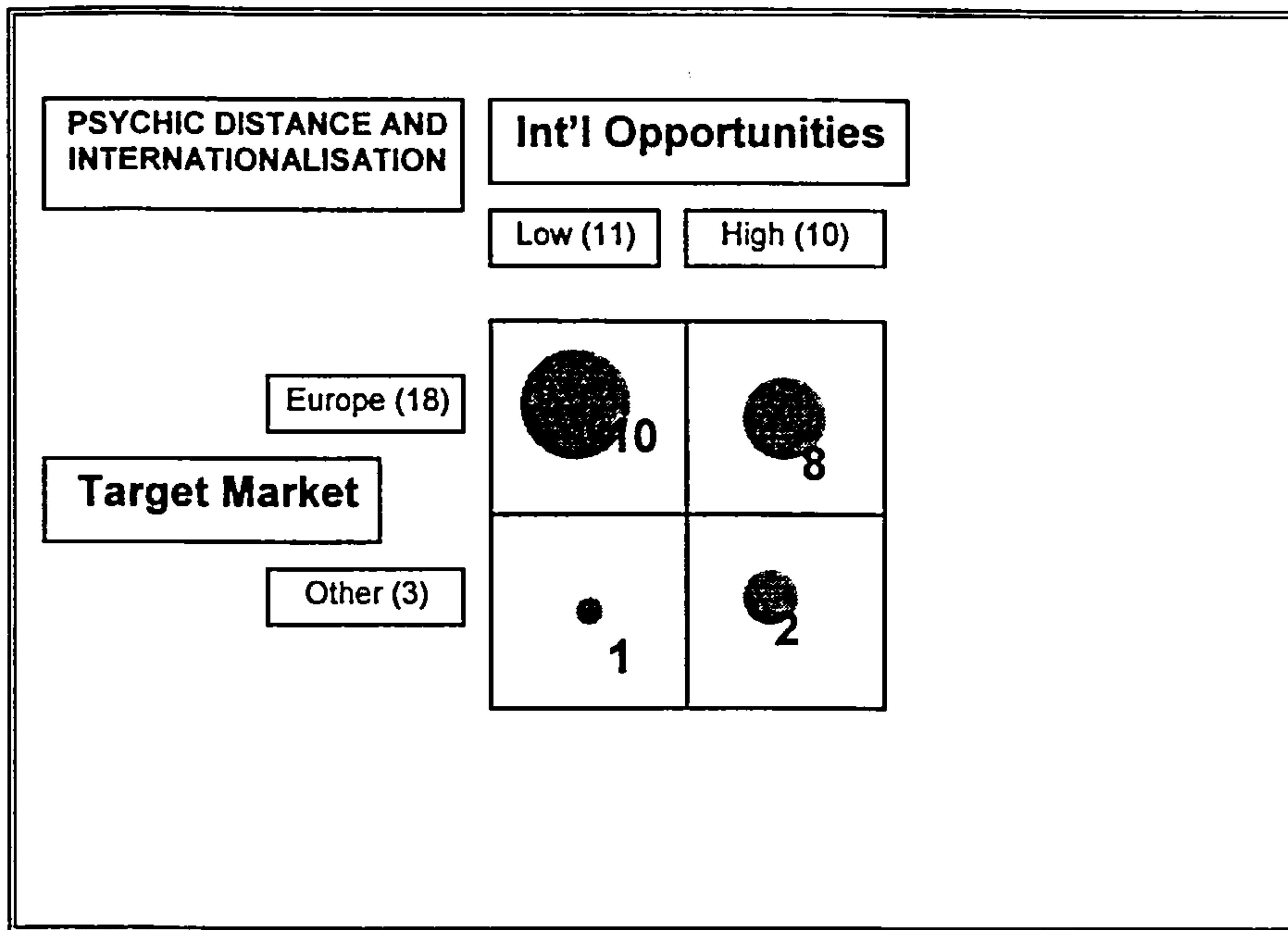
Overall, the majority of firms (18) - 86% - focused their international activities on European countries.

<sup>48</sup> International Opportunities: This refers to the belief of the interviewee regarding whether or not internationalization provides the firm with genuine opportunities for the attainment of corporate objectives.

<sup>49</sup> Target Market: This refers to the international markets which offer the firm the greatest internationalization potential.



**Matrix 10.5 Direction of Internationalization**



**Target Market:** This refers to the international markets which offer the firm the greatest internationalization potential.

**International Opportunities:** This refers to the belief of the interviewee regarding whether or not internationalization provides the firm with genuine opportunities for the attainment of corporate objectives.

**10.4.6 Psychic Distance and Internationalization - Matrix 10.5**

With regard to 'target markets', **Matrix 10.5** (referred to earlier) clearly illustrates that the bulk of firms (18) were prepared to consider European countries before international markets further afield. As stated earlier in **Section 10.3.1**, this finding contradicts what would be expected by the 'psychic distance' literature on internationalization. The findings suggest that on the surface the dimension of psychic distance at a national level would appear to have little influence in the market screening and selection process. It would appear that firms do not perceive markets outside Europe as offering them any significant business advantage from an exporting perspective.

### 10.4.7 Conclusions

From the insight gained by exploring two (2) dimensional matrices it is apparent that:

- ◆ Ethnicity is not a key factor in the identification, screening, and selection process of customers/intermediaries.
- ◆ Products provided by the firms are targeted at '*mainstream consumers*'. Products appeal to both Mainstream and Asian consumers alike and there is no differentiation to appeal to a specific '*ethnic*' group.
- ◆ '*Asian Networks*' have the potential to generate business growth for UK Indian firms.
- ◆ Little scope exists for internationalization with family members who reside in other countries, primarily due to a lack of synergy between the activities and competencies of the family members concerned. However, their networks have the potential to yield international expansion.
- ◆ European countries represent the greatest potential for international export activities.
- ◆ Psychic Distance at a '*national level*' does not influence the market screening and selection process. Sub-cultures are more critical.



## 11.0 Conclusions and Implications for Academia

### 11.1 Introduction

The writer presents the following conclusions as a sound base from which researchers, practitioners, and support agencies can take both the policy and research agendas forward in a coherent and logical manner.

This section outlines the conclusions drawn from the study's findings presented throughout this volume, which were given in a summarised form in **Section 5.0**. The limitations of the study are also discussed alongside recommendations for future research activity. In addition, guidelines based on the writer's experiences and reflections on the research process adopted are proposed, primarily in order to assist/guide researchers in researching Ethnic Minority Enterprise.

### 11.2 Conclusions - Addressing The Research Propositions

The overall objective of this section is to outline to the reader: how the findings support the results of other scholars which were presented in the literature review; how the findings contribute to the existing literature; and where the findings contradict the results of other scholars.

The findings with regard to the nature and dynamics of the participating UK Indian firms *per se* support the findings of past studies relating to Asian Enterprise and Asian Entrepreneurship. They highlight deficiencies in formalised planning processes, financing, and professional management practices. Many similarities can be drawn with the deficiencies and problems recognised to exist for SMEs *per se* and family owned SMEs (Carter and Jones-Evans, 2000; Carter et al, 2000; Barrow, 1993; Fletcher, 2000).

The propositions relating to '*Internationalization*' were essentially borne out by the findings and broadly support the results of Crick and Chaudhry (1995) and Zafarullah et al (1998). The internationalization process adopted by the firms would support the literature relating to '*export development models*' (Leonidou and Katsikeas, 1996) which propose that firms develop and grow their international activities in phases/stages.

The propositions relating to '*Ethnic Ties and Social Networks*' were also essentially borne out, supporting the findings of Ram (1994) and Hamilton (1996). However, propositions

relating to: a) Asian social networks being similar in structure and dynamics in different national settings (Hamilton 1996); b) the importance attached to Asian Networks by the firm remaining constant over the internationalization process; and c) the international networks of UK Indians providing a '*significant*' advantage for internationalization, were not entirely substantiated.

The propositions relating to '*Cultural Influences*' were essentially validated and support the findings of Hamilton (1996). However, the proposition that changes in UK Indian cultural norms would not occur to any great significance over the generations (Tayeb, 1988; Child, 1982) was not supported by the findings.

The study also revealed mainstream business support services to be ineffective and failing to engage, facilitate, and support the internationalization activities of the firms and supports the findings of Crick and Chaudhry (1995) and Marlow (1992).

**Table 11.1** summarises the study's findings and conclusions in more detail and discusses particular nuances and implications related to issues such as; "*Is this unique to Indian networks?*", "*Does this only apply to manufacturing firms?*", "*Does it matter where the firm's owner/entrepreneur comes from?*", and "*Is this specific to small and medium-sized enterprises?*" The writer has included these issues in order to highlight the implications of the findings, specifically by linking back to earlier findings presented in this volume and the literature presented in **Volume 1**.



**Table 11.1 Conclusions: Research Propositions****Area: Internationalization****Proposition 1.1:**

The management paradigm that exists within UK Indian firms is one that is orientated around '*strategic fit*' as opposed to '*strategic intent*'. This will restrict the pursuit of international opportunities.

*Strategic Fit:* Firms are content to accommodate competitors. Firms will restrict strategic growth.

*Strategic Intent:* Firms are seeking to grow and develop. Firms have clearly identified a strategy directed at becoming key players in the markets they serve.

**Summary of Findings/Conclusions**

Overall, interviewees were identified as adopting reactive postures to external stimuli. Formalised planning processes were lacking in the bulk of firms, especially amongst the firms operating in Textiles sectors. Market forces dictated the reactive strategic intentions in many of the firms.

Although all the firms were family enterprises and sought to grow, the family did not wish to relinquish ultimate control internally or externally through becoming a public limited company. The management paradigm which existed within the bulk of firms would suggest a '*strategic fit*' orientation.

In the majority of firms, products were considered to be '*commodity*' like in nature, which for many of the firms supports a '*strategic fit*' perspective. Whether this orientation had restricted the pursuit of international opportunities was difficult to establish for all firms. However, international opportunities were (for most firms) pursued in response to improving the competitive position and survival prospects of the firm in response to changes in industry structure, primarily driven by shifts in factor costs. Again, this was more acute for Textiles related firms.

**Discussion**

Holistically, the study's findings would support this proposition.

However the findings also support the results of past Asian Enterprise studies, and those relating to the *family* Enterprise and SMEs per se regardless of ethnicity.

It can be concluded that this particular trait is not a function of ethnicity but rather a function of the '*management paradigm*' that encapsulates the enterprise, i.e. whether the enterprise exudes a proactive or reactive culture.

The findings also present a strong case for external bodies, both Private and Public sector, to devise mechanisms and infrastructure which are targeted at influencing the extent to which SMEs and Family Enterprises recognise the benefits which can be derived from the adoption of proactive and strategic business planning activities. Indeed, it can be argued that such a change in entrepreneurial thinking can only be achieved (in the long-term) through enhancements in the educational and formal learning systems of an economy. Such enhancements need be focused on delivering an enterprising and progressive entrepreneurial economy.

**Proposition 1.2:**

The international growth of UK Indian firms is restricted due to lack of appropriate international management skills. Internal deficiencies exist which restrict internationalization (Crick & Chaudhry, 1995).

**Summary of Findings/Conclusions**

In the overwhelming majority of firms, international growth was restricted due to the lack of international exposure and experience of the owner-managers and/or key internal decision-makers in the area.

Much of the international experience and learning was gained *'on-the-job'* with little if any formal international management training or understanding during the *'pre-engagement'* and *'initial'* phases of the export development process. Most firms developed competencies and skills through experience.

Internally, the majority of firms lacked professionally qualified and experienced international personnel. However, many interviewees did not perceive these deficiencies as acute and believed they were all part and parcel of the risks associated with being in business.

**Discussion**

These findings, when coupled with the findings relating to **Proposition 1.1**, are not surprising.

They support the results of many internationalization studies that highlight that SMEs per se lack both resources and competencies when developing overseas markets. It materialised that many of the skills and competencies emerge via experience and reflection on the firms performance in terms of sales and profit with regard to past decisions and actions executed, i.e. the decision-making process is one of trial and error.

The findings also draw attention to issues relating to the attitudinal barriers/perceptions that exist in the mind-set of SME entrepreneurs. In particular, this applies to barriers concerning the value, relevance, and ability to recruit/engage, and manage professional HR competencies in specialist fields, specifically in fields which extend beyond the immediate family circle. This is a deficiency in perspective that is highlighted as common in the literature relating to Family Enterprise. Indeed, the findings draw attention to the importance and high utilisation of the personal networks of the entrepreneur when specific intelligence is required to minimise risk in the decision-making process, a dimension that the literature suggests is a common function of entrepreneurial endeavours, and not a function of ethnicity.



### **Proposition 1.3:**

UK Indian firms will predominately be involved in export/import activities as opposed to other modes of international business, i.e. licensing, franchising, joint ventures, FDI, management contracts, etc., primarily because of issues relating to risk, control and background factors (Crick & Chaudhry, 1995).

#### **Summary of Findings/Conclusions**

The bulk of firms were identified as purely pursuing export and/or import FMEDS. This was predominately because of the advantages of these modes, especially the flexibility, the speed of entry and/or exit, and the minimisation of risk from international forces.

The majority of firms would not consider changing or expanding their FMEDS to more committed modes such as setting-up overseas production facilities (i.e. FDI). This was regarded as extremely high risk and difficult to manage effectively and efficiently whilst also restricting the flexibility which exporting and/or importing provided the firm.

There was a high degree of complacency amongst the firms. The bulk of firms were extremely reluctant to change their FMEDS and ruled out adopting other FMEDS in order to develop international activities. A lack of understanding, technical skills, managerial competency, etc. may well have compounded this perspective, especially when genuine advantages may have existed for the firm by pursuing more committed forms of FMEDS.

#### **Discussion**

In general the findings support this proposition.

However, the literature suggests that this perspective should not be considered to be unique to UK Indian enterprises. Indeed, the findings support the results of past internationalization enquiry relating to SMEs per se and the vast amount of intelligence generated by scholars who have focused their research on the 'Export' activities of SMEs.

### **Proposition 1.4:**

The support strategies adopted by support agencies are ineffective in encouraging UK Indian firms to internationalize. The supporting network of resources on which UK Indian firms may draw for advice and information regarding aspects of internationalization are inadequate (Marlow, 1992; Crick & Chaudhry, 1995).

#### **Summary of Findings/Conclusions**

The bulk of firms were unaware of what assistance was available to them from business support organisations (Government or otherwise), or what benefits the assistance could deliver the firm.

The majority of firms perceived Government support services as lacking and not genuinely of any value to them. Of those firms that had utilised the services, most had negative views of the services. Many interviewees believed they were better off going it alone. Indeed, interviewees generally felt that a better understanding of Indian firms and their entrepreneurs' needs is necessary and a more genuine, empathetic and effective delivery interface should be devised.

In addition, Asian Business Associations were identified as inadequate in their representation of the Asian business community needs and their ability to deliver genuine

#### **Discussion**

Overall the findings support this proposition.

When a comparison of the findings with the results of past studies, which have sought to explore support agency performance and the perceptions which SMEs have of the services and quality of service which they receive from support agencies, is undertaken, it emerges that there is little difference in the perceptions and expectations of the entrepreneurs regarding support agencies.

However, the study does suggest that there is a strong need for support agencies to develop genuine 'empathy'

business support questionable due to deficiencies in resources.

with ethnic minority enterprises, and also, when combining the findings with SME enquiry per se, suggests that an urgent need exists for support agencies to refocus on a *'think small first'* ideology when devising support initiatives targeted at SMEs.

Indeed, with regard to second generation minority entrepreneurs and their likely business support needs, the findings suggest that the support agencies' success is highly dependent on their ability to genuinely empathise and reflect the demographic profile of the current and forecasted entrepreneurs located within their geographical boundaries of service. Consequently, the role of ethnic minority support agencies (such as Asian Business Associations) will diminish as future generations integrate and become part of the mainstream business community. A community which will be serviced by a single mainstream support agency infrastructure.

### Area: Ethnic Ties and Entrepreneurial/Social Networks

#### Proposition 2.1:

Networks are a way of life in an Asian context that can restrict the effective and efficient internationalization of UK Indian firms; these are a source of competitive disadvantage as well as competitive advantage (Ram, 1994; Hamilton, 1996).

#### Summary of Findings/Conclusions

Interviewees regarded Asian Networks and ties as *'double-edged'* swords, offering both assistance and restriction. Their greatest leverage appeared to be in supporting business transactions within the Asian community, but they offered little advantage with regard to stimulating and executing activities with *'mainstream'* sectors.

Many interviewees did utilise their Asian Networks during their initial tentative steps to internationalization and during the initial stages of establishing international business. However, this was identified to be predominately because of the networks' ability to provide readily accessible information about such dealings. This was primarily because others in the network were also unsure about internationalization and were prepared to pool ideas for mutual benefit, assistance, and peace of mind (i.e. reassurance).

#### Discussion

Whilst the findings could be interpreted as supporting this proposition, the literature relating to networks and SMEs per se highlight the importance of networks to the decision-making processes of firms and individuals (regardless of ethnicity) in gaining intelligence and minimising risk, and does not suggest that *'networks'* per se are uniquely an *'Indian/Asian'* phenomenon.

However, the study does suggest that the nature of *'Indian'* networks does differ from that of *'Western'* networks, in that they do play a significant role in the socialisation process of Indians and are a significant part of the Indian community's way of life and are culturally significant. The findings



suggest that this is more acute for first generation UK Indians who were raised and socialised in different national settings to that of a Western economy during their formative years.

An interesting future research study could explore how the 'socialisation' of second and subsequent ethnic minority generations in the UK will transform the nature and dynamics of 'ethnic' networks, and whether the entrepreneur will maintain a distinct Indian way of transacting business. The findings suggest that 'ethnic' business practices incorporating networking activities will change to assimilate Western network practices over time. Such a transformation would be a function of future generations of minority entrepreneurs integrating with mainstream commercial activities, driven by the changing nature of a child's socialisation process in a Western cultural setting, as opposed to that observed on the Indian sub-continent.

### Proposition 2.2:

Wherever Asians live and work, the social networks that they create are similar in structure and in mode of operation, with social networks shaping the way Asians do business in all settings (Hamilton, 1996).

### Summary of Findings/Conclusions

The interviews conducted would suggest that there are subtle but genuine differences in the nature of Asian Networks in different countries.

A governing force, which determines their dynamics, would appear to be the 'host' nation's: culture; degree of Westernisation; democracy and liberalisation of trade practices; penetration of media; education levels; and tolerance of sub-cultures. Many interviewees implied that due to differences in these factors across international borders, the impact of Asian Networks in a business context varied. Indeed, many interviewees regarded the nature of business in India, where such Networks are prevalent, as totally unacceptable and inappropriate from an UK Indian perspective.

The cultural and business orientation was regarded as different between UK Indians and South Asian Indians. The only shared similarity was the fact that Indians wherever they live globally have a shared ancestral and historical heritage, which provides immediate familiarity and assurance (genuine or otherwise), i.e. ones roots provides an immediate 'ice-breaker', providing a basis for familiarity and discussion and potential business opportunities to be explored. However, the

### Discussion

The findings, when coupled with the findings and discussion relating to Proposition 2.1, suggest that this proposition is questionable. Indeed, the study suggests that second and subsequent generations will assimilate the cultural norms of nations within which they reside and transact business.

The literature suggests, and the findings support, that such a change in orientation would be expected to be observed amongst immigrants and their future generations in any national setting, regardless of their country of origin, i.e. their ancestral and cultural roots. The socialisation practices of the host nation and the degree of engagement/contact with it by different immigrant groups would significantly influence such a transformation. Indeed, one would expect to observe, from an enterprise perspective, a

rate of change and adaptation of these sub-cultures within their host nations is dependent on the context within which they live and execute business transactions as stated above.

change in the management paradigms that permeate various ethnic minority enterprises over the generations. Consequently, the dynamics of network structures can be expected to change over time as the values and norms of ethnic minority entrepreneurs alter, primarily as a function of the host nation's national culture.

### **Proposition 2.3:**

The importance attached to ethnic ties and social networks over the duration of international activities does not diminish over time (Hamilton, 1996).

### **Summary of Findings/Conclusions**

The emphasis placed on and the importance of Asian Networks was identified to diminish over time with regard to international operations.

Most interviewees stated that following the exploration and set-up periods of international business (i.e. the pre-engagement and initial phases of the export development process), the role of the Asian Network becomes more situation dependent, with interviewees feeling comfortable to drop-in and out of the network as they feel appropriate and business needs dictate. The Asian Network was identified as an enabling resource.

### **Discussion**

The findings do not support this proposition.

The findings support the results of SME and Network scholars who suggest that networks per se are utilised by entrepreneurs (regardless of ethnicity) to minimise risk as and when necessary. Indeed, a new business venture, such as internationalization, can be regarded as having a significant level of risk associated with it, and the outcome of failure could affect the future viability of the firm. It would therefore appear prudent for the decision-maker to utilise network contacts during the tentative and initial stages of the decision-making process.

The study supports the notion that entrepreneurs would be expected to be highly vigilant and cautious during the tentative and initial stages of entrepreneurial activity, especially when the associated risks are high. It would also be appropriate for the entrepreneur to audit his/her sources of intelligence with regard to evaluating their network contacts' reliability and relevance in relation to the decision at hand, and only draw upon relevant 'network' intelligence.



**Proposition 2.4:**

Where business partners based in other nations are necessary, great emphasis is placed on similarities in culture and the exploitation of 'Asian Social Networks'. This becomes critical to the internationalization 'go' or 'no go' decision. For UK Indians, their social networks and ethnic ties provide a ready means for internationalization.

**Summary of Findings/Conclusions**

Social networks were identified as one resource readily accessible to interviewees to assist them in identifying suitable international partners.

However, the overriding force governing whether business transactions were executed emerged to be whether or not the parties felt comfortable with one another and clearly understood each others motives and background. This was identified to be over and above any ethnic ties that may have brought the parties together. The study identified that, whilst the firms may have initially begun to trade with other 'Indians' internationally (or other nationalities that share similar values and customs, for example, Chinese in South East Asia), once they had gained sufficient market intelligence concerning the other party's market dynamics, they began to source and/or sell on a more solid business footing, ensuring that they were not being taken advantage of commercially, whilst also being extremely sensitive to the initial partner's feelings.

Social Networks were identified as critical during the early stages of internationalization and were seen as offering a readily accessible medium for information and intelligence. However, this was true only up to the point where the entrepreneur had gained sufficient information personally, or directly via transactions, to change their mode of commercial practice.

**Discussion**

Whilst the findings broadly support this proposition and suggest that the 'cultural similarities' between transacting parties potentially plays a significant role in the internationalization process, the writer suggests that when the findings and discussion relating to **Proposition 2.3** and the holistic findings of the study are coupled with the importance of 'trust' per se, and the literature suggesting that individuals are influenced by their own cultural norms (and to a large extent are ethnocentric in nature especially when seeking to minimise risk and potential misunderstandings in communication), then the findings regarding the process of internationalization, and the utilisation of international networks (and the natural evolution in the development of specific international markets), appear to be a rational and logical sequence.

Indeed, the notion that this dimension of market entry is unique to Indians per se is questionable, especially since (due to ethnocentric characteristics) entrepreneurs of other nationalities may approach internationalization in a similar way.

**Proposition 2.5:**

Amongst the range of personal relations used by Asian entrepreneurs to maintain business trust, the family and regional ties are of particular importance. This will influence the personal networks of Asians in relation to network density and diversity, thus restricting internationalization activities.

**Summary of Findings/Conclusions**

Many interviewees were identified as having greater affiliation and sustained stronger ties (and valued these ties more) with individuals who were part of their extended family and/or individuals who shared similar ancestral regional roots. This was identified as influencing the family and personal networks of interviewees in relation to the networks density and diversity.

**Discussion**

The findings would support this proposition. Indeed, the findings and discussion relating to **Proposition 2.4** place the findings relating to this proposition in context.

The findings also support the notion

Many interviewees were also strongly influenced by their religious communities, which in turn influenced their social networks. Generally, interviewees were more comfortable dealing with individuals who shared similar values as themselves, values that led to immediate affiliation. Indeed, many interviewees sought initial international relationships based on this. Consequently, this screening factor restricted the internationalization activities of many interviewees, initially restricting them to countries and regions where they (or their social ties) had connections. This was perceived by interviewees as minimising the firms' exposure to risk.

Even where industry structural changes had *'pushed'* firms to seek international customers and/or suppliers, the network offered assistance in validating and securing potential partners at an operational *'making it happen'* level.

that the cultural norms of first generation UK Indians sustain this Indian cultural trait. It can be argued that this has the potential to deliver international advantage (or disadvantage) dependent on the extent of the networks international coverage when considered alongside the competency of the network contacts in being able to facilitate international exchange.

### Proposition 2.6:

Within Asian business networks there is, it can be argued, a sense of mutual suspicion and an absence of sincerity which may restrict internationalization<sup>50</sup> (Hamilton, 1996).

### Summary of Findings/Conclusions

The degree to which Asian Networks were absent of *'mutual suspicion'* and *'sincerity'* was difficult to gauge. However, it was identified that most interviewees felt the degree to which they could rely upon the network wholeheartedly was calculated at either a subconscious or conscious level. The individuals with whom they were involved primarily governed this. This was especially prominent amongst the Textiles related firms where the industry's structural forces were generating higher degrees of competition amongst Indian firms. This led to a heightened focus on *'trust'* as a dimension of the relationship.

The degree of importance that all interviewees attached to *'trust'* was extremely high, with transactions being conducted on an acceptable level of trust first being established. However, a few interviewees did comment that *'trust'* per se was a rare commodity and Western work attitudes and Capitalistic cultural traits were eroding the historical *'trust'* bonds which existed in the Indian/Asian community, bonds which were the basis on which they themselves had established their firms.

This change was identified as giving rise to a higher degree of suspicion and absence of sincerity in current business transactions, and would support the argument that, within established networks, trust and mutual orientation exists, and that competition between entrepreneurial networks exists when firms are competing for the same customers and/or suppliers.

With regard to internationalization, the above changes in

### Discussion

Holistically, the findings support this proposition.

The findings draw attention to the importance of the degree of trust per se which entrepreneurs have in each of their network contacts. Indeed, the findings reinforce the findings and discussion relating to **Proposition 2.5**.

Also, the growing significance on *'systems trust'* as opposed to *'personal trust'* is highlighted in the screening and selection process of the international markets within which network contacts may operate, and serves as a criteria to minimise exposure to risk.

In addition, the findings reinforce a changing orientation towards the adoption of Western business practices amongst the sample frame. This is a dimension which the study suggests will become more evident amongst second and subsequent generations.

Indeed, the notion of trust is not restricted to SMEs, since large and MNCs when operating internationally

<sup>50</sup> It is uncertain as to whether trust or suspicion are the major issues. The literature is divided as to whether network bonds would rest on trust or suspicion. Within networks the writer suggests that possibly trust and mutual orientation exists with suspicion existing between competing networks.



network dynamics would influence the degree to which Asian Networks can genuinely provide international opportunities, especially over the generations as socialisation in a 'host' nation influences an individual's 'mind-set'. This is compounded by the cultural traits of Indians in different nations and their actual competencies and capabilities in providing genuine international opportunities for one another that can be realised.

do so at acceptable levels of both systems and personal trust, with the degree of emphasis on each being governed by the macro and micro environmental factors of a target nation. The writer suggests that this is an important dimension of the 'atmosphere' which encompasses an 'international' exchange process.

### Area: Culture

#### Proposition 3.1:

The cultural factors associated with Indians are unlikely to diminish to a level that will significantly change UK Indian business behaviour, i.e. the degree of cultural contamination will be restricted (Tayeb, 1988; Child, 1982).

#### Summary of Findings/Conclusions

The majority of interviewees felt UK Indian culture (social and business) is changing and will change rapidly over the next generations. Cultural contamination cannot be restricted due to factors regarding socialisation in a host nation. Indeed, most interviewees believed that UK culture will change/has also changed to become more multi-cultural and tolerant (in some geographical regions more than others).

The nature and business practices of second and third generation UK Indians were suggested by most interviewees to be more Western in orientation and nature. However, elders, i.e. the first generation (note: the bulk of interviewees were first generation), did value and behave in accordance with traditional Indian practices and endeavoured to pass on values and customs to their children which they had been taught during their childhood socialisation in a different host nation.

#### Discussion

Holistically, the findings do not support this proposition. They actually suggest that significant changes are taking/will take place in the business practices and ideology of second and subsequent generations.

Fundamentally, these changes are driven through engagement and integration with mainstream activities, a process, which the literature suggests, is accelerated over a child's socialisation process.

Indeed, the writer suggests that such changes in ideology and attitudinal orientation would be observable within other UK ethnic minority communities, and do not solely apply to UK Indians. In addition, the process can be argued to be two-way, with changes being simultaneously observable in both a host nation's national culture and any specific ethnic minority community's sub-culture, since both influence each other.

**Proposition 3.2:**

Indian firms will exploit both systems trust and personal trust to enter international markets; the fact that *systems trust* exists in the UK does not diminish the vigour of *personal trust* in Asian business life (Hamilton, 1996).

**Summary of Findings/Conclusions**

Most interviewees preferred working in an environment such as the UK where *'systems trust'* is prevalent. Interviewees believed this to provide them with the ability to have a basis for recourse should business dealings not go according to plan. However, interviewees did not diminish the value of *'personal trust'* or the emphasis that they placed on it. Many interviewees stated that their success was based to a great extent on the personal trust others had in them and they had in others. Indeed, it emerged that this was the nature of the environment in which they were raised as children, i.e. *'my word is my bond'*.

The majority of interviewees agreed on the point that *'one does not engage in a business transaction hoping to go to Court to settle business matters'*. Consequently, personal trust, honesty and openness were very important and the focus which interviewees place on this dimension in both domestic and international dealings was extremely high.

All interviewees considered trust per se as a paramount and essential factor in their ability to pursue and realise international opportunities. Interviewees regarded mutual orientation and trust as fundamental for transactions to take place with other parties regardless of ethnicity.

However, most interviewees stated that trust was becoming a rare quality in today's business environment, and increasingly so amongst Indians themselves. This was especially true with regard to the second and third generation's attitudes, which they believed to be driven by Western influences. Interviewees did not condone Western influences or values; more they felt a sense of loss of solid and good Indian values and practices was taking place.

**Discussion**

The findings support this proposition.

Indeed, they support the notion that change has taken/is taking place in the managerial attitudes of first generation UK Indians, predominately being driven by macro and micro environmental conditions both domestically and internationally.

In the pursuit of minimising the risk associated with international exchange, entrepreneurs were observed as gravitating towards economies where the degree of *'systems trust'* was acceptable. Indeed, interviewees appeared to be caught in a generation gap between the *'personal trust'* environment that they had been socialised in, and the shift towards a *'systems trust'* environment. It emerged that such a perspective influenced decisions concerning whether to engage with particular international network contacts.

The study highlights the dynamic nature of international SME activity, primarily driven by macro and micro environmental factors associated with different international markets; factors over which such firms have little influence, but which they need to appreciate as part of their decision-making activity in order to minimise risk and select appropriate FMEDS solutions.



**Proposition 3.3:**

Asian entrepreneurs have to invest considerable time and resource in order to personalise economic relations and to undertake diffused mediating functions. This will restrict internationalization activities (Hamilton, 1996).

**Summary of Findings/Conclusions**

The bulk of interviewees were involved in numerous social and business activities, clubs, and gatherings in order to personalise many of their business transactions (both Asian and Mainstream segments).

It was identified that this served a number of purposes amongst which was the ability to develop a long-term relationship, enhance the trust dimension, and amicably resolve any conflicts which had arisen before they gained enough momentum to strain the relationship to an unrecoverable position.

It can be argued from an internationalization perspective that because the FMEDS most commonly adopted by the interviewees, i.e. exporting and/or importing, this mode would diminish the degree of personal time necessary to personalise economic relations with international customers and/or suppliers, and consequently reduce the strength of the bond, unless the bond was based on factors other than purely a *'transaction relationship'*, such as a *'kinship relationship'*, especially during the initial phase of the export development process where transaction sizes may be small.

**Discussion**

The findings support this proposition. However, the extent to whether or not this dimension is unique to UK Indian entrepreneurs is unclear.

The SME and Network literature suggests that due to the dynamic nature of SME Entrepreneurship, a specific role of key decision-makers is managing and maintaining their network relationships. Consequently, such an activity draws upon the individuals' finite time to manage, control, and grow their business. This will naturally affect the extent to which international activities can be pursued and maintained.

This finding highlights the important need for external bodies to assist entrepreneurs in successfully leading their firm along the growth curve, through the adoption of appropriate *internal structural and HR practices* that provide sustainable development and enhance both strategic and operational planning activities. This is especially critical since a pre-requisite to performance enhancement is the perspective/mind-set of the entrepreneur in question.

### 11.3 Implications for the Literature

This study has implications for both academics and policy makers in the areas of Internationalization, Networks, Asian Enterprise, and SMEs. The study suggests that the internationalization of UK Indian firms can be broken down into the distinct phases proposed by Leonidou and Katsikeas (1996), each with its own dynamic a characteristic. In addition, the significance of *'Ethnic Ties'* and *'Social Networks'* were identified to be more important during the pre-engagement and initial phases of the export development process.

The study's findings make the following contribution to knowledge:

- ◆ *export marketing* - the study presents findings which relate to the export development process adopted by UK based Indian firms and provides evidence regarding the process of internationalization which takes place within these firms;
- ◆ *public sector economics* - the study highlights deficiencies in the marketing of *'international business support services'* to ethnic firms. It reveals that the take-up and perception of government *'international/export assistance'* amongst UK Indian firms to be lagging behind that of the mainstream. In addition, it suggests that the approach adopted by support agencies is lacking/indifferent in focus when targeting the specific needs of firms at different *'stages'* of internationalization.

It should be noted that the responses to the Interview Guide might change over time. For example, as future generations become more influenced by Western socialisation and practices, industry structural changes occur, and *'breakout'* strategies are pursued. A longitudinal dimension to the study would be able to identify shifts in the dynamics of the sample frame.

Both the findings and limitations of the study present scholars and researchers with the opportunity to build on the study and present additional contributions in the area of SMEs per se, Ethnic Enterprise, and UK international competitiveness.

The following implications focus specifically on moving the research agenda forward based on the findings and conclusions presented in **Section 11.2**.

The study revealed that it was not sufficient to have an international network<sup>51</sup> to become internationally active. Capabilities, competencies, synergy, and business acumen are seen to be more important from a long-term sustainability perspective. Interviewees consciously

<sup>51</sup> International family ties and the international social network of the *'extended family'* constitute the *'network'*.



screen network contacts against these dimensions prior to engagement in business transactions. This can be regarded as part of their risk evaluation process. Indeed, it was revealed that in some instances where the potential for international business with family members did exist, interviewees were reluctant to pursue opportunities, preferring not to mix business and family relationships.

The study identified that *'ethnic ties'* and *'social networks'* do influence the internationalization processes of UK Indian firms. However, their importance diminishes, as the firm becomes an established international player. Networks were identified as more important during *'pre-engagement'* and *'initial'* phases during which a need for information and operational guidance and expertise was seen to be necessary. The findings would suggest that the area of ethnic ties and social networks requires closer scrutiny when seeking to examine and explain the process of internationalization pursued by firms of different cultural heritage to the culture of the host country within which ethnic communities reside. This is particularly true since the literature review and study findings clearly suggest that Asian networks do differ significantly from Western networks - in the sense that Asian networks are imbedded in Asian society as social and business resources - and are culturally significant in UK Indian society; and their importance was found to be stressed during the socialisation of an Indian child from a young age which was orientated around the importance of family, kinship, and community.

The study revealed that from a business perspective firms engaged with network contacts to fill *'intelligence gaps'*. However, it was identified that *'network'* engagement was ultimately down to the entrepreneur, based on whether they believed it to be advantageous. The process of intelligence gathering followed the pursuit of *'family ties'* initially before pursuing broader *'social network'* ties. An analogy would be the ripples that radiate outwards when a pebble is dropped in a pond. The writer also sensed that the stimuli for *'Asian'* Enterprise and Entrepreneurship - for example, the literature draws attention to discrimination in the labour market - also influences the nature and dynamics of Asian Networks and their perceived *'insular'* nature by *'outsiders'*.

It was identified that *'empathetic'* sub-cultures within specific target nations were more significant in the internationalization decision-making process of the firms than the national cultures of the target markets. The firms were more drawn to identifying culturally empathetic individuals within a *'target nation'* with whom they could transact business and develop a mutually orientated long-term viable business relationship. Sub-cultures would appear to be significantly important.

This finding suggests that the notion of *'psychic distance'* at a national level as part of the international market screening criteria is in today's world an out dated concept and future research focus should seek to explore the significance of *'sub-cultures'* and their influence on market screening and selection activities as part of the holistic internationalization process of the firm. This is particularly important since cultural boundaries do not follow national boundaries as similar sub-cultures quite clearly exist which span across national boundaries. This implies that similar markets may exist across nations and the concept of a national culture can be dangerous in many respects when seeking to explore the internationalization process, especially since a *'psychic'* or *'cultural'* distance between a firm and its markets can only be established based on *'which firm'* and *'which people'* are being studied in order to gain a better understanding of the internationalization of the firm. Indeed, it is shown that, for participants in this study, markets such as India and East Africa were not perceived as offering international opportunities. This contradicts what would be expected by the literature relating to psychic distance. The bulk of firms which commented about the Indian market, had negative views about engaging in international trade with India, primarily because of the *'negative'* business culture and lack of infrastructure supportive of developing *'system trust'*.

The three (3) emergent groups relating to the *'export development process'* clearly suggest that as firms progress to the *'advanced phase'* the extent of international orientation increases. This was identified to be a function of the firms' actual growth in international sales coupled with a systematic approach to managing and developing international markets. In addition, the learning process of the entrepreneurs has resulted in a better understanding of the international dimension. This finding supports the notion that cultural factors do not radically influence the overall *'generic'* process *'any firm'* would follow to become a committed exporter and supports the results of studies proposing the *'stage theory'* of internationalization.

Although the study did not explore the extent to which the demographic factors of Indian firms influence internationalization, the bulk of interviewees were of the opinion that the business practices of their children (and second and subsequent generation Indians in general) would lead to a different business culture within their firms and consequently the nature of their international activities. Whilst interviewees played down the influences of their cultural heritage, it was identified that decision-making was influenced by factors which played a part in their socialisation during their formative years. Interviewees also felt it was their duty to raise awareness of their cultural heritage amongst their children. The study highlights the need to explore (possibly longitudinally) the impact of future generations on the economic viability of ethnic enterprises, both domestically and internationally.



The literature review and study findings clearly suggest that the culture of an individual does influence behaviour. The process of socialisation through which an individual has been indoctrinated governs this dimension. Consequently, the management paradigm, which permeates a firm, will result in the development and pursuit of different courses of action by firms with different paradigms but sharing virtually identical resources in similar situations. It can therefore be argued that although both a 'Indian' firm and likewise a 'mainstream' firm may accomplish internationalization, the process by which they internationalize may well be different. This would suggest that more understanding of the impact of cultural influences on internationalization is necessary.

It was identified that the nature of the firms' industry and competitive forces influenced the extent of their long-term planning. Indeed, the ability of the entrepreneurs to rationalise the future for their firms and develop creative '*out of the box*' long-term solutions was identified to be lacking amongst the bulk of firms. The notion of '*breakout*' was shown to be an area where external assistance in the form of business support needs to be more understanding, knowledgeable and supportive. The study highlights the need to explore the dimension of '*breakout*' in more depth, especially amongst those firms operating in traditional Asian sectors (such as Textiles) which suffer from growing and intense international competition. This is primarily because the industry is driven by price and the constant pursuit of lower factor costs in production whilst simultaneously requiring firms to maintain and improve their quality levels and levels of technological investments.

The findings support the results of past internationalization studies in that the bulk of interviewees either 'stumbled' across international opportunities via unsolicited orders, or were driven to seek international opportunities due to domestic market conditions and industry structural changes. The primary objectives were focused around survival, and related to improving margins via growth and development. Only a minority of firms proactively sought opportunities overseas. It can be argued that firms would have rather focused on domestic markets than international ones if given the choice.

The value of sterling (i.e. the exchange rate) was perceived by the bulk of interviewees to be the major barrier to expansion and growth of their exporting activities. Surprisingly, language was not identified as a barrier, although a lack of international experience was stated as a key hurdle during the initial two (2) phases of the export development process. The literature would suggest that these barriers are similar to those faced by '*other*' SMEs regardless of ethnicity.

The literature review focusing on Asian Enterprise, when coupled with the findings of the study, suggest that historically Asian firms have set up business in industries which had low barriers to entry and the entrepreneurs level of *'know-how'* was acquired via *'hands-on'* experience. It was identified that all firms evolved through a process of generative learning as opposed to programmed learning. This process of learning had led the firms to establish and develop the pre-requisite competencies and resources to survive in the industry of choice. Even the entrepreneurs who possessed the core technical skills before embarking on their own business venture developed their firms in a similar way. The level of education was identified as a valuable resource to minimising *'hands-on'* learning errors/mistakes.

With regard to internationalization per se, the learning processes were similar to those adopted for developing the domestic business. The necessary skills and resources to be an advanced exporter/importer emerged through generative learning, and as they were identified they evolved with resources and competencies developing as firms progressed through the three (3) phases of the export development process, with the primary focus on internal resource development and international market intelligence. This finding suggests that from a business support perspective there is a fundamental need to improve the depth of understand relating to the *'processes'* which take place in order to develop effective business support services. From an academic perspective, there is a need to improve understanding of the generative learning that takes place to enhance policy recommendations.

The study revealed that the bulk of firms perceive *'external'* sources of business support and advice in the field of internationalization (in particular government agencies) to be poor at best. Many firms believe it more beneficial to undertake activities internally. Indeed, many firms were unaware of the support available. The study identified that there is a need to better understand the specific needs of firms at the various phases in the export development process and develop support targeted at the specific needs identified.

In the main, the underlying assumptions of the study were proven in so much as the evolutionary internationalization process identified suggests that, as firms establish themselves in their domestic markets, future growth and development required them to pursue international opportunities as an extension of their holistic reactive business strategy. This was identified to be primarily driven by external forces such as the competitive environment, industry structural changes and changing customer demands.

However, as to whether the mechanism by which internationalization occurs is via relationships which exist within the family, the extended family and the Asian community at



large (i.e. ethnic ties and social networks), implying that international exchange would be primarily restricted to nations with which UK Indians have blood or ethnic ties, this assumption was not completely born out. It was identified that ethnic ties and social networks have the potential to facilitate internationalization. The key issue which emerged was whether the entrepreneurs made a conscious decision to engage with their networks or not. Those who actively pursued their network contacts were able to better exploit international opportunities. With regard to the utilisation of *'family ties'* as opposed to *'community ties'*, the entrepreneurs were drawn to factors relating to *'synergy'* in considering the scope for exploiting international opportunities. As far as the restriction of international trade predominantly to nations with which ethnic ties existed, this was also identified as not so clear cut. From a psychic distance perspective, it was shown that trade activities were not restricted to nations where the national culture was similar to an *'Indian'* culture per se. However, at a transaction and operational level, it was identified that sub-cultures within the host nation with which engagement was sought were important and the psychic distance between the trading parties was also identified to be important, i.e. empathy was critical to an effective *'exchange atmosphere'*.

### 11.3.1 Areas for Future Research

Analysis of the study's findings and the conclusions presented suggest that the following areas are worthy of further research attention:

- ◆ The migration to *'breakout'* - understanding *'why'* and *'how'* UK Indian firms have entered new industrial sectors unrelated to the traditional stylised sectors;
- ◆ The nature of second/third generation UK Indian Entrepreneurship and its impact on the internationalization practices of UK Indian firms;
- ◆ The extent to which second and third generations utilise ethnic ties to facilitate business start-up, growth and development;
- ◆ Adoption of longitudinal studies to evaluate and understand the learning needs of UK Indian firms as they migrate from a domestic orientation to an international orientation;
- ◆ The validity of the argument that India should be promoted as offering UK based Indians genuine international opportunities;
- ◆ Whether there is a need to tailor mainstream business support for ethnic business consumption with regard to specific industrial sectors;
- ◆ Whether the notion of *'psychic distance'* in the internationalization of the firm remains valid, vis-à-vis the rising importance of *'sub-cultures'* in the internationalization of the firm; and

- ◆ Clarify the extent to which international business support initiatives remain focused on the genuine needs of SMEs as they develop international activities.

In addition, valuable input/findings can be gathered to further the research agenda by: undertaking an identical study in the UK with different ethnic groups and different industrial sectors to provide useful cross-cultural and cross-sectoral comparisons; and also by pursuing opportunities to replicate the study in other countries and with other ethnic groups to provide comparative data along similar lines to those derived from this study.

## **11.4 Limitations of the Study and Lessons Learned**

### **11.4.1 Limitations**

Due to the nature of the study being exploratory and aimed at exploring '*processes*' per se, the writer suggests that the study's findings should not be used to make sweeping generalisations. There is a need to probe certain issues highlighted by the study in more depth through future research.

From a methodological perspective, it can be argued that the study suffers from the general limitations of qualitative research studies vis-à-vis quantitative research studies. However, from a technical viewpoint it should be noted that all research studies suffer from the limitation of their research parameters, i.e. a specific study's objectives, sub-objectives, and assumptions, since the parameters govern the construction of the study's research methodology.

Although a relatively small sample (21 firms) formed the basis of the study and the sample frame firms represented four (4) industrial sectors, this was deliberate in order to further academic enquiry and has been justified (see **Section 3.0**) on the grounds of the study's exploratory orientation and need to satisfy doctoral research enquiry.

The limitations associated with the sample frame consisting of a mix of industrial sectors may well be valid, especially since it can be argued that the industries represented by the sample frame may not be influenced by similar internal and external stimuli. Consequently, findings relating to interviewee views regarding, for example, '*business support agencies*' may well be biased by sector. Similarly, as the study was focused on '*UK Indian*' firms, some caution should be exercised in generalising findings to other ethnic groups and in particular '*Asians*' per se. Nevertheless, the literature and study's findings suggest that many of the issues concerning the internationalization of UK Indian firms are similar to those of family



owned SMEs in general.

A valid criticism, which can be made of the study, is the static '*snapshot*' nature of its enquiry, i.e. the lack of longitudinal enquiry. Whilst the writer acknowledges this valid criticism, it should be appreciated that such a dimension is difficult to address given the constraints of undertaking a doctoral research study, i.e. time, cost, and quality of output. However, on a positive note, the participants in the study can be contacted at a future point to clarify organisational development issues pertinent to the internationalization of their respective firm in order to overcome such criticism regarding the lack of longitudinal enquiry.

#### **11.4.2 Guidelines for Conducting Asian Enterprise Research – A Reflection**

As highlighted in **Volume 1 (Section 4.3)**, geographically a number of regions throughout the United Kingdom (UK) have relatively high numbers of Asian enterprises operating within them, yet as Crick and Chaudhry (1995) report, little has been written or reported about these firms.

The literature suggests that the limited amount of research conducted into the growth potential and problems of Asian Enterprises are related to factors primarily associated with researching the area. These problems, which include: overcoming language barriers, locating firms which operate in marginal, informal sectors, and gaining access to these SMEs where time is a scarce commodity, are cited by numerous scholars and researchers (Marlow, 1992; Krcmar, 1987; Carter et al, 2000). In addition, Brown and Gay (1986) have suggested that institutional racism in contemporary society has acted as a barrier to White researchers aiming to gain the trust of ethnic entrepreneurs.

In light of the above, the writer believes it to be important to share his personal experience gained through conducting this study and the valuable lessons learned which will allow some guidelines to be produced.

The profile of the researcher was identified as a critical dimension in completing the study. All parties who were involved in the study sought reassurances in this area. Indeed, parties evaluated the researcher either consciously or subconsciously. The researcher was questioned on issues relating to: impartiality, credibility, empathy with regard to understanding of enterprise, family background and ancestral roots, academic achievements and background, employment track record and achievements, future aspirations, the academic institution with which the doctorate was being undertaken, the

supervisor of the doctoral study, the nature of the DBA versus the PhD, etc. All were addressed in order to gain access to the firms and gatekeepers to complete the study.

An important factor in gaining the confidence and trust of interviewees was the conduct, professionalism, and the emotional maturity of the researcher. Indeed, this was commented upon by the bulk of parties involved. Assurances in these areas enabled the researcher to secure the agreement of interviewees to have the interview recorded - an aspect which has been extremely difficult for researchers in this area to accomplish in past studies. In addition, the researcher was surprised to learn that interviewees had instructed their Personal Assistants/Secretaries to hold all calls for the duration of the interview (i.e. 2.5 to 3 hours).

The researcher's ancestral background was identified to be a factor in securing interviews, primarily because of the immediate ability to bond because of shared language and cultural heritage. Indeed, five (5) interviewees who had in the past always declined to participate in research studies stated that they had agreed to the interviews purely because they wanted to see the researcher do well in life and nothing more.

The profile of the gatekeepers was also identified as crucially important in recruiting firms to participate in the study. Interviewees openly admitted to the researcher that they had agreed to participate in the study and the interview because of the 'gatekeeper's' endorsement and his/her report on the researcher's profile. This was identified as a key-determining factor in recruiting firms. Since the bulk of firms (20) were recruited via '*Asian Business Associations*' as opposed to mainstream business support agencies, this finding would suggest that researchers and policy makers recognise (and do not underestimate) the potential influence which such organisations possess in providing access to Asian firms.

#### ◆ Preparation for the Fieldwork

The success of the fieldwork, i.e. the extent to which parties were prepared to, and did participate in the study, was identified to be because of the preparation, organisation, presentation and professionalism of all documentation. The conduct of the researcher in all meetings, phone conversations, coupled with the responsiveness to enquiries regarding any aspect of the study also materialised as important dimensions. First impressions were identified to be extremely important in completing this phase. These aspects reassured the participating gatekeeper and interviewees because they provided a degree of tangibility to the study.



A detailed project plan was constructed for the study that clearly identified tasks and timescales and a computer software package (i.e. Microsoft Project) was utilised to manage the project. The project plan was updated periodically to track progress and monitor the realistic completion of the fieldwork element as well as the DBA as a whole.

The commercial experience of the writer proved valuable in devising a fieldwork strategy that would be best suited to engaging key parties. Considerable preparatory work was undertaken prior to commencing the fieldwork. A tailored pack was prepared for Gatekeepers which included: a tailored *Covering Letter plus Business Card*, a *Research Briefing Document*, a *Screening Criteria Checklist* for identification of eligible firms, an outline document of *FMEDS*, and a *Faxback Referral Form* (see **Appendix 1**).

Documentation was also prepared for firms' that were screened and forwarded by gatekeepers. This pack comprised of: a tailored *Covering Letter plus Business Card*, an outline regarding the *Background and Purpose of the Study*, and a list of *Topics for Discussion* during the interview (see **Appendix 2**). The overall objective of the preparatory work relating to documentation was to have documentation that could be presented in order to inform and gain the commitment of gatekeepers and profiled firms. Whilst the time taken in preparation of documentation for the fieldwork was lengthy, it was identified as a key contributing factor to gaining the necessary support from participants. The writer's attention to good market research practice did generate the responses necessary to execute the fieldwork.

Gatekeepers were impressed with the presentation/layout and quality of documentation. It was observed that the '*Faxback Referral Form*' attached a sense of urgency on the part of the gatekeeper to forward referrals. The form generated a perception that the study was important and their response rates clearly reflected this view. Researchers should appreciate that the study has revealed that the use of modern communication technologies such as facsimiles, mobile phones, and email, cultivate a perception of importance and urgency which is reciprocated by other parties.

Gatekeepers and other relevant bodies were kept fully informed and frequently contacted and visited to communicate progress made with their specific referrals. The study revealed that it was extremely important to advise such parties of intentions, progress, and clearly outline any difficulties being experienced at the earliest opportunity. Time spent in cultivating a working relationship with such parties should not be underestimated, but rather regarded as a valuable and necessary investment in securing suitable firms and the commitment of

such parties to the study. It also demonstrates to the parties the researcher's drive, enthusiasm, and commitment to the study and presents the researcher with the opportunity to frequently stress the importance of the study. By adopting this approach, the writer was able to maximise the limited resources available in order to execute the study within a defined period of time whilst simultaneously leveraging additional resource from other parties. Overall, this approach generated a positive response. It is important for the researcher to develop good relationships with key intermediaries, not just from the perspective of a specific study, but also from the perspective of future studies which may require their assistance once again. Networking is important for the researcher and a courteous, professional and understanding approach was identified to yield the necessary support. Researchers should also appreciate that there is an important need to personalise the entire research process.

Reflecting on the study and the methodology adopted, the writer reports that it has been a challenging study (not only from a literature review perspective) which has developed and enriched his understanding of the complexities associated with internationalization, ethnicity, relationship development, and enterprise per se. It may well have been easier and most certainly less costly to undertake a quantitative study. However, the depth of understanding of the complex and rich nature of business and enterprise could not have been achieved. It is recommended that researchers should not shy away from undertaking such studies because of the challenges which qualitative studies present, but rather appreciate the dimension which undertaking such studies can bring to their personal development, depth of understanding processes, and the texturalisation which it brings to quantitative data.



## 12.0 Conclusions and Recommendations for Industry

### 12.1 Introduction

The objective of this section is to provide pragmatic solutions targeted at the following 'key' stakeholder groups based on the literature review and study findings: *Indian Enterprises; Mainstream business support organisations/agencies; Asian Business Associations; and Government.*

Whilst it may be convenient to provide '*pigeon holed*' solutions for each of these stakeholder groups, the writer argues that the process of positive change and improvement is fundamentally based on the interaction and engagement of these stakeholders simultaneously, with conscious recognition and understanding that dialogue and understanding of one another's position provides a basis for coherent goal achievement, the '*goal*' being sustainable economic growth in an increasingly competitive and changing international arena.

The study's findings highlight an existing need for the entrepreneurs to clearly clarify the business strategies of their firms. It was identified that the firms themselves need to review and evaluate their own business policy and clearly define the strategic role which internationalization has to play within it. On the other hand, from a '*Support Agency*' perspective, the study revealed that the needs of the firms relate fundamentally to the training and education of the entrepreneurs (and appropriate staff) involved with activities associated with the firms' international operations. Such needs were identified to be specifically orientated around the three (3) stages of the export development process, i.e. pre-engagement, initial, or advanced phases.

Whilst ethnic ties and social networks were identified to be of importance to the firms per se, the findings reject the notion of India as a potential market for all firms. At the outset of the study, this was considered as a market offering UK resident Indians vast international business opportunities. The findings suggest that the difficulties associated with trading with the Indian market, from an Indo-British trade perspective, are more acute for firms in the pre-engagement, and initial phases of the export development process. However, for firms in the advanced phase of the process, i.e. established international players, the Indian market with the opportunities it offers should be carefully evaluated and seriously considered from a market screening and selection perspective as a potential target market with regard to import/export activity or other FMEDS perspective, especially since advanced exporters

were identified to have developed core competencies in international trade. Indeed, one could argue that these firms stand to gain the most from leveraging their ethnic ties and social networks.

## **12.2 Recommendations to 'KEY' Stakeholder Groups**

### **12.2.1 Indian Enterprises**

The recommendations presented in this sub-section are focused on developing a systematised approach orientated around the development of good management practice against which firms can benchmark and evaluate their current management practices, primarily in order to safeguard long-term survival and profitable growth at an international level.

The writer recommends that it is necessary for firms to be explicit with regards to exactly what they are expecting from their export activities. This is important especially since the study revealed the bulk of firms to be vague in this respect whilst simultaneously envisaging international activities to play a significant role in their firm's future growth and development.

#### **12.2.1.1 Developing an International Planning Process**

The study clearly identified that the bulk of firms face many future challenges at both strategic and operational levels with regard to internationalization and the implementation of appropriate international strategies.

The study revealed that firms faced challenges from both external and internal dimensions and highlighted that for the bulk of firms *'planning'* per se was inadequate from both corporate and international perspectives. Firms were identified to be battling with internal issues relating to driving down costs, systematising procedures, and improving quality, i.e. productivity gains; and externally, maintaining existing business, identifying profitable customers, seeking international opportunities, and improving the firm's intelligence systems.

The writer argues that the findings suggest that the bulk of firms need to migrate towards the adoption of *'market orientated'* practices if they are to effectively capitalise upon the opportunities which both the domestic and changing international economy present. The starting point is to clearly understand the role and need for *planning* per se - be it short-term, long-term, operational and/or strategic - and address the planning deficiencies within the



firm through developing actions in areas such as those addressed for example by the 'McKinsey 7-S Framework'<sup>52</sup> (Peters and Waterman, 1982).

From an internationalization perspective, firms should clarify precisely how their international activities will contribute to the firm's corporate objectives, and how they plans to develop their international activities over the forth coming years as part of the firm's long-term activities. This will require the firm to undertake detailed audits of not only the external environment, but also the internal environment of the firm as part of a integrated annual strategic planning process. Strategies devised need to be orientated around the core competencies and sources of competitive advantage vis-à-vis the competition. For many firms (particularly those in the textiles sector) this may require diversification. Nevertheless, for all firms, breakout must be a serious consideration.

#### 12.2.1.2 Information/Intelligence - The Key Areas

The study revealed that '*market intelligence*' was lacking amongst the bulk of firms and firms were prone to adopting reactive postures to external stimuli whether they be macro<sup>53</sup> or micro<sup>54</sup> in nature. Consequently, firms were identified as struggling with the effective and timely identification of external opportunities and threats, which if identified would generate improvements in the decision-making processes of the firm with regard to resource deployment and the firm's future direction. A systematised approach, i.e. an effective market research programme, directed at gathering information on pertinent external influences is necessary. Such intelligence needs to be focused around the decisions to be made and support for the internationalization planning process.

The study identified that all firms were experiencing turbulence in their operating environments, although firms in the Textiles and IT sectors emerged as facing a higher degree of uncertainty than firms in other industrial sectors. The writer suggests that none of the participating firms were operating in straightforward '*simple/static*' environments which could be categorised as relatively easy to understand and undergoing negligible change (Johnson and Scholes, 1993).

Even though technical/manufacturing processes were relatively straightforward, competition and market forces were identified to be constantly changing. For example, firms in the Textiles sector were experiencing change from all directions: customers, suppliers, government, financiers, competition (both domestically and internationally based),

<sup>52</sup> Shared Values, Strategy, Structure, Skills, Systems, Style, and Staff.

<sup>53</sup> Macro - Social, Legal, Economic, Political and/or Technological.

<sup>54</sup> Micro - Customer, Market, Competition (domestic and international).

technology, etc. Indeed, these firms were seriously struggling with identifying what the environment of the future would look like and what role their firm would have in it (if any), and/or the plausible alternatives/options available to the firm. The issue of *'breakout'* was identified to be highly significant for firms in this sector.

The writer argues that the bulk of firms operate in *'dynamic'* and/or *'complex'* external environments which are difficult in themselves to comprehend with any high degree of certainty. The firms' competitive position is further compounded by accelerating advances in the application of sophisticated technology solutions in a mushrooming global e-commerce society. This was identified as intensifying feelings of uncertainty and opportunity for all participant firms. There clearly exists a need for firms to: clarify their information needs; formulate solutions as to how best to satisfy such information needs; and define how such information will be utilised and fed into the decision-making processes of the firm.

In addition, a key area of primary focus for the bulk of firms is to clearly recognise the need to generate *'attitudinal change'* within the firm regarding the importance of timely and relevant information/intelligence to the decision-making process. The reactive postures and passive research activities currently in place in many of the firms need to be recognised as inappropriate in dynamic and/or complex environments when *'planning for the future'*. A new *'proactive'* and *'informed'* organisational psyche (i.e. management paradigm) should to be imbedded into the culture of many firms which may require a change in leadership for many of the firms if it is to be achieved. Indeed, internal structural changes with clear lines of responsibility for *'intelligence gathering and analysis'* must be established.

With regard to the three (3) groupings of firm which emerged, based on the three (3) phases of the export development process (see **Section 10.0**), the study clearly identified that the information/intelligence needs to be different for firms in different evolutionary stages of internationalization. The information needs (as identified by the study) are presented in **Table 12.1**, alongside the sources which the participating firms utilised in order to fill their internationalization *'information/intelligence gap'*. The findings highlight the significance of Asian networks during the pre-engagement and initial phases of internationalization.



**Table 12.1**  
**Internationalization - Information/Intelligence & Support Needs plus Sources**

Information/Intelligence & Support Needs		
Pre-engagement Phase Group 1 (5 Firms)	Initial Phase Group 2 (8 Firms)	Advanced Phase Group 3 (8 Firms)
<ul style="list-style-type: none"> <li>◆ Export/import systems, protocol, procedures and documentation</li> <li>◆ Internal infrastructure changes</li> <li>◆ Financial implications, e.g. taxation, duty, etc.</li> <li>◆ Legal implications</li> <li>◆ Potential intermediaries - sub-cultures</li> <li>◆ Product related issues</li> <li>◆ The internationalization process and FMEDS - pros and cons</li> <li>◆ Dealing with international customers and/or suppliers</li> <li>◆ Cultural sensitivity</li> <li>◆ Language barriers</li> <li>◆ Best practice</li> <li>◆ Pitfalls to avoid</li> <li>◆ Do's and don'ts</li> <li>◆ Getting paid</li> <li>◆ Safeguarding the firm's exposure to risk - Market Spreading Vs Market Concentration</li> <li>◆ Potential target markets: macro and micro environments; geographical location; political and economic stability; business environment and practices; labour force attitudes; grants, etc.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Evaluation of current international intermediaries</li> <li>◆ Developing new intermediaries - agents, distributors, etc. within current markets</li> <li>◆ Competition</li> <li>◆ Market characteristics and trends (macro, micro)</li> <li>◆ Identification of additional quality customers/suppliers</li> <li>◆ Other potential international markets and their profiles</li> <li>◆ Safeguarding the firm's exposure to risk - Market Spreading Vs Market Concentration</li> <li>◆ Development/enhancement of international strategy</li> </ul>	<ul style="list-style-type: none"> <li>◆ Competition</li> <li>◆ Market characteristics and trends (macro, micro)</li> <li>◆ Market Spreading Vs Market Concentration</li> <li>◆ Other potential international markets and their profiles</li> </ul>
Information/Intelligence Sources		
<ul style="list-style-type: none"> <li>◇ Friends (Network)</li> <li>◇ Family (Network)</li> <li>◇ Business contacts (Network)</li> <li>◇ Banks</li> <li>◇ Customers/suppliers</li> <li>◇ Published material</li> <li>◇ Libraries / seminars</li> <li>◇ Trade associations</li> <li>◇ Business Links</li> <li>◇ Chamber of commerce</li> <li>◇ Overall: Low cost informal sources; Secondary data sources</li> </ul>	<ul style="list-style-type: none"> <li>◇ Friends (Network)</li> <li>◇ Family (Network)</li> <li>◇ Business contacts (Network)</li> <li>◇ Personal visits</li> <li>◇ Intermediaries - international partners, etc.</li> <li>◇ Embassies</li> <li>◇ Overseas Trade Services</li> </ul>	<ul style="list-style-type: none"> <li>◇ Personal visits</li> <li>◇ Intermediaries - international partners, etc.</li> <li>◇ Management team</li> <li>◇ Market specific primary and secondary research activities</li> <li>◇ Overall: Primary Research</li> </ul>

Table 12.1 clearly illustrates that the sources and nature of information differs from firms which are contemplating internationalization and which operate domestically, i.e. in the pre-engagement phase, vis-à-vis firms which operate internationally, i.e. in the initial or

advanced phases of the export development process. Such firms clearly have different external environment experiences which will influence decision-making perspectives and the management paradigms of specific firms. **Table 12.1** draws attention to the fact that from a business support perspective, agencies need to develop focused support initiatives which clearly address the needs of firms at different stages of internationalization (this is discussed in **Section 12.2.2**). Such an approach requires an understanding of the different dynamics affecting domestically and internationally active firms.

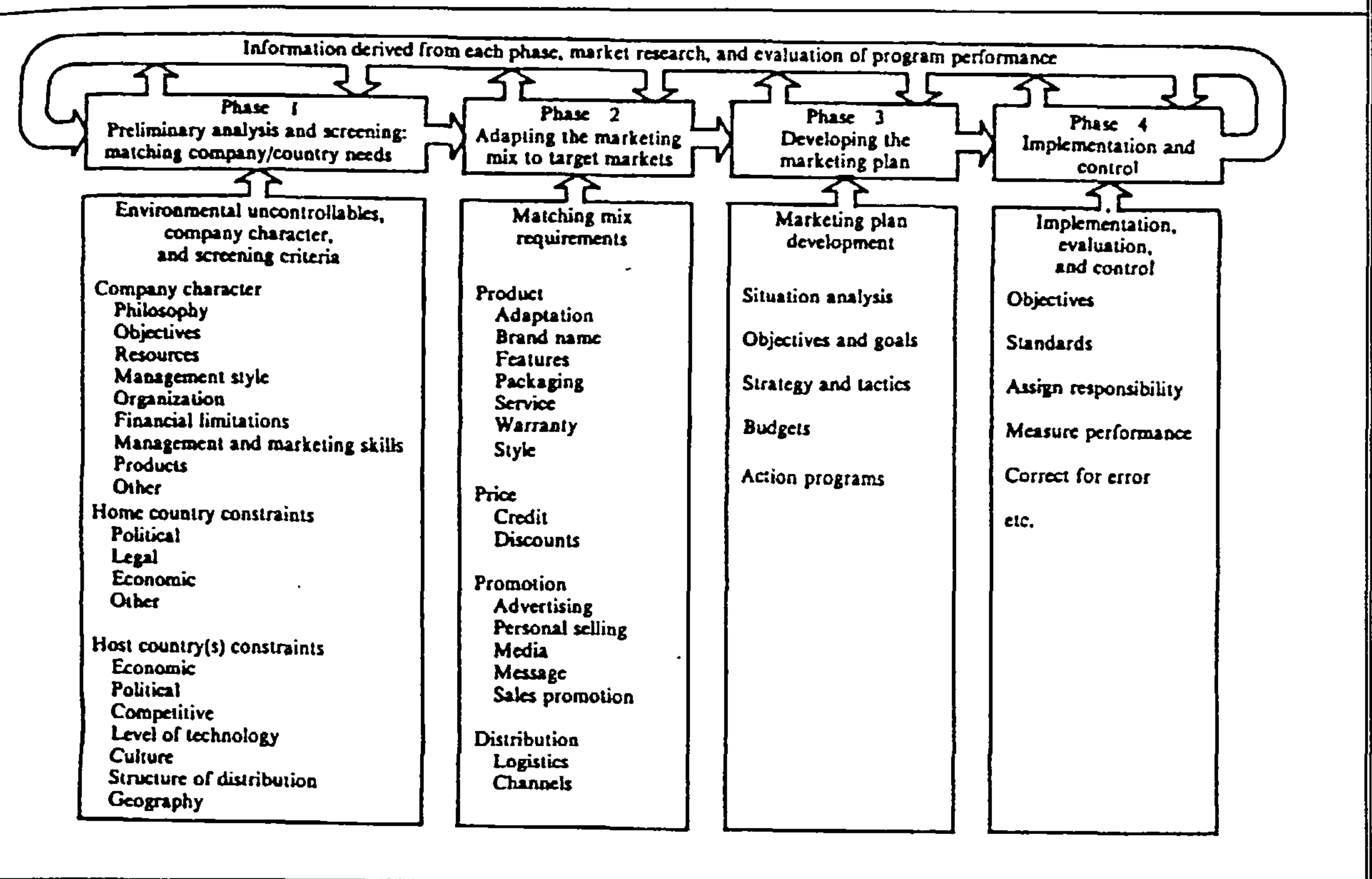
Overall, the study revealed that the bulk of firms operated as '*closed-systems*', i.e. were insular in nature adopting reactive strategies and tactics, pursued a product/production orientated business approach and gathered limited external intelligence which reinforced a lack of formalised strategic/business planning procedures. It is suggested that firms seek to benchmark their export activities with firms which are considered to be successful exporters (see **Table 12.2**). Only through clearly appreciating the firm's relative competitive position will firms be able to evaluate their export performance and activities. **Table 12.2** is presented to stimulate entrepreneurs to assimilate the characteristics of successful firms and provide them with a reference tool to evaluate the firms export activities against.

Based on the study's findings, the writer recommends that firms adopt formalised strategic and operational planning procedures for both domestic and international markets. From an internationalization perspective, **Figure 12.1** provides a possible framework to follow in developing an effective international marketing planning process.

In addition, a formalised approach to developing and detailing an effective '*export strategy*' is necessary which outlines clearly and explicitly the objectives and strategy related to each export market and how such international activities contribute to the firm's long-term corporate objectives. **Table 12.3** provides a template which firms may wish to adopt in order to facilitate improvements in their international planning processes.



**Figure 12.1 International Marketing Planning Process**



Source: Cateora (1987)

**Table 12.2 Profiles of Attitudes of Successful and Less Successful Exporters**

	Successful	Less successful
<b>Key Issues</b>		
<i>Find right distributors</i>	Regard this as the prime issue. Board director involvement in vetting	Respond to inquiries. Expect to be found easily via directories, embassies, etc.
<i>Commitment to export</i>	Regard exporting as inevitable and necessary in a growing business. Persistent, professional and go forward to their customers. Concern of company	Insular, unprofessional, unaware of issues. Exporting seen as solution to problem of part of company only
<i>Learn by doing</i>	Assume responsibility for in-house expertise on the whole process of exporting. Automatically assume mistakes will be made	Overwhelmed by early obstacles and blame others. Defeatist
<i>Selectivity in markets</i>	Ranking process according to rational criteria, progressive focus	Spread effort too thinly, go for high cost/risk markets too soon. Restrict efforts to passive response to unsolicited enquiries
<i>Financial investment</i>	Prepared to look at projected returns on long-term basis.	Exporting seen as gamble with spare cash. Short-term view
<i>Long-term horizon</i>	Several years' effort necessary to lay foundations for solid success. Expect hiccups.	Expect quick results with meager resources

<i>Confidence</i>	Do not export until confident of success. Control growth	Start too soon in haphazard way. Take on too much
<i>Respect for customer</i>	Assume the customer will be at least as good a businessman as you are. Careful study of his needs and sensitivity to them	Adopt 'take it or leave it' attitude. Underestimates the customer
<i>Attitudes to intermediaries</i>	Use advisers at start of export process, but thereafter only very selectively	Either over- or under-rely on external advice. Insufficient range of potential advice sought
<i>Fast communications</i>	Use telephone, fax, telex, electronic mail as appropriate	Rely on letters. Unaware of importance of speed of response
<b>Less Important Issues</b>		
<i>Languages</i>	Simply part of looking after the customer. Normal in-house skill	Overestimate importance leading to excessive timidity or ignore altogether
<i>Credit risk</i>	Regard as worse than domestic in general. Use of ECGD, Letter of Credit, proper investigation, etc. Obvious exceptions (some LDCs)	Fear of risk prevents action
<i>Export documentation and procedures</i>	No problem to professionals. Handled expertly in house or by forwarding agent externally	Lack of professional approach: try to cut corners
<i>Export pricing</i>	Accept that market determines the price and exporter has to control costs. Quote in foreign currency where customer requires it. Hedge if necessary. Aware of volume/unit cost relationships	Inflexible attitude. Try to price at UK levels plus freight. Worry about currency problems
<i>Export staff recruitment</i>	Good people can be trained in house	Believe good people are very difficult to find and prohibitively expensive
<i>Technical standards/ legal systems</i>	Can be a non-tariff barrier but usually surmountable	Overestimate importance
<i>Organisation of export function</i>	May have separate export organisation or not, but whole company committed to export. Usually separate staff handle detailed documentation	Exporting not integrated sufficiently with total business
<i>Payment delays</i>	Generally similar or better than UK. Some exceptions (LDCs)	Believed to be a high cost of exporting

Source: British Overseas Trade Board (BOTB) (1987), pp. 30-1.



**Table 12.3 Developing an Export Strategy**

- I. Executive summary: Overview of plans for the foreign market
- II. Introduction: Why company should do business in the foreign market
- III. Part I: *A statement of foreign market commitment*
- IV. Part II: *The background/situation analysis:*
  - A. Overview of market opportunity
  - B. Primary target market segments
  - C. Analysis of competitive situation
  - D. Assessment of product potential
  - E. Established market entry mode
  - F. Operational strengths and weaknesses
  - G. Resources of firm to be allocated
  - H. Organisational structure for market
- V. Part III: *Strategic marketing plan for foreign market:*
  - A. Identified marketing goals
  - B. Product analysis and selection
  - C. Warranties and other product services
  - D. Pricing and other terms of sales
  - E. Channel(s) of distribution to be used
  - F. Shipping and other transportation means
  - G. Warehousing and other logistical needs
  - H. Market information system needed
  - I. Methods of advertising and promotion
- VI. Part IV: *Operational budget and pro forma financial statements*
- VII. Part V: *Implementation schedule and timetable*
- VIII. Part VI: *Procedures for evaluation and control, including periodic operational/management audits*

Source: Darling (1985), p. 27.

### 12.2.1.3 FMEDS Selection

Although the study revealed that firms were *'export/import'* orientated with regard to the selection of their FMEDS, its findings also suggest that the bulk of firms need to establish a formal process of evaluating and selecting an appropriate *'Export Mode'* and whether *'indirect'* or *'direct'* exporting would be the most appropriate for any given international market. Quite clearly, the decision with regard to indirect or direct exporting modes is based on an assessment of risk and the anticipated satisfactory attainment of the firm's objectives. The study's findings suggest that this decision is also closely related to the firm's stage in the export development process, i.e. pre-engagement, initial or advanced, which is directly related to the firm's degree of *'comfort'* with international activities and the phase at which the firm can be considered with regard to organisational development. Consequently, it may be more appropriate for firms in the *'pre-engagement'* and *'initial'* phases to pursue indirect

methods such a *'piggybacking'* to gain the information/intelligence necessary relating to exporting per se, before adopting direct methods more associated with *'advanced'* exporters.

**Table 12.4** provides details of the various modes of exporting the firms can utilise and is presented to serve as a checklist for firms when considering what would be the most appropriate export mode for the international markets which the firm currently serves or is anticipating to serve. Again, it is recommended that the export mode pursued be periodically reviewed as part of a formal and annual review process of all international activities to ensure the firm's objectives are being maximised.

The study's findings suggest that firms follow an evolutionary process from low commitment, i.e. exporting, to the potential of high commitment, i.e. FDI, with regard to their FMEDS. With this in mind, the writer suggests firms adopt a more structured approach to the selection of FMEDS per se and this be incorporated into the annual periodic review process to assess whether the firm's current FMEDS pursued for specific international markets is maximising the attainment of corporate objectives.

#### **12.2.1.4 Appointing Intermediaries**

The study revealed that the bulk of firms utilised *Asian Networks* to initially identify *'credible intermediaries/parties'* in targeted international markets, predominantly during the *'pre-engagement phase'* and early stage of the *'initial phase'* of the export development process, although these *'intermediaries/parties'* were identified as needing to be subsequently reviewed by firms as performance monitoring became possible. Such monitoring was facilitated through firms gaining a degree of comfort with their international market via market intelligence gathered through growing *'hands-on'* experience. The review and evaluation of intermediaries was shown to predominantly take place during the *'initial'* and *'advanced'* phases of the export development process.



Table 12.4 Export Modes - Checklist

<b>Export Mode</b>	<b>Characteristics</b>	<b>Advantages</b>	<b>Disadvantages</b>
<b>Indirect:</b>			
<b>Export Houses</b>	There are a number of types of export house but the most commonly understood is the organisation that buys from a firm and sells abroad on its own account	May handle all aspects of the export operation	Little market control or information. Limited sales
<b>Confirming Houses</b>	Act on behalf of foreign buyers who pay them on a commission basis. The confirming house guarantees payment to the exporter on shipment of the goods	As above but also guarantees payment	As above
<b>Buying Houses</b>	Acting on behalf of clients like foreign department stores, buying houses purchase from domestic manufacturers	As above but the domestic manufacturer is approached by the buying house and need have no involvement in exporting other than supplying the order	As above
<b>Piggybacking</b>	The firm sells its goods abroad through the overseas sales distribution facilities of another, usually larger firm	The domestic firm has access to resources of an experienced exporter, who in turn has the benefit of a wider product range and increased sales	Finding a suitable partner. The domestic company's product may take second priority. Growth may be impeded by existing arrangements
<b>Direct:</b>			
<b>Agents</b>	There are several types of agent: some will sell only one company's products; other agents will sell products from a number of companies, some of which may be competing. An agent does not take title to the goods, is usually a national of the country concerned and is paid on a commission basis	More market control and information than with channels mentioned above. Permanent presence in the market. Costs of agency are related to sales	May sell more than one company's products. Agency agreements can be difficult and expensive to terminate
<b>Distributors</b>	The distributor takes title to the goods and therefore earns his revenue from his mark-up on the product rather than commission	Like the agent, knows the local market. Able to provide after-sales service. More control of market	Costs of termination are high should exporter's market development plans require new channels
<b>Direct Selling</b>	Sales representatives operating from the home country may be used in foreign sales territories	Detailed knowledge of the company and its products. High level of market control and information	Suffer from a lack of market knowledge, increased traveling time and, depending upon the country, language problems
<b>Local Sales Offices</b>	These may be staffed either by representatives from the home market or from the foreign market	Perceived as a commitment to the market. Easier for local companies to deal with the exporter. Flexible and can accommodate growth	Problem of choosing appropriate personnel for the sales force. Domestic reps may be reluctant to move overseas; local reps have less company knowledge but more country/market know-how

Source: Young et al (1989), pp. 80-81.

Such findings highlight the importance of intermediaries to the participating firms' success internationally and suggests that there is a need to develop an effective screening

procedure/checklist for appointing such critical intermediaries/partners, such as Agents, Distributors, etc. This is especially important since firms had problems with identification, recruitment, motivation, and retention of good intermediaries/partners with which they sought to develop long-term mutually orientated business relationships (a threshold criteria). Such relationships have the potential to either make or break the firm's international export/import activity. The writer provides **Table 12.5** as a checklist of factors which firms should consider, and is presented in order to ensure a systematic approach to screening/engaging effective international market intermediaries. The list is not exhaustive but is provided for firms to have a basic evaluation criteria which can be developed and tailored to their specific needs.

**Table 12.5 A Formal Approach to Engaging Appropriate Intermediaries**

***Variables to consider when deciding how many intermediaries to appoint:***

- ◇ market size and accessibility
- ◇ intermediaries own resource base - intermediaries network of contacts
- ◇ number of languages/dialects spoken in the target market
- ◇ important regional differences that require regional representation
- ◇ location of the intermediaries

***Assessing the potential intermediary:***

- ◇ date of incorporation and business experience of the principals
- ◇ resource base of the intermediary, including:
  - ◆ human resource strength, e.g. technical skills
  - ◆ financial strength
  - ◆ goodwill associated to agency
- ◇ degree of motivation to accept your product line = high/low
- ◇ annual turnover of the intermediary
- ◇ number of foreign principals represented
- ◇ contact patterns established with the client base
- ◇ how does the intermediary perceive your product in terms of strengths and weaknesses?

Source: Adapted from Paliwoda (1993)

### 12.2.1.5 Organising for International Growth

The study highlighted that there was a need to adopt distinct management strategies for domestic and international activities. It emerged that the practice of treating both with indifference diminishes productivity.

Since the majority of firms were anticipating international activities to grow in the future, the



writer recommends that better management of the international operations of the firm is necessary and should be planned as part of the holistic international planning process.

As firms migrate through the phases of the export development process, they should be seeking to establish clear lines of accountability and responsibility within their organisation structure for international activities. Whilst the study revealed that international accountability was assigned to an individual or specific parties, there was scope for infrastructural productivity gains. It is proposed that firms consider the infrastructural needs to support their growing international activities at an early stage.

Although the firms which were internationally active were identified as exporters and/or importers, it is important for firms to recognise that as their international operations increase and *'market spreading'* strategies materialise, other forms of FMEDS may also materialise as more appropriate for specific markets. Consequently, firms need to review their structure to support international activities periodically in order to assess structural suitability and effectiveness over time.

*'Exporting'* emerged as the dominant FMEDS structural analysis based on the study's findings, which would suggest the establishment of a distinct *'Export Function/Department'* to co-ordinate international activities. The advantages and disadvantages of creating such a function/department are presented in **Table 12.6**. By departmentalising export/import activities, the firms will realise increases in organisational efficiencies through having staff with similar expertise working together to perform similar synergeric tasks. However, firms should recognise that such a structure will also suffer from the common inefficiencies of departmentalisation.

**Table 12.6 Potential Advantages and Disadvantages of an Export Department**

<b>Advantages</b>	<b>Disadvantages</b>
<ul style="list-style-type: none"> <li>◇ Allows task assignment to be consistent with technical training</li> <li>◇ Allows greater specialisation in technical areas of expertise</li> <li>◇ Supports in-depth training and development</li> <li>◇ Promotes high-quality technical problem solving</li> <li>◇ Reduces technical demands on the manager</li> <li>◇ Provides career paths within areas of technical expertise</li> </ul>	<ul style="list-style-type: none"> <li>◆ May reduce accountability for total production or service delivery</li> <li>◆ Promotes overspecialisation</li> <li>◆ Breaks down communication across functions</li> <li>◆ Refers too many problems upwards in hierarchy</li> <li>◆ Promotes narrow, self-centered perspectives within functions</li> <li>◆ Allows slow response to interfunctional problems</li> </ul>

Source: Adapted from Quinn et al (1996)

### 12.2.1.6 Market Screening and Selection

The study revealed that country/market screening (export/import markets) was orientated around the following key governing *'threshold criteria'*, which all share a coherent focus around the minimisation of risk and uncertainty:

- ◇ economic stability;
- ◇ a legal system/infrastructure which facilitates *'systems trust'*;
- ◇ a positive business culture, i.e. one where long-term mutually orientated business relationships can be established; and
- ◇ guaranteed payment/supply of quality product.

The writer suggests enhancements in target country/market screening and selection can be accomplished through introducing improvements in the firms' information/intelligence gathering and evaluation processes, a process which for the bulk of participating firms was identified to be poor at best.

It is important for the firms to recognise that, in order to maximise business opportunities and profitability, these primary areas need to be frequently/constantly evaluated and scanned, not only for the international markets with which business is transacted presently



but also other potential markets in light of emerging international opportunities. This will facilitate an effective decision-making process. It is not sufficient for firms to perceive screening as a static one-off activity.

The writer presents **Figure 12.2** which outlines a formal approach to country/market screening as an approach which firms may wish to adopt in order to enhance their international decision-making processes. The figure highlights the importance of *'intelligence'* at both macro and micro levels to the overall process (which was clearly highlighted earlier).

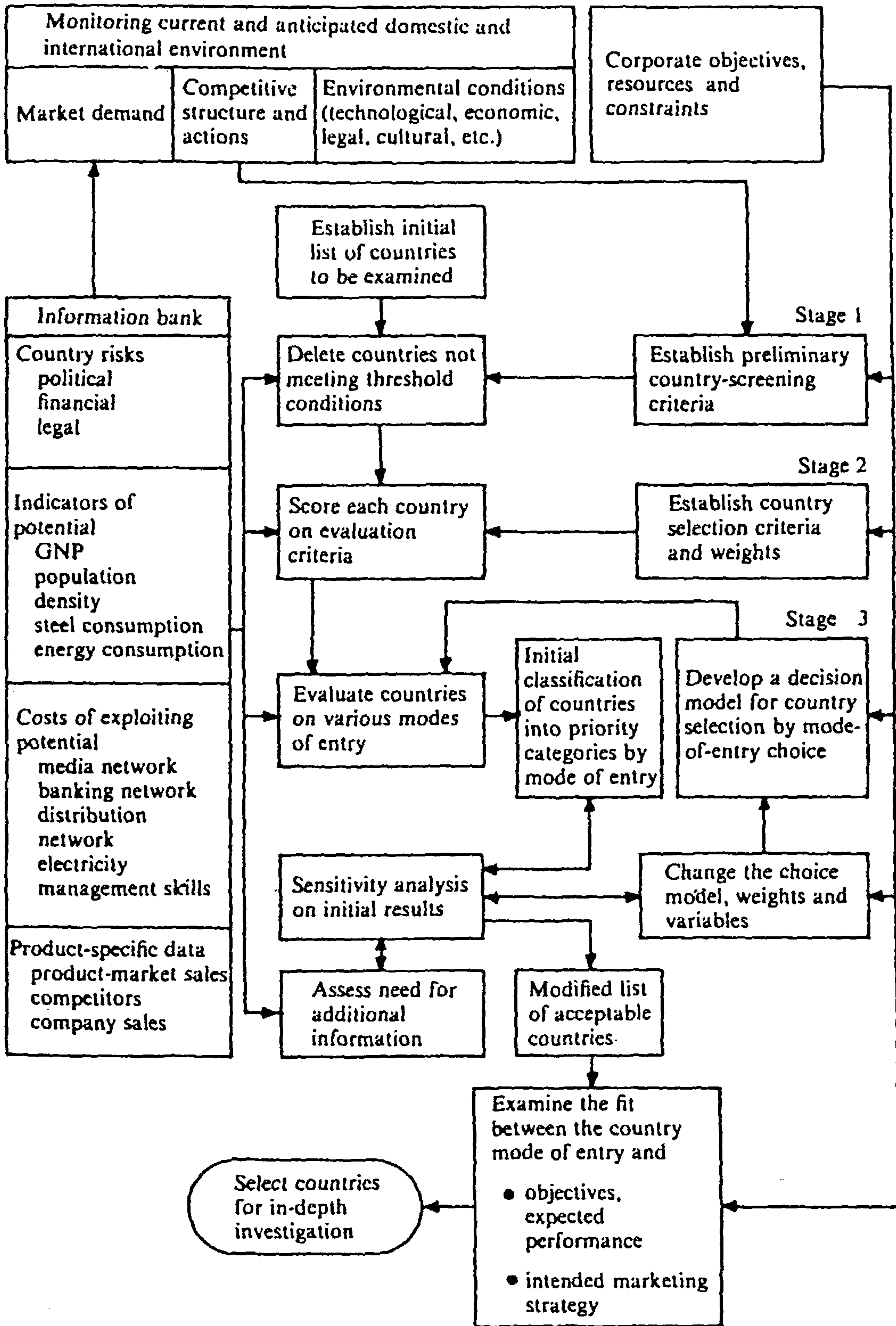
The country/market screening process commences with **ALL** countries. Each country is then evaluated against specific firm needs and all countries satisfying such criteria are then deemed to be eligible for serious consideration with regard to international market development. The approach is fundamentally broken down into three (3) stages:

- ◆ **Stage 1** - Focused on defining a *'preliminary screening criteria'* which will eliminate unsuitable countries to target based on the countries ability to satisfy threshold conditions. For the participating firms, the threshold criteria have been outlined above.
- ◆ **Stage 2** - Is orientated around weighting factors which the firm's management perceive to be important in effectively evaluating ALL the countries progressing to this stage<sup>55</sup>. Such factors would relate to a country's macro and micro external environmental conditions.
- ◆ **Stage 3** - Following Stage 2, countries can be evaluated in more detail since a ranked list of countries would materialise based on attractiveness.

---

<sup>55</sup> Sensitivity Analysis should be undertaken with regard to weightings for each factors in order to assess changes in the rank ordering of countries in Stage 3.

Figure 12.2 A Formal Approach to Country/Market Screening



Source: Douglas and Craig (1983)



### 12.2.1.7 Leveraging Asian Networks

It was identified that Asian Networks are a valuable source of information/intelligence for the firms in seeking and operationalising international activity, i.e. *'making things happen'*. The writer, clearly recognising the cultural significance of Asian Networks per se, suggests that the decision-maker adopts a more conscious and systematic approach in engaging network contacts (both in domestic and international markets) primarily to safeguard long-term business interests. The writer recommends that network contacts be consciously screened and scored along critical business related dimensions such as those presented in **Table 12.7** in a similar way to screening intermediaries.

In addition, the study revealed that those entrepreneurs who chose to engage *'the network'* derived business benefit from doing so. Consequently, the writer argues that from an information/intelligence gathering perspective entrepreneurs should engage in *'networking'* activities per se wherever possible (Asian or otherwise). Granovetter (1986) underlines this, taking the view that economic activity cannot be placed in a separate sphere of impersonal financial calculations and that *people's economic behaviour is embedded in a network of social relations*. Firms therefore differ according to the social and economic systems in which they are embedded. This implies that the economic prosperity of the entrepreneurs is heavily reliant on the social networks upon which they draw (ethnic or otherwise). The challenge for entrepreneurs is to develop and sustain networks which provide economic leverage for their firms. The challenge with regard to *'breakout'* per se is that many UK Indian firms need to develop effective mainstream networks.

Also, business support agencies need to recognise that engagement with *'networking forums'* such as those provided by Asian Business Associations is of critical importance not only in order to target specific firms with current initiatives, but also from the perspective of evaluating current services and developing new services and initiative which are customer focused. Such actions will facilitate the development and sustainability of a *'market orientated'* approach through the management and development of support agency services which are sensitive to UK Indian business needs and idiosyncrasies.

**Table 12.7 A Formal Approach to Network Screening**

CONTACT:	Very Important					Less Important				
	5	4	3	2	1	5	4	3	2	1
<ul style="list-style-type: none"> <li>◆ Sincerity/sincerity</li> <li>◆ Strength of current relationship</li> <li>◆ Business potential with specific countries with which ethnic ties exist (list country and rate)                             <ul style="list-style-type: none"> <li>⇒ Country 1</li> <li>⇒ Country 2</li> <li>⇒ Country 3</li> <li>⇒ Country 4</li> </ul> </li> <li>◆ Capabilities (list capabilities of contacts)                             <ul style="list-style-type: none"> <li>⇒</li> <li>⇒</li> <li>⇒</li> </ul> </li> <li>◆ Competencies (list competencies of contacts)                             <ul style="list-style-type: none"> <li>⇒</li> <li>⇒</li> <li>⇒</li> </ul> </li> <li>◆ Ability to deliver necessary outputs through engagement</li> <li>◆ Strength of their network (diversity/integrity/quality/etc/etc.)                             <ul style="list-style-type: none"> <li>⇒ domestically</li> <li>⇒ Internationally</li> </ul> </li> <li>◆ Support/guidance</li> <li>◆ Mainstream interaction</li> </ul>										

Source: The Author (2001)



## 12.2.2 Business Support Services - Government / Private / Other

### 12.2.2.1 Ethnicity - An Issue? - Some General Thoughts

Both the study's findings and internationalization literature present arguments which support the notion that '*cultural differences*' do significantly influence the business practices and the management paradigms/corporate cultures of firms managed by individuals (and employing individuals) of different nationalities and/or ancestral heritage. This is primarily due to factors associated with an individual's '*socialisation*' (see **Volume 1, Section 5.0** which discusses *Cultural Influences*).

Consequently, any form of business support (both domestic or international) directed at ethnic business audiences must cater for any cultural characteristics which may hinder '*effective communication*' and understanding with regard to what support services are available, and how they can support the growth and development of ethnic firms predominantly owned, managed and controlled by first generation immigrants - a finding which this study highlights. In addition, it would be expected that effective dialogue between support agencies and ethnic groups would facilitate the effective development of new focused initiatives to support these firms, to contribute to the economy's competitiveness as a whole.

The bulk of the sample frame reported that mainstream support services (and the banks) were failing to:

- ◆ understand the needs of the Asian business community;
- ◆ effectively engage with the Asian business community; and
- ◆ adopt infrastructures which were more business/customer '*needs*' focused as opposed to orientated around service provision.

The study would suggest that, in order to begin understanding the issues and address the apparent '*void*' which exists in support provision between '*what is being said*' and '*what is being done*', further research enquiry is necessary.

The study revealed that firms perceived mainstream business support services per se to lack empathy with the Indian business community, with many of the firms being unaware of the support available and how it was relevant to their specific business needs. The findings highlight a lack of penetration, in-roads, and awareness which mainstream business support agencies have made with respect to the UK Indian business community. Indeed, the study

revealed that the bulk of firms preferred to *'go it alone'* and learn through experience, relying on their *'Networks'* for support and guidance.

It is also interesting to note that twenty (20) of the twenty one (21) firms which participated in this study were recruited through the endorsement of *Asian Business Associations* in the East and West Midlands (see **Table 3.6, Section 3.5**). All UK Indian firms which were referred to the writer via *'mainstream'* gatekeepers were reluctant to participate in the study. The dialogue which the writer had with these firms, when considered against discussion with those firms which participated in the study, would suggest that UK Indian firms need to have a degree of familiarity with the *'gatekeeper'*. This familiarity is fundamentally based on a relationship of trust, understanding, and empathy, as opposed to a relationship based purely on the *'transaction process'* of purchasing business support services. Indeed, the study revealed that of the firms which participated in the study and which had received mainstream business support, all were dissatisfied with the quality of the business support services which they had received - real or perceived - from mainstream providers. The writer suggests that although this could be interpreted (based on the study's findings) as possibly explaining why firms referred for the study by these gatekeepers were reluctant to participate, it is a dimension which requires further exploration and clarification. However, it was identified as a significant issue.

The writer suggests that ethnicity per se is an important factor for mainstream business support agencies to consider in order to pursue the objective of assisting minority firms to grow and develop and contribute towards the UK's competitiveness at an international level.

It is recommended that mainstream business support agencies seek to understand ethnicity and diversity related issues in order to be accepted by ethnic business communities as being locally sensitive and representative bodies. This can be accomplished through support agencies adopting effective engagement infrastructures; developing mutually orientated external partnerships/relationships with local *'ethnic support agencies'*; and reinforcing these actions from a human resource perspective by ensuring the agency reflects (at all hierarchical levels) the demographics of the local business communities which they seek to engage, serve, and support.

The findings of the study suggest that the take-up of mainstream business support services per se by UK Indian firms will be influenced by the actions which support agencies take to realign themselves to the genuine business support needs of this business community. Transparency is a vital aspect of such a mainstream business support culture change and



one which the Chief Executive - David Irwin - of the Government's<sup>56</sup> new business support agency - The Small Business Service - will need to address.

As part of the above recommendations, monitoring of the take-up of mainstream business support services by UK Indian firms is critical and will require the development of a sensitive information/intelligence system to capture data which will facilitate effective decision-making, and the development of market orientated business support initiatives and services which achieve high penetration levels with minority communities.

The findings of the study suggest that the current situation with regard to business support agencies and ethnic enterprise and entrepreneurship can be significantly enhanced. The writer recommends that, as a starting point to facilitate a pragmatic agenda at both national and local levels, a review of past studies focusing on ethnic enterprise (i.e. a mapping exercise) be undertaken in order to consolidate what has been done, and what requires to be commissioned with regard to new research studies focused around the effective engagement of ethnic firms and mainstream business support activities. **Table 12.8** provides a template for consideration and development.

Overall the study has highlighted the need to be sensitive to the demographic characteristics of firms of which ethnicity is an important factor when tailoring international support services.

The writer recommends that localised business support services for ethnic enterprises be effectively integrated into regional development plans (i.e. via Regional Development Agencies and Regional Government Offices) and national government policy, i.e. through the DTI - both bottom-up and top-down.

---

<sup>56</sup> The political party in Government at the time this thesis was submitted was the Labour Party. Tony Blair MP is currently The Prime Minister.

**Table 12.8**  
**Identifying the Internationalization Business Support Needs of Ethnic Firms**

Identifying the internationalization business support needs of ethnic firms can be achieved by the following systematic process:

**Step 1: Review of Secondary information**

- ◆ Commission a leading authority to review and synthesis literature (academic and other) with the objective to identify what is known on the subject matter

**Step 2: Identify what questions still remain unanswered**

**Step 3: Undertake primary research to address the queries and specific issues**

- ◆ survey
- ◆ seminars
- ◆ case-studies
- ◆ round table debates/focus groups,
- ◆ etc.

**Step 4: Analyse findings**

- ◆ create initiatives
- ◆ set time scaled objectives
- ◆ formulate action plans
- ◆ identify implementation partners
- ◆ setup a monitoring system

**Step 5: Disseminate findings**

**Partnerships:**

In order to ensure credibility, rigor, and acceptability of the above process, please list key partners and their roles:

Partner 1:	Role:
Partner 2:	Role:
Partner 3:	Role:

Source: The Author (2001)

### 12.2.2.2 Networking - Partnership Opportunities

The study revealed that a significant proportion of the firms were not aware of the types of mainstream business support available to facilitate international growth and development strategies. It is recommended that mainstream business support agencies seek stronger links with ethnic support agencies to increase the level of penetration and awareness of their international business support services (plus other services) to such business communities.

A closer working partnership between mainstream and ethnic agencies has the potential to



provide a solid basis for intelligence gathering and focused business support service delivery whilst simultaneously providing clear research opportunities. Such partnerships will also provide the baseline from which solutions can be generated to overcome many of the information/intelligence and support issues highlighted by the study (see **Table 12.1**).

**Table 12.9** provides a template which support agencies, both mainstream and ethnic, may wish to adopt as a basis for discussion when developing mutually orientated partnership activities or service level agreements.

### **12.2.2.3 Targeting International Business Support Services**

Three (3) groups of firm have emerged from the study's findings which fall in line with the export development process, i.e. firms in their pre-engagement phase, initial phase and advanced phase of export. Each group was identified to display distinct characteristics with regard to their information/intelligence and support needs. The study also revealed the sources which the firms approached and utilised in order to fulfill their internationalization intelligence needs (see **Table 12.1**).

The study's findings suggest that support agencies have failed to differentiate between firms based on their needs when targeting their international business support services, and suggests that the generic business support tactics are failing firms seeking to develop international activities. The study reveals that support needs to be orientated around, for example, addressing the specific needs of firms at different stages of the export development process. The writer recommends that mainstream business support agencies clearly recognise the different information/intelligence and support needs of firms at different stages of internationalization and focus their resources to address the genuine needs of the three (3) heterogeneous groups which have emerged (see **Section 10.3** for full discussion of group characteristics).

This recommendation requires mainstream business support agencies to become more market orientated with regard to the services which they provide to SMEs per se. Through coupling this recommendation with the suggestion made earlier relating to the fostering of partnerships with ethnic business support agencies, there is also the potential to generate positive outcomes with regard to the international performance of ethnic firms. Indeed, the writer suggests that capacity building of such agencies in order to facilitate market penetration should be explored.

**Table 12.9 Clarifying Partnership Arrangements**

**1. Organisations involved in Partnership**

Organisation 1:  
 Organisation 2:  
 Organisation 3:

**2. Objectives of Partnership**

Long-term objectives:

- ⇒
- ⇒
- ⇒

Short-term objectives:

- ⇒
- ⇒
- ⇒

**3. Activities to be Undertaken plus Partners Responsibilities/Accountability**

- ⇒
- ⇒
- ⇒
- ⇒
- ⇒

**4. Monitoring of Partnership Performance by Partners**

Organisation 1:  
 Organisation 2:  
 Organisation 3:  
 Integrated Monitoring:

**5. Timescales/Outputs**

	Year 1	Year 2	Year 3	Year 4	Year 5
Objectives:					
Activity / Responsibility:					
Output:					
Costings:					

Source: The Author (2001)



The study revealed that whilst government support agencies were committed to assisting firms to seek international opportunities, their support mechanism for supporting firms to export was lacking. A need exists to effectively stimulate successful internationalization amongst UK Indian SMEs. The findings clearly suggest that by focusing support services around the needs of the three (3) emergent groups of firms, improvements in the assistance which support agencies can provide would be realised.

Whilst the literature review reveals that a universal internationalization model does not exist, many scholars do agree that firms internationalize through stages, progressing from a state of low commitment and involvement to a state of high commitment and involvement. Indeed, this study supports the notion of a *'domestic/internationalization continuum'*.

The British Overseas Trade Board (BOTB) was identified as segmenting exporters under the following classifications: non-exporters, passive exporters, and regular/active exporters. The study's findings, whilst supporting the BOTB's policy to group exporters into three (3) distinct segments - which clearly share similar characteristics as the three (3) emergent groupings of this study - have highlighted a number of important policy issues in the context of the three (3) emergent groups which require serious consideration in terms of effective support delivery.

### ***Recommendations - Pre-engagement Exporters***

The study's findings identify that support agencies need to increase awareness regarding: a) the potential advantages and benefits of exporting to the firms; and b) the forms and nature of assistance which they can provide to assist firms in developing international opportunities. Since many of the issues are associated with cultivating and developing a positive perspective from entrepreneurs with regard to internationalization per se, many of the psychological hurdles must be addressed. Firms should be sensitively informed about why they should be seeking international opportunities and the limitations of a pure domestic orientation and be open and up front with regard to the pitfalls and risks which internationalization may present. Whilst exporting should not be sold as the only solution to the business growth and development needs of the firms, support agencies should present a coherent case for exporting and its benefits.

Emphasis should be placed on the learning curve which firms will experience relating to planning, skills development, organisational infrastructure changes, product adaptations, etc., highlighting that the initial encounters with international markets will identify areas which will require management focus. This form of engagement should be capitalised upon

by support agencies as providing themselves with an opportunity to clearly identify concerns and reservations. This will facilitate the effective gathering of intelligence pertinent to the changing needs of this group of firms. This in turn will facilitate the ability of advisors to be fully prepared to address the genuine needs of entrepreneurs seeking advice.

It is important that support agency staff do not insist that firms internationalize as this will leave a negative perception of the agency. The primary objective should be to provide the facts and address the concerns of the firms so that those firms which opt not to internationalize still maintain a positive impression about the support services and will re-engage when the time is right for them, i.e. when a genuine '*felt-need*' to internationalize exists.

Since the study revealed that there is a need to increase awareness of services and assistance available to this group of firms, it would appear that engagement with local Asian Business Associations has the potential of addressing many of the issues stated earlier, not only from an intelligence gathering perspective but also through the endorsement of initiatives and events (Hayer, 2001). This would seem logical on the grounds that with the exception of one (1) firm, all firms were recruited for the study via such associations.

### ***Recommendations - Initial Exporters***

The study's findings suggest that the firms in this group have made the decision to export and are developing competencies associated with internationalization whilst simultaneously grappling with the challenges which internationalization presents the firm. Support agency advisors should recognise that these firms require tentative nurturing to ensure they effectively develop and grow their international operation and earn valuable foreign currency for the economy and migrate to become experienced and established international players.

There is a need to reinforce the benefits of exporting and discourage firms from pulling out of international activities should they face minor difficulties and setbacks. Entrepreneurs should be encouraged not to procrastinate over such matters and support staff should not only be highly responsive to queries but should also maintain regular dialogue with firms to ensure that the information and operational support needs of the firms at this stage (as presented in **Table 12.1**) are addressed appropriately and the necessary encouragement provided. The use of peer group forums would assist in the confidence building of entrepreneurs. Possibly this could be accomplished via the assistance of Asian Business Associations.



Similarly, support agencies should ensure that the information they gather via their engagement with firms in this category feeds into an intelligence system which ensures the development of support activities, be they informational, consultancy, or financially/grant based.

### ***Recommendations - Advanced Exporters***

These firms can be considered as established international players. They have developed the necessary core competencies associated with internationalization, have dealt with international markets over many years, and fully appreciate the benefits and potential pitfalls of the activity. The study revealed that these firms were more focused with regard to managing their international activities and were extremely clear as to what intelligence and support needs their firms required as presented in **Table 12.1**.

There is a need to ensure that information/intelligence and support provided by support agencies facilitates these firms to make proactive decisions about the markets they currently serve. Support agencies should seek to keep periodic contact with these firms to ensure they are maximising their international potential. Encouragement to consider other potential markets should be conveyed. Regular mailings regarding overseas trade missions, exhibitions, and overseas visits to the UK should be conveyed in a timely manner. Firms in this category require intelligence and support which is not only timely but in a format which can be easily digested by the entrepreneur in sufficient time to make necessary decisions. It is suggested that support agencies accomplish this via the utilisation of multi-media communication, i.e. written/visual documentation, verbal and personal. The use of modern e-commerce facilities should be maximised.

### **12.3 Summary**

The conclusions and recommendations made in this section targeted at UK Indian enterprises are aimed at assisting firms to review and evaluate their business policies and clearly define the strategic role of international activities within the holistic activities of the firm.

The section highlights that a need exists for firms to develop a systematised approach, orientated around the development of good international management practices in order to develop and grow their international competitiveness and performance. Attention is necessary in the areas of: developing an international planning process; clarifying information and intelligence needs; selecting appropriate FMEDS; screening and appointing intermediaries; devising organisational structures which effectively integrate international activities into the firm's current activities; devising a systematic approach to market screening and selection; and maximising the leverage which the entrepreneur's Asian Networks can provide the firm. Overall, a more structured approach to international business growth and development is presented.

From a Business Support perspective, the conclusions and recommendations suggest that it is important for support agencies to appreciate that although there are similarities in the support needs of firms (across the three (3) emergent groups), the needs become more specific as firms migrate towards becoming '*Advanced Exporters*'.

The study's findings confirm the BOTB's categorisation of exporters but highlights improvements in the activities of support agencies at an operational level are necessary. Improvements which are orientated around adapting support to each specific category.

It is envisaged that the policy recommendations made in this section, if pursued by support agencies, will assist business support agencies to stimulate international activity and also effectively support internationally active SMEs (both ethnic and mainstream).

Finally, as a general comment, it needs to be highlighted that the accomplishment of any change in the unfavorable attitudes and perceptions of participating firms towards mainstream business support agencies will take time to overcome. Business support agencies must recognise that this will be a long drawn out process. However, it is a process which has the potential to generate enormous international commercial advantage for the economy.



## 13.0 References

- 1) Aaby, N.E. and Slater, S.F. (1989), 'Management Influences on Export Performance: A Review of the Empirical Literature 1978-88', *International Marketing Review*, 6 (4), pp. 7-26.
- 2) Abdel-Malek, T. (1978), 'Export Marketing Orientation in Small Firms', *American Small Business Journal*, 3 (1), pp. 25-34.
- 3) Adler, N.J, Doktor, R. and Redding, S.G. (1986), 'From the Atlantic to the Pacific Century', *Journal of Management*, 12 (2), pp. 295-318.
- 4) Adler, N.J. (1983), 'Cross-Cultural Management Research: The Ostrich And The Trend', *Academy of Management Review*, 8 (2), pp. 226-232.
- 5) Adler, N.J. (1991), *International Dimensions of Organisational Behaviour*, 2nd Edition, PWS-Kent Publishing Company, Boston.
- 6) Adler, N.J. and Bartholomew, S. (1992), 'Academic And Professional Communities Of Discourse: Generating Knowledge On Transnational Human Resource Management', *Journal of International Business Studies*, 23 (3), pp. 551-570.
- 7) Agarwal, S. and Ramaswami S.N. (1992), 'Choice Of Foreign Market Entry Mode: Impact Of Ownership, Location And Internalisation Factors', *Journal of International Business Studies*, 23 (1), pp. 1-27.
- 8) Aguilar, F.J. (1967), *Scanning the Business Environment*, McGraw-Hill, New York.
- 9) Aharoni, Y. (1966), *The Foreign Investment Decision Process*, Harvard University Press, Boston, Ma.
- 10) Ahmed, S.U. (1981), *Entrepreneurship and Management Practices Among Immigrants from Bangladesh in the United Kingdom*, unpublished PhD thesis, Henley - The Management College, Henley/Brunel University.
- 11) Ajiboye, G.Y. (1980), *Control in Nigerian Organisations: Hierarchy and Functional Differentiation*, unpublished MBA dissertation, University of Bradford.
- 12) Aksoy, S. and Kaynak, E. (1994), 'Export Behavior Of Fresh Produce Marketers: Toward Coordination With General Theory Of Exporting', *International Marketing Review*, 11 (2), pp. 16-32.
- 13) Albaum, G., Strandkov, J., Duerr, E. and Dowd, L. (1989), *International Marketing and Export Management*, Addison-Wesley Publishing Company, Wokingham.
- 14) Albaum, G.A. and Peterson, R.A. (1984), 'Empirical Research into International Marketing 1978-1982', *Journal of International Business Studies*, Spring/Summer, pp. 161-173.
- 15) Aldrich, H.E., Cater, J.C., Jones, T.F., and McEvoy, D. (1981), 'Business Development and Self-Segregation: Asian Enterprise in Three British Cities', in Peach, C.,

- Robinson, V. and Smith, S. (Eds), *Ethnic Segregation in Cities*, Croom Helm, London, pp. 170-190.
- 16) Aldrich, H.E., Cater, J.C., Jones, T.F., and McEvoy, D. (1983), 'From Periphery to Peripheral: The South Asian Petite Bourgeoisie in England', in Simpson, I.H. and Simpson, R.L. (Eds), *Research in the Sociology of Work*, Vol. 2., JAI Press, Greenwich, Ct.
- 17) Aldrich, H. and Zimmer, C. (1986), 'Enterprise Through Social Networks', in Sexton, D. and Smilor, R. (Eds), *The Art and Science of Entrepreneurship*, Ballinger, Cambridge.
- 18) Aldridge, H., Reese, P.R., and Dubini, P. (1989), 'Women on the Verge of Breakthrough: Networking among Entrepreneurs in the United States and Italy', *Entrepreneurship and Regional Development*, Vol. 1, pp. 339-356.
- 19) Alexandrides, C.G. (1971), 'How the Major Obstacles to Expansion can be Overcome', *Atlanta Economic Review*, Vol. 21, pp. 12-15.
- 20) Ali, A. and Swiercz, P.M. (1991), 'Firm Size and Export Behaviour: Lessons from the Midwest', *Journal of Small Business Management*, Vol. 29, pp. 71-78.
- 21) Allen, S. (1970), *New Minorities, Old Conflicts: Asian and West Indian Migrants in Britain*, Random House, New York.
- 22) Alvesson, M. and Melin, L. (1987), *Major Discrepancies And Contradictions In Organizational Culture*, paper presented at the 3rd International Conference on Organizational Symbolism and Corporate Culture, Milan, July.
- 23) Andersen, O. (1993), 'On the Internationalization Processes of Firms: A Critical Analysis', *Journal of International Business Studies*, 24 (2), pp. 209-231.
- 24) Andersen, O. and Kheam, L.S. (1998), 'Resource-Based Theory and International Growth Strategies: An Exploratory Study', *International Business Review*, 7 (2), pp. 163-184.
- 25) Andersen, P.H. and Strandsov, J. (1996), 'International Market Selection: A Cognitive Perspective', in *Innovation and International Business*, Proceedings of the 22nd European International Business Academy Annual Conference, Institute of International Business, Stockholm School of Economics, 15-17 December.
- 26) Anderson, E. (1990), 'Two Firms, One Frontier: On Assessing Joint Venture Performance', *Sloan Management Review*, Winter, pp. 19-30.
- 27) Anderson, E. and Coughlan, A.T. (1987), 'International Market Entry and Expansion via Independent or Integrated Channels of Distribution', *Journal of Marketing*, Vol. 51, pp. 71-81.
- 28) Anderson, V. (1999), *Fostering Growth Through Internationalization: An Investigation into the Use of Support Agency Advice and Guidance by SMEs*, Paper presented at the 22nd ISBS National Small Firms Policy & Research Conference: European



- Strategies, Growth and Development. Leeds, 17-19 November.
- 29) Angelmar, R. and Pras, B. (1984), 'Product Acceptance by Middlemen in Export Channels', *Journal of Business Research*, Vol. 12, pp. 227-240.
  - 30) Ansoff, I. (1957), 'Strategies for Growth', *Harvard Business Review*, September-October, pp. 113-124.
  - 31) Ansoff, I.H. (1957), 'Strategies for Diversification', *Harvard Business Review*, September-October, p. 114.
  - 32) Anwar, M. (1996), *Race and Politics: Ethnic Minorities and the British Political System*, Tavistock publications.
  - 33) Arnaud, J.M., Salle, R., and Valla, J-P, (1986), 'The Components of Complexity of International Supplier/Customer Relationships', in Turnbull, P.W. and Paliwoda, S.J., *Research in International Marketing*, Croom Helm, London.
  - 34) Axelsson, B. and Easton, G. (Eds) (1992), *Industrial Networks: A New View of Reality*, Routledge, London, New York.
  - 35) Axelsson, B. and Hakansson, H. (1986), 'The Development Role of Purchasing in an Internationally Oriented Company', in Turnbull, P.W. and Paliwoda, S.J., *Research in International Marketing*, Croom Helm, London.
  - 36) Axinn, C.N. (1988), 'Export Performance: Do Managerial Perceptions Make a Difference', *International Marketing Review*, 5 (2), pp. 61-71.
  - 37) Axinn, C.N. (1994), 'Introduction: International Perspectives Of Export Marketing', in Axinn, C.N. (Ed), *Advances in International Marketing*, 6, XI-XVI, JAI Press, Greenwich, Conn.
  - 38) Bailey, K.D. (1982), *Methods of Social Research*, The Free Press, New York, pp.192-194.
  - 39) Bailey, T. (1985), 'A Case Study Of The Immigrants In The Restaurant Industry', *Industrial Relations*, 24 (2), pp. 205-221.
  - 40) Baker, A.M. (1978), 'Asians Are Not All Alike', *New Community*, Vol. 2, pp. 274-275.
  - 41) Baker, A.M. (1981-1982), 'Ethnic Enterprise and Modern Capitalism, Asian Small Business', *New Community*, 9 (3), pp. 478-486.
  - 42) Ballard, R. and Ballard, C. (1977), 'The Sikhs: The Development of South Asian Settlement in Britain', in Watson. J.L (Ed), *Between Two Cultures*, Basil Blackwell, Oxford, pp. 21-56.
  - 43) Ballard, R. and Kalra, V.S. (1994), *Ethnic Dimensions of The 1991 Census*, University of Manchester, Manchester.
  - 44) Bamberger, I. (1982), 'Value Systems, Strategies and Performance of Small and Medium-size Firms', *European Small Business Journal*, 1 (4), pp. 35-41.
  - 45) Banai, M. (1982), 'Geert Hofstede: "Culture's Consequences: International Differences

- In Work-Related Values", *Journal of Management Studies*, pp. 351-354.
- 46) Bank of England (BOE) (1999), *The Financing of Ethnic Minority Firms in the UK - A Special Report*, Bank of England, London.
- 47) Bannock, G. (1981), *The Economies of Small Firms: Return from the Wilderness*, Blackwell, Oxford.
- 48) Bannock, G. and Partners (1987), *Into Active Exporting*, BOTB Occasional Papers, HMSO. Dd 8934782 J0229NJ, London.
- 49) Bannock, G. and Peacock, A. (1989), *Governments and Small Business*, Paul Chapman Publishing Ltd., London.
- 50) Barber, B. (1983), *The Logic and Limits of Trust*, Rutgers University Press, New Brunswick.
- 51) Barber, J., Metcalfe, J.S., and Porteous, M. (1989), *Barriers to Growth in Small Firms*, Routledge, London.
- 52) Barclays Bank (February, 1997) *Cultural Changes and the Small Firm*.
- 53) Barkema, H.G., Bell, J.H.J., and Pennings, J.M. (1996), 'Foreign Entry, Cultural Barriers and Learning', *Strategic Management Journal*, 17 (2), pp. 151-166.
- 54) Barker, A. and Kaynak, E. (1992), 'An Empirical Investigation of the Differences Between Initiating and Continuing Exporters', *European Journal of Marketing*, 26 (3), pp. 27-36.
- 55) Barney, J. (1991), 'Firm Resources and Sustained Competitive Advantage', *Journal of Management*, Vol. 17, pp. 99-120.
- 56) Barnouw, V. (1963), *Culture and Personality*, Dorsey Press, Homewood, Ill.
- 57) Barrett, G., Jones, T., and McEvoy, D. (1996), 'Ethnic Minority Business: Theoretical Discourse In Britain And North America', *Urban Studies*, 33, 4/5, pp. 783-809.
- 58) Barrow, C, (1993), *The Essence of Small Business*, Prentice Hall Inc., Englewood Cliffs, NJ.
- 59) Bartlett, C.A. and Ghoshal, S. (1989), *Managing Across Borders: The Transnational Solution*, Harvard Business School Press, Boston, Mass.
- 60) Barton, C.A. (1983), 'Trust and Credit: Some Observations Regarding Business Strategies of Overseas Chinese Traders in South Vietnam', in Lim L.Y.C. and Gosling, L.A.P. (Eds), *The Chinese in Southeast Asia*, Maruzen Asia, Singapore, pp. 46-63.
- 61) Basu, A. (1998), 'An Exploration Of Entrepreneurial Activity Among Asian Small Businesses In Britain', *Small Business Economics*, Vol. 10, pp. 313-326
- 62) Bath K.S. (1970), *The Educational Problems of Punjabi Immigrant Children from India*, unpublished MEd dissertation, University of Wales.
- 63) Bauerschmidt, A., Sullivan, D., and Gillespie, K. (1985), 'Common Factors Underlying Barriers to Export: Studies in the US Paper Industry', *Journal of International Business*



- Studies*, Fall, pp. 11-23.
- 64) Baumgartel, H. and Hill, T. (1982), 'Geert Hofstede: "Cultures Consequences: International Differences In Work-Related Values"', *Personnel Psychology*, **35** (1), pp. 192-196.
- 65) Beamish, P.W. (1988), *Multinational Joint Venture in Developing Countries*, Routledge, London.
- 66) Beckermann, W. (1956), 'Distance And The Pattern Of Intra-European Trade', *Review of Economics and Statistics*, **28**, pp. 31-40.
- 67) Bell, J. and Young, S. (1998), 'Towards An Integrative Framework of the Internationalization of the Firm', in Hooley, G., Loveridge, R., and Wilson, D. (Eds), *Internationalization: Process, Context and Markets*, Macmillan, London, pp. 5-28.
- 68) Bell, J.D. (1994), *The Role Of Government In Small-Firm Internationalization: A Comparative Study Of Export Promotion In Finland, Ireland And Norway, With Specific Reference To The Computer Software Industry*, unpublished PhD thesis, Department of Marketing, University of Strathclyde, Scotland.
- 69) Bell, J.D. (1995), 'The Internationalization of Small Computer Software Firms - A Further Challenge to "Stage" Theories', *European Journal of Marketing*, **29** (8), pp. 60-75.
- 70) Benito, G. and Gripsrud, G. (1992), 'The Expansion Of Foreign Direct Investment: Discrete Rational Location Choices Or A Cultural Learning Process?', *Journal of International Business Studies*, **23** (3), pp. 461-76.
- 71) Berger, H. (1990), *Explaining Inter-Firm Cooperation and Innovation: An Embedded Transaction Cost Perspective*, Research Developments in International Industrial Marketing and Purchasing, 6th IMP Conference, Milan.
- 72) Berry, M. (1998), 'Strategic Planning in Small High Tech Companies', *Long Range Planning*, **31** (3), pp. 455-466.
- 73) Berryman, J. (1982), 'Small Business Failure and Bankruptcy: A Survey of the Literature', *European Small Business Journal*, **1** (4), pp. 47-59.
- 74) Bilkey, W.J. (1978), 'An Attempted Integration of the Literature on the Export Behaviour of Firms', *Journal of International Business Studies*, Vol. 9, pp. 33-46.
- 75) Bilkey, W.J. (1985), 'Development of Export Marketing Guidelines', *International Marketing Review*, **2** (1), pp. 31-40.
- 76) Bilkey, W.J. (1987), 'Profitable Export Marketing Practices: An Exploratory Inquiry', in Rosson, P.J. and Reid, S.D. (Eds), *Managing Export Entry and Expansion*, Praeger, pp. 373-382.
- 77) Bilkey, W.J. and Tesar, G. (1977), 'The Export Behaviour of Smaller-Sized Wisconsin Manufacturing Firms', *Journal of International Business Studies*, Vol. 8, pp. 93-98.

- 78) Birch, D.L (1979), *The Job Generation Process: Programme on Neighbourhood and Regional Change*, MIT, Cambridge, Ma.
- 79) Birkinshaw, J.M. and Morrison, A.J. (1995), 'Configurations Of Strategy And Structure In Subsidiaries Of Multinational Corporations', *Journal of International Business Studies*, **26** (4), pp. 729-753.
- 80) Birley, S. (1985), 'The Role of Networks in the Entrepreneurial Process', *Journal of Business Venturing*, **1**, pp. 107-118.
- 81) Birley, S., Cromie, S., and Myers, A. (1991), 'Entrepreneurial Networks: Their Emergence in Ireland and Overseas', *International Small Business Journal*, **9** (4), pp. 56-74.
- 82) Blackburn, R. (1994), *Ethnic Enterprise in Britain*, paper presented to the Ethnic Minority Small Firms Seminar, University of Central England, Birmingham, March.
- 83) Blackburn, R.A., Curran, J. and Jarvis, R. (1990), *Small Firms and Local Networks: Some Theoretical and Conceptual Explorations*, paper presented at The XIII Small Firms and Policy Research Conference, Harrogate.
- 84) Blakenburg, D.A. (1992), 'A Network Approach to Foreign Market Entry', in Moller, K. and Wilson, T. (Eds), *Relationships and Networks: Theory and Application*, PWS Kent Wadsworth, Inc., Celmont CA.
- 85) Blankenberg, E. (1983), 'Geert Hofstede: "Culture's Consequences: International Differences In Work-Related Values"', *Organization Studies*, **4** (4), pp. 390-391.
- 86) Blankenburg, D. and Johanson, J. (1992), 'Managing Network Connections in International Business', *Scandinavian International Business Review*, **1** (1), pp. 5-19.
- 87) Blau, P. (1968), 'The Hierarchy of Authority in Organisations', *American Journal of Sociology*, **73**, pp. 453-467.
- 88) Blodgett, L.L. (1992), 'Factors in the Instability of International Joint Ventures: An Event History Analysis', *Strategic Management Journal*, **13** (6), pp. 475-481.
- 89) Bodur, M. (1986), 'A Study in the Nature and Intensity of Problems Experienced by Turkish Exporting Firms', in Cavusgil, S.T. (Ed), *Advances in International Marketing*, Jai Press Inc., Greenwich, Conn., Vol. 1, pp. 205-232.
- 90) Bonaccorsi, A. (1992), 'On the Relationship Between Firm Size and Export Intensity', *Journal of International Business Studies*, **23** (4), pp. 605-636.
- 91) Bonacich, E. (1973), 'A Theory of Middleman Minorities', *American Sociological Review*, **38**, pp. 583-594.
- 92) Bonacich, E. and Modell, J. (1981), *The Economic Basis of Ethnic Solidarity*, University of California Press, Berkeley.
- 93) Boswell, J. (1973), *The Rise and Decline of Small Firms*, Allen and Unwin, London.
- 94) Bosworth, D. and Jacobs, C. (1989), 'Management Attitudes, Behaviour and Abilities



- as Barriers to Growth', in Barber, J., Metcalfe, J.S., and Porteous, M., *Barriers to Growth in Small Firms*, Routledge, London, pp. 20-38.
- 95) Boyacigiller, N.A. and Adler, N.J. (1995), 'Methodological Considerations in Studying Cross-Cultural Management Behaviour', in Jackson (Ed), *Cross Cultural Management*, Butterworth Hieneman, pp. 9-37.
- 96) Boyd, H.W., Westfall, R. and Stasch, S.F. (1985), *Marketing Research: Text and Cases*, Sixth Edition, Richard D. Irwin, Homewood, ILL.
- 97) Bradley, M.F. (1984), 'Effects of Cognitive Style, Attitude Toward Growth, and Motivation on the Internationalization of the Firm', in Jain, S. (Ed), *Research in Marketing*, Jai Press Inc., Greenwich, Conn., Vol. 7, pp. 237-260.
- 98) Bradley, M.F. (1987), 'Nature and Significance of International Marketing: A Review', *Journal of Business Research*, Vol. 15, pp. 205-219.
- 99) Bragard, L., Donckels, R., and Michel, P. (1985), *New Entrepreneurship*, Intercollegiate Centre for Management.
- 100) Brandes, H. and Lilliecreutz, J. (1990), *Structural Changes in Networks*, Research Developments in International Industrial Marketing and Purchasing, 6th IMP Conference, Milan.
- 101) Brasch, J.J. (1981), 'Deciding on an Organizational Structure for Entry into Export Marketing', *Journal of Small Business Management*, **19** (2), pp. 7-15.
- 102) British Overseas Trade Board (BOTB) (1987), *Into Active Exporting*, BOTB, pp. 30-1, London.
- 103) Brooks, A. (1982), *Black Business in Lambeth*, Research Memorandum, Directorate of Town Planning, Lambeth, London.
- 104) Brooks, M.R. and Rosson, P.J. (1982), 'A Study of Export Behavior of Small- and Medium-Sized Manufacturing Firms in Three Canadian Provinces", in Czinkota, M.R. and Tesar G. (Eds), *Export Management*, Praeger, New York, pp. 39-54.
- 105) Broom, H.N. and Longenecker, J.G. (1979), *Small Business Management*, South-Western Publishing Co. Cincinnati, Oh.
- 106) Brown, C. (1985) *Racial Discrimination: 17 Years After the Act*, Policy Studies Institute, London.
- 107) Brown, R. and Cook, D. (1990), 'Strategy and Performance in British Exporters', *Quarterly Review of Marketing*, **15** (3), pp. 1-6.
- 108) Buckley, P.J. (1989), 'Foreign Direct Investment by Small and Medium Sized Enterprises: The Theoretical Background', *Small Business Economics*, **1**, pp. 89-100.
- 109) Buckley, P.J. and Casson, M.C. (1985), *The Economic Theory of the Multinational Enterprise*, Macmillan, London.
- 110) Buckley, P.J. and Casson, M.C. (1988), 'A Theory of Co-operation in International

- Business', in Contractor, F.J. and Lorange, P. (Eds), *Co-operative Strategies in International Business*, Lexington Books, Lexington, MA, pp. 31-54.
- 111) Buckley, P.J., Newbould, D. and Thurwell, J. (1979), *Going International - The Foreign Direct Investment Decisions Of Smaller UK Firms*, EIBA Proceedings, Uppsala, pp. 72-87.
- 112) Buckley, P.J., Pass, C.L. and Prescott, K. (1992), 'Internationalization of Service Firms: Comparison with the Manufacturing Sector', *Scandinavian International Business Review*, 1 (1), pp. 39-56.
- 113) Burenstam-Linder, S. (1961), *An Essay on Trade and Transformation*, Almqvist and Wiksell, Uppsala.
- 114) Burpitt, W.J. and Rondinelli, D.A. (1998), 'Export Decision Making in Small Firms: The Role of Organizational Learning', *Journal of World Business*, 33 (1), pp. 51-68.
- 115) Burrell, G. and Morgan, G. (1979), *Sociological Paradigms and Organisational Analysis*, Heinemann, London.
- 116) Business in the Community (1997) *Race for Opportunity*.
- 117) Calof, J.L. (1994), 'The Relationship Between Firm Size and Export Intensity Revisited', *Journal of International Business Studies*, 25 (2), pp. 367-388.
- 118) Calof, J.L. and Beamish, P.W. (1995), 'Adapting To Foreign Markets Explaining Internationalization', *International Business Review*, 4 (2), pp. 115-131.
- 119) Campbell, D.T. and Fiske, D.W. (1959), 'Convergent and Discriminant Validation by the Multitrait - Multimethod Matrix', *Psychological Bulletin*, Vol. 56, pp. 81-5.
- 120) Cannon, T. (1980), 'The Smaller Firm in the Export Environment', in Gibb, A., Webb, T., and Westmead, T. (Eds), *Policy Issues in Small Business Research*, Saxon House, Farnborough, pp. 140-154.
- 121) Carlson, S. (1966), *International Business Research*, Acta Universitatis Upsaliensis, Studia Oeconomiae Negotiorum, 1: Stockholm, Almqvist & Wiksell.
- 122) Carlson, S. (1975), 'How Foreign is Foreign Trade?', Acta Univeritatis Upsaliensis, Studia Oeconomaie Negotiorum, No. 11, Uppsala.
- 123) Carrol, M.P. (1982), 'Culture', in Freeman, J. (Ed), *Introduction to Sociology: A Canadian Focus*, Prentice-Hall, Scarborough, Ont., Canada, pp. 19-40.
- 124) Carter, S. (1998), 'Portfolio Entrepreneurship in the Farm Sector: Indigenous Growth in Rural Areas?', *Entrepreneurship and Regional Development*, 10, pp. 17-32.
- 125) Carter, S., Ennis, S., Lowe, A., Tagg, S., Tzokas, N., Webb, J., and Andriopoulos, C. (2000), *Barriers to Survival and Growth in UK Small Firms - Report to the Federation of Small Businesses*, Federation of Small Businesses, London.
- 126) Carter, S. and Jones-Evans, D. (Eds) (2000), *Enterprise and Small Business - Principles, Practice and Policy*, Pearsons Education Limited, Essex.



- 127) Carter, S. and Rosa, P. (1998), 'The Financing of Male- and Female-owned Businesses', *Entrepreneurship and Regional Development*, **10**, pp. 225-241.
- 128) Casson, M. (Ed) (1986), *Multinationals and World Trade*, Allen and Unwin, London.
- 129) Castles, S. (1984), *Here for Good: Western Europe's New Ethnic Minorities*, Pluto, London.
- 130) Cateorra, P.R. (1987), *International Marketing*, 6th Edition, Irwin, Homewood, Ill., Exhibit 3-3.
- 131) Cavusgil, S.T. and Godiwalla, Y.M. (1982), 'Decision-Making For International Marketing', *Management Decision*, **20**, pp. 48-57.
- 132) Cavusgil, S.T. (1976), *Organisational Determinants of Firms' Export Behavior*, unpublished PhD thesis, University of Wisconsin-Madison.
- 133) Cavusgil, S.T. (1980), 'On the Internationalization Process of the Firm', *European Research*, **8** (6), pp. 273-281.
- 134) Cavusgil, S.T. (1982), 'Some Observations on the Relevance of Critical Variables for Internationalization Stages', in Czinkota, M.R. and Tesar G. (Eds), *Export Management*, Praeger, New York, pp. 276-286.
- 135) Cavusgil, S.T. (1984), 'Changing Nature of Firms' International Market Research Activities During the Internationalization Process', in Kaynak, E. (Ed), *International Marketing Management*, Praeger, New York, pp. 207-217.
- 136) Cavusgil, S.T. (1984), 'Differences Among Export Firms Based on their Degree of Internationalization', *Journal of Business Research*, Vol. 12, pp. 195-208.
- 137) Cavusgil, S.T. (1984), 'Organisational Characteristics Associated with Export Activity', *Journal of Management Studies*, **21** (1), pp. 3-22.
- 138) Cavusgil, S.T. and Kaynak, E. (1982), 'Success in Export Marketing: An Empirical Analysis', in Walker, B.J et al (Eds), *An Assessment of Marketing Thought and Practice*, American Marketing Association, Chicago.
- 139) Cavusgil, S.T. and Naor, J. (1987), 'Firm and Management Characteristics as Discriminators of Export Marketing Activity', *Journal of Business Research*, Vol. 15, pp. 221-235.
- 140) Cavusgil, S.T. and Nevin, J.R. (1981), 'The State of the Art in International Marketing: An Assessment', in Enis, B. and Roering, K. (Eds), *Review of Marketing*, American Marketing Association, Chicago, pp. 195-216.
- 141) Cavusgil, S.T. and Nevin, J.R. (1981), 'Internal Determinants of Export Marketing Behaviour: An Empirical Investigation', *Journal of Marketing Research*, **23** (1), pp. 114-119.
- 142) Cavusgil, S.T., Bilkey, W.J., and Tesar, G. (1979), 'A Note on the Export Behavior of Firms: Exporter Profiles', *Journal of International Business Studies*, **10** (1), pp. 91-97.

- 143) Chaganti, R. and Sambharya, R. (1987), "Strategic Orientation And Characteristics Of Upper Management", *Strategic Management Journal*, 8, pp. 393-401.
- 144) Chang, T-L and Grub, P.D. (1992), 'Competitive Strategies Of Taiwanese PC Firms In Their Internationalization Process', *Journal of Global Marketing*, 6 (3), pp. 5-27.
- 145) Chapman, M. (1992), *Defining Culture: A Social Anthropological Perspective*, paper presented to the 1992 Annual Conference of the Academy of International Business (UK), Brighton Polytechnic Business School, 26-27 March.
- 146) Chen, E., and Hamilton, G.G. (1996), 'Introduction: Business Groups and Economic Development', in Hamilton, G.G. (Ed), *Asian Business Networks*, Walter de Gruyter, New York, pp. 1-6.
- 147) Cheong, W.K. and Chong, K.W. (1988), 'Export Behaviour of Small Firms in Singapore', *International Small Business Journal*, 6 (2), pp. 34-41.
- 148) Chetty, S. (1996), 'The Case Study Method for Research in Small- and Medium-sized Firms', *International Small Business Journal*, 15 (1), pp. 73-85.
- 149) Chetty, S.K. and Hamilton, R.T. (1996), 'The Process of Exporting in Owner-Controlled Firms', *International Small Business Journal*, 14 (2), pp. 12-25.
- 150) Chi, T. and McGuire, D.J. (1996), 'Collaborative Ventures And Value Of Learning: Integrating The Transaction Cost And Strategic Option Perspectives On The Choice Of Market Entry Modes', *Journal of International Business Studies*, 27 (2), pp. 285-307.
- 151) Child, J. (1982), *Individual and Social Factors Associated with the Behaviour of Children in a Play Setting*, unpublished PhD thesis, Aston University, Birmingham, England.
- 152) Chisnall, P.M. (1986), *Marketing Research*, Third Edition, McGraw-Hill, London.
- 153) Christiansen, C.H., da Rocha, A., and Kerbel Gertner, R. (1987), 'An Empirical Investigation of the Factors Influencing Export Success of Brazilian Firms', *Journal of International Business Studies*, Fall, pp. 61-77.
- 154) Churchill, G.A. (1987), *Marketing Research: Methodological Foundations*, Fourth edition, Dryden Press, London.
- 155) Clegg, A. (1996), 'Cover Story: Colour Blind', *Marketing Week*, June 21.
- 156) Cole, R.E. (1973), 'Functional Alternatives And Economic Development: An Empirical Example Of Permanent Employment In Japan', *American Sociology Review*, 38, pp. 424-438.
- 157) Commission for Racial Equality (1985), *Ethnic Minorities in Britain: Statistical Information on Pattern of Settlement*, Commission for Racial Equality, London.
- 158) Commission for Racial Equality (CRE) (1995), *Racial Equality Means Business - A Standard for Racial Equality for Employers*, Commission for Racial Equality, London.



- 159) Commission of the European Communities (1988), *Research on the "Cost of Non-Europe"*, Vol. 7, Luxembourg.
- 160) Community Consultants Ltd. and C.A.G Consultants (1994), *Leicester Asian Business Survey Report*, Leicester City Council, July.
- 161) Connolly, S.G. (1984), 'Joint Ventures with Third World Multinationals: A New Form of Entry to International Markets', *Columbia Journal of World Business*, 20 (2), pp. 18-22.
- 162) Cook, K. and Emerson, R. (1978), 'Power, Equity and Commitment in Exchange Networks', *American Sociological Review*, 43, pp. 712-39.
- 163) Cooper, R.G. and Kleinschmidt, E.J. (1985), 'The Impact of Export Strategy on Export Sales Performance', *Journal of International Business Studies*, Spring, pp. 37-55.
- 164) Corbridge, M. and Pilbeam, S. (1998), *Employment Resourcing*, Financial Times, Pitman Publishing, London.
- 165) Coviello, N.E. and Martin, K.A. (1999), 'Internationalization of Service SMEs: An Integrated Perspective from the Engineering Consulting Sector', *Journal of International Marketing*, 7 (4), pp. 42-66.
- 166) Coviello, N.E. and McAuley, N.A. (1999), 'Internationalization Processes and the Smaller Firm: A Review of Contemporary Empirical Research', *Management International Review*, 39 (3), pp. 223-256.
- 167) Coviello, N.E. and Munro, H. (1997), 'Network Relationships and the Internationalization Process of Small Software Firms', *International Business Review*, 6 (4), pp. 361-386.
- 168) Cray, D. (1996), 'Cultural Differences in Marketing', in Warner, M. (Ed), *International Encyclopaedia of Business and Management: Volume 1 - Accounting to Deconstruction Analysis*, Routledge, London, pp. 915-920.
- 169) Crick, D. (1995), 'An Investigation Into The Targeting Of UK Export Assistance', *European Journal of Marketing*, 29 (8), pp. 76-94.
- 170) Crick, D. and Chaudhry, S. (1995), 'Export Practices of Asian SMEs: Some Preliminary Findings', *Marketing Intelligence & Planning*, 13 (11), pp. 13-21.
- 171) *Crisis* (1968), Special Report, Published by Counter Information Services for the Institute of Race Relations, Anti-Report No. 16.
- 172) Cross, M. (1983), *Migrant Workers in European Cities: Concentration, Conflict and Social Policy*, working papers on Ethnic Relations, 19, Birmingham, ESRC Research Unit on Ethnic Relations.
- 173) Cunningham, M.T. and Spigel, R.I. (1971), 'A Study in Successful Exporting', *British Journal of Marketing*, 5 (1), pp. 2-12.
- 174) Curran, J. and Blackburn, R. (1993), *Ethnic Enterprise and the High Street Bank*, Kingston Small Business Research Centre, Kingston University.

- 175) Curran, J. and Stanworth, J. (1986), 'Trends in Small Firm Industrial Relations and their Implications for the Role of the Small Firm in Economic Restructuring', in Amin, A. and Goddard, J.B. (Eds), *Technological Change, Industrial Restructuring and Regional Development*, Allen and Unwin, London, pp. 233-257.
- 176) Curran, J., Jarvis, R., Blackburn, R.A., and Black, S. (1993), 'Networks and Small Firms: Constructs, Methodological Strategies, and Some Findings', *International Small Business Journal*, 11 (2), pp. 13-25.
- 177) Curran, J., Jarvis, R., Blackburn, R.A., and Black, S. (1991), *Small Firms and Networks: Methodological Strategies and Preliminary Findings*, Small Business Research Centre, Kingston University.
- 178) Cyert, R.D. and March, J.G. (1963), *A Behavioral Theory of the Firm*, Prentice-Hall, Englewood Cliffs, N.J.
- 179) Czinkota, A. and Ronkainen, I.A. (1993), *International Marketing*, 3rd Edition, The Dryden Press, Orlando.
- 180) Czinkota, M.R. (1982), *Export Development Strategies: U.S. Promotion Policy*, Praeger, New York.
- 181) Czinkota, M.R. and Johnston, W.J. (1981), 'Segmenting U.S. Firms for Export Development', *Journal of Business Research*, Vol. 9, pp. 353-365.
- 182) Czinkota, M.R. and Johnston, W.J. (1983), 'Exporting: Does Sales Volume Make a Difference?', *Journal of International Business Studies*, 14 (1), pp. 147-153.
- 183) Czinkota, M.R. and Ricks, D.A. (1981), 'Export Assistance: Are We Supporting the Best Programs?', *Columbia Journal of World Business*, Summer, pp. 73-78.
- 184) Czinkota, M.R. and Ursic, M.L. (1987), 'A Refutation Of The Psychic Distance On Export Development', *Developments in Marketing Science*, 10, pp. 157-160.
- 185) Dahya, B. (1973), 'Pakistanis in Britain: Transients or Settlers?', *Race*, 14 (3), pp. 241-277.
- 186) Daniels, J.D. and Goyburo, J. (1976), 'The Exporter - Non-exporter Interface: A Search for Variables', *Foreign Trade Review*, Vol. 3, pp. 258-282.
- 187) Dant, S.P. (1989), *On Developing a Typology of Inter-Organisational Relationships: A Hazard Rate Model*, Research in Marketing: An International Perspective, Proceedings of the 5th IMP Conference, Sept. Pennsylvania.
- 188) Darling, J. R. (1985), 'Keys for Success in Exporting to the US Market', *European Journal of Marketing*, 19 (2), 27.
- 189) Darlington, G. (1996), 'Culture: A Theoretical Review, in *Managing Across Cultures: Issues and Perspectives*, Joynt and Warner.
- 190) d' Astous, A. and Daghfous, N. (1991), 'The Effects of Acculturation and Length of Residency on Consumption-Related Behaviours and Orientations of Arab-Muslim



- Immigrants', in *Proceedings of ASAC Conference*, Niagara Falls, Ontario, pp. 91-101.
- 191) Demirbag, M. and Mirza, H. (2000), 'Factors Affecting International Joint Venture Success: An Empirical Analysis of Foreign-Local Partner Relationships and Performance in Joint Ventures in Turkey', *International Business Review*, **9** (2000), pp-1-35.
- 192) Demirbag, M., Mirza, H., and Weir, D.T. (1993), 'The Dynamics of Manufacturing Joint Ventures in Turkey and the Role of Industrial Groups', Paper presented at the 10th Annual Conference of the Euro Asia Management Studies Association, Nurnberg, Germany.
- 193) de Vos, G.A. (1973), *Socialization for Achievement*, University of California Press, Berkeley, California.
- 194) den Hond, F., Groenewegen, P., and Vergragt, P. (1990), 'Technology Assessment, Expectations and Networks: An Illustration Using New Materials', *Project Appraisal*, **5** (2), pp. 83-92.
- 195) Denzin, N. K. (1970), *The Research Act: A Theoretical Introduction to Sociological Methods*, Aldine, Chicago.
- 196) Desai, R. (1963), *Indian Immigrants in Britain*, Oxford University Press, London.
- 197) Dess, G. (1987), 'Consensus On Strategy Formulation And Organizational Performance: Competitors In A Fragmented Industry', *Strategic Management Journal*, **8**, pp. 259-77.
- 198) Diamantopoulos, A., Schlegelmilch, B.B. and Katy Tse, K.Y. (1993), 'Understanding the Role of Export Marketing Assistance: Empirical Evidence and Research Needs', *European Journal of Marketing*, Vol. 27, pp. 5-18.
- 199) Diamantopoulos, A. and Inglis, K. (1988), 'Identifying Differences Between High- and Low-Involvement Exporters', *International Marketing Review*, **5** (2), pp. 53-60.
- 200) Dichtl, E. and Koeglmayr, H-G. (1990), 'International Orientation as a Pre-condition for Export Success', *Journal of International Business Studies*, Vol. 23, pp. 23-40.
- 201) Dichtl, E., Leibold, M., Koeglmayr, H-G., and Mueller, S. (1983), 'The Foreign Orientation of Management as a Central Construct in Export-Centred Decision-Making Processes', *Research for Marketing*, Vol. 10, pp. 7-14.
- 202) Dichtl, E., Leibold, M., Koeglmayr, H-G., and Mueller, S. (1984), 'The Export-Decision of Small and Medium-Sized Firms: A Review', *Management International Review*, **24** (2), pp. 47-60.
- 203) Dichtl, E., Koeglmayr, H-G., and Mueller, S. (1990), 'International Orientation as a Precondition for Export Success', *Journal of International Business Studies*, **21** (1), pp. 23-41.
- 204) Dick, B., and Morgan, G (1987), 'Family Networks and Employment in Textiles', *Work*,

- Employment and Society*, 1, pp. 225-246.
- 205) DiStefano, J.J. and Lane, H.W. (1992), *International Management Behaviour*, 2nd Edition, PWS Kent, Boston.
- 206) Dosanjh J.S (1967), *A Study of the Problems in Educational and Social Adjustment of Immigrant Children from Punjab in Nottingham and Derby*, unpublished MEd dissertation, Nottingham University.
- 207) Douglas, S.P. and Craig, C.S. (1983), *International Marketing Research*, Prentice Hall Inc., Englewood Cliffs, N.J., Figure 4.2.
- 208) D'Souza, D.E. and McDougall, P.P. (1989), 'Third World Joint Venturing: A Strategic Option for the Smaller Firm', *Entrepreneurship: Theory and Practice*, 13 (4), pp. 19-33.
- 209) DTI (1995), *Evaluation of DTI Funded TEC Services in Small and Medium Sized Businesses*, HMSO, London.
- 210) Dudley, J.W., and Martens, H. (1993), *1993 and Beyond*, London, Kogan Page.
- 211) Dunning, J.H. (1988), 'The Eclectic Paradigm of International Production: A Restatement and Some Possible Extensions', *Journal of International Business Studies*, 19 (1), Spring, pp. 1-31.
- 212) Dunning, J.H. (1993), *Multinational Enterprises and the Global Economy*, Addison-Wesley, Wokingham, England.
- 213) Dyer, W.G. (Jr) and Wilkins, A.L. (1991), 'Better Stories, Not Better Constructs, to Generate Better Theory: A Rejoinder to Eisenhardt', *Academy of Management Review*, 16 (3), pp. 613-619.
- 214) Dymsha, W.A. (1984), 'Future International Business Research and Multi-disciplinary Studies', *Journal of International Business Studies*, Vol. 15, pp. 9-13.
- 215) Earley, P.C. and Singh, H. (1995), 'International And Inter-cultural Management Research: What's Next?', *Academy of Management Journal*, 38, pp. 327-40.
- 216) Easton, G. and Araujo, L. (1996), 'Characterizing Organizational Competencies: An Industrial Networks Approach', in Sanchez, R., Heene, A., and Thomas, H. (Eds), *Dynamics of Competence-Based Competition*, Pergamon, Oxford, pp. 183-207.
- 217) Easton, G. and Lundgren, A. (1991), 'Changes in Industrial Networks as Flow-Through Nodes', in Paliwoda, S.J., *New Perspectives on International Marketing*, Routledge, London, Ch. 18.
- 218) Easton, G. and Quale, M. (1990), *Single and Multiple Network Sourcing - Network Implications*, Research Developments in International Industrial Marketing and Purchasing, 6th IMP Conference, Milan.
- 219) Edmunds, S.E. and Khoury, S.J. (1986), 'Exports: A Necessary Ingredient in the Growth of Small Business Firms', *Journal of Small Business Management*, 24 (4), pp. 54-65.



- 220) Edvardsson, B., Edvinsson, L., and Nystrom, H. (1993), 'Internationalization Of Service Companies, *Service Industries Journal*, 13 (1), pp. 80-97.
- 221) Eisenhardt, K.M. (1989), 'Building Theories from Case Study Research', *Academy of Management Review*, 14 (4), pp. 532-550.
- 222) Eisenhardt, K.M. (1991), 'Better Stories and Better Constructs: The Case for Rigor and Comparative Logic', *Academy of Management Review*, 16 (3), pp. 620-627.
- 223) Eisenhardt, K.M. and Bourgeois, L.J., III (1988), 'Politics of Strategic Decision Making in High-Velocity Environments: Towards a Midrange Theory', *Academy of Management Journal*, 31 (4), pp. 737-770.
- 224) Employment Gazette (1988), 'Ethnic Origin and Economic Status', *Employment Gazette*, Vol. 96, 1988.
- 225) Engel, J.F., Kollat, D.T., and Blackwell, R.D. (1973), *Consumer Behaviour - Dryden Press Series in Marketing*, Second Edition, Holt.
- 226) England, G. (1978), 'Managers And Their Value Systems: A Five Country Comparative Study', *Columbia Journal of World Business*, 13 (2), pp. 35-44.
- 227) Engwall, L. and Wallenstal, M. (1988), 'Tit for Tat in Small Steps. The Internationalization of Swedish Banks', *Scandinavian Journal of Management*, Vol. 4 (3/4), pp. 147-155.
- 228) Eriksson, K., Johanson, J., Majkgard, A., and Sharma, D.D. (1997), 'Experiential Knowledge and Cost in the Internationalization Process', *Journal of International Business Studies*, 28 (2), Second Quarter, pp. 337-360.
- 229) Erramilli, M.K. and D'Souza, D.E. (1993), 'Venturing into Foreign Markets: The Case of the Small Service Firm', *Entrepreneurship Theory and Practice*, 17 (Summer), pp. 29-41.
- 230) Erramilli, M.K. and Rao, P. (1990), 'Choice of Foreign Market Entry Modes by Service Firms: Role of Market Knowledge', *Management International Review*, 30 (2), pp. 135-151.
- 231) Eshghi, A. (1992), 'Attitude-behaviour Inconsistency in Exporting', *International Marketing Review*, 9 (3), pp. 40-61.
- 232) Ethnic Minority Business Development Initiative (EMBI) (1991), *Final Report*, Home Office, London.
- 233) Ettinger, J.C. (1982), 'Some Belgian Evidence on Entrepreneurial Personality', *European Small Business Journal*, 1 (2), pp. 48-57.
- 234) European Network for SME Research (1994), *The European Observatory for SMEs*, Second Annual Report, Zoetermeer, EIM Small Business Research and Consultancy.
- 235) Evans, W.A., Hau, K.C., and Sculli, D. (1995), 'A Cross-Cultural Comparison of Managerial Styles', *Journal of Management Development*, 8 (3), pp. 5-13.

- 
- 236) Evered, R. and Louis, M. (1981), 'Alternative Perspectives in the Organisational Services: "Inquiry from the Inside" and "Inquiry from the Outside"', *Academy of Management Review*, 6, pp. 385-396.
- 237) Eyre, P. and Smallman, C. (1998), 'Euromanagement Competencies in Small and Medium Sized Enterprises: A Development Path for the New Millennium?', *Management Decision*, 36 (1), pp. 34-42.
- 238) Fayol, H. (1970 [1916]), *Administration Industrielle et Generale*, Paris, Dunod.
- 239) Fetterman, D.M. (1989), *Ethnography Step by Step (Applied Social Research Methods Series, No. 17)*, Newbury Park, Sage, CA.
- 240) Financial Times (2000), 'City Where Minorities May Become Majority', *Financial Times*, Friday, December 8, p. 3.
- 241) Fletcher, D.E. (1997), *Organisational Networking, Strategic Change and the Family Business*, unpublished PhD thesis, The Nottingham Trent University, England.
- 242) Fletcher, D.E. (2000), 'Family and Enterprise', in Carter, S. and Jones-Evans, D. (Eds), *Enterprise and Small Business - Principles, Practice and Policy*, Pearsons Education Ltd, Essex, pp. 155-165.
- 243) Ford, D. (1979), 'Developing Buyer-Seller Relationships in Export Marketing', *Organisation, Marknad och Samhalle*, No. 16, pp. 291-307.
- 244) Ford, D.I. and Leonidou, L.C. (1991), 'Research Developments In International Marketing: A European Perspective', in Paliwoda, S.J. (Ed), *New Perspectives on International Marketing*, Routledge, London, pp. 3-32.
- 245) Forester, T. (1978), 'Asians in Business', *New Society*, 23 February, pp. 420-421.
- 246) Form, W. (1979), 'Comparative Industrial Sociology And The Convergence Hypothesis', *Annual Review of Sociology*, 5, pp. 1-25.
- 247) Fosgren, M. (1989), *Managing the Internationalization Process: The Swedish Case*, Routledge, London.
- 248) Foss, N.J. (Ed) (1997), *Resources, Firms, and Strategies. A Reader in the Resource-Based Perspective*, Oxford University Press.
- 249) Gadde, L-E, and Mattsson, L-G, (1987, 'Stability and Change in Network Relationships', *International Journal of Research in Marketing*, 4, pp. 29-41, North Holland.
- 250) Gadde, L-E. and Hakansson, H. (1990), *The Changing Role of Purchasing*, Research Developments in International Industrial Marketing and Purchasing, 6th IMP Conference, Milan.
- 251) Ganguly, P. (1982), 'Births and Deaths of the Firm in the UK in 1980', *British Business*, 29th January.
- 252) Ganguly, P. and Bannock, G. (1985), *UK Small Business Statistics and International*
-



- Comparisons*, Harper and Row and the Small Business Research Trust.
- 253) Garnier, G. (1974), *Caracteristiques et Problemes des Petites et Moyennes Entreprises Exportatrices du Secteur Manufacturier au Quebec*, Quebec, Report for the Canadian Department of Industry, Trade and Commerce.
- 254) Garnier, G. (1982), 'Comparative Behavior of Small Canadian Firms in the Printing and Electrical Industries', in Czinkota, M.R. and Tesar, G. (Eds), *Export Management*, Praeger, New York, pp. 113-131.
- 255) Geertz, C. (1973), *The Interpretation of Cultures*, Hutchinson, London.
- 256) Geringer, M.J. and Freyn, C.A. (1990), 'Human Resource Management in Joint Venture Control: A Parent Company Perspective', *Management International Review*, **30**, pp. 103-120.
- 257) Geringer, M.J. and Hebert, L. (1989), 'Control and Performance of International Joint Ventures', *Journal of International Business Studies*, **20** (2), pp. 235-253.
- 258) Geringer, M.J. and Hebert, L. (1991), 'Measuring Performance of International Joint Ventures', *Journal of International Business Studies*, **22** (2), pp. 249-263.
- 259) Gibb, A.A. (1998), 'Small Firms Training and Competitiveness. Building Upon the Small Business as a Learning Organisation', *International Small Business Journal*, **15** (3), pp. 13-29.
- 260) Giddens, A. (1976), *New Rules of Sociological Method*, Hutchison, London.
- 261) Gidoomal, R. (1997), *Building on Success: The South Asian Contribution to UK Competitiveness*, Business Link, London.
- 262) Gill, J. and Johnson, P. (1991), *Research Methods for Managers*, Chapman, London.
- 263) Gladwin, T.N. (1981), 'Geert Hofstede: "Culture's Consequences: International Differences In Work-Related Values"', *Academy of Management Review*, pp. 681-683.
- 264) Glaser, B.G. and Strauss, A.L. (1967), *The Discovery of Grounded Theory*, Aldine, Chicago.
- 265) Glenn, E. (1981), *Man and Mankind: Conflict and Communication Between Culture*, Ablex, Norwood, N.J.
- 266) Gordon, W. and Langmaid, R. (1988), *Qualitative Market Research*, Gower, Aldershot, Hants, England.
- 267) Graham J.L. and Adler, N.J. (1989), 'Cross-Cultural Interaction: The International Comparison Fallacy?', *Journal of International Business Studies*, **20** (3), pp. 515-537.
- 268) Granovetter, M.S. (1985), 'Economic Action and Social Structure: The Problem of Embeddedness', *American Journal of Sociology*, **91** (3), pp. 481-510.
- 269) Granovetter, M.S. (1973), 'The Strength of Weak Ties', *American Journal of Sociology*, **6**, pp. 1360-1380.
- 270) Granovetter, M.S. (1982), 'The Strength of Weak Ties: A Network Theory Revisited',

- in Marsden, P.V. and Lin, N. (Eds), *Social Structure and Network Analysis*, Sage Publications, California, pp. 105-130.
- 271) Grant, R.M. (1991), 'The Resource-Based Theory of Competitive Advantage: Implications for Strategy Formulation', *California Management Review*, Spring, pp. 114-135.
- 272) Graves, D. (1986), *Corporate Culture Diagnosis And Change: Auditing And Changing The Culture Of Organizations*, Frances Pinter, London.
- 273) Green, P., Tull, D., and Albaum, G. (1988), *Research for Marketing Decisions*, Fifth Edition, Prentice Hall, New Jersey.
- 274) Green, R.T. and Larsen, T.L. (1987), 'Environmental Shock and Export Opportunity', *International Marketing Review*, 4 (4), pp. 30-42.
- 275) Griggs, S. (1987), 'Analysing Qualitative Data', *Journal of the Market Research Society*, 29 (1), pp. 15-33.
- 276) Grinyer, P.H., Mayes, D.G., and McKiernan (1987), *Sharpbenders - The Secrets of Unleashing Corporate Potential*, Basil Blackwell, Oxford and New York.
- 277) Gronhaug, K. and Lorentzen, T. (1983), 'Exploring the Impact of Governmental Export Subsidies', *European Journal of Marketing*, 17 (2), pp. 5-12.
- 278) Haahti, A., Hall, G., and Donckele, R. (Eds) (1998), *The Internationalization of SMEs: The Interstratos Project*, Routledge, London.
- 279) Habib, G.M. (1987), 'Measures of Manifest Conflict in International Joint Ventures', *Academy of Management Journal*, 30 (4), pp. 808-816.
- 280) Hakansson, H. (1982), *International Marketing and Purchasing of Industrial Goods. An Interaction Approach*, John Wiley, Chichester.
- 281) Hakansson, H. (1989), *Corporate Technological Behaviour: Co-operation and Networks*, Routledge, London.
- 282) Hakansson, H. (1990), 'Technological Cooperation in Industrial Networks', *European Management Journal*, 8 (3), pp. 371-379.
- 283) Hakansson, H. and Snehota, I. (1990), 'No Business is an Island: The Network Concept of Business Strategy', *Scandinavian Journal of Management*, 4 (3), pp. 187-200.
- 284) Hall, P. (1977), 'The Inner Cities Dilemma', *New Society*, 3 February, pp. 223-225.
- 285) Hallen, L. and Weidersheim-Paul, F. (1979), 'Psychic Distance and Buyer-Seller Interaction', *Organisasjon, Marked og Samfunn*, 16 (5).
- 286) Hallen, L., Johanson, J., and Seyed Mohamed, N. (1987), 'Relationship Strength and Stability', *International and Domestic Industrial Marketing*, Industrial and Purchasing, Vol. 2.
- 287) Hambrick, D.C. (1987), 'The Top Management Team: Key To Strategic Success',



- California Management Review*, Fall, pp. 88-108.
- 288) Hambrick, D.C., Korn, B.L., Frederickson, J.W., and Ferry, R.M. (1989), *21st Century Report: Re-Inventing the CEO*, Korn Ferry, New York and Columbia University's Graduate School of Business, pp. 1-94.
- 289) Hamilton, G.G. (1996), 'Chinese Business Networks: A Comparative View', in Hamilton, G.G. (Ed), *Asian Business Networks*, Walter de Gruyter, New York, pp. 9-10.
- 290) Hamilton, G.G. (1996), *Asian Business Networks*, Walter de Gruyter, New York.
- 291) Hammarkvist, K-O (1983), *Markets as Networks*, Marketing Education Group Conference Proceedings, July.
- 292) Hammersley, M. and Atkinson, P. (1983), *Ethnography: Principles in Practice*, Tavistock, London.
- 293) Hampden-Turner, C. and Trompenaars, E (1993), *The Seven Cultures of Capitalism: Value Systems for Creating Wealth in the United States, Britain, Japan, Germany, France, Sweden and the Netherlands*, Doubleday, New York.
- 294) Harmon, F. and Jacobs, G. (1985), *The Vital Differences: Unleashing the Power of Sustained Corporate Success*, AMACOM, New York.
- 295) Hart, S.J. (1987), 'The Use of Surveys in Industrial Market Research', *Journal of Marketing Management*, 3 (1), pp. 25-38.
- 296) Hart, S.J. (1989), 'Collection and Analysis of Interview Data', *Marketing Intelligence and Planning*, 7 (5/6), pp. 23-29.
- 297) Hartland-Thunberg, P. and Crawford, M. (1982), *Government Support for Exports*, Lexington Books, Lexington, Mass.
- 298) Hauschildt, J. (1992), 'External Acquisition of Knowledge for Innovations', *R&D Management*, 22 (2), pp. 105-111.
- 299) Hayer, J.S. (1997), *DBA, or not DBA? That is the Question - Management Extra*, The Association of MBAs (AMBA), London.
- 300) Hayer, J.S. (2000), 'Target Marketing', in The Chartered Institute of Marketing, *Marketing Means Business For The CEO*, Winter 2000, Citroen Wolf Communications, London, pp. 86-91.
- 301) Hayer, J.S. (2001), 'Easy it Isn't!', in *Ambassador*, The Association of MBAs (AMBA), London, April, pp. 16-17.
- 302) Heath, T.B. (1992), 'The Reconciliation of Humanism and Positivism in the Practice of Consumer Research: A View from the Trenches', *Journal of the Academy of Marketing Sciences*, 20 (2), pp. 107-118.
- 303) Hedlund, G. (1986), "The Hypermodern MNC: A Heterarchy?", *Human Resource Management*, 25, pp. 9-36.

- 304) Hedlund, G. and Kverneland, A. (1985), 'Are Strategies For Foreign Markets Changing? The Case Of Swedish Investment In Japan', *International Studies of Management and Organisation*, **15** (2), pp. 41-59.
- 305) Heller, F.A. (1988), 'Cost Benefits Of Multi-National Research On Organizations', *International Studies of Management and Organization*, **18** (3), pp. 5-18.
- 306) Heller, R. (1992), *The Superchiefs - The People Principles and Practices of the New Manangement*, Mercury Books, London.
- 307) Hennart, J-F. and Park, Y-R. (1994), 'Location, Governance, And Strategic Determinants Of Japanese Manufacturing Investment In The United States', *Strategic Management Journal*, **15**, pp. 419-436.
- 308) Herche, J. and Balasubramanian, S. (1994), 'Ethnicity and Shopping Behaviour', *Journal of Shopping Centre Research*, **1** (1), Fall, pp. 65-80.
- 309) Herzberg, F., Mausner, B., Peterson, R.A., and Capwell, D. (1957), *Job Attitudes: Review of Research and Opinion*, Psychological Services of Pittsburgh, Pittsburgh.
- 310) Herzberg, F., Mausner, B., and Synderman, B.B. (1959), *The Motivation to Work*, John Wiley and Sons, New York.
- 311) Hickson, D.J., Hinings, C.R., McMillan, C.J.M., and Schwitter, J.P. (1974), 'The Culture-Free Context Of Organization Structure: A Tri-National Comparison', *Sociology*, **8**, pp. 59-80.
- 312) Hill, C.W.L., Hwang, P., and Kim, W.C. (1990), 'An Eclectic Theory Of The Choice Of International Entry Model', *Strategic Management Journal*, **11**, pp. 117-128.
- 313) Hiro, D. (1971), *Black British, White British*, Eyre and Spottiswoode, London.
- 314) Hirschmann, E. (1986), 'Humanistic Inquiry in Market Research: Philosophy, Method and Criteria', *Journal of Marketing Research*, Vol. 23, pp. 237-249.
- 315) Hladik, K.J. (1985), *International Joint Ventures: An Economic Analysis of US Foreign Business Partnerships*, Lexington Books, Lexington, MA.
- 316) Hodge, M. (1998), DfEE Minister, *Commission for Racial Equality Annual Report*.
- 317) Hofstede, G. (1980), *Culture's Consequences: International Differences in Work Related Values*, Beverly Hills, Sage Publications, California.
- 318) Hofstede, G. (1982), 'Inter-cultural Cooperation in Organisations', *Management Decision*, **20**, pp. 53-67.
- 319) Hofstede, G. (1983), 'Dimensions of National Culture in Fifty Countries and Three Regions', in Deregowski, J.B., Dziurawiec, S., and Annis, R.C. (Eds), *Expiscations in Cross-Cultural Psychology*, Swets & Zeitlinger, Lisse, The Netherlands, pp. 335-355.
- 320) Hofstede, G. (1986), 'Cultural Differences in Teaching and Learning', *International Journal of Inter-cultural Relations*, Vol. 10, pp. 301-320.
- 321) Hofstede, G. (1991), *Cultures and Organisations, Software of the Mind, Inter-cultural*



- Cooperation and It's Importance for Survival*, McGraw-Hill Book Company, London.
- 322) Hofstede, G. (1993), 'Cultural Constraints In Management Theories', *Academy of Management Executive*, 7 (1), pp. 81-94.
- 323) Hofstede, G. (1994), 'Cultural Constraints in Management Theories', in Hussey, D.E. (Ed), *International Review of Strategic Management*, John Wiley & Sons Ltd, Vol. 5, pp. 27-48.
- 324) Hofstede, G. (1994), 'The Business of International Business is Culture', *International Business Review*, 3 (1), pp. 1-16.
- 325) Hofstede, G. and Bond, M.H. (1984), 'Hofstede's Culture Dimensions: an Independent Validation Using Rokeach's Value Survey', *Journal of Cross-Cultural Psychology*, Vol. 15, pp. 417-433.
- 326) Hofstede, G. and Bond, M.H. (1988), 'The Confucius Connection: From Cultural Roots to Economic Growth', *Organizational Dynamics*, 16 (4), pp. 4-21.
- 327) Hofstede, G., Neuijen, B., Ohayv, D.D., and Sanders, G. (1990), 'Measuring Organizational Cultures', *Administrative Science Quarterly*, Vol. 35, pp. 286-316.
- 328) Holzmuller, H.H. and Kasper, H. (1990), 'The Decision-Maker and Export Activity: A Cross-National Comparison of the Foreign Orientation of Austrian Managers', *Management International Review*, 30 (3), pp. 217-230.
- 329) Hornell, E., Vahlne, J.E. and Wiedersheini-Paul, F. (1973), *Export och utlandsetableringar (Export and Foreign Establishments)*, Almquist & Wiksell, Stockholm.
- 330) Horst, T.O. (1974), 'The Theory Of The Firm', in Dunning, J.H. (Ed), *Economic Analysis and the Multinational Enterprise*, Allen and Unwin, London, pp. 31-46.
- 331) Howard, K. and Sharp, J. A. (1983), *The Management of a Student Research Project*, Gower, Aldershot.
- 332) Hull, C. (1987), *Helping Small Firms Grow*, Croom Helm.
- 333) Humphreys, F. (1987), *The Business of Information*, paper presented to the National Small Firms Policy and Research Conference, Cranfield School of Management.
- 334) Hunt, G., Froggatt, J.D., and Hovell, P.T. (1967), 'The Management of Export Marketing in Engineering Industries', *British Journal of Marketing*, 1967, Vol. 1, pp. 10-24.
- 335) Hyder, S.A. and Ghauri, P.N. (1989), 'Joint Venture Relationship between Swedish Firms and Developing Countries: A Longitudinal Study', *Journal of Global Marketing*, 2 (4), pp. 25-47.
- 336) Hyder, S.A. and Ghauri, P.N. (1993), 'Joint Venture Relationship between Swedish Firms and Developing Countries: A Longitudinal Study', in Buckley, P.J. and Ghauri, P.N. (Eds), *The Internationalisation of The Firm: A Reader*, Academic Press, London,

- pp. 322-336.
- 337) Ibeh, K.I.N. and Young, S. (2001), 'Exporting as an Entrepreneurial Act: An Empirical Study of Nigerian Firms', *European Journal of Marketing*, Vol. 35, Forthcoming.
- 338) Ito, K. and Pucik, V. (1993), 'R&D Spending, Domestic Competition and Export Performance of Japanese Manufacturing Firms', *Strategic Management Journal*, Vol. 14, pp. 61-67.
- 339) Jamal, A. and Chapman, M. (2000), 'Acculturation and Inter-Ethnic Consumer Perceptions: Can You Feel What We Feel?', *Journal of Marketing Management*, 16, pp. 365-391.
- 340) Jensen, O. (1996), 'Competence Development by Small Firms in a Vertically-Constrained Industry Structure', in Sanchez, R., Heene, A., and Thomas, H. (Eds), *Dynamics of Competence-Based Competition*, Pergamon, Oxford.
- 341) Jick, T. J. (1979), 'Mixing Qualitative and Quantitative Methods: Triangulation in Action', *Administrative Science Quarterly*, Vol. 24, Dec, pp. 602-11.
- 342) Johannisson, B. (1984), 'A Cultural Perspective on Small Business - Local Business Climate', *International Small Business Journal*, 2 (4), pp. 32-43.
- 343) Johannisson, B. and Peterson, R. (1984), *The Personal Networks of Entrepreneurs*, paper presented at the 3rd ICBS Conference, Toronto, Canada.
- 344) Johannisson, B. (1986), *Creative Environments for Small Business*, paper presented to the 16th European Small Business Seminar: Entrepreneurial Networks and Interfirm Co-operation, Lund-Jonkoping, Sweden.
- 345) Johannisson, B. (1986), 'Network Strategies: Management Technology for Entrepreneurship and Change', *International Small Business Journal*, 5 (1), pp. 19-30.
- 346) Johannson, J. and Vahlne, J. E. (1975), 'The Internationalization Process of the Firm - A Model of Knowledge Development and Increasing Foreign Market Commitments', *Journal of International Business Studies*, 8 (1), pp. 23-32.
- 347) Johanson, J. (1992), *Research Contexts and Long-Term Research Evolution: The Case of Markets as Networks Approach in Sweden*, paper prepared for Research Traditions in Marketing, EIASM conference, Brussels.
- 348) Johanson, J. and Mattsson, L-G. (1987), 'Inter-Organisational Relations in Industrial Systems: A Network Approach Compared to a Transaction-Cost Approach', *International Studies of Management and Organisation*, 17 (1), pp. 34-48.
- 349) Johanson, J. and Mattsson, L-G. (1988), 'Internationalization in Industrial Systems - A Network Approach', in Hood, N. and Vahlne, J-E, (Eds), *Strategies in Global Competition*, Croom Helm, London.
- 350) Johanson, J. and Mattsson, L-G. (1990), 'Strategic Actions in Industrial Networks - A Framework', in Axelsson, B. and Easton, G. (Eds), *Industrial Networks - The New*



*Reality*, Routledge, London.

- 351) Johanson, J. and Mattsson, L.G. (1984), *Marketing Investments and Market Investments in Industrial Networks*, paper presented at the International Research Seminar in Industrial Marketing, Stockholm.
- 352) Johanson, J. and Mattsson, L.G. (1986), 'International Marketing and Internationalization Processes - A Network Approach', in Turnbull, P.W. and Paliwoda, S.J. (Eds), *Research in International Marketing*, Croom Helm, New Hampshire, pp. 234-265.
- 353) Johanson, J. and Sharma, D.D. (1987), 'Technical Consultancy in Internationalization', *International Marketing Review*, Vol. 4, pp. 20-9.
- 354) Johanson, J. and Vahlne, J-E. (1977), 'The Internationalization Process of the Firm - A Model of Knowledge Development and Increasing Foreign Market Commitments', *Journal of International Business Studies*, 8 (1), pp. 23-32.
- 355) Johanson, J. and Vahlne, J-E. (1990), 'The Mechanism of Internationalization', *International Marketing Review*, 7 (4), pp. 11 -24.
- 356) Johanson, J. and Vahlne, J-E. (1992), 'Management of Foreign Market Entry', *Scandinavian International Business Review*, 1 (3), pp. 9-27.
- 357) Johanson, J. and Wiedersheim-Paul, F. (1975), 'The Internationalization of the Firm - Four Swedish Case Studies', *Journal of Management Studies*, Vol. 12, pp. 305-322.
- 358) Johnson, G. (1987), *Strategic Change and the Management Process*, Basil Blackwell.
- 359) Johnson, G. and Scholes, K. (1993), *Exploring Corporate Strategy*, Third Edition, Prentice Hall International, UK.
- 360) Johnston W.J. and Czinkota, M.R. (1982), 'Managerial Motivations as Determinants of Industrial Export Behavior', in Czinkota, M.R. and Tesar, G. (Eds), *Export Management*, Praeger, New York, pp. 3-17.
- 361) Jones, M.V. (1992), *SME Success in European Industrial Markets: The Network Literature*, paper prepared for the 8th IMP Conference, Business Networks in an International Context: Recent Research Developments, Lyon, France, 3-5 September.
- 362) Jones, M.V. (1999), 'The Internationalization of Small High-Technology Firms', *Journal of International Marketing*, 7 (4), pp. 15-41.
- 363) Jones, P.N. (1978), 'The Distribution and Diffusion of the Coloured Population in England and Wales, 1961-71', *Transactions of the Institute of British Geographers*, N.S. 3, pp. 515-532.
- 364) Jones, S. (1981), 'Listening to Complexity - Analysing Qualitative Marketing Research Data', *Journal of the Market Research Society*, 23 (1), pp. 26-39.
- 365) Jones, T., and McEvoy, D. (1986), 'Ethnic Enterprise: The Popular Image', in Curran, J. et al (Eds), *The Survival of the Small Firm*, Aldershot: Gower, Vol. 1.

- 366) Jones, T., McEvoy, D., and Barrett, G. (1994), 'Labour Intensive Practices in the Ethnic Minority Firm', in Atkinson, J. And Storey, D. (Eds), *Employment, the Small Firm and the Labour Market*, Routledge, London.
- 367) Joynt, P. (1982), 'An Empirical Study of Norwegian Export Behavior', in Czinkota, M.R. and Tesar G. (Eds), *Export Management*, Praeger, New York, pp. 55-69.
- 368) Julien, P.A., Joyal, A., Deshaies, L., and Ramangalahy, C. (1998), 'A Typology of Strategic Behaviour Among Small and Medium Sized Exporting Businesses. A Case Study', *International Small Business Journal*, **15** (2), pp. 33-50.
- 369) Kakabadse, A. (1991), *The Wealth Creators - Top People, Top Teams & Executive Best Practice*, Kogan Page, London.
- 370) Kamath, S., Rosson, P.J., Patton, D., and Brooks, M. (1987), 'Research on Success in Exporting: Past, Present and Future', in Rosson, P.J. and Reid, S.D. (Eds), *Managing Export Entry and Expansion*, Praeger, New York, pp. 398-421.
- 371) Kanyak, E. and Kothari, V. (1984), 'Export Behaviour of Small and Medium-sized Manufacturers: Some Policy Guidelines for International Marketers', *Management International Review*, **24** (2), pp. 61-69.
- 372) Karafakiouglu, M. (1986), 'Export Activities of Turkish Manufacturers', *International Marketing Review*, Winter, pp. 34-43.
- 373) Katsikeas, C. (1991), 'A Review of the Literature on Export Marketing Problems', in Piercy, N. et al, (Eds), *Preparing Marketing for the New Millennium*, pp. 601-625.
- 374) Kaynak, E. (1984), 'Future Directions of Research in International Marketing', in Kaynak, E. (Ed), *International Marketing Management*, Praeger, New York, pp. 337-344.
- 375) Kaynak, E. (1985), 'A Review of Research in Export Marketing', *Management Bibliographies and Reviews*, **11** (2), pp. 19-34.
- 376) Kaynak, E. (1985), 'Correlates of Export performance in Resource-based Industries', in Kaynak, E. (Ed), *Global Perspectives in Marketing*, Praeger, New York, pp. 197-210.
- 377) Kaynak, E. (1992), 'A Cross Regional Comparison of Export Performance of Firms in Two Canadian Regions', *Management International Review*, **32** (2), pp. 163-180.
- 378) Kaynak, E. and Stevenson, L. (1982), 'Export Orientation of Nova Scotia Manufacturers', in Czinkota, M.R. and Tesar, G. (Eds), *Export Management*, Praeger, New York, pp. 132-145.
- 379) Kaynak, E., Ghauri, P.N. and Olofsson-Bredenlow, T. (1987), 'Export Behaviour of Small Swedish Firms', *Journal of Small Business Management*, **25** (2), pp. 26-32.
- 380) Kazuka, M. (1980), *Why So Few Black Businessmen?*, report on the findings of Hackney Ethnic Minority Business Project.



- 381) Keng, K.A. and Juan, T.S. (1989), 'Differences Between Small and Medium Sized Exporting and Non-exporting Firms: Nature or Nurture', *International Marketing Review*, 6 (4), pp. 27-40.
- 382) Kerr, C.J., Dunlop, J.T, Harbison, F.H., and Myers, C.A. (1952/1976), *Industrialism and Industrial Man*, Harvard University Press, Cambridge, Mass.
- 383) Khan, G.M (1988), 'Size and Growth of Asian-Owned Incorporated Businesses in Britain', *International Small Business Journal*, 7 (1), October-December.
- 384) Kidd, J.M. (1982), 'Geert Hofstede: "Culture's Consequences: International Differences In Work-Related Values"', *Journal of Occupational Psychology*, 55 (1), pp. 70-71.
- 385) Killing, P.J. (1983), *Strategies for Joint Venture Success*, Croom Helm, London.
- 386) Kim, W.C. and Hwang, P. (1992), 'Global Strategy and Multinationals' Entry Mode Choice', *Journal of International Business Studies*, 23 (1), pp. 29-53.
- 387) Kirby, D. (1988), *Training for Growth or Growing to Train: A Study of Small Firms in Gwent*, proceedings of the 11th Small Firms Policy and Research Conference, Cardiff, November.
- 388) Kirpalani, V.H. and MacIntosh, N.B. (1980), 'International Marketing Effectiveness of Technology Orientated Small Firms', *Journal of International Business Studies*, Vol. 11, pp. 81-90.
- 389) Kluckhohn, F.R. and Strodtbeck, F.L. (1961), *Variations in Value Orientations*, Row, Peterson, New York.
- 390) Knone, D. and Kuklinski, J.H. (1982), *Network Analysis: Basic Concepts*, Sage Publications, California.
- 391) Kogut, B. and Singh, H. (1988), 'The Effect of National Culture on the Choice of Entry Mode', *Journal of International Business Studies*, 19 (2), pp. 411-432.
- 392) Koontz, K. and Weihrich, H. (1988), *Management*, Ninth Edition, McGraw-Hill International, Singapore.
- 393) Koot, W. (1988), 'Underlying Dilemmas in the Management of International Joint Ventures', in Contractor, F.J. and Lorange, P. (Eds), *Co-operative Strategies in International Business*, Lexington Books, Lexington, MA, pp. 347-367.
- 394) Korman, A.K. (1985), 'Culture's Consequences: International Differences In Work-Related Values', *Journal of Occupational Behavior*, 6 (3), pp. 243-244.
- 395) Krcmar, K. (1984), *Asian Retailing in Glasgow*, unpublished MBA dissertation, University of Strathclyde, Glasgow, Scotland.
- 396) Kreweras, G. (1982), 'Culture's Consequences: International Differences In Work-Related Values', *European Journal of Operational Research*, 9, p. 94.
- 397) Kroeber, A. and Kluckhohn, C. (1985), *Culture: A Critical Review of Concepts and*

*Definitions*, Random House, New York.

- 398) Kumar, V. and Subramaniam, V. (1997), 'A Contingency Framework for the Mode of Entry Decision', *Journal of World Business*, **32** (1), pp. 53-72.
- 399) Laage-Hellman, J. (1989), *Technological Development in Industrial Networks*, Acta Universitatis Upsaliensis.
- 400) Lachman, R. (1988), 'Factors Influencing Workers' Orientations: A Secondary Analysis of Israeli Data', *Organisation Studies*, **99**, pp. 487-510.
- 401) Lachman, R., Nedd, A., and Hinings, B. (1995), 'Analyzing Cross-National Management and Organisations: A Theoretical Framework', in Jackson (Ed), *Cross Cultural Management*, Butterworth Hieneman, pp. 166-191.
- 402) Laing, R.D. (1967), *The Politics of Experience and the Birds of Paradise*, Penguin, Harmondsworth.
- 403) Lane, H. and DiStefano, J. (1988), *International Management Behaviour - From Policy to Practice*, Nelson Canada, Scarborough, Ont.
- 404) Langhoff, T. (1997), 'The Influence of Cultural Differences on Internationalization Processes of the Firm - An Introduction to a Semiotis and Inter-cultural Perspective', in Bjorkman, I. and Forsgren, M. (Eds), *The Nature of the International Firm*, Copenhagen, Business School Press, pp. 135-164.
- 405) Laurent, A. (1983), 'The Cultural Diversity Of Western Management Conceptions', *International Studies of Management and Organizations*, **8**, pp. 75-96.
- 406) Lee, W.Y. and Brasch, J.J. (1978), 'The Adoption of Export as an Innovation Strategy', *Journal of International Business Studies*, **9** (1), pp. 85-93.
- 407) Leonidou, L.C. and Katsikeas, C.S. (1996), 'The Export Development Process: An Integrative Review of Empirical Models', *Journal of International Business Studies*, **27** (3), pp. 517-551.
- 408) Lewis, M.A. and Gregory, M.J. (1996), 'Developing and Applying a Process Approach to Competence Analysis', in Sanchez, R., Heene, A., and Thomas, H. (Eds), *Dynamics of Competence-Based Competition*, Pergamon, Oxford, pp. 141-164.
- 409) Lewis, S. and Rout, U. (1998), *Paid Work, Family Well-Being: The Experience Of British Asian Women*, paper presented at the Gender, Work and Organization Conference, January 9-10th 1998, Manchester.
- 410) Leyshon, A., and Turner, W. (1988), *Consultancy Services and the Small Company: Motives, Benefits and Lessons for the Future*, proceedings of the 11th Small Firms Policy and Research Conference, Cardiff, November.
- 411) Light, I. (1972), *Ethnic Enterprise in America*, University of California Press, Berkeley, CA.
- 412) Limlingan, V.S. (1986), *The Overseas Chinese in ASEAN: Business Strategies and*



- Management Practices*, Vita Development Corporation, Manila.
- 413) Lincoln, J.R., Hanada, M. and Olson, J. (1981), 'Cultural Orientations And Individual Reactions To Organizations: A Study Of Employees Of Japanese-Owned Firms', *Administrative Science Quarterly*, **26** (1), pp. 93-115.
- 414) Lindqvist, M. (1988), *Internationalization of Small Technology Based Firms - Three Illustrative Case Studies on Swedish Firms*, Research paper 88/15, Institute of International Business, Stockholm School of Economics.
- 415) Linnemann, H. (1966), *An Econometric Study of International Trade Flows*, North Holland, Amsterdam.
- 416) Liouville, J. (1992), 'Under what Conditions can Exports Exert a Positive Influence on Profitability?', *Management International Review*, **32** (1), pp. 41-54.
- 417) Lowe, E.A. (1981), 'Culture's Consequences: International Differences In Work-Related Values', *Journal of Enterprise Management*, **3** (3), p. 312.
- 418) Luck, D.J. and Rubin, R.S. (1987), *Marketing Research*, Seventh Edition, Prentice Hall, Englewood Cliffs, New Jersey.
- 419) Luhmann, N. (1979), *Trust and Power*, John Wiley & Sons, Chichester.
- 420) Luhmann, N. (1988), 'Familiarity, Confidence, Trust: Problems and Alternatives', in Gambetta, D. (Ed), *Trust: Making and Breaking Co-operative Relations*, Basil Blackwell, Oxford, pp. 94-107.
- 421) Luostarinen, R. (1980), *The Internationalization of the Firm*, Acta Academiae Oeconomicae Helsigiensis, Helsinki.
- 422) MacMillan, I. and McCaffery, M. L. (1982), 'How Aggressive Innovation can Help Your Company', *Journal of Business Strategy*, **2** (4), pp. 115-119.
- 423) MacMillan, I.C. (1975), 'Strategy and Flexibility in the Smaller Business', *Long Range Planning*, June, pp. 62-63.
- 424) Madhok, A. (1996), 'Know-How -, Experience - And Competition-Related Considerations In Foreign Market Entry: An Exploratory Investigation', *International Business Review*, **5** (4), pp. 339-366.
- 425) Madhok, A. (1997), 'Cost, Value and Foreign Market Entry Mode: The Transaction and the Firm', *Strategic Management Journal*, Vol. 18, pp. 39-61.
- 426) Madsen, T.K. (1990), *Cultural Biases of Danish Salespeople Acting in Foreign Cultures*, Working Papers from Department of Marketing, Odense University, No. 1.
- 427) Maehr, M.L. and Nicholls, J.G. (1980), 'Culture and Achievement Motivation: A Second Look', in Warren, N. (Ed), *Studies in Cross Cultural Psychology*, Volume 2, Academic Press, London.
- 428) Maignan, I. and Lukas, B.A. (1997), 'Entry Mode Decisions: The Role of Managers' Mental Models', *Journal of Global Marketing*, **10** (4), pp. 7-22.

- 429) Maisonrouge, J.G. (1983), 'Education Of A Modern International Manager', *Journal of International Business Studies*, **13**, pp. 56-60.
- 430) Malecki, E. and Veldhoen, M. (1993), 'Network Activities, Information and Competitiveness in Small Firms', *Geografika Annaler* 75 B, **3**, pp. 131-147.
- 431) Mallory, G.R., Butler, R.J., Cray, D., Hickson, D. J., and Wilson, D.C. (1983), 'Implemented Decision-making: American Owned Firms in Britain', *Journal of Management Studies*, **20**, pp. 191-211.
- 432) Maratos (1997), 'Small and Medium Enterprises', *Labour Market Trends*, October.
- 433) Marlow, S. (1992), 'Take-up of Business Growth Training Schemes by Ethnic Minority-owned Small Firms', *International Small Business Journal*, **10** (4), July-Sept.
- 434) Maslow, A. (1954), *Motivation and Personality*, Harper and Row, New York, pp. 80-106.
- 435) Mattsson, L-G (1984), 'An Application of a Network Approach to Marketing: Defending and Changing Market Positions', in Dholakia, N. and Arndt, J. (Eds), *Changing the Course of Marketing: Alternative Paradigms for Widening Marketing Theory*, JAI Press, Greenwich Ct.
- 436) Mattsson, L-G (1992), *Marketing Perspectives and International Business*, paper prepared for the conference on perspectives on International Business: Theory, Research and Institutional Arrangements, University of South Carolina.
- 437) Mattsson, L-G. (1989), 'Development of Firms in Networks: Positions and Investments', *Advances in International Marketing*, Vol. 3, pp. 121-139.
- 438) McDaniel Jr, C. and Gates, R. (1993), *Contemporary Marketing Research*, West Publishing Company, Second Edition, Minneapolis, St Paul.
- 439) McDonald, M.H.B. and Leppard, J.W. (1992), *Marketing by Matrix*, Butterworth Heinemann, Oxford.
- 440) McDougall, P.P., Shane, S., and Oviatt, B.M. (1994), 'Explaining the Formation of International New Ventures: The Limits of Theories From International Business Research', *Journal of Business Venturing*, Vol. 9, pp. 469-487.
- 441) McEvoy, D. and Aldrich, H. (1986), 'Survival Rates of Asian and White Retailers', *International Small Business Journal*, **4** (3), Spring.
- 442) McEvoy, D. (1983), 'Asian Immigrants in British Cities: the Study of Ethnic Segregation', *Teaching Geography*, **8**, pp. 99-102.
- 443) McEvoy, D., Aldrich, H.E., Cater, J.C., and Jones, T.F. (1979), *Retail and Service Business and the Immigrant Community*, end of Grant Report HR5520, submitted to Social Science Research Council, London.
- 444) McEvoy, D., Jones, T., Cator, J., and Aldrich, H. (1982), *Asian Immigrant Business in British Cities*, British Association for Advancement in Science, Section E, No. 75.



- 445) McFarlane, G. (1978), 'Scots Queen Award Winners Don't Excel', *Marketing*, April 1978, pp. 29-32.
- 446) McGee, J. (1989), 'Barriers to Growth: The Effects of Market Structure', in Barber, J., Metcalfe, J.S., and Porteous, M., *Barriers to Growth in Small Firms*, Routledge, London.
- 447) McGuinness, N. and Stevenson, L. (1982), *Determination of Export Distribution Channels: A Managerial Decision Model for Canadian Firms*, paper presented at the Atlantic Schools of Business Conference, Nova Scotia.
- 448) Mead, M. (Ed) (1951), *Cultural Patterns and Technical Change*, UNESCO, Paris.
- 449) Melin, L. (1987), 'The Field-of-force Metaphor: A Study of Industrial Change', *International Studies in Management*, 17 (1), pp. 24-33.
- 450) Melin, L. (1992), 'Internationalization as a Strategy Process', *Strategic Management Journal*, 13, pp. 99-118.
- 451) Mendenhall, M., Punnett, B.J., and Ricks, D.A. (1995), *Global Management*, Blackwell, Boston, MA.
- 452) Mendham, S. and Bannock, G. (1982), *Small Business and Economic Change*, paper presented at the International Small Business Congress, Spain.
- 453) Merker, S. (1982), 'Geert Hofstede: "Culture's Consequences"', *Behavioral Science*, 27 (2), pp. 195-197.
- 454) Metcalf, H., Modood, T., and Virdee, S. (1996), *Asian Self-Employment; The Interaction Of Culture And Economics In England*, Policy Studies Institute, London.
- 455) Meyer, J.W. and Rowan, B. (1977), 'Institutionalized Organizations: Formal Structures As Myth And Ceremony', *American Journal of Sociology*, 83, pp. 340-363.
- 456) Meyer, R. (1996), *The Internationalization Process of the Firm Revisited: Explaining Patterns of Geographic Sales Expansion*, Management Report No. 300, Erasmus University, Rotterdam.
- 457) Miesenbock, K.J. (1988), 'Small Business and Exporting: A Literature Review', *International Small Business Journal*, 6 (2), pp. 42-61.
- 458) Miles, M.B. and Huberman, A.M. (1984), *Analysing Qualitative Data: A Source Book for New Methods*, Sage Publications, California.
- 459) Miller, D. and Friesen, P.H. (1982), 'The Longitudinal Analysis of Organisations', *Management Science*, 28 (9), pp. 1013-34.
- 460) Millington, A. and Bayliss, B.T. (1990), 'The Process Of Internationalization: UK Companies In The EC', *Management International Review*, 30 (2), pp. 151-61.
- 461) Mintzberg, H. (1973), *The Nature of Managerial Work*, Prentice Hall.
- 462) Mirza, H. (1994), *Transnational Corporations as Agents for the Transmission of Business Culture*, UNCTAD-DTCI, Geneva.

- 463) Mitchell, J. (1973), 'Networks, Norms and Institutions', in Boissevain J. and Mitchell J. (Eds), *Network Analysis, Studies in Human Interaction*, Mouton, The Hague, pp. 2-35.
- 464) Mitchell, O. and Bradley, M.F. (1986), 'Export Commitment in the Firm - Strategic or Opportunistic Behaviour', *IBAR - Journal of Irish Business and Administrative Research*, 8 (2), pp. 12-19.
- 465) Mitter, S. (1986), 'Industrial Restructuring and Manufacturing Homework', *Capital and Class*, No. 27, pp. 37-80.
- 466) Modood, T, Berthoud, R., Lakey, J., Nazroo, J., Smith, P., Virdee, S., and Beishon, S. (1997), *Ethnic Minorities in Britain: Diversity and Disadvantage*, Policy Studies Institute, London.
- 467) Mohr, J. And Spekman, R. (1994), 'Characteristics of Partnership Success: Partnership Attributes, Communication Behaviour, and Conflict Resolution Techniques', *Strategic Management Journal*, 15 (2), pp.135-152.
- 468) Moon, J. and Lee, H. (1990), 'On the Internal Correlates of Export Stage Development: An Empirical Investigation in the Korean Electronics Industry', *International Marketing Review*, 30 (2), pp. 151-161.
- 469) Morgan, M., Frost, P.J., and Pondy, L.R. (1983), 'Organisational Symbolism', in Pondy, L.R., Frost, P.J., Morgan, M., and Dandridge, T.C. (Eds), *Organisational Symbolism*, JAI Press, Greenwich, CT.
- 470) Morosini, P., Shane, S., and Sing, H. (1998), 'National Cultural Distance and Cross Border Acquisition Performance', *Journal of International Business Studies*, 29 (1), pp. 137-158.
- 471) Morris, D. And Hergert, M. (1987), 'Trends in International Collaborative Agreements', *Columbia Journal of World Business*, 23 (2), pp. 15-21.
- 472) Mulhern, F.J. and Williams, J.D. (1994), 'A Comparative Analysis of Shopping Behaviour in Hispanic and Non-Hispanic Market Areas', *Journal of Retailing*, 70 (3), pp. 231-251.
- 473) National Westminster Bank Plc. (1997), *Asian Businesses and Their Banks*, London, September.
- 474) Negandhi, A.R. (1979), 'Convergence In Organizational Practices: An Empirical Study Of Industrial Enterprise In Developing Countries', in Lammers, C.J and Hickson, J.D. (Eds), *Organizations Alike And Unlike*, Routledge and Kegan Paul, London, pp. 323-345.
- 475) Negandhi, A.R. (1985), 'Management in the Third World', in Joynt, P. and Warner, M. (Eds), *Managing In Different Cultures*, Universitetsforlaget, Oslo, pp. 69-97.
- 476) Newbould, G.D., Buckley, P.J., and Thurwell, J. (1978), *Going International: The Experience of Smaller Companies Overseas*, Associated Business Press, London.



- 477) Nicholas, S.J. (1986), 'Multinationals, Transaction Costs and Choice of Institutional Form', University of Reading discussion papers in International Investment and Business Studies, No. 97, September; Casson, M. (Ed) (1986), *Multinationals and World Trade*, Allen and Unwin, London.
- 478) Nordstrom, K.A. (1990), *The Internationalization Process of the Firm - Searching for New Patterns and Explanations*, Stockholm School of Economics, Sweden.
- 479) Nordstrom, K.A. and Vahle, J-E. (1985), *Impact of Global Competition on the Process of Internationalization*, paper presented at the Annual Meeting of the Strategic Management Society, Barcelona. Research report, Institute of International Business.
- 480) Nordstrom, K.A. and Vahlne, J-E. (1992), *Is the Globe Shrinking? Psychic Distance and the Establishment of Swedish Sales Subsidiaries During the Last 100 Years*, Working Paper from IIB, Stockholm School of Economics.
- 481) Nowikowski, S.E. (1984), 'Snakes and Ladders: Asians in Britain', in Ward, R. and Jenkins, R. (Eds), *Ethnic Communities in Britain*, Cambridge University Press, Cambridge.
- 482) O'Farrell, P.N. and Hitchins, P.W.N. (1988), 'Alternative Theories of Small Firm Growth: A Critical Review', *Environment and Planning*, 20 (10), pp. 365-383.
- 483) O'Grady, S. and Lane, H.W. (1996), 'The Psychic Distance Paradox', *Journal of International Business Studies*, 27 (3), pp. 309-333.
- 484) Oman, C.P. (1984), *New Forms of International Investment in Developing Countries*, Development Centre Studies, OECD, Paris.
- 485) O'Reilly, C.A. and Flatt, S. (1986), *Executive Team Demography, Organizational Innovation, and Firm Performance*, Manuscript, University of California, Berkeley.
- 486) Oakely, R. (Ed) (1970), *New Backgrounds: The Immigrant Child at Home at School*, Oxford University Press, London.
- 487) Ogram, E.W. Jr. (1982), 'Exporters and Non-exporters: A Profile of Small Manufacturing Firms in Georgia', in Czinkota, M.R. and Tesar, G. (Eds), *Export Management*, Praeger, New York, pp. 70-84.
- 488) Olson, H.C. and Wiedersheim-Paul, F. (1978), 'Factors Affecting the Pre-Export Behaviour of Non-Exporting Firms', in Ghertman, M. and Leontiades J. (Eds), *European Research in International Business*, New York, Croom Helm, pp. 283-305.
- 489) Olson, P.D. and Bokor, D.W. (1995), 'Strategy Process-Content Interaction: Effects on Growth Performance in Small Start-up Firms', *Journal of Small Business Management*, 33 (1), pp. 34-41.
- 490) Organisation for Economic Co-operation and Development (1997), *Globalisation and Small and Medium Sized Enterprises (SMEs)*, Volume 1, Synthesis Report, Paris, France.

- 
- 491) Ortiz-Buonafina, M. (1990), 'Small Business Exporting', *Journal of Global Marketing*, 3 (4), pp. 33-57.
- 492) Ott, J.S. (1989), *The Organizational Culture Perspective*, Brooks/Cole, Pacific Grove, CA.
- 493) Ouchi, W. and Wilkins, A. (1985), 'Organisational Culture', *Annual Review of Sociology*, 11, pp. 457-483.
- 494) Overweel, M. and Van Elk, K. (1991), *Met kracht naar het Buitenland Exportmogelijkheden van het Nederlandse MKB*, Economisch Instituut voor het Midden- en Kleinbedrijf (EIM), Zoetermeer.
- 495) Oviatt, B.M. and McDougall, P.P. (1994), 'Toward a Theory of International New Ventures', *Journal of International Business Studies*, 25 (1), pp. 45-64.
- 496) Owenbey, S.F. and Horridge, P.E. (1997), 'Acculturation Levels and Shopping Orientations of Asian-American Consumers', *Psychology and Marketing*, 14 (1), pp. 1-18.
- 497) Paliwoda, S.J. (1993), *International Marketing*, 2nd Edition, Butterworth-Heinemann, Oxford.
- 498) Pardesi, U. (1992), *Marketing in Indigenous and Asian Small Firms in the West Midlands*, unpublished PhD thesis, Open University, Milton Keynes, England.
- 499) Parkhe, A. (1991), 'Interfirm Diversity, Organizational Learning, and Longevity in Global Strategic Alliances', *Journal of International Business Studies*, Fourth Quarter, pp. 579-601.
- 500) Patel, S. (1989), *The Nature and Dynamics of Asian Retailers in Britain*, Unpublished PhD thesis, Open University, Milton Keynes, England.
- 501) Pavord W.C. and Bogart, R.G. (1975), 'The Dynamics of the Decision to Export', *Akron Business and Economic Review*, 6 (1), pp. 6-11.
- 502) Peng, T.K., Peterson, M.F., and Shyi, Y.P. (1991), 'Quantitative Methods In Cross-Cultural Management Research', *Journal of Organizational Behavior*, 12, pp. 87-108.
- 503) Penrose, E. (1959), *The Theory of the Growth of the Firm*, Basil Blackwell, London.
- 504) Perrett, W.O. (1963), *An Analysis of the Obstacles to Increased Foreign Trade Confronting British Columbia Industrial Machinery Manufacturers*, unpublished PhD thesis, University of Washington, Seattle, Wa. USA.
- 505) Perlmutter, H.V. (1969), 'The Tortuous Evolution Of The Multinational Corporation', *Columbia Journal of World Business*, 4 (January-February), pp. 9-18.
- 506) Perry, M. (1996), 'Research Note: Network Intermediaries and Their Effectiveness', *International Small Business Journal*, 14 (4), pp. 72-80.
- 507) Peters, T.J. (1987), *Thriving on Chaos – Handbook for a Management Revolution*, Pan Books, Macmillan, London.
-



- 508) Peters, T.J. and Waterman, R.H. (1982), *In Search of Excellence - Lessons from America's Best-Run Companies*, Harper and Row, Publisher, New York.
- 509) Petersen, B. and Pedersen, T. (1997), 'Twenty Years After - Support and Critique of the Uppsala Internationalization Model', in Bjorkman, I. and Forsgren, M. (Eds), *The Nature of the International Firm*, Copenhagen, Business School Press, pp. 117-134.
- 510) Peterson, R., and Rondstadt (1986), *A Silent Strength: Entrepreneurial Know Who*, paper presented to the 16th European Small Business Seminar, Lund-Jonkoping, Sweden.
- 511) Pfeffer, J. and Salancik, G.R. (1978), *The External Control of Organisations - A Resource Dependence Perspective*, Harper and Row, New York.
- 512) Phizacklea, A. (1990), *Unpacking the Fashion Industry*, Routledge and Kegan Paul, London, p. 85.
- 513) Piercy, N. (1982), *Export Strategy: Markets and Competition*, George Allen & Unwin, London, Chapter 4.
- 514) Piercy, N. (1981), 'Company Internationalization: Active and Reactive Exporting', *European Journal of Marketing*, 5 (3), pp. 26-40.
- 515) Piercy, N. (1983), 'Export Marketing Management in Medium Sized British Firms', *European Journal of Marketing*, 17 (1), pp. 48-65.
- 516) Pinney, J.K. (1983), *The Process of Commitment to Foreign Trade of Selected Smaller Indiana Manufacturing Firms*, unpublished PhD thesis, Indiana University, Ind., USA.
- 517) Piore, M., and Sabel, C. (1984), *The Second Industrial Divide*, Basic Books, New York.
- 518) Poggi, G. (1983), *Calvinism and The Capitalist Spirit: Max Weber's Protestant Ethic*, Macmillan, London.
- 519) Porter, M.E. (1980), *Competitive Strategy: Techniques for Analysing Industries and Competition*, The Free Press, New York.
- 520) Porter, M.E. (1985), *Competitive Advantage, Creating and Sustaining Superior Performance*, The Free Press, New York.
- 521) Porter, M.E. (1990), 'The Competitive Advantage of Nations', *Harvard Business Review*, March/April, pp. 73-93.
- 522) Porter, M.E. (1990), *The Competitive Advantage of Nations*, The Free Press, New York.
- 523) Portes, A. (1981), 'Modes of Structural Incorporation and Present Theories of Labour Immigration', in Kritiz, M.M., Keeley, C.B., and Tomasi, M. (Eds), *Global Trends in Migration: Theories and Research on International Population Movements*, Centre for Migration Studies, New York, pp. 279-297.

- 524) Portes, A. and Bach, R.L. (1985), *Latin Journey: Cuban and Mexican Immigrants in the United States*, University of California Press, Berkeley, CA.
- 525) Portes, A. and Jensen, L. (1987), 'What's an Ethnic Enclave? The Case for Conceptual Clarity', *American Sociological Review*, Vol. 55, pp. 768-770.
- 526) Posner, B. and Munson, J.M. (1979), 'The Importance Of Values In Understanding Organizational Behavior', *Human Resource Management*, 18, pp. 9-14.
- 527) Prahalad, C.K. and Hamel, G. (1990), 'The Core Competence of the Corporation', *Harvard Business Review*, May-June, pp. 79-91.
- 528) Price, A. (1997), *Human Resource Management in a Business Context*, International Thompson, London.
- 529) Punnet, B.J. (1996), 'Culture, Cross-National', in Warner, M. (Ed), *International Encyclopaedia of Business and Management: Volume 1 - Accounting to Deconstruction Analysis*, Routledge, London, pp. 921-938.
- 530) Puxty, A.G. (1979), 'Some Evidence Concerning Cultural Differentials In Ownership Policies Of Overseas Subsidiaries', *Management International Review*, 19, pp. 39-50.
- 531) Quinn, R.E., Faerman, S.R., Thompson, M.P., and McGrath, M.R. (1996), *Becoming a Master Manager*, Second Edition, Wiley, New York.
- 532) Rabino, S. (1980), 'An Examination of Barriers to Exporting Encountered by Small Manufacturing Companies', *Management International Review*, 20 (1), pp. 67-73.
- 533) Rafiq, M. (1988), *Asian Businesses in Bradford, West Yorkshire*, unpublished PhD thesis, University of Bradford, England.
- 534) Rafiq, M., Buckley, P.J., and Sparkes, J.R. (1985), *Asian Businesses in Bradford: Profile and Prospects*, Economic Development Unit, City of Bradford Metropolitan Council, Bradford.
- 535) Ram, M (1994), 'Unravelling Social Networks in Ethnic Minority Firms', *International Small Business Journal*, 12 (3), April-June, pp. 42-53.
- 536) Ram, M., Abbas, T., Sanghera, B., and Hillin, G. (2000), 'Currying Flavour with the Locals: Balti Owners and Business Enclaves', *International Journal of Entrepreneurial Behaviour & Research*, 6 (1), pp. 45-55.
- 537) Ram, M. and Barrett, G. (2000), 'Ethnicity and Enterprise', in Carter, S. and Jones-Evans, D. (Eds) (2000), *Enterprise and Small Business - Principles, Practice and Policy*, Pearsons Education Limited, Essex, pp. 182-197.
- 538) Ram, M. and Hillin, G. (1994), *Achieving Break-Out: Developing a Strategy for the Ethnic Minority Firm in the Inner-City*, paper presented to the Ethnic Minority Small Firms Seminar, University of Central England, Birmingham, March.
- 539) Ram, M. and Sparrow, J. (1993), 'Minority Firms, Racism and Economic Development', *Local Economy*, 8 (3), pp. 117-29.



- 
- 540) Ram, M. and T. Jones (1998), *Ethnic Minority Enterprise in Britain*, Small Business Research Trust, London.
- 541) Randlesome, C. (Ed), Brierley, W., Bruton, K., Gordon, C., and King, P. (1993), *Business Cultures in Europe*, 2nd Edition, Butterworth Heinemann, Oxford.
- 542) Randlesome, C.C. (1996), 'Business Cultures, European', in Warner, M. (Ed), *International Encyclopaedia of Business and Management: Volume 1 - Accounting to Deconstruction Analysis*, Routledge, London, pp. 440-448.
- 543) Rao, C.P. (1990), 'The Impact of Domestic Recession on Export Marketing Behaviour', *International Marketing Review*, 7 (2), pp. 54-65.
- 544) Reardon, J., Hasty, R., and McGowan, K. (1997), 'Value Systems and Acculturation: Differences in Anglo and Hispanic Values', *Journal of Retailing and Consumer Services*, 4 (3), pp. 153-158.
- 545) Redding, S.G. (1990), *The Spirit of Chinese Capitalism*, de Gruyter, Berlin, New York, p. 83.
- 546) Redding, S.G. (1996), 'Weak Organisations and Strong Linkages: Managerial Ideology and Chinese Family Business Networks', in Hamilton, G.G. (Ed), *Asian Business Networks*, Walter de Gruyter, New York, pp 27-41.
- 547) Reid, S.D. (1981), 'The Decision-Maker and Export Entry and Expansion', *Journal of International Business Studies*, 12 (2), pp. 101-112.
- 548) Reid, S.D. (1982), 'The Impact of Size on Export Behaviour in Small Firms', in Czinkota, M.R. and Tesar, G. (Eds), *Export Management*, Praeger, New York, pp. 18-38.
- 549) Reid, S.D. (1983), 'Firm Internationalization Transaction Costs and Strategic Choice', *International Marketing Review*, 1 (2), pp. 45-55.
- 550) Reid, S.D. (1983), 'Export Research in a Crisis', in Czinkota, M.R. (Ed), *Export Promotion, the Public and Private Sector Interaction*, Praeger, New York, pp. 129-153.
- 551) Reid, S.D. (1983), 'Managerial and Firm Influences on Export Behaviour', *Journal of the Academy of Marketing Science*, 11 (3), pp. 323-332.
- 552) Reid, S.D. (1984), 'Information Acquisition and Export Entry Decisions in Small Firms', *Journal of Business Research*, 12, pp. 141-157.
- 553) Reid, S.D. (1987), 'Export Strategies, Structure and Performance: An Empirical Analysis of Small Italian Manufacturing Firms', in Rosson, P.J. and Reid, S.D. (Eds), *Managing Export Entry and Expansion*, Praeger, New York, pp. 335-357.
- 554) Reid, S.D. and Mayer, C. (1980), 'Exporting Behaviour and Decision-Maker Characteristics', in Jones, V. (Ed), *Marketing 1980: Towards Excellence in the Eighties*, Administrative Sciences Association of Canada, Calgary, pp. 298-307.
- 555) Remenyi, D., William, B., Money, A., and Swartz, E. (1998), 'Doing Research in
-

- Business and Management: An Introduction to Process and Method', in Saunders, M., Lewis, P., and Thornhill, A., *Research Methods for Business Students*, Second Edition, Prentice Hall, UK.
- 556) Reuber, A.R. and Fischer, E. (1997), 'The Influence of the Management Team's International Experience on the Internationalization Behaviours of SMEs', *Journal of International Business Studies*, **28** (4), pp. 804-826.
- 557) Rex and Moore (1967), *Race, Community and Conflict*, Oxford University Press, London.
- 558) Reynolds, J.I. (1984), 'The Pinched Shoe Effect of International Joint Ventures', *Columbia Journal of World Business*, **20** (2), pp. 23-29.
- 559) Reynolds, P.D. (1997), 'New and Small Firms in Expanding Markets', *Small Business Economics*, **9** (1), pp. 79-84.
- 560) Robinson, R.V. (1983), 'Geert Hofstede: "Culture's Consequences"', *Work and Occupations*, pp. 110-115.
- 561) Robinson, V. (1986), *Transients, Settlers, and Refugees: Asians in Britain*, Clarendon Press, Oxford.
- 562) Robinson, V. and Flintoff, I. (1982-83), 'Asian Retailing in Coventry', *New Community*, **10**, pp. 251-258.
- 563) Robson, C. (1993), *Real World Research: A Resource for Social Scientists and Practitioners*, Blackwell, UK.
- 564) Rogers, E.M. and Kincaid, D.L. (1981), *Communication Networks: Toward a New Paradigm for Research*, Free Press, New York.
- 565) Rokeach, J. (1973), *The Nature of Human Values*, Free Press, New York.
- 566) Ronen, S. and Shenkar, O. (1985), 'Clustering Countries On Attitudinal Dimensions: A Review And Synthesis', *Academy of Management Review*, **10** (3), pp. 435-54.
- 567) Root, F.R. (1987), *Entry Strategies for International Markets*, Lexington Books, D.C. Heath and Co., Lexington, Ma.
- 568) Rose, M. (1986), 'Geert Hofstede: "Culture's Consequences"', *Journal of Economic Psychology*, **7** (2), pp. 249-256.
- 569) Rosson, P.J. (1987), 'The Overseas Distributor Method: Performance and Change in a Harsh Environment', in Reid, S. and Rosson, P.J. (Eds), *Managing Export Entry and Expansion*, Praeger, New York.
- 570) Rosson, P.J. and Ford, I.D. (1980), 'Stake, Conflict and Performance in Export Marketing Channels', *Management International Review*, **20** (4), pp. 31-37.
- 571) Rothwell, R. and Zegfeld, W. (1982), *Innovation and the Small and Medium Sized Firm*, Frances Pinter, London.
- 572) Rumelt, R.P. (1984), 'Towards a Strategic Theory of the Firm', in Lamb, R.B. (Ed),



- Competitive Strategic Management*, Prentice-Hall, Englewood Cliffs, N.J., pp. 566-570.
- 573) Rummel, R.W. (1963), *Research Methodology in Business*, Harper and Row, New York.
- 574) Ryan, E.J. (1961), *The Value System of a Chinese Community in Java*, unpublished PhD thesis, Cambridge, Harvard University, Mass., USA.
- 575) Saifullah Khan, V. (1974), *Pakistani Villagers in a British City. The World of the Mirpuri Villager in Bradford and in His Village of Origin*, Unpublished PhD thesis, Bradford University, England.
- 576) Saker, J.M. (1992), *Ethnic Minority Entrepreneurship and the Role of Social Networks*, paper to the 22nd European Small Business Seminar, Amsterdam, September.
- 577) Samiee, S. and Walters, P.G.P. (1990), 'Influence on Firm Size and Export Planning and Performance', *Journal of Business Research*, Vol. 20, pp. 235-248.
- 578) Samiee, S., Walters, P.G.P. and DuBois, F.L. (1993), 'Exporting as an Innovative Behaviour: An Empirical Investigation', *International Marketing Review (UK)*, 10 (3), pp. 5-25.
- 579) Sanchez, R. (1996), 'Quick-Connect Technologies for Product Creation: Implications for Competence-Based Competition', in Sanchez, R., Heene, A., and Thomas, H. (Eds), *Dynamics of Competence-Based Competition*, Pergamon, Oxford, pp. 14.
- 580) Sanday, P. (1979), 'The Ethnographic Paradigm(s)', *Administrative Science Quarterly*, 24, pp. 527-538.
- 581) Sandstrom, M. (1992), 'The Culture of International Business Relationships', in Forsgren, M. and Johanson, J. (Eds), *Managing Networks in International Business*, Gordon & Breach, Philadelphia, pp. 47-60.
- 582) Saunders, M., Lewis, P., and Thornhill, A. (2000), *Research Methods for Business Students*, Second Edition, Prentice Hall, UK.
- 583) Scase, R. and Goffee, R. (1980), *The Real World of the Small Business Owner*, Croom Helm, London.
- 584) Schein, E.H. (1985), *Organizational Culture and Leadership*, San Francisco, Jossey-Bass, CA.
- 585) Schein, E. (1988), *Clinical Perspective in Field Work*, Sage, Beverly Hills, CA.
- 586) Schlegelmilch, B.B. (1986), 'Can Export Performance be Explained by Attitudinal Differences?', *Managerial and Decision Economics*, Vol. 7, pp. 249-254.
- 587) Schmidt, C.D. (1996), *Small and Medium Sized Enterprises (SMEs) in International Business: A Survey of Recent Literature*, Kiel Working Papers, No. 271.
- 588) Schollhammer, H. and Kuriloff, A. (1979), *Entrepreneurship and Small Business Management*, John Wiley & Sons, New York.

- 
- 589) Schooler, C. (1983), 'Culture's Consequences', *Contemporary Sociology - A Journal of Reviews*; **12** (2), p. 167.
- 590) Schumpeter, J.A. (1934), *The Theory of Economic Development*, Cambridge, Harvard University Press.
- 591) Schwenk, C.R. (1984), 'Cognitive Simplification Processes In Strategic Decision-Making', *Strategic Management Journal*, **5**, pp. 111-28.
- 592) Scott, J. (1985), 'Theoretical Framework and Research Design', in Stockman, F., et al (Eds), *Networks of Corporate Power*, Polity Press.
- 593) Sekaran, U. (1983), 'Are U.S. Organisational Concepts and Measures Transferable to Another Culture? An Empirical Investigation', *Academy of Management Journal*, **2**, pp. 409-417.
- 594) Selltitz, C., Wrightsman, L.S., and Cook, S.W. (1976), *Research Methods in Social Relations*, Third Edition, Holt, Rinehart and Winston, New York.
- 595) Seringhaus, F.H.R. (1986), 'The Impact of Government Export Marketing Assistance', *International Marketing Review*, **3** (2), pp. 55-65.
- 596) Seringhaus, F.H.R. (1987), 'Export Promotion: The Role and Impact of Government Services', *Irish Marketing Review*, Vol. 2, pp. 106-116.
- 597) Shapero, A. and Sokol, L. (1982), 'The Social Dimension of Entrepreneurship', in Kent, C., Sexton, D., and Vesper, K. (Eds), *Encyclopaedia of Entrepreneurship*, Englewood Cliffs, N. J., Prentice Hall, pp. 72-90.
- 598) Sharma, D.D. and Johanson, J. (1987), 'Technical Consultancy in Internationalisation', *International Marketing Review*, **4** (4), pp. 20-29.
- 599) Shaw, B. (1991), 'The Role of Networking in the Development of Successful Innovations by Small and Medium Sized Firms in the Medical Equipment Industries', in Paliwoda S.J., *New Perspectives on International Marketing*, Routledge, London.
- 600) Sheldon, A. (1980), 'Organisational Paradigms: A Theory of Organisational Change', *Organisational Dynamics*, **8** (3), pp. 61-71.
- 601) Shuman, J.C. and Seeger, J.A. (1986), 'The Theory and Practice of Strategic Management in Smaller Rapid Growth Companies', *American Journal of Small Business*, **11** (1), pp. 7-18.
- 602) Silin, R.H. (1972), 'Marketing and Credit in a Hong Kong Wholesale Market', in Willmott, W.E. (Ed), *Economic Organisation in Chinese Society*, Stanford University Press, Stanford, pp. 327-352.
- 603) Simmonds, K. and Smith, H. (1968), 'The First Export Order: A Marketing Innovation', *British Journal of Marketing*, **2** (2), pp. 93-100.
- 604) Simon, J.L. (1969), *Basic Research Methods in Social Science: The Art of Empirical Investigation*, Random House, New York.
-



- 
- 605) Simon, P. (1980), *The Tongue-Tied American: Confronting the Foreign Language Crisis*, Continuum Publishing Corp, New York.
- 606) Simpson, C.L. and Kujawa, D. (1974), 'The Export Decision Process: An Empirical Enquiry', *Journal of International Business Studies*, 5 (1), pp. 107-117.
- 607) Sit, V.F-S. and Wong S-L. (1989), *Small and Medium Industries in an Export-Orientated Economy: The Case of Hong Kong*, Centre of Asian Studies, University of Hong Kong, Hong Kong.
- 608) Smircich, L. (1983), 'Concepts of Culture and Organizational Analysis', *Administrative Science Quarterly*, 28, pp. 339-358.
- 609) Smith, A.H. (1894/1986), *Chinese Characteristics*, Revell, F.H., New York, Rpt. Graham Brash, Singapore.
- 610) Smith, G. (1984), 'The Patels of Britain: from Street-Corner Trader to Millionaire', *Sunday Times*, 26 February, pp. 33-34.
- 611) Smith, H.W. (1975), *Strategies of Social Research: The Methodological Imagination*, Prentice Hall, London.
- 612) Smith, H.W. (1991), *Strategies of Social Research*, Third Edition, Holt, Reinhart and Winston Inc., Texas.
- 613) Smith, P.B. (1992), 'Organizational Behaviour and National Culture', *British Journal of Management*, 3 (1), pp. 39-50.
- 614) Smucker, J. (1982), 'Geert Hofstede: "Culture's Consequences"', *Sociology, Reviews of New Books*, 9 (2), pp. 55-56.
- 615) Snavely, W.P., Wiener, P., Ulbrich, H.H., and Enright, E.J. (1964), *Export Survey of the Greater Hartford Area*, Storrs, Conn., University of Connecticut, USA.
- 616) Sondergaard, M. (1994), 'Research Note: Hofstede's Consequences: A Study of Reviews, Citations and Replications', *Organization Studies*, 15 (3), pp. 447-456.
- 617) Sorge, A. (1983), 'Culture's Consequences', *Administrative Science Quarterly*, pp. 625-629.
- 618) Stanworth, J. and Gray, C. (1991), *Bolton 20 Years on: The Small Firm in the 1990's*, Paul Chapman Publishing, London.
- 619) Stevenson, H.H., Roberts, M.J., and Grousbeck, D.E. (1989), *New Business Ventures and the Entrepreneur*, Homewood, IL, Irwin.
- 620) Stopford, J.M. and Wells, L.T. (1972), *Managing The Multinational Enterprise*, Basic Books, New York.
- 621) Storey, D.J. (1994), *Understanding the Small Business Sector*, Routledge, London.
- 622) Storey, D.J. and Johnson, S.G. (1987), *Job Creation in Small and Medium Sized Enterprises, Commission of the European Communities: Programme of Research and Action on the Development of Labour Markets*, Brussels.
-

- 
- 623) Strandskov, J. (1994), 'Towards A New Approach For Studying The Internationalization Process Of Firms', in Buckley, P.J. and Ghauri, P.N. (Eds), *The Internationalization of the Firm: A Reader*, Dryden, London, pp. 201-216.
- 624) Strauss, A. and Corbin, J. (1990), *Basics of Qualitative Research: Grounded Theory Procedures and Techniques*, Sage Publications, California.
- 625) Sullivan, D. (1994), 'Measuring the Degree of Internationalization of a Firm', *Journal of International Business Studies*, **25** (2), pp. 325-342.
- 626) Sullivan, D. and Bauerschmidt, A. (1989), 'Common Factors Underlying Barriers to Export: A Comparative Study in the European and US Paper Industry', *Management International Review*, **29** (2), pp. 17-32.
- 627) Sullivan, D. and Bauerschmidt, A. (1990), 'Incremental Internationalization: A Test of Johanson and Vahine's Thesis', *Management International Review*, **30** (1), pp. 19-30.
- 628) Sullivan, D. and Bauerschmidt, A. (1991), 'The 'Basic Concepts' of International Business Strategy: A Review and Reconsideration', *Management International Review*, Vol. 31, pp. 111-124.
- 629) Swift, J.S. (1991), 'Foreign Language Ability and International Marketing', *European Journal of Marketing*, **25** (12), pp. 36-49.
- 630) Sykes, J.B. (Ed) (1982), *The Concise Oxford Dictionary*, Seventh Edition, Oxford University Press, New York.
- 631) Szarka, J. (1990), 'Networking and Small Firms', *International Small Business Journal*, **8** (2), pp. 10-22.
- 632) Tam, S. (1990), 'Centrifugal versus Centripetal Growth Processes: Contrasting Ideal Types for Conceptualizing the Development Patterns of Chinese and Japanese Firms', in Clegg, S.R., Redding, S.G. (Eds), *Capitalism in Contrasting Cultures*, de Gruyter, Berlin, New York.
- 633) Tayeb, M.H. (1984), *Nations and Organisations: A Comparative Study of English and Indian Work-Related Attitudes and Values in Manufacturing Firms*, unpublished PhD thesis, Aston University, Birmingham, England.
- 634) Tayeb, M.H. (1988), *Organizations And National Cultures: A Comparative Analysis*, Newbury Park, Sage, CA.
- 635) Tayeb, M.H. (1994), 'Organisations and National Culture: Methodology Considered', *Organization Studies*, **15** (3), pp. 429-446.
- 636) Teece, D.J. (1986), 'Profiting from Technological Innovation', *Research Policy*, December.
- 637) Terpstra, V. and David, K. (1985), *The Cultural Environment of International Business*, Southwestern Publishing, Cincinnati, OH.
- 638) Terpstra, V. and Yu, C.J. (1988), 'Piggybacking: A Quick Road to Internationalization',
-



---

*International Marketing Review*, 7 (4), pp. 52-63.

- 639) Tesar, G. (1975), *Empirical Study of Export Operations Among Small and Medium-sized Manufacturing Firms*, unpublished PhD thesis, University of Wisconsin-Madison, Wisconsin, USA.
- 640) Tesar, G. and Tarleton, J.S. (1982), 'Comparisons of Wisconsin and Virginia Small- and Medium-sized Exporters: Aggressive and Passive Exporters', in Czinkota, M.R. and Tesar, G. (Eds), *Export Management*, Praeger, New York, pp. 85-112.
- 641) The Chinese Culture Connection (1987), 'Chinese Values and the Search for Culture-free Dimensions of Culture', *Journal of Cross-Cultural Psychology*, Vol. 18, pp. 143-164.
- 642) Thomas, D.A.T. and Ghuman, P.A.S. (1978), *A Survey of Social and Religious Attitudes Among Sikhs in Cardiff*, The Open University in Wales, Mimeograph.
- 643) Thomas, M.J. and Araujo, L. (1985), 'Theories of Export Behaviour: A Critical Analysis', *European Journal of Marketing*, 9 (2), pp. 42-55.
- 644) Thomas, M.J. and Araujo, L. (1986), 'Export Behaviour: Directions for Future Research', in Turnbull, P.W. and Paliwoda, S.J., (Eds), *Research in Marketing*, Croom Helm, New Hampshire, pp. 138-161.
- 645) Thorelli, H.B. (1987), 'Entrepreneurship in International Marketing: Some Research Opportunities', in Hills, G.E. (Ed), *Research at the Marketing/Entrepreneurship Interface*, USASBE, Marietta, GA.
- 646) Timmins, N. (1995), 'London's Ethnic Balance Shifting', *The Independent*, December 12.
- 647) Tjosvold, D. and Weicker, D. (1993), 'Co-operative and Competitive Networking by Entrepreneurs: A Critical Incident Study', *Journal of Small Business Management*, 31 (1), pp. 11-21.
- 648) Tookey, D.A. (1964), 'Factors Associated with Success in Exporting', *Journal of Management Studies*, 1 (1), pp. 48-66.
- 649) Topritzhofer, E. and Moser, R. (1979), 'Exploratorische LOGIT - und PROBIT-Analysen zue empirischen Identifikation von Determinaten der Export tuchigkeit von Unternehmen', *Zeitschrift fur Betriebswirtschaft*, 49 (10), pp. 873-890.
- 650) Triandis, H.C. (1982), 'Culture's Consequences', *Human Organization*, 41 (1), pp. 86-90.
- 651) Triandis, H.C. (1982), 'Dimensions of Cultural Variations as Parameters of Organisational Theories', *International Studies of Management and Organization*, 12 (4), pp. 139-169.
- 652) Triandis, H.C. (1984), 'Towards a Psychological Theory of Economic Growth', *International Journal of Psychology*, 19, pp. 79-95.

- 653) Tribe, M.A. (1975), 'Economic Aspects of the Expulsion of Asians from Uganda', in Twaddle, M. (Ed), *Expulsion of the Minority: Essays on Ugandan Asians*, Athlone, London.
- 654) Trompenaars, F. (1984), *The Organisation Of Meaning And The Meaning Of Organisation - A Comparative Study On The Conceptions And Organisational Structure In Different Cultures*, unpublished PhD thesis, University of Pennsylvania, USA.
- 655) Trompenaars, F. (1993), *Riding the Waves of Culture: Understanding Cultural Diversity in Business*, The Economist Books, London.
- 656) Trow, M. (1957), 'A Comment on Participant Observation and Interviewing: A Comparison', *Human Organisation*, **16** (3), pp. 33-5.
- 657) Turbull, P.W. (1987), 'Interaction and International Marketing: An Investment Process', *International Marketing Review*, Winter, pp. 7-19.
- 658) Turnbull, P.W. (1987), 'A Challenge to the Stages Theory of the Internationalization Process', in Rosson, P.J. and Reid, S.D. (Eds), *Managing Export Entry and Expansion*, Praeger, New York, pp. 21-40.
- 659) Turnbull, P.W. and Ellwood, S. (1986), 'Internationalization in the Information Technology Industry', in Turnbull, P.W. and Paliwoda, S.J. (Eds), *Research in International Marketing*, Croom Helm, London.
- 660) Turnbull, P.W. and Valla, J-P. (1986), *Strategies for International Industrial Marketing*, Croom Helm, London.
- 661) United Nations Conference on Trade and Development (1994), *World Investment Report 1994. Transnational Corporations, Employment and the Workplace*, UN, New York and Geneva.
- 662) Ursic, M.L. and Czinkota, M.R. (1989), 'The Relationship Between Managerial Characteristics and Export Behaviour', in Hawes, J. and Thanopoulos, J. (Eds), *Developments in Marketing Science*, Vol. XII, pp. 208-211.
- 663) Vahlne, J-E. and Wiedersheim-Paul, F. (1973), 'Ekonomiskt avstand. Modell och empirisk undersokning' (Economic Distance. Model and Empirical Investigation), in Hornell, E., Vahlne, J-E. and Wiedersheim-Paul, F., *Export and Foreign Establishments*, Uppsala, pp. 81-159.
- 664) Van Maanen, J. (1979), 'Reclaiming Qualitative Methods for Organisational Research: A Preface', *Administrative Science Quarterly*, **24**, pp. 520-527.
- 665) Van Maanen, J. (1979), 'The Fact of Fiction in Organisational Ethnography', *Administrative Science Quarterly*, **24**, pp. 539-550.
- 666) Van Maanen, J. (1983), *Qualitative Methodology*, Sage Publications, London.
- 667) Verhoeven, W. (1988), 'The Export Performance of Small and Medium-Sized



- Enterprises in the Netherlands', *International Small Business Journal*, 6 (2), pp. 20-33.
- 668) Vernon, R. (1971), *Sovereignty at Bay: The Multinational Spread of US Enterprises*, Basic Books, New York.
- 669) Visram, R. (1986), *The Story of Indians in Britain 1700-1947: Ayahs, Lascars and Princes*, Pluto Press Limited, London.
- 670) Von Hippel, E. (1985), *User Innovation: An Analysis of the Functional Sources of Innovation*, MIT, Cambridge, Mass.
- 671) Waldinger, R. (1986), *Through the Eye of the Needle*, Chicago University Press.
- 672) Waldinger, R. et al (1990), 'Opportunities, Group Characteristics and Strategies', in Waldinger, R., Aldrich, H., Ward, R., and Associates (Eds), *Ethnic Entrepreneurs*, Sage, London.
- 673) Waldinger, R., Ward, R., and Aldrich, H. (1985), 'Ethnic Business and Occupational Mobility in Advanced Societies', *Sociology*, 19 (4), pp. 586-597.
- 674) Walsh, J.P. and Fahey, L. (1986), 'The Role Of Negotiated Belief Structures In Strategy Making', *Journal of Management*, 12, pp. 325-38.
- 675) Walters, P.G.P. (1989), 'A Framework for Export Pricing Decisions', *Journal of Global Marketing*, 2 (3), pp. 95-111.
- 676) Ward, R. (1986), 'Ethnic Business and Economic Change: An Overview', *International Small Business Journal*, 4 (3), pp. 10-12.
- 677) Ward, R. (1986), *Orientation and Opportunity: An Interpretation of Asian Enterprise in Western Society*, paper presented at the American Sociological Association Annual Meeting, New York.
- 678) Ward, R. (1987), 'Ethnic Entrepreneurs in Britain and Europe', in Goffee, R. and Scase, R. (Eds), *Entrepreneurship in Europe: The Social Processes*, Croom Helm.
- 679) Ward, R. (1987), 'Resistance, Accommodation and Advantage: Strategic Development in Ethnic Business', in Lee, G. and Loveridge, R. (Eds), *The Manufacture of Disadvantage*, Open University Press.
- 680) Ward, R. (1991), 'Economic Development and Ethnic Business', in Curran, J., and Blackburn, R. (Eds), *Paths of Enterprise*, Routledge, London.
- 681) Ward, R. and Jenkins, R. (Eds) (1984), *Ethnic Communities in Business*, Cambridge University Press, Cambridge.
- 682) Ward, R. and Randall, R. (1988), *Competitive Advantage in the New Business Venture: The Rate of the Social Network*, proceedings of the Workshops on Selection Criteria and Evaluation of New Business Projects, SDA, Bacconi, Milan, February.
- 683) Ward, R., Randall, R., and Krcmar, K. (1986), 'Small Firms in the Clothing Industry: The Growth of Minority Enterprise', *International Small Business Journal*, 4 (3), Spring.
- 684) Warner, M. (1981), 'Culture's Consequences', *Journal of General Management*, 7 (1),

pp. 75-78.

- 685) Weaver, K.M. and Pak, J. (1990), 'Export Behaviour and Attitudes of Small and Medium-Sized Korean Manufacturing Firms', *International Small Business Journal*, 8 (4), pp. 59-70.
- 686) Weber, M. (1951), *The Religion of China*, The Free Press, New York.
- 687) Weber, M. (1966), *The Sociology of Religion*, Social Science Paperbacks, London.
- 688) Weidersheim-Paul, F., Olson, H.C., and Welch, L.S. (1978), 'Pre-Export Activity: The First Step in Internationalization', *Journal of International Business Studies*, Vol. 9, pp. 47-58.
- 689) Weinrauch, J.D. and Rao, C.P. (1974), 'The Export Marketing Mix: An Examination of Company Experiences and Perceptions', *Journal of Business Research*, 2 (4), pp. 47-52.
- 690) Welch, L.S. and Luostarinen, R. (1988), 'Internationalization: Evolution of a Concept', *Journal of General Management*, 14 (2), pp. 34-55.
- 691) Werbner, P. (1984), 'Business on Trust: Pakistani Entrepreneurship in the Manchester Garment Trade', in Ward, R. and Jenkins, R. (Eds), *Ethnic Communities in Business*, Cambridge University Press, Cambridge.
- 692) Werbner, P. (1990), 'Renewing an Industrial Past: British Pakistani Entrepreneurship in Manchester', *Migration*, Vol. 8, pp. 17-41.
- 693) Wernerfelt, B. (1984), 'A Resource-Based View of the Firm', *Strategic Management Journal*, Vol. 5, pp. 171-180.
- 694) Wheelen, T.L. and Hunger, D.J. (1995), *Strategic Management and Business Policy*, Fifth Edition, Addison-Wesley Publication Company, Inc., Wokingham, England.
- 695) White, R.E. and Poynter, T.A. (1984), 'Strategies For Foreign-Owned Subsidiaries In Canada', *Business Quarterly*, Summer, pp. 59-69.
- 696) Whitley, R.D. (1987), 'Taking Firms Seriously as Economic Actors: Towards a Sociology of Firm Behaviour', *Organization Studies*, 8, pp. 25-147.
- 697) Whitley, R.D. (1990), 'Eastern Asian Enterprise Structures and the Comparative Analysis of Forms of Business Organisations', *Organisation Studies*, 11, pp. 47-74.
- 698) Williamson, O.E. (1975), *Markets and Hierarchies*, Free Press, New York.
- 699) Williamson, O.E. (1981), 'The Economics of Organisation: The Transaction Cost Approach', *American Journal of Sociology*, 87 (3).
- 700) Williamson, O.E. and Ouchi, W.G. (1981), 'The Markets and Hierarchies Program of Research: Origins, Implications, Prospects', in Van De Van, A.H. and Joyce, W.F. (Eds), *Perspectives on Organisation Design and Behavior*, John Wiley & Sons, New York, pp. 347-370.
- 701) Wilson, D. (1983), 'Asian Entrepreneurs - from High Street to Park Lane', *The*



- Director*, (June) pp. 30-32.
- 702) Wilson, K. and Portes, A. (1980), 'Immigrant Enclaves: An Analysis of the Labour Market Experiences of Cubans in Miami', *American Journal of Sociology*, **30** (4), pp. 422-455.
- 703) Wilson, K.L. and Martin, W.A. (1982-83), 'Ethnic Enclaves: A Comparison of the Cuban and Black Economies in Miami', *American Journal of Sociology*, **88**, pp. 135-160.
- 704) Wilson, P. (1983), 'Ethnic Minority Business and Bank Finance', *New Community*, **11** (1/2), Autumn/Winter.
- 705) Wilson, P. and Stanworth, J. (1986), 'Growth and Change in Black Minority Enterprise in London', *International Small Business Journal*, **5** (3), Spring.
- 706) Wilson, P.E.B. (1983), *Black Business Enterprise in Britain: A Survey of Afro-Caribbean and Asian Small Businesses in Brent*, Runnymede Trust, London.
- 707) Withey, J.J. (1980), 'Differences Between Exporters and Non-Exporters: Some Hypotheses Concerning Small Manufacturing Business', *American Journal of Small Business*, **4** (3), pp. 29-37.
- 708) Wong, S-L (1988), *Emigrant Entrepreneurs: Shanghai Industrialists in Hong Kong*, Oxford University Press, Hong Kong.
- 709) Wong, S-L (1996), 'Chinese Entrepreneurs and Business Trust', in Hamilton, G.G. (Ed.), *Asian Business Networks*, Walter de Gruyter, New York, pp 13-24.
- 710) Woodcock, P.C., Beamish, P.W., and Makino, S. (1994), 'Ownership-Based Entry Mode Strategies and International Performance', *Journal of International Business Studies*, **25** (2), pp. 253-273.
- 711) Wriston, W. as quoted, in Buckley, P.J. and Brooke, M.Z. (1992), *International Business Studies: An Overview*, Blackwell, Oxford, p. 13.
- 712) Yaprak, A. (1985), 'A Empirical Study of the Differences Between Small Exporting and Non-Exporting US Firms', *International Marketing Review*, **2** (2), pp. 72-83.
- 713) Yeoh, P-L. and Jeong, I. (1995), 'Contingency Relationships Among Entrepreneurship, Export Channel Structure And Environment: A Proposed Conceptual Model Of Channel Performance', *European Journal of Marketing*, **29** (8), pp. 95-115.
- 714) Yin, R. (1993), *Applications of Case Study Research*, Sage, Beverly Hills, CA.
- 715) Yin, R. (1984/1989), *Case Study Research, Design and Methods*, Sage, Beverly Hills, CA.
- 716) Young, S. (1987), 'Business Strategy and the Internationalization of Business: Recent Approaches', *Managerial and Decision Economics*, Vol. 8, pp. 31-40.
- 717) Young, S. (1990), 'Internationalization: Introduction and Overview', *International Marketing Review*, **7** (4), pp. 5-10.

- 718) Young, S., Bell, J.D., and Crick, D. (1998), 'The Resource-Based Perspective and Small Firm Internationalization: An Exploratory Approach', *Strathclyde International Business Unit Working Paper Series*, No. 98/3, The University of Strathclyde, Glasgow, Scotland.
- 719) Young, S., Hamill, J., Wheeler, C., and Davies, J.R. (1989), *International Market Entry and Development: Strategies and Management*, Harvester Wheatsheaf, Hemel Hempstead, Herts.
- 720) Young, S., McDermott, M., and Dunlop, S. (1990), 'Non-EC Multinationals and the Single Market Challenge', in Mucchielli, J.L. and Burgenmeier, B. (Eds), *Multinationals and Europe 1992*, Routledge, London.
- 721) Zafarullah, M., Ali, M., and Young, S. (1998), 'The Internationalization of the Small Firm in Developing Countries - Exploratory Research from Pakistan', *Journal of Global Marketing*, **3** (3), pp. 21-40.
- 722) Zahra, S. and Elhagrasy, G. (1994), 'Strategic Management of International Joint Ventures', *European Management Journal*, **12** (1), pp. 83-93.



## APPENDICES

Appendix 1	Gatekeeper Documentation
Appendix 2	Information Sent to Screened Firms
Appendix 3	Pilot Interview Guide
Appendix 4	Interview Guide
Appendix 5	Interview Guide Coding Structure

## APPENDIX 1

# Documentation Pack Forwarded to Gatekeepers



This cover letter was sent on Strathclyde University's 'Strathclyde International Business Unit' (SIBU) letterhead.

Dear

**RE: Survey of the Internationalisation Practices of UK Indian Enterprises**

This letter is to inform you of the **Doctoral research study** which I am undertaking on the internationalisation activities of UK Indian firms, with the aim to gain your **crucial** assistance in completing the study.

Your organisation has been identified as a **key** organisation which can assist in the development of a sample of **50 Indian firms** which are prepared to participate in **personal interviews**. (A more detailed '*Briefing Document*' relating to the study along with other relevant documentation is attached.)

The findings of the study will enable me to generate meaningful business and public policy recommendations as to how the international business performance of UK Indian firms can be enhanced and supported. In addition, your organisation may also find the process of assisting the study helpful in providing **yourselves** with a different perspective in this subject area.

I recognise that you may receive numerous requests for assistance from different bodies and people, and appreciate what assistance means in terms of time and cost. However, I do hope that since the results of this survey will be directed at **making things happen** with regard to influencing policy matters, you will make available the time to assist on this occasion.

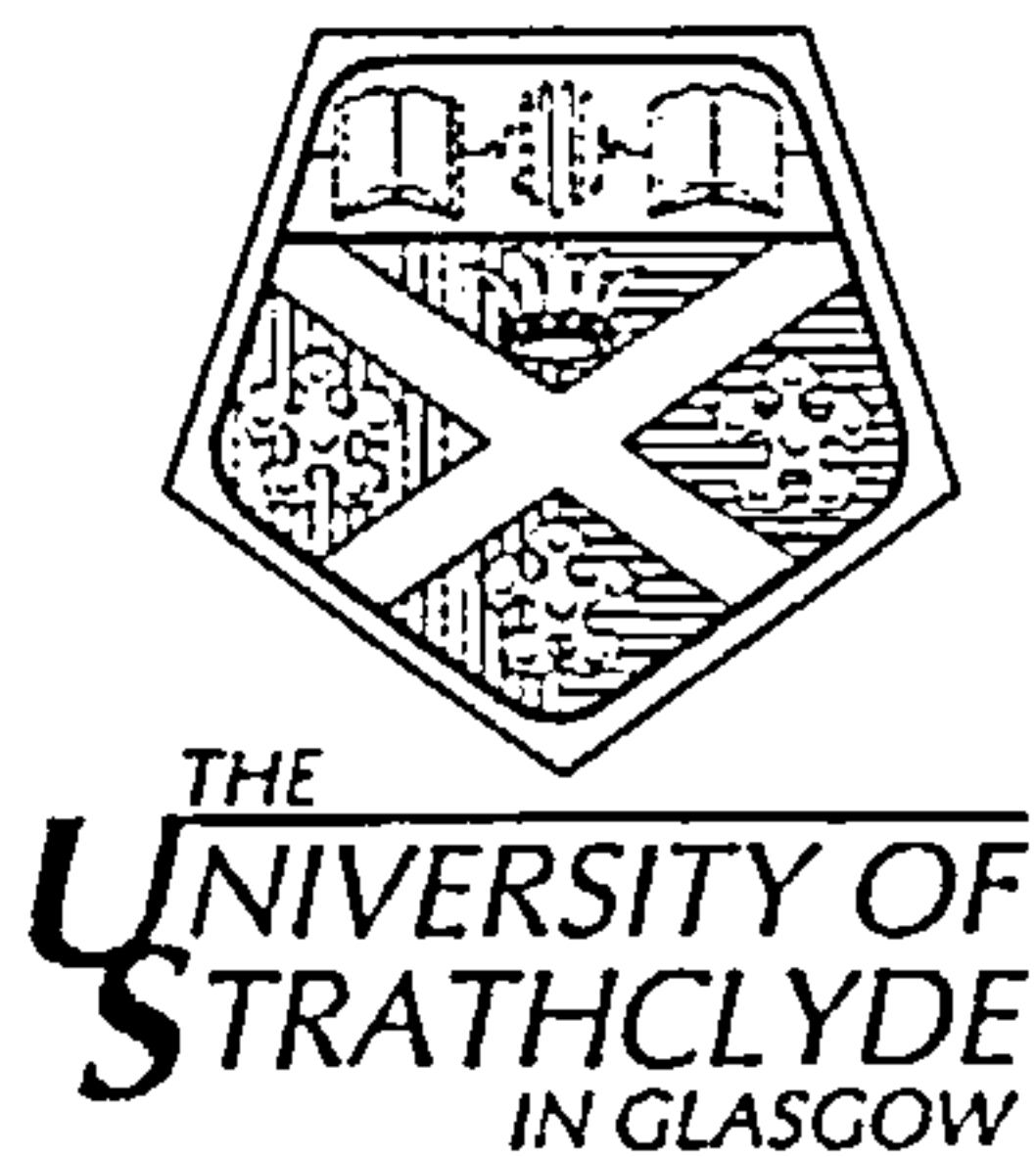
I would also like to draw to your attention that since this **full-time** Doctoral study is entirely funded by myself any **contribution** towards the costs of the study and fieldwork, or **sponsorship** of the study, would be warmly welcomed and duly acknowledged in the final report.

I hope you do not mind me contacting you shortly to establish your willingness to assist with the study and schedule a mutually convenient time for a **briefing meeting**. In the meantime, should you wish to discuss the study further I would ask you to contact me directly on **0116 259 3344**.

Yours sincerely,

**Jaswinder S. Hayer**  
Doctoral Researcher  
Doctor of Business Administration (DBA)

Encl.



---

**Doctor of Business Administration (DBA)**

***The Significance Of Ethnic Ties And Entrepreneurial Networks in  
The Internationalisation of the Firm - Case Study: The  
Internationalisation of UK Indian Enterprises***

Doctoral Researcher  
**Jaswinder S. Hayer**

Key Individuals and Organisations  
***BRIEFING DOCUMENT***

Overall governing research question:

***To what extent are 'ethnic ties' and 'social networks' significant and important, both during and after the internationalisation decision-making process, in the internationalisation of UK Indian firms?***



## **Contents**

CONTENTS .....	2
1.0 INTRODUCTION - NATURE OF STUDY .....	3
2.0 RESEARCH OBJECTIVES.....	4
2.1 OVERARCHING STUDY QUESTIONS .....	4
3.0 SCHEDULE OF TOPICS FOR DISCUSSION DURING PERSONAL IN-DEPTH INTERVIEWS.....	6
3.1 FIRMS HISTORY / BACKGROUND / DEVELOPMENT / PERSONAL DETAILS .....	6
3.2 BUSINESS FORM AND STRUCTURAL DYNAMICS .....	6
3.3 INTERNATIONAL ACTIVITY.....	6
3.4 ETHNIC TIES AND SOCIAL NETWORKS.....	6
3.5 AGENCY SUPPORT.....	6
3.6 FIRM GROWTH AND PERFORMANCE.....	6
3.7 THE WAY FORWARD.....	7
3.8 OTHER INFORMATION/DETAILS.....	7
4.0 RESEARCH DESIGN.....	8

## 1.0 Introduction - Nature of Study

This study is directed by the over-riding objective to contribute to the enhancement and sustainability of the UK's industrial competitiveness at an international level.

National statistics show that ethnic minorities and ethnic minority firms make considerable contributions to the overall economic prosperity of the UK, not only at a macro aggregate level, but at a micro level (due to localised concentrations) where they make considerable contribution to the economic prosperity of specific regions.

This study focuses on identifying the importance of '*ethnic ties*'<sup>1</sup> and entrepreneurial/social networks as a mechanism for internationalisation. Since the literature on Asian firms identifies such networks to be important amongst Asian groups, this study focuses on UK Indian firms and entrepreneurs in order to validate this finding, and investigate if such networks offer genuine opportunities for internationalisation. The study aims to investigate the extent to which UK Indian firms have internationalised and the importance placed on ethnic ties and networks in the development and selection of their foreign market entry and development strategies (FMEDS).

Coupled with past studies which identify that a significant proportion of UK Asian firms are concentrated in traditional and localised industries, which are generally associated with poor working conditions, open to international competition, and generally price competitive and declining sectors, it can be argued, that there is a need to assist such firms to break-out and enter new areas of business opportunity both domestically and internationally. This, it is argued, will have the positive effect of contributing to rebalancing the UK's industrial portfolio to a more competitive position.

In addition, the shift in international trade from the Atlantic region to the Pacific region has resulted in genuine opportunities presenting themselves to UK immigrant families who's ancestral roots are in these areas. Indeed, studies identify that many still have kinship ties with their ancestral motherland and maintain their motherlands cultural heritage. This provides them with a unique competitive advantage over similar indigenous UK firms.

Also, many indigenous UK firms which have the potential to operate internationally experience psychological barriers to internationalisation when faced with cross-cultural management issues which intensify the perceived risk and influence the '*go/no go*' decision. It can be argued that, diversity within the workforce would be an appropriate strategy to adopt in order to overcome national cultural differences. This would result in not only reducing the perceived risk of entering international markets and enhance long-term business performance, it would simultaneously also, at an aggregate level, enhance the UK's competitiveness at an international level.

This study has a strong exploratory component concerning the extent to which Indian firms view internationalisation and have internationalised, clearly identifying barriers to the internationalisation process. Information is to be gathered via in-depth guided interviews which will allow the opportunity to explore pertinent issues.

---

<sup>1</sup> The term '*Ethnic Ties*' is defined here as meaning personal/emotional bonds or relationships of kinship and friendship shared amongst immigrants in the UK who emigrated from the Indian sub-continent and Indians else where in the world.



## 2.0 Research Objectives

The reader should note that since the thesis resulting from this study's findings will be submitted in fulfillment of the requirements of the degree of Doctor of Business Administration (DBA), the outputs of this study will stress the policy implications, both business policy (various aspects but particularly international business policy) and public policy.

The overall governing objective of this study is:

***To investigate the extent and characteristics of internationalisation by UK Indian firms and the processes by which UK Indian entrepreneurs and their firms internationalise, in particular the significance and importance of 'ethnic ties' and 'social networks' during and after the internationalisation decision-making process.***

In order to satisfy the overall objective the following research sub-objectives, which relate to market screening and selection, foreign market entry and development strategies (FMEDS), and policy issues are also to be addressed by this study:

- ⇒ To identify the methods and techniques adopted by UK Indian firms in the country screening and selection process in order to evaluate suitable markets;
- ⇒ To identify how UK Indian firms perceive overseas markets, their attractiveness, the barriers (tangible and intangible), and their perceptions regarding the assistance required (at both sides) to improve and enhance effective and efficient entry into overseas markets;
- ⇒ To identify the FMEDS adopted by UK Indian firms and the management strategies adopted;
- ⇒ To investigate how cross-cultural ethnic links influence the internationalisation of UK Indian firms (outward from the UK and inward to the UK), and establish whether ethnic ties become less or more important as the firm grows (domestically and internationally) over time;
- ⇒ To identify the extent to which past studies have enhanced our understanding and research focus in the area of the internationalisation of UK Asian entrepreneurs and their firms;
- ⇒ To evaluate the usefulness of support agencies (public and private), in particular with regard to, assistance available for internationalisation as perceived by UK Indian entrepreneurs and their firms; and
- ⇒ To provide sound recommendations based on research which will be of value to: UK Indian entrepreneurs and their firms, business support agencies (public and private), international business academics, and others with interests in UK entrepreneurship and Indian firms, and internationalisation per se; and to make a distinctive contribution to research in the field of internationalisation.

## 2.1 Overarching Study Questions

- ⇒ Can ethnic minority firm characteristics and dynamics enhance UK Indian firm competitiveness?
- ⇒ To what extent are ethnic ties and networks important in the internationalisation of UK Indian firms and what significance do they have after internationalisation has taken place?
- ⇒ Do ethnic ties and networks present genuine opportunities to UK Indian firms in developing and growing their firm internationally?
- ⇒ How can ethnic ties and networks be used to capitalise upon not only domestic but also

international opportunities?

- ⇒ Do ethnic ties and networks present a genuine competitive advantage or disadvantage for UK Indian firms?
- ⇒ How does the nature of internationalisation of UK Indian firms differ from indigenous firms? What drives these differences and do they enhance performance?
- ⇒ Are UK Indian firms more likely to have international relationships with nations with which they have ethnic ties and networks?
- ⇒ Are UK Indian firms adopting the most appropriate FMEDS in their international operations?
- ⇒ How can agencies contribute to an enhancement in performance of UK Indian firms internationally?
- ⇒ Does education override cultural differences?
- ⇒ Does the importance of ethnic ties and networks diminish over time?
- ⇒ Do cultural factors diminish over time? How will this influence the nature of domestic networks and international networks?



### **3.0 Schedule of Topics for Discussion During Personal In-depth Interviews**

#### **3.1 *Firms history / Background / Development / Personal Details***

- ⇒ Background of proprietors, nationality issues, education, occupation, experiences prior to starting business
- ⇒ The influence of networks and ethnic ties
- ⇒ National cultural influences
- ⇒ Drivers for business start-up
- ⇒ Personal perceptions of: the firm, management style, entrepreneurial characteristics

#### **3.2 *Business Form and Structural Dynamics***

- ⇒ Nature of business and its activities, employee details, location, competition, customer base and profile, commercial activity and competitive position
- ⇒ Ethnicity influences on decision-making
- ⇒ The role and nature of networks and ethnic ties
- ⇒ National cultural influences

#### **3.3 *International Activity***

- ⇒ Background to how the firm began international operations, how the firm's initial international activities have developed and evolved, the market screening and selection criteria adopted, countries and markets with which relationships have been developed, the range of FMEDS adopted, the international dynamics of the firm
- ⇒ The firm's key international customer/supplier base, key problems/barriers, the perception of international activity
- ⇒ The management's approach to internationalisation, the significance of networks and ethnic ties in internationalisation
- ⇒ National cultural influences

#### **3.4 *Ethnic Ties and Social Networks***

- ⇒ What constituted a network?
- ⇒ Diversity and density of networks, opportunities, advantages and disadvantages
- ⇒ Networks in the motherland and the exploitation of opportunities
- ⇒ Importance of social and business networks to business dynamics
- ⇒ Use of networks in sourcing: customers, suppliers, support agencies, finance, HR, etc.
- ⇒ Networks as a source of competitive advantage or disadvantage?
- ⇒ Opportunities for internationalisation presented by networks

#### **3.5 *Agency Support***

- ⇒ Knowledge about agencies and support available, drawbacks, advantages, experience and perceptions of agency support received, improvements necessary in provision
- ⇒ Financing of the firm (domestic and International), financial planning, financial limitations and consequences

#### **3.6 *Firm Growth and Performance***

- ⇒ Performance and growth of the firm, methods deployed in measurement of performance (domestic and international),

⇒ Personal perceptions of the firms performance, objectives and attainment of objectives

### **3.7 *The Way Forward***

- ⇒ Personal views regarding how competitiveness both domestically and internationally can be enhanced, the support necessary and the possible sources of opportunity
- ⇒ The adoption of general planning and strategic planning techniques for competitiveness and performance enhancement

### **3.8 *Other information/details***

- ⇒ Additional issues and comments which may be raised and discussed
- ⇒ Questions relating to different themes which were identified during the interview



## 4.0 Research Design

Due to the scope and nature of the study the researcher proposes to interview a **sample of 50 firms**.

In order to satisfy the research objectives **Table 4.1** outlines the screening criteria that will be adopted to identify firms eligible for the study.

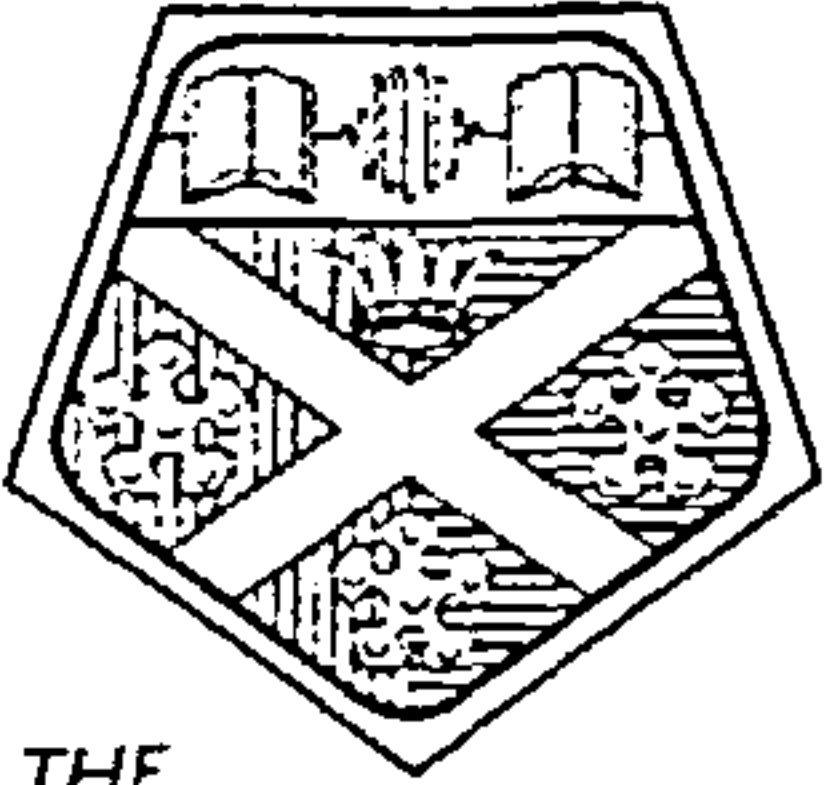
**Table 4.1: Screening Criteria - Demographic Profile of Firms**

Criteria
⇒ Indian Firm based in England - it must be possible to trace the ancestral roots of the entrepreneurs back to the Indian sub-continent (directly or otherwise, e.g. via East Africa)
⇒ The firm must have been established and trading for a minimum period of 5 years
⇒ The firm must currently be operating internationally and have been operating internationally for a minimum period of 3 years (adopting any FMEDS)
⇒ Geographical location: The Midlands - East and West
⇒ Size of firm: a spread of SMEs and large firms
⇒ The firm must be willing to participate in the research study or have participated in past studies
⇒ The firm must be seeking to enhance competitive position (domestically and/or internationally)
⇒ Industry sector: Manufacturing firms only (any industry)
⇒ Key people within the firm must have a basic level of fluency in the English language

Quite clearly in implementing the study and conducting the proposed qualitative interviews there is a need to gain the co-operation and confidence of the screened Indian firms so that they are willing to discuss, and disclose, in detail, the firms history and international operations. Gaining access to a suitable number of firms is an issue which has plagued many past studies and restricted many studies from being conducted. Indeed, past studies clearly identify that SMEs in general are reluctant to participate in research. In order to overcome this barrier the doctoral researcher will approach and seek the assistance of appropriate **key individuals and organisations** (such as yourselves) who will act as conduits by referring firms.

In addition, to encourage firms to be forthcoming they will be notified that their anonymity will be protected and kept confidential, any reference to their firm will be via the use of a fictitious name. However, all other data gathered will reflect the real situation at the time of the study.

The nature of this study justifies the use of appropriate key individuals and organisations in order to derive a suitable number of firms for the study.



THE  
UNIVERSITY OF  
STRATHCLYDE  
IN GLASGOW

DEPARTMENT OF



## Foreign Market Entry & Development Strategies (FMEDS)

### The Internationalisation Of UK Asian Enterprises

Doctoral Researcher: Jaswinder S. Hayer BSc (Hons), MBA, DipM

#### **Exporting / Importing:**

Transfer of goods and/or services across national boundaries via indirect (export house, confirming house, trading company, piggybacking, etc.) or direct (agents, distributors, company export salesmen, sales subsidiaries) methods.

#### **Licensing:**

Contracts in which licensor provides licensees abroad with access to one or a set of technologies or know-how in return for financial compensation. Typically, the licensee has rights to produce and market a product within an agreed area in return for royalties.

#### **Franchising:**

Contracts in which franchiser provides franchisee with a 'package' including not only trade marks and know-how, but also local exclusivity and management and financial assistance and Joint advertising. Management fees are payable. Most important in services.

#### **Management Contract:**

An arrangement under which operational control of an enterprise, which would otherwise be exercised by a board of directors or managers elected and appointed by its owners, is vested by contract in a separate enterprise which performs the necessary management functions in return for a fee.

#### **Turnkey Contract:**

A contractor has responsibility for establishing a complete production unit or infrastructure project in a host country - up to the stage of the commissioning of total plant facilities. Payment may be in a variety of forms including countertrading. 'Turnkey plus' contracts include product-in-hand and market-in-hand contracts.

#### **Contract Manufacturing / International Sub-contracting:**

A company (the principal) in one country places an order, with specifications as to conditions of sale and products required, with a firm in another country. Typically the contract would be limited to production, with marketing being handled by the principal.

#### **Industrial Co-operation Agreement:**

Conventionally applied to arrangements between Western companies and government agencies or enterprises in the Eastern Bloc. Include licensing, technical assistance agreements, turnkey projects and contract manufacturing, as well as contractual joint ventures and tripartite ventures.

#### **Contractual Joint Venture:**

Formed for a particular project of limited duration or for a longer-term co-operative effort, with the contractual relationship commonly terminating once the project is complete. May relate to *co-production*, *co-R&D*, *co-development*, *co-marketing plus co-publishing*, *consortium ventures* by banks to finance large loans, etc.

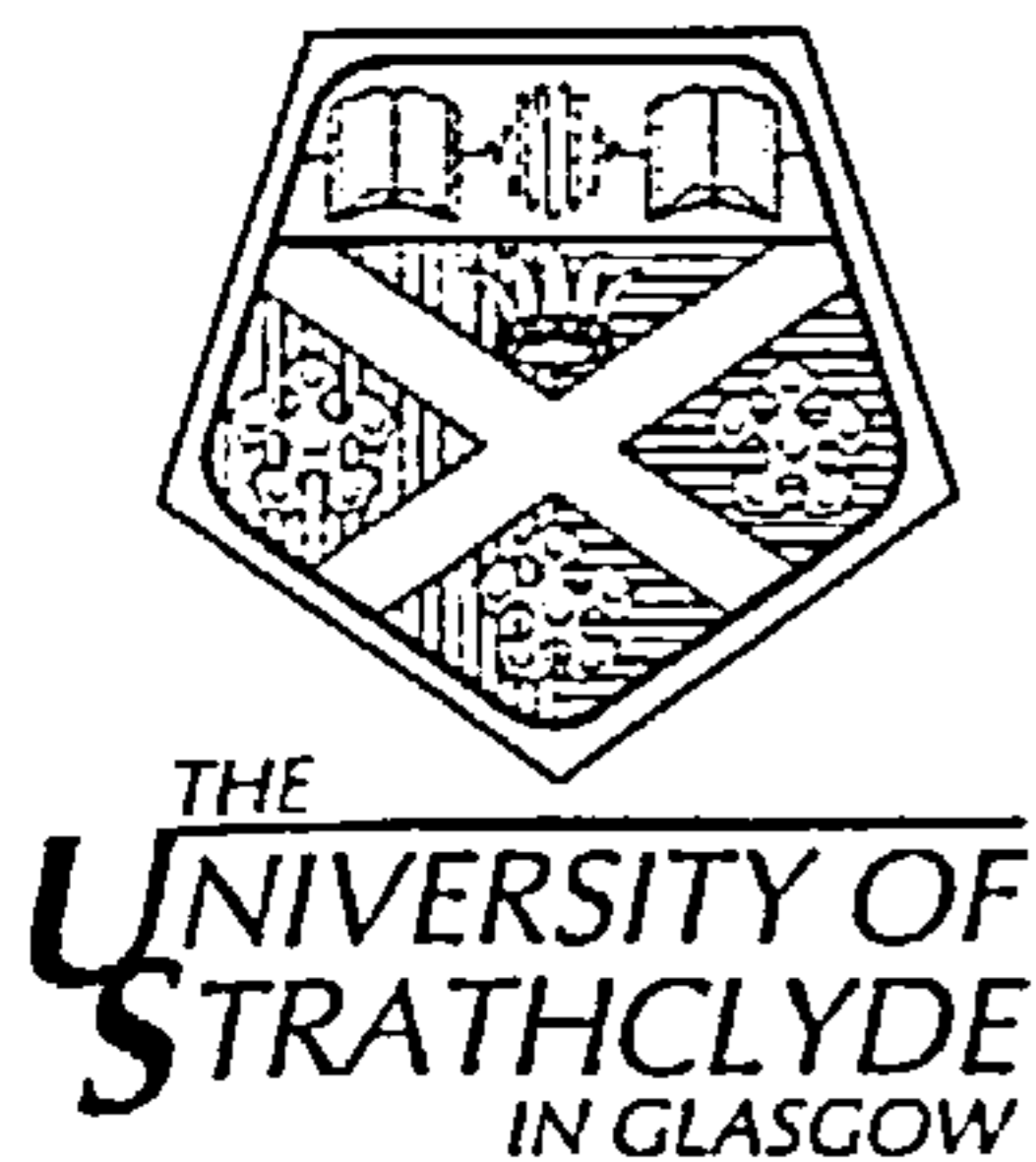
#### **Equity Joint Ventures:**

Involves sharing of assets, risks and profits and participation in the ownership (i.e. equity) of a particular enterprise or investment product by more than one firm. Relative equity stakes will vary, *inter alia*, because of host nation legislation.

#### **Wholly Owned Subsidiaries:**

100 per cent owned operations abroad. May be manufacturing or sales/service ventures. May be formed through acquisitions or greenfield operations.





## SCREENING CRITERIA CHECKLIST

### *The Internationalisation Of UK Asian Enterprises*

Doctoral Researcher: Jaswinder S. Hayer BSc (Hons), MBA, DipM

The following is the screening criteria against which UK Indian firms should be appraised. ONLY firms which match these key criteria are eligible for inclusion in the study:

Indian Firm based in England - it must be possible to trace the ancestral roots of the entrepreneurs back to the Indian sub-continent (directly or otherwise, e.g. via East Africa). A firm is classified as Indian if half or more of its owners, partners or directors are of 'Indian' origin.

The study focuses purely on **manufacturing** firms only; however the firm can come from any industrial sector.

The firm must have been established and trading for a minimum period of 5 years.

The firm **must** currently be operating internationally and have been operating internationally for a minimum period of 3 years (adopting any form of foreign market entry and development strategy (FMEDS)).

Geographically the firm must be located within the Midlands - East or West.

Any size of firm is eligible. Although a reasonable spread of **SMEs** and **Large** firms is sought.

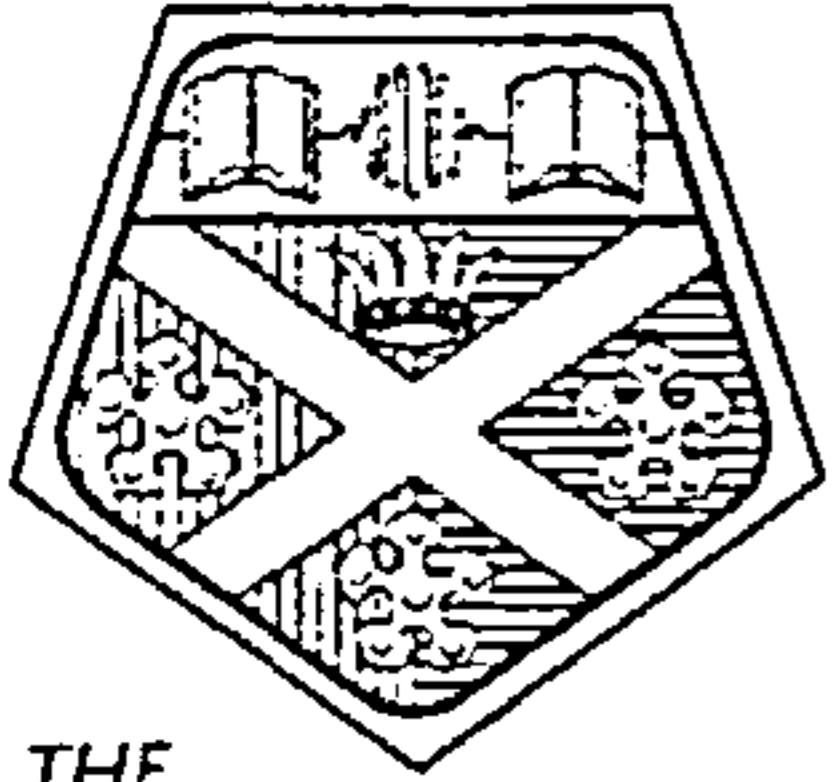
The firm must be willing to participate in the research study or have participated in past studies.

The firm should be striving to enhance it's competitive position (domestically and/or internationally).

Key people within the firm must have a basic level of fluency in the English language.

From:

Telephone:



THE  
UNIVERSITY OF  
STRATHCLYDE  
IN GLASGOW



**Faxback REFERRAL FORM: 0116 259 3977**

**The Internationalisation Of UK Asian Enterprises**

Doctoral Researcher: Jaswinder S. Hayer BSc (Hons), MBA, DipM

Title: Mr / Mrs / Miss / Ms / Dr / Other:

First Name:

Last Name:

Gender: Male / Female

Position In Company:

Name Of Firm:

Industry Sector:

Address Of Firm:

Town:

Post Code:

Telephone Number(s):

Fax Number:

E-mail address:

Have you contacted them about participating in the study? Yes / No

Are they expecting a call from the Doctoral Researcher? Yes / No

Other Relevant Information/Comments:

**OFFICE USE ONLY**

Reference Number: \_\_\_\_\_

Date contacted: / / 98 Time: :

Prepared to participate: Yes / No

Appropriate for study: Yes / No

Interview Code: \_\_\_\_\_

Date of Interview: / / 98

Time: : Venue:

Name of Interviewee:

Comments:

**Any Queries Please Phone: 0116 259 3344**



## APPENDIX 2

### Documentation Pack Forwarded to Screened Firms That Qualified For Inclusion In the Research Study

This cover letter was sent on Strathclyde University's 'Strathclyde International Business Unit' (SIBU) letterhead.

Dear

**RE: Survey of the Internationalisation Practices of UK Indian Enterprises**

This letter is to inform you of the **Doctoral research study** which I am undertaking on the internationalisation activities of UK Indian firms.

Your firm's details have been provided to me by (*Insert Gatekeepers Name*), who recommended your firm to me as a company seeking to enhance its competitive position and performance both internationally and domestically.

In order for me to make meaningful policy recommendations as to how the performance of UK Indian firms can be enhanced and supported, I seek your valuable assistance in the study. I would be grateful if you could spare the time to participate in a **personal interview**. To attain this end I have attached information concerning the background and purpose of the study together with a document outlining the issues to be discussed during the interview.

Your assistance in this study will provide **invaluable** information that will enable me to develop policy recommendations, both business and public, as to how to stimulate the international development of UK Indian firms. In addition, you may also find the process of participating in this study helpful in providing a different perspective on your business and its international activities.

I recognise that you may receive numerous requests for interviews of all kinds from different bodies and people, and appreciate what assistance means in terms of time and cost. However, I do hope that since the results of this survey will be directed at **making things happen** with regard to influencing policy matters, you will make available the time to participate on this occasion. Rest assured **your responses will remain strictly confidential**.

I hope you do not mind me contacting you shortly to establish your willingness to participate in the study and schedule a mutually convenient time for the interview. In the meantime, should you wish to discuss the study further, I would ask you to contact me directly on **0116 259 3344**.

Yours sincerely,

**Jaswinder S. Hayer**  
Doctoral Researcher  
Doctor of Business Administration (DBA)

Encl.



**Survey of the Internationalisation Practices of UK Indian Enterprises:  
Ethnic Ties and Social Networks**

***Background and Purpose of Study***

As I am sure you will agree, the topic of Asian entrepreneurs and their enterprises is a subject area which has received little attention, especially the dimension of their internationalisation activities and the international decision-making processes adopted. Existing studies in the area have shown that Indian firms frequently address many problems by networking with individuals, other firms and institutions, often on a very informal basis, in order to share knowledge or resources. However, little is known about the extent to which Indian firms form such networks.

Although Asian firms per se attract attention and stimulate much comment, surprisingly little has been written about these firms and the dimension of this study, i.e. internationalisation. Consequently, I am conducting a survey among senior managers of Indian firms responsible for international operations as part of my Doctoral Degree in Business Administration (DBA).

This is a regional survey seeking to gain an insight into internationalisation amongst Indian senior managers of manufacturing firms operating internationally, based in the East and West Midlands.

The focus of the study is on enhancing the UK's international competitiveness and identifying and establishing the important role which Indian firms play in attaining this objective. This survey, the first of its kind, exploring external networks and development effects in Indian firms, is intended primarily to identify the internationalisation potential and opportunities which such networks offer and the extent to which these networks stretch across national borders. Secondly, the survey is intended to ascertain the contribution which such networks have made to the development of Indian firms in international markets.

It has been commented by many individuals that Indian firms, such as yours, have considerable expertise in utilising social networks and family ties. However, little is known about how such networks and ties have and can contribute to the firm's development and increased profitability. This study aims to establish whether the effective management of such networks and ties can provide genuine opportunities to develop and enhance the international performance of Indian firms.

Your company has been selected to form a representative sample of Indian firms. Your participation and opinions on these issues will be greatly appreciated by the doctoral researcher and ultimately will provide knowledge which should benefit both you and policy makers.

I would like to assure you that any information you provide will remain **strictly confidential** and that it will be difficult to identify your company in the final report. **A free copy of the summary of this report will be made available to you for participating in the study.**

Your participation and co-operation is very important in order to enable the outputs of this study to be of value and your assistance will be greatly appreciated.

Thanking you in anticipation,

**Jaswinder S. Hayer**  
Doctoral Researcher  
Doctor of Business Administration (DBA)

**Survey of the Internationalisation Practices of UK Indian Enterprises:  
Ethnic Ties and Social Networks**

***List of Topics for Discussion***

In order for this study to be meaningful, the following issues will be covered during the interview. The issues focus on your attitudes and behaviour with regard to internationalisation and related issues.

The objective is to increase understanding in this area to help Indian business managers more effectively guide their international decision-making and resource allocation. **Your co-operation is central to the success of this study.**

The interview is to be with the CEO/MD of the firm, although, assistance can be sought from individuals involved with internationalisation activities.

The interview is divided into sections which address the following:

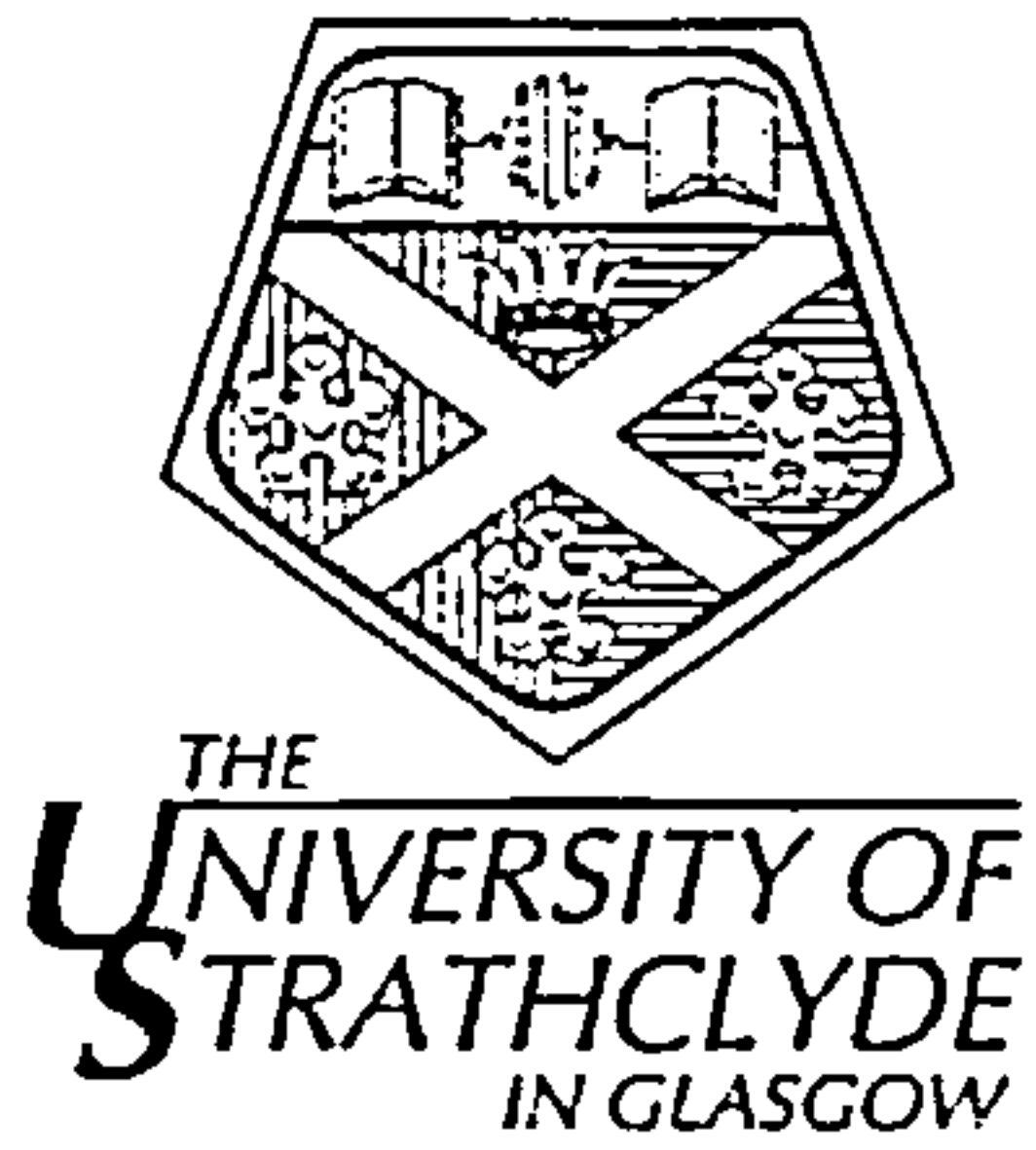
1. The firm's history, background, development, personal details of the interviewee
2. Business form and structural dynamics - the influence of culture
3. International activity
4. Ethnic ties and social networks
5. Agency support
6. The firm's growth and performance
7. The way forward

The interview is anticipated to last somewhere in the region of 1.5 - 2 hours.

Please rest assured that at no time will your details be disclosed without your prior consent. **YOUR ANSWERS WILL BE KEPT STRICTLY CONFIDENTIAL.** Purely aggregate data will be used in the report writing format.

**Jaswinder S. Hayer**  
Doctoral Researcher  
Doctor of Business Administration (DBA)





---

## Doctor of Business Administration (DBA)

### *The Significance Of Ethnic Ties And Entrepreneurial Networks in The Internationalisation of the Firm - Case Study: The Internationalisation of UK Indian Enterprises*

Doctoral Researcher  
Jaswinder S. Hayer

## Key Individuals and Organisations **BRIEFING DOCUMENT**

Overall governing research question:

*To what extent are 'ethnic ties' and 'social networks' significant and important, both during and after the internationalisation decision-making process, in the internationalisation of UK Indian firms?*

## **Contents**

<b>CONTENTS .....</b>	<b>2</b>
<b>1.0 INTRODUCTION - NATURE OF STUDY.....</b>	<b>3</b>
<b>2.0 RESEARCH OBJECTIVES.....</b>	<b>4</b>
<b>2.1 OVERARCHING STUDY QUESTIONS.....</b>	<b>4</b>
<b>3.0 SCHEDULE OF TOPICS FOR DISCUSSION DURING PERSONAL IN-DEPTH INTERVIEWS ..</b>	<b>6</b>
<b>3.1 FIRMS HISTORY / BACKGROUND / DEVELOPMENT / PERSONAL DETAILS .....</b>	<b>6</b>
<b>3.2 BUSINESS FORM AND STRUCTURAL DYNAMICS .....</b>	<b>6</b>
<b>3.3 INTERNATIONAL ACTIVITY .....</b>	<b>6</b>
<b>3.4 ETHNIC TIES AND SOCIAL NETWORKS.....</b>	<b>6</b>
<b>3.5 AGENCY SUPPORT .....</b>	<b>6</b>
<b>3.6 FIRM GROWTH AND PERFORMANCE.....</b>	<b>6</b>
<b>3.7 THE WAY FORWARD.....</b>	<b>7</b>
<b>3.8 OTHER INFORMATION/DETAILS .....</b>	<b>7</b>
<b>4.0 RESEARCH DESIGN .....</b>	<b>8</b>



## 1.0 Introduction - Nature of Study

This study is directed by the over-riding objective to contribute to the enhancement and sustainability of the UK's industrial competitiveness at an international level.

National statistics show that ethnic minorities and ethnic minority firms make considerable contributions to the overall economic prosperity of the UK, not only at a macro aggregate level, but at a micro level (due to localised concentrations) where they make considerable contribution to the economic prosperity of specific regions.

This study focuses on identifying the importance of '*ethnic ties*<sup>1</sup>' and entrepreneurial/social networks as a mechanism for internationalisation. Since the literature on Asian firms identifies such networks to be important amongst Asian groups, this study focuses on UK Indian firms and entrepreneurs in order to validate this finding, and investigate if such networks offer genuine opportunities for internationalisation. The study aims to investigate the extent to which UK Indian firms have internationalised and the importance placed on ethnic ties and networks in the development and selection of their foreign market entry and development strategies (FMEDS).

Coupled with past studies which identify that a significant proportion of UK Asian firms are concentrated in traditional and localised industries, which are generally associated with poor working conditions, open to international competition, and generally price competitive and declining sectors, it can be argued, that there is a need to assist such firms to break-out and enter new areas of business opportunity both domestically and internationally. This, it is argued, will have the positive effect of contributing to rebalancing the UK's industrial portfolio to a more competitive position.

In addition, the shift in international trade from the Atlantic region to the Pacific region has resulted in genuine opportunities presenting themselves to UK immigrant families who's ancestral roots are in these areas. Indeed, studies identify that many still have kinship ties with their ancestral motherland and maintain their motherlands cultural heritage. This provides them with a unique competitive advantage over similar indigenous UK firms.

Also, many indigenous UK firms which have the potential to operate internationally experience psychological barriers to internationalisation when faced with cross-cultural management issues which intensify the perceived risk and influence the '*go/no go*' decision. It can be argued that, diversity within the workforce would be an appropriate strategy to adopt in order to overcome national cultural differences. This would result in not only reducing the perceived risk of entering international markets and enhance long-term business performance, it would simultaneously also, at an aggregate level, enhance the UK's competitiveness at an international level.

This study has a strong exploratory component concerning the extent to which Indian firms view internationalisation and have internationalised, clearly identifying barriers to the internationalisation process. Information is to be gathered via in-depth guided interviews which will allow the opportunity to explore pertinent issues.

---

<sup>1</sup> The term '*Ethnic Ties*' is defined here as meaning personal/emotional bonds or relationships of kinship and friendship shared amongst immigrants in the UK who emigrated from the Indian sub-continent and Indians else where in the world.

## 2.0 Research Objectives

The reader should note that since the thesis resulting from this study's findings will be submitted in fulfillment of the requirements of the degree of Doctor of Business Administration (DBA), the outputs of this study will stress the policy implications, both business policy (various aspects but particularly international business policy) and public policy.

The overall governing objective of this study is:

***To investigate the extent and characteristics of internationalisation by UK Indian firms and the processes by which UK Indian entrepreneurs and their firms internationalise, in particular the significance and importance of 'ethnic ties' and 'social networks' during and after the internationalisation decision-making process.***

In order to satisfy the overall objective the following research sub-objectives, which relate to market screening and selection, foreign market entry and development strategies (FMEDS), and policy issues are also to be addressed by this study:

- ⇒ To identify the methods and techniques adopted by UK Indian firms in the country screening and selection process in order to evaluate suitable markets;
- ⇒ To identify how UK Indian firms perceive overseas markets, their attractiveness, the barriers (tangible and intangible), and their perceptions regarding the assistance required (at both sides) to improve and enhance effective and efficient entry into overseas markets;
- ⇒ To identify the FMEDS adopted by UK Indian firms and the management strategies adopted;
- ⇒ To investigate how cross-cultural ethnic links influence the internationalisation of UK Indian firms (outward from the UK and inward to the UK), and establish whether ethnic ties become less or more important as the firm grows (domestically and internationally) over time;
- ⇒ To identify the extent to which past studies have enhanced our understanding and research focus in the area of the internationalisation of UK Asian entrepreneurs and their firms;
- ⇒ To evaluate the usefulness of support agencies (public and private), in particular with regard to, assistance available for internationalisation as perceived by UK Indian entrepreneurs and their firms; and
- ⇒ To provide sound recommendations based on research which will be of value to: UK Indian entrepreneurs and their firms, business support agencies (public and private), international business academics, and others with interests in UK entrepreneurship and Indian firms, and internationalisation per se; and to make a distinctive contribution to research in the field of internationalisation.

## 2.1 Overarching Study Questions

- ⇒ Can ethnic minority firm characteristics and dynamics enhance UK Indian firm competitiveness?
- ⇒ To what extent are ethnic ties and networks important in the internationalisation of UK Indian firms and what significance do they have after internationalisation has taken place?
- ⇒ Do ethnic ties and networks present genuine opportunities to UK Indian firms in developing and growing their firm internationally?
- ⇒ How can ethnic ties and networks be used to capitalise upon not only domestic but also



international opportunities?

- ⇒ Do ethnic ties and networks present a genuine competitive advantage or disadvantage for UK Indian firms?
- ⇒ How does the nature of internationalisation of UK Indian firms differ from indigenous firms? What drives these differences and do they enhance performance?
- ⇒ Are UK Indian firms more likely to have international relationships with nations with which they have ethnic ties and networks?
- ⇒ Are UK Indian firms adopting the most appropriate FMEDS in their international operations?
- ⇒ How can agencies contribute to an enhancement in performance of UK Indian firms internationally?
- ⇒ Does education override cultural differences?
- ⇒ Does the importance of ethnic ties and networks diminish over time?
- ⇒ Do cultural factors diminish over time? How will this influence the nature of domestic networks and international networks?

### **3.0 Schedule of Topics for Discussion During Personal In-depth Interviews**

#### **3.1 *Firms history / Background / Development / Personal Details***

- ⇒ Background of proprietors, nationality issues, education, occupation, experiences prior to starting business
- ⇒ The influence of networks and ethnic ties
- ⇒ National cultural influences
- ⇒ Drivers for business start-up
- ⇒ Personal perceptions of: the firm, management style, entrepreneurial characteristics

#### **3.2 *Business Form and Structural Dynamics***

- ⇒ Nature of business and its activities, employee details, location, competition, customer base and profile, commercial activity and competitive position
- ⇒ Ethnicity influences on decision-making
- ⇒ The role and nature of networks and ethnic ties
- ⇒ National cultural influences

#### **3.3 *International Activity***

- ⇒ Background to how the firm began international operations, how the firm's initial international activities have developed and evolved, the market screening and selection criteria adopted, countries and markets with which relationships have been developed, the range of FMEDS adopted, the international dynamics of the firm
- ⇒ The firm's key international customer/supplier base, key problems/barriers, the perception of international activity
- ⇒ The management's approach to internationalisation, the significance of networks and ethnic ties in internationalisation
- ⇒ National cultural influences

#### **3.4 *Ethnic Ties and Social Networks***

- ⇒ What constituted a network?
- ⇒ Diversity and density of networks, opportunities, advantages and disadvantages
- ⇒ Networks in the motherland and the exploitation of opportunities
- ⇒ Importance of social and business networks to business dynamics
- ⇒ Use of networks in sourcing: customers, suppliers, support agencies, finance, HR, etc.
- ⇒ Networks as a source of competitive advantage or disadvantage?
- ⇒ Opportunities for internationalisation presented by networks

#### **3.5 *Agency Support***

- ⇒ Knowledge about agencies and support available, drawbacks, advantages, experience and perceptions of agency support received, improvements necessary in provision
- ⇒ Financing of the firm (domestic and International), financial planning, financial limitations and consequences

#### **3.6 *Firm Growth and Performance***

- ⇒ Performance and growth of the firm, methods deployed in measurement of performance (domestic and international),



⇒ Personal perceptions of the firms performance, objectives and attainment of objectives

### **3.7 *The Way Forward***

⇒ Personal views regarding how competitiveness both domestically and internationally can be enhanced, the support necessary and the possible sources of opportunity

⇒ The adoption of general planning and strategic planning techniques for competitiveness and performance enhancement

### **3.8 *Other information/details***

⇒ Additional issues and comments which may be raised and discussed

⇒ Questions relating to different themes which were identified during the interview

## 4.0 Research Design

Due to the scope and nature of the study the researcher proposes to interview a sample of 50 firms.

In order to satisfy the research objectives Table 4.1 outlines the screening criteria that will be adopted to identify firms eligible for the study.

**Table 4.1: Screening Criteria - Demographic Profile of Firms**

Criteria
⇒ Indian Firm based in England - it must be possible to trace the ancestral roots of the entrepreneurs back to the Indian sub-continent (directly or otherwise, e.g. via East Africa)
⇒ The firm must have been established and trading for a minimum period of 5 years
⇒ The firm must currently be operating internationally and have been operating internationally for a minimum period of 3 years (adopting any FMEDS)
⇒ Geographical location: The Midlands - East and West
⇒ Size of firm: a spread of SMEs and large firms
⇒ The firm must be willing to participate in the research study or have participated in past studies
⇒ The firm must be seeking to enhance competitive position (domestically and/or internationally)
⇒ Industry sector: Manufacturing firms only (any industry)
⇒ Key people within the firm must have a basic level of fluency in the English language

Quite clearly in implementing the study and conducting the proposed qualitative interviews there is a need to gain the co-operation and confidence of the screened Indian firms so that they are willing to discuss, and disclose, in detail, the firms history and international operations. Gaining access to a suitable number of firms is an issue which has plagued many past studies and restricted many studies from being conducted. Indeed, past studies clearly identify that SMEs in general are reluctant to participate in research. In order to overcome this barrier the doctoral researcher will approach and seek the assistance of appropriate **key individuals and organisations** (such as yourselves) who will act as conduits by referring firms.

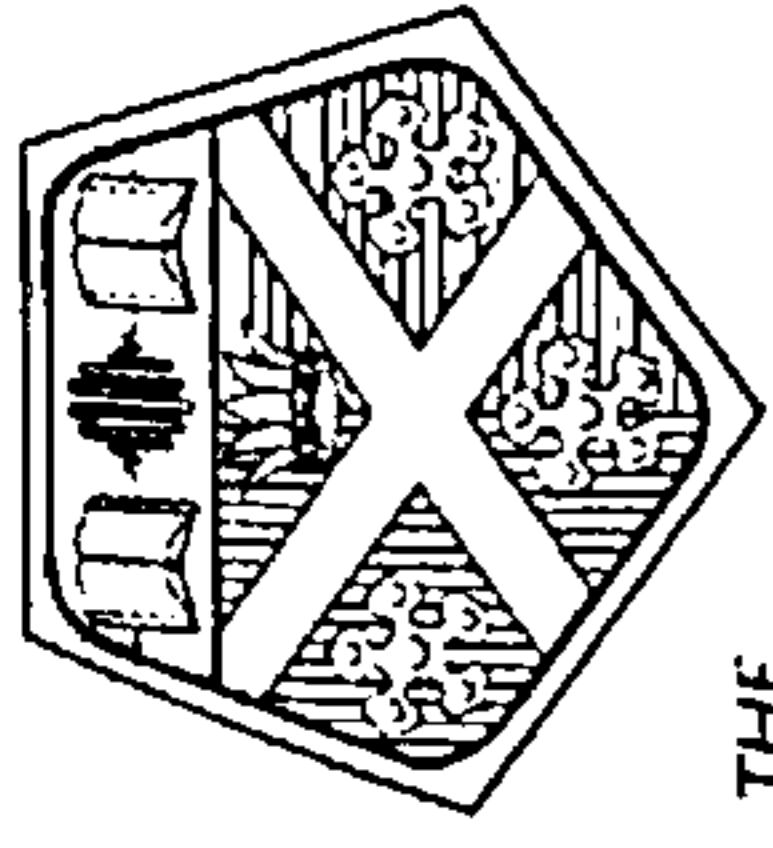
In addition, to encourage firms to be forthcoming they will be notified that their anonymity will be protected and kept confidential, any reference to their firm will be via the use of a fictitious name. However, all other data gathered will reflect the real situation at the time of the study.

The nature of this study justifies the use of appropriate key individuals and organisations in order to derive a suitable number of firms for the study.

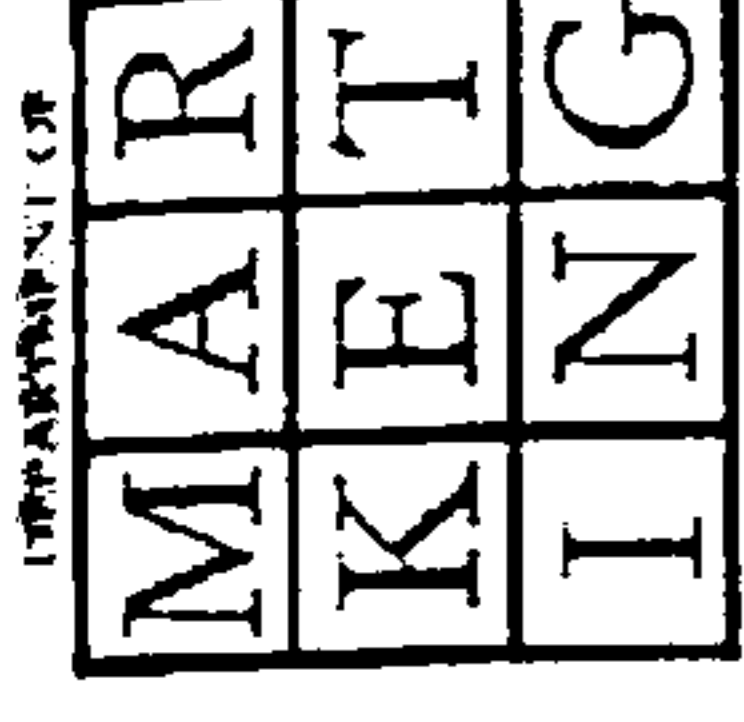


## APPENDIX 3

# Pilot Interview Guide



THE  
**UNIVERSITY OF  
STRATHCLYDE**  
IN GLASGOW



**Doctor of Business Administration (DBA)**

*The Internationalisation Of UK Asian Enterprises:  
The Significance Of Ethnic Ties And Entrepreneurial Networks*

Doctoral Researcher & Interviewer

Jaswinder S. Hayer

## **INTERVIEW GUIDE**

**PILOT INTERVIEWS**

Overall governing research question:

*To what extent are 'ethnic ties' and 'social networks' significant and important, both during and after the internationalisation decision-making process, in the internationalisation of UK Indian firms?*

Interview Code: P \_\_\_\_



**TEXT BOUND  
INTO  
THE SPINE**

## INTRODUCTION

Introduce yourself: Your background, the DBA, the University of Strathclyde, your supervision, why you chose the research topic, how you heard about the firm, etc.

Clarify the nature of the study - Briefly discuss the issues: Asian firms, Culture, Internationalisation, Business dynamics (entrepreneurship, decision-making, growth, contacts, resources, competition, etc.), etc.

Outline the format of the interview: Semi-structured, informal, confidentiality, anonymity, language issues, need for clarification of questions, tape recording, anticipated duration

Inform the interviewee that they should answer the questions honestly and sincerely. There are no right or wrong answers. It is not a quiz.



**INTERVIEW DETAILS**

Interview Code: \_\_\_\_\_

Fictitious Name Assigned:

Interviewers Name: Jaswinder S. Hayer

Date of Interview:

Location of Interview:

Start Time of Interview:

Finish Time of Interview:

Duration of Interview:

Name of Interviewee:

Age:            Sex:

Position in Company:

Industry Sector:

Name of Firm:

Address of Firm:

Telephone Number:

Fax Number:

E-mail address:

Other Relevant Information:

**PART 1: Personal & Cultural Aspects**

ISSUES TO PROBE	RECORD OF INTERVIEWEE RESPONSES
<p><b>Q1.1.</b> What does it mean to you to be Asian and of Indian origin? How do you classify yourself? Why? Discuss</p>	
<p><b>Q1.2.</b> In your view do Indians, Pakistanis, and Bangladeshis differ? In what way? Why? Discuss</p>	
<p><b>Q1.3.</b> Is the UK Asian business community as a whole integrated, i.e. Indians, Pakistanis, Bangladeshis? Are there any sensitive issues? Do you see these issues being resolved over the generations? Why? Discuss</p>	
<p><b>Q1.4.</b> Do you believe that there are differences between Indians and the English, Scottish, Welsh, and Irish? What are the differences? What are the advantages and disadvantages of the Indian differences? Why? Discuss</p>	
<p><b>Q1.5.</b> What was the year, country, region, and town of your birth? If born in the UK also give details regarding your father</p>	<p>Year:                      Country:                      Region:                      Town:</p>



<p><b>Q1.6.</b> What is your nationality? If you have dual nationality please state both. Why? What was your nationality at birth (if different from your present nationality)? Why did you change? Discuss</p>	
<p><b>Q1.7.</b> In which year did your family migrate to the UK? From which country did your family migrate? Why? Do you intend to return to your country of origin at some point or move to another country? Why? How many generations of your family reside in the UK?</p>	
<p><b>Q1.8.</b> What is your religion? Are you practicing? Why? Is there a caste system? Does religion influence your business practices? How? Discuss specifics</p>	
<p><b>Q1.9.</b> Are you able to read, write, and speak languages other than English with reasonable fluency? Which? Why? What educational qualifications do you have? How have these benefited your firm? Discuss</p>	
<p><b>Q1.10.</b> What has your overseas/international business and personal experiences been? E.g. lived (where), worked (where), educated (where), business travel (where, frequency), holidays (where). Do you own property overseas? If Yes, in which countries? Why?</p>	<p>Lived:                      Worked:                      Educated:                      Business travel:                      Holidays:                      Property:</p>
<p><b>Q1.11.</b> Do you live in an area where you have a large number of fellow Indians as neighbors? Why? Discuss advantages and disadvantages. Have you ever considered moving away from this localised community? Why? What difficulties would this present you? Are there any advantages to be gained from such a move? Under what circumstances would you consider such a move? Discuss</p>	

<p><b>Q1.12.</b>                  In your view what differences exist between 1st, 2nd and 3rd generation British Indians? Discuss. What are the advantages and disadvantages of these differences? Why? Discuss. Do you notice any of these changes in your own children? How do you respond? Why? Discuss. Do these issues cause you concern (personally and with regard to the future of your firm)? Why? Discuss</p>	
<p><b>Q1.13.</b>                  Have you raised your children to always respect their cultural heritage? How have they responded? Are they noticeably different from their relations in India and elsewhere? In what way? What professions have your children chosen, or, what occupation would you like to choose for your children? (Sons and Daughters) Why? Discuss. If your children are already working are you pleased with their choice? (Sons, Daughters) Why? Discuss</p>	
<p><b>Q1.14.</b>                  Do you believe that Indian customs are going to be totally replaced by UK customs over the generations? Why? Discuss</p>	
<p><b>Q1.15.</b>                  How important are cultural traditions to you, your family, your peers, and your business colleagues? Why? How do these traditions influence the way you do business? Examples. Discuss</p>	<p>Interviewee:                  Family:                  Peers:                  Business colleagues:</p>
<p><b>Q1.16.</b>                  Have customs ever restricted you from undertaking any business or seizing upon business opportunities? Examples. Discuss. How would your community feel and respond to you if you disregarded these cultural traditions? Why? Discuss</p>	



<p><b>Q1.17.</b> Do you consider yourself to be an ambassador for your community? Why? Are you an active member of your community? Are you well known in the community (locally, nationally, internationally)? Do you know personally or otherwise (i.e. you would be at ease in personally approaching) the majority of business people in your community?</p>	
<p><b>Q1.18.</b> Do you attend "prayer" regularly? Why? Does your family attend together? Do you attend community functions and celebrations regularly? Why? Discuss</p>	
<p><b>Q1.19.</b> How frequently are you in contact with your relatives locally, nationally, and internationally? Why? Do you or do they physically visit one another? Frequency? What is the general nature of discussions? Is the issue of business ever raised during discussions? Generally, in what context? Do you visit other relatives else where around the world? Where? How frequently? Why? Would you consider doing business with any of your family members overseas? Why? Discuss</p>	<p>Locally: Nationally: Internationally:</p>
<p><b>Q1.20.</b> What clubs, societies and the like are you involved with currently (i.e. social, professional, voluntary, community)? Which are they? Why? Were you involved in a lot of activities and clubs when you were younger, i.e. school clubs, non-school clubs? Which? Discuss</p>	<p>Social: Professional: Voluntary: Community: As a child:</p>
<p><b>Q1.21.</b> How important are these links for your business? Otherwise? Why? Discuss</p>	

<p>Q1.22. Do you believe that the 'business culture' of second and third generation UK Indians is similar to the first generation UK Indians? Why? Discuss. How do you believe they perceive internationalisation? To what degree are they influenced by religion, authority structures and hierarchies, and a sense of community? Why? How are you influenced by these issues? Discuss</p>	<p>Religion: Authority structures/hierarchies: A sense of community:</p>
<p>Q1.23. Do you actively encourage and support your children's education? Why? How do you see the role of children, men and women in your society? Why? Discuss. Do you see these roles changing over the next 5 years? Why? Discuss</p>	<p>Children: Men: Women:</p>
<p>Q1.24. How important is the issue of 'trust' to you? Why? Define the term 'trust'? Discuss</p>	<p>Definition:</p>
<p>Q1.25. Taking an overview of your business, what would you say it is that makes it work? Why? Discuss</p>	



**PART 2: Business Form & Structural Dynamics**

ISSUES TO PROBE	RECORD OF INTERVIEWEE RESPONSES
<p>Q2.1. What has your previous employment experience been? Why did you decide to set-up your own business? What was the key reason? Why did you choose the current line of activity? What are your interests? Aspirations? Dreams? Discuss</p>	<p>Employment history:</p>
<p>Q2.2. What are the core objectives of your firm? Why? Discuss. Do you believe that business planning, both domestically and internationally, is important, i.e. short-term (up to 1 year), medium-term (1-3 years), and long-term (over 3 years)? Why? Discuss. Objectives for the firm at start-up? Attainment and achievement of objectives? Changes to plans? Personal objectives/vision? Early sales growth?</p>	<p>Core objectives:                      Start-up objectives:                      Personal objectives:</p>
<p>Q2.3. In what year was the firm founded? Who was involved in founding the firm and what relationship were they to you? How many of the founders are still involved with the firm? In what capacity? Discuss. What is the gender and marital status of the CEO/MD?</p>	<p>Year:                      Individuals involved:</p>
<p>Q2.4. What is the form of your business? Why? Do others hold shares in your firm? Whom? Why? Has your firm evolved from another organisation? What were the core-competencies at start-up and presently? Discuss</p>	<p>Business form:                      Start-up competencies:                      Current competencies:</p>

<p><b>Q2.5.</b> Under which SIC code would you place your firms primary activities? What is/are your firm's major product(s)? What market segments do you serve? Do you own other businesses? Why? Discuss</p>	<p>Sic code: Products: Market segments:</p>
<p><b>Q2.6.</b> Approximately what percentage of your products would you describe as 'ethnic' items? Why?</p>	
<p><b>Q2.7.</b> Since foundation has your firm made any scientific/technical innovations, for which proprietary rights (i.e. intellectual property rights such as patent, copyright or design protection) have been granted to/applied for by your firm? Discuss</p>	
<p><b>Q2.8.</b> How has your company evolved and grown from start-up, i.e. Generic strategies, Ansoff matrix and implementation issues? How is your company organised? E.g. decision-making, structure, consultation between ranks, etc. How long do you think you will continue working for your firm?</p>	<p>Generic strategy: Ansoff:</p>
<p><b>Q2.9.</b> Would you describe your business as essentially a family business? Why?</p>	<p>Yes / No</p>



<p><b>Q2.10.</b> Where in the UK is your firm located - Country, County, Town? (HQ, Other Units) Do you have a chain of businesses? If Yes, in what areas are they? Why? Location? Would you say that there is a noticeable cluster of Indian/Asian firms in this location? Was this an important consideration in setting up your business in this location? Why? Discuss</p>	<p>Country:                  County:                  Town:</p>
<p><b>Q2.11.</b> In order of importance to your firm's business activities, what are the languages (other than English) in which members of your firm require fluency? Why? Discuss</p>	
<p><b>Q2.12.</b> Do you operate in competitive markets (domestically and internationally)? List? Why do you consider them to be competitive? Who are your main competitors? (Domestic, International) What are their nationalities? Why do you consider them to be your main competitors? How do you monitor their activities? How many firms do you regard as key competitors? Of your key competitors, how many are larger than your firm? How many are overseas firms? Discuss</p>	<p>Yes / No                  Domestic competitors:                  International competitors:                  Key competitor(s):</p>
<p><b>Q2.13.</b> In which areas do you feel your main competitive advantage lies? Why? Discuss</p>	
<p><b>Q2.14.</b> Do you believe that your firm faces additional problems above those experienced by UK indigenous firms on similar matters? Justification? What are these additional problems? Why? Discuss</p>	<p>Yes / No / Uncertain</p>

<p><b>Q2.15.</b>                  How many employees did you have at start-up? Where and how did you recruit them? What is the most favored method? Why?</p>	<p>Employees at start-up:                  Recruitment:                  Favored method:</p>
<p><b>Q2.16.</b>                  Currently, what are your:                  1. TOTAL number of employees?                  2. Number of full time employees?                  3. Number of part time employees?                  4. Number employed on casual basis at a particular time?</p>	<p>1:                  2:                  3:                  4:</p>
<p><b>Q2.17.</b>                  Are employee numbers anticipated to increase over the next 3 years? Why? In which areas? Over the last 3 years have you added or reduced the number of people you employ? In which areas? Why? Discuss</p>	
<p><b>Q2.18.</b>                  Approximately what percentage of your work force consists of employees from your own ethnic background? Why? Discuss. How do you perceive the work ethic of Asians in comparison to non-Asians? Why? Discuss. Which family members work in your business? F/T, P/T, how many?</p>	<p>Family ft:                  Family p/t:</p>
<p><b>Q2.19.</b>                  How big an issue is 'the size' of the firm to you? Why? Discuss. How has your business changed over the years from start-up? Are you happy with the current situation? Why? To what extent is your business constrained by the following issues: Management, Premises, Market Demand, Competitor Activity, Government Legislation? Discuss each in detail. What are the difficulties? Why? What are you doing to resolve these (implementation)? (SWOT)</p>	<p>Management:                  Premises:                  Market Demand:                  Competitor Activity:                  Government Legislation:</p>



Q2.20. Approximately what percentage of your customers and suppliers are from the Indian/Asian community (internationally and domestically)? Discuss. What percentage of turnover or expenditure do they represent? (for the domestic market and internationally) Discuss

Customers:  
Suppliers:

**PART 3: International Market Activity**

ISSUES TO PROBE	RECORD OF INTERVIEWEE RESPONSES
<p>Q3.1. Did your firm actively seek to become operational internationally? What were your initial reasons for seeking international opportunities, i.e. motives (push and pull factors - solicited/unsolicited orders, customer drivers, network contacts, domestic competition)? Why? Discuss. What was the main reason? Discuss. In what year did you begin international activities? What are your international business objectives? Why? When you first began to operate internationally what were your view regarding the future of international operations (selling and buying) at the time? Why? Have they been realised or revised? Discuss</p>	<p>Yes / No Year:                      Initial reason(s):                      Objectives:                      Initial thoughts:</p>
<p>Q3.2. How large do you believe the international opportunities to be for your business? Why? Discuss. Positive/negative attitudes to internationalisation. Do you have concerns? What are they? Why? Discuss</p>	<p>Current thoughts:</p>
<p>Q3.3. What pre-internationalisation experience (e.g. importing, inward technology transfers, foreign contacts, involvement with trade fairs or business missions) did you have before internationalising your activities? Why? Discuss</p>	
<p>Q3.4. Does your firm have a department dedicated specifically to international operations? In what year was this department set-up? Why? Discuss. How many employees are TOTALLY dedicated to international activities and procedures within your firm (full-time and part-time)? Why? Discuss. Has your firm adapted, in terms of structure, operation, and ideology, because of its international activity? Why? Discuss. To what extent do the demographic factors of your firm influence your internationalisation activities? Why? Discuss</p>	<p>Yes / No Year:                      Employees: f/t - p/t -</p>



<p>Q3.5. Approximately, what was your total international expenditure last year? What % of total expenditure was this? How was it allocated, i.e. cost factor distribution?</p>	<p>£ ,000</p>
<p>Q3.6. What sources of information do you draw upon when seeking international opportunities? How useful do you regard them? Why? Are there any deficiencies in information which increase perceived risk? Discuss. What forms of market research are undertaken by your firm (informal and formal)? Why? How is the information used? Discuss specific market details</p>	<p>Be specific to countries</p>
<p>Q3.7. What problems do you encounter in your international activities? How significant are these? Why? How do you overcome these problems? How would your firm's performance be improved if assistance was available in these areas? To what extent? Discuss specific market details</p>	<p>Be specific to countries</p>
<p>Q3.8. In order of importance to your firm, with which countries does your firm currently have international relationships? Why?  What FMEDS does your firm currently adopts (and has adopted in the past) with each country? How have FMEDS changed? Why? In which year did international relationships commence with each country?</p>	<p>Country - Year - FMEDS</p> <p>1: 2: 3: 4: 5: 6: 7: 8: 9: 10:</p>

<p><b>Q3.9.</b> With how many countries has your firm ceased international relationships? Which countries were they? Why?  <b>Discuss specific market details</b></p>	<p>Country - Year - FMEDS</p>
<p><b>Q3.10.</b> With approximately how many countries is your firm planning to have international relationships with in the next 3 years? In order of importance which countries are they? Why?  <b>Discuss specific market details</b></p>	<p>Country - Year - FMEDS  1:  2:  3:  4:  5:</p>
<p><b>Q3.11.</b> What methods and techniques does your firm adopt in the screening and selecting process when evaluating suitable international markets? What are the principles adopted by you? Why? How do you begin the process of identifying and searching for international business and market opportunities? Why?  <b>Discuss specific market details</b></p>	<p>Be specific to countries</p>
<p><b>Q3.12.</b> What factors are important to your firm when considering making a greater commitment, i.e. a local presence, to the international markets it currently deals with? Is there an overriding factor?  <b>Discuss specific market details</b></p>	<p>Be specific to countries</p>
<p><b>Q3.13.</b> Have you ever made any decision not to go abroad, or rejected foreign market opportunities? Which countries? Why?  <b>Discuss specific market details</b></p>	<p>Be specific to countries  Country - Year - FMEDS</p>



<p><b>Q3.14.</b> How are internationalisation decisions deliberated and finalised within your firm? What decisions are made? Who makes them? What is the process? How are they implemented? Why? How are decision evaluated with regard to the criteria of acceptability, vulnerability and feasibility when deciding on a suitable FMED strategy and implementation? Why? What principles have you adopted with regard to internationalisation?  <b>Discuss specific market details</b></p>	<p><b>Be specific to countries</b>                  Acceptability:                  Feasibility:                  Vulnerability:</p>
<p><b>Q3.15.</b> Following the initialisation of international activities what are the significance of the following now to your firm:                  1. Unsolicited orders                  2. Knowledge acquisition and resourcing                  3. Client followership / targeting lead markets                  4. Network relationships with buyers/suppliers/distributors or agents/ development agencies/ venture capitalists/related-product firms.                  Other contacts                  5. Resource factors in international decisions</p>	<p>1:                  2:                  3:                  4:                  5:</p>
<p><b>Q3.16.</b> When you internationalised, did your firm possess the internal resources and competencies necessary to effectively and efficiently internationalise? Why? What resourcing problems did you experience when you first internationalised your activities? Have you resolved these? How? Has this influenced the way you evaluate and enter new markets?  <b>Discuss specific market details</b></p>	<p><b>Be specific to countries</b></p>
<p><b>Q3.17.</b> What are your current problems with regards to the international markets you currently deal with? How do you plan to resolve these? Why? In hind sight would you have entered your international markets differently knowing what you do now?  <b>Discuss specific market details</b></p>	<p><b>Be specific to countries</b></p>

<p>Q3.18. Has internationalisation necessitated a need to adapt your firms products and services? What adaptations are made? Have you had to adapt your marketing techniques for international markets? In what way? (standardisation Vs customisation) Discuss specific market details</p>	<p>Be specific to countries Yes / No</p>
<p>Q3.19. Does your firm make contact with any individuals, businesses and organisations (domestically and internationally) to improve international performance? With whom? Discuss specific market details</p>	<p>Be specific to countries Yes / No</p>
<p>Q3.20. In your opinion what are the key factors which have contributed to your firms ability to initiate and expand international operations, i.e. the critical international success factors of your firm? Why? Discuss specific market details</p>	<p>Be specific to countries</p>
<p>Q3.21. Do you believe that indigenous UK firms face problems when entering Asian countries? What problems? Why? How could they overcome these? Do you have similar problems? How do you overcome them? Why is your situation different? Have you ever been approached by a UK indigenous firm and asked to brokerage business relationships between them and other Indian firms (domestically and internationally)? Why? What was the outcome? How important was your role in the process? Discuss specifics</p>	<p>Be specific to countries</p>



<p><b>Q3.22.</b> To what extent do cultural factors and dynamics influence your firms internationalisation decision-making process? To what extent do the 'cultural differences' of the party with which you are transacting business influence your internationalisation decisions? Do you only do business internationally with other Indians? Why? Discuss. To what extent did the 'industry culture' influence your firms decision to internationalise? Are you more governed by industry dynamics than cultural values? Why?  <b>Discuss specific market details</b></p>	<p>Be specific to countries</p>
<p><b>Q3.23.</b> When transacting international business what do you consider to constitute a suitable business exchange 'atmosphere', i.e. one which makes you feel comfortable and able to make a deal? Why?  <b>Discuss specific market details</b></p>	<p>Be specific to countries</p>
<p><b>Q3.24.</b> Do you believe that network relationships have enabled you to cement stronger commitment to the international markets you deal with than would otherwise have been possible? Why?  <b>Discuss specific market details</b></p>	<p>Be specific to countries                  Yes / No</p>
<p><b>Q3.25.</b> Are there limits to the usefulness of personal ties in maintaining trust, is system trust necessary, to complement personal trust, when considering internationalisation decision-making? Why?  <b>Discuss specific market details</b></p>	<p>Be specific to countries                  Yes / No</p>

<p>Q3.26. Have you ever been on a Trade Mission to your motherland? Why? What was the outcome? What business was done? Did you visit family members? Discuss</p>	<p>Yes / No</p>
<p>Q3.27. Are international ventures treated as 'special' by your firm? Why? Discuss. Do you think Indian entrepreneurs should be encouraged to seek international opportunities? What may be the hurdles in moving in this direction? Why? Discuss</p>	<p>Yes / No</p>
<p>Q3.28. For the Asian business community as a whole, where do you see opportunities lie currently and in the future (e.g. industries, products, markets)? Why? What are you doing to capitalise upon these? Why? Discuss</p>	



**PART 4: Ethnic Ties / Social Networks**

RECORD OF INTERVIEWEE RESPONSES	
ISSUES TO PROBE	Yes / No
<p><b>Q4.1.</b> Do you believe networking to be an important activity for you and your firm? Why? Define what you mean by networking? Is this productive for business?                      Discuss specifics</p>	
<p><b>Q4.2.</b> With whom do you share/discuss business ideas possibilities/opportunities? Why? With whom do you discuss your personal and business problems? Why? With whom did you discuss your initial internationalisation decision (formally and informally, private and public sectors)? Why?                      Discuss specific market details</p>	
<p><b>Q4.3.</b> With regards to your personal connections with other firms (domestically and internationally), to what extent does your firm utilise personal contacts with buyers, suppliers and competitors (formally and informally, private and public sectors)? Why?                      Discuss specific market details</p>	<p>Buyers:                      Suppliers:                      Competitors:</p>
<p><b>Q4.4.</b> With regards to your personal connections with support agencies, to what extent does your firm utilised personal contacts with various levels of political governments, industrial authorities, other government authorities such as taxation bureaus, banks, industrial and commercial associations, etc.?                      Discuss specific market details</p>	

<p><b>Q4.5.</b> In which countries do your family members reside? Do you believe any of these countries offer internationalisation opportunities? Why? How many of your relatives who reside overseas run businesses? Of these, how many are in your line of business?  <b>Discuss specific market details</b></p>	<p>Countries:</p>
<p><b>Q4.6.</b> What is the nature of the relationships you have with Indians on the Indian sub-continent and else where around the world? Are these relationships the entrepreneurial/business catalysts necessary for internationalisation of activities? Why?  <b>Discuss specific market details</b></p>	
<p><b>Q4.7.</b> To what extent are your Indian networks stable and permanent? To what extent does this impact internationalisation decision-making? <i>For example, in a Chinese family sons are equal heirs. This introduces an inherent tendency towards segmentation in the life cycle of the family making Chinese family firms strong in entrepreneurship but weak in management. As the family is not a permanent entity, family reputation is likewise short-lived. Consequently, trustworthiness is essentially tentative and transient, and personal trust has to be continually renewed.</i></p>	
<p><b>Q4.8.</b> Do you believe that Indian social networks can promote/accelerate internationalisation? Have they assisted you? How?  <b>Discuss specific market details</b></p>	<p>Yes / No</p>
<p><b>Q4.9.</b> As a percentage, how much of your time is spent networking in order to develop new contacts and manage existing network ties/connections (formally and informally)? How much of your time is spent developing and maintaining customer and non-customer ties/links?  <b>Discuss specifics</b></p>	



<p><b>Q4.10.</b> From all your network contacts, who are the top 5 that you go to discuss business matters? Why? What is their profile, i.e. gender, age, occupation, your relationship (friendship, business, family, etc.) Do these 5 network contacts know one another? Discuss</p>	<p>1: 2: 3: 4: 5:</p>
<p><b>Q4.11.</b> Out of all your network contacts, with whom are you in contact very frequently and who would you say account for 80% of your contact time? Why? Discuss</p>	
<p><b>Q4.12.</b> In general how have you developed your network? Do you proactively develop the network, i.e. you initiate the link-up with others, or do others approach you or do third parties instigate the association? Why? Discuss specifics</p>	
<p><b>Q4.13.</b> What percentage of your existing contacts have contact with other persons within your firm, i.e. to what degree is your networks accessible by others? Would you say you monopolise your firms networking activity? Why? Discuss specifics</p>	
<p><b>Q4.14.</b> Has networking resulted in any major business for your firm? Discuss. What international markets have been accessed via networks? In your opinion, how have cross-cultural ethnic links influenced the internationalisation of your firm (outward from the UK and inward to the UK)? What role do they play prior, during and after internationalisation has taken place? Do they become less or more important as the firm grows (domestically and internationally) over time? Why? Discuss specific market details</p>	<p>Yes / No</p>

**PART 5: Agency Support**

**ISSUES TO PROBE** **RECORD OF INTERVIEWEE RESPONSES**

**Q5.1.** In order to expand your business internationally have you ever sought external business advice (private sector and public sector)? What sort of advice was sought? Was it helpful? How frequently do you use this form of advice? What impact has the advice received had on assisting your firm in meeting it's business objectives? If not sought, why has such a need never been felt? Are you proposing to, or would you, use any of these sources in the future?  
**Discuss specific market details**

Yes / No

**Private Sector Sources:**  
 Accountant  
 Solicitor  
 Bank  
 Business friend  
 Any family member(s)/relative  
 Friends in the community  
 Customers  
 Suppliers  
 Consultants

**Business Associations:**  
 Asian business association  
 Local Chamber of Commerce  
 Trade/Professional association

**Government and Other Agencies:**  
 Local authority business units  
 Local Enterprise Agency  
 DTI  
 Local TEC or Scottish Enterprise  
 Business Link (England); Business Shop (Scotland); Business Connect (Wales)  
 Rural Development Commission or Regional Agency

Any other person/organisation. Please specify:

**Q5.2.** Do you belong to any Asian Business Associations, informal Asian group where business is transacted, or any trading groups (buying or selling)? Which? Why? Discuss



<p>Q5.3. In your view, what role could the UK government and/or financial institutions play in facilitating Indian business survival and growth? (Domestically, Internationally)</p>	<p>Government: Financial Institutions:</p>
<p>Q5.4. Whom did you approach and from where did you receive your start-up capital for international activities? What was the outcome? Why? Discuss. Did you approach you family, community members, or community banks for finance? If you raised capital from them, what were the terms and conditions of the loan? Discuss In general, what are the most importance sources of funds for your business expansion? Why? Discuss</p>	<p>Source(s):</p>

**PART 6: Firm Growth and Performance**

ISSUES TO PROBE	RECORD OF INTERVIEWEE RESPONSES
<p>Q6.1. What are your business objectives, i.e. its raison d'être, it's mission? Why?</p>	
<p>Q6.2. In order of importance with whom do you compare your business success? Why? How do you rate your firm vis-à-vis these? Discuss</p>	
<p>Q6.3. How would you best describe your firm's growth objectives over the next 3 years? Why? Discuss</p>	
<p>Q6.4. How do you measure performance? Why? Discuss</p>	<p>Profit margin on sales                      Profit rate on assets                      Growth in sales/turnover                      Growth in international activities                      Growth in employment                      Market share in UK                      Market share overseas                      Other(s). Please specify</p>



<p>Q6.5. Approximately what was your firms <b>TOTAL</b> annual sales turnover for each of the last 3 years? What percentage of these turnovers was attributable to international activities?</p>	<p>1996: 1997: 1998:</p>
<p>Q6.6. Based on the last 3 years, do you consider your international profitability (return on investment) to have been better or worse than your domestic (UK) operations? Why? Has your international growth (as a percentage of total sales) met the expectations you had for it? Discuss</p>	<p>Yes / No</p>
<p>Q6.7. Over the last 3 years, How have the results of your international performance compared with your total objectives? What actions have been taken as a consequence? Why? Discuss</p>	
<p>Q6.8. Based on the last 3 years as the frame of reference what have been the most important influences on your firm's growth and performance? Why? Discuss specifics</p>	
<p>Q6.9. Given your firm's history over the past 3 years, what factors have acted as a significant limitation on your ability to meet your business objectives? Why? Discuss specifics</p>	

Q6.10.

How do you see international activities contributing to your total annual sales volume over the next 3 years? Future plans (formal or not) or ideas for international business - it's role? Why? Discuss



**PART 7: The Way Forward**

ISSUES TO PROBE	RECORD OF INTERVIEWEE RESPONSES
<p><b>Q7.1.</b> Are you more or less optimistic than you were 12 months ago about the general situation in your business? Why? Discuss</p>	<p>Yes / No</p>
<p><b>Q7.2.</b> How do you rate the future of your business over the next 5 to 10 years? Why? What challenges can you see ahead? How are you preparing to face them? (Opportunities and threats) Discuss</p>	
<p><b>Q7.3.</b> If yours is not a public limited company, have you ever considered going public or would you like to go public in the near future? Why? Discuss</p>	
<p><b>Q7.4.</b> Why do you believe you have been successful? What 5 factors do you believe have contributed to your business success/failure to date? Why?</p>	<p>1: 2: 3: 4: 5:</p>

<p>Q7.5. What 5 factors do you believe will contribute to your business success in the future? Why?</p>	<p>1: 2: 3: 4: 5:</p>
<p>Q7.6. Do you believe internationalisation offers genuine opportunities for your firm? What role does internationalisation play with regards to the overall growth strategy of your firm? Why? Discuss</p>	
<p>Q7.7. Do you envisage changes in decision-making/structure/organisation /staffing, etc. as international business evolves? Why? Discuss</p>	
<p>Q7.8. What advice would you like to give to aspiring Asian entrepreneurs in the UK seeking to be successful internationally and domestically? Why? Discuss</p>	
<p>Q7.9. Over the next 3 years are you planning significant new investment in your firms activities? In which areas? Why? Discuss</p>	



Q7.10. To what extent is your firm constrained by issues relating to 'succession planning'? What are the difficulties? What are you doing? Why? Discuss

## ***PART 8: Personal Views***

Do you have any additional comments or views you would like to express relating to internationalisation and/or networks?

## ***Thanks For Participation***

Thank the interviewee for sparing the time from their hectic schedule to participate in the study.



**Exhibit 1**

The descriptions below apply to four different types of managers. Please read through these descriptions and answer the questions below:

**Manager 1:** Usually makes his/her decisions promptly and communicates them to his/her subordinates clearly and firmly. Expects them to carry out the decisions loyally and without raising difficulties.

**Manager 2:** Usually makes his/her decisions promptly, but, before going ahead, tries to explain them fully to his/her subordinates. Gives them the reasons for the decisions and answers whatever questions they may have.

**Manager 3:** Usually consults with his/her subordinates before he/she reaches his/her decisions. Listens to their advice, considers it, and then announces his/her decision. He/she then expects all to work loyally to implement it whether or not it is in accordance with the advice they gave.

**Manager 4:** Usually calls a meeting of his/her subordinates when there is an important decision to be made. Puts the problem before the group and invites discussion. Accepts the majority viewpoint as the decision.

---

Which of the above four descriptions best describes you?

- Manager 1
- Manager 2
- Manager 3
- Manager 4

---

For the above types of manager, please indicate the one which you would prefer to work under:

- Manager 1
- Manager 2
- Manager 3
- Manager 4

---

Which one of the above four types of managers would you say your own manager most closely corresponds?

- Manager 1
- Manager 2
- Manager 3
- Manager 4
- None

*Exhibit 2*

Which of the following statements best describes your firm. Please tick appropriate box(s).

- Our firm does not actively seek international opportunities.
- Our firm actively explores international opportunities. Currently international activities account for 10%, or less, of our sales.
- Our firm actively explores international opportunities. Current international activities account for more than 10% of our sales.
- Our firm actively explores international opportunities. Foreign market opportunities receive the same attention and emphasis as domestic (UK) opportunities.
- Our firm actively explores international opportunities. Foreign market opportunities receive more attention and emphasis than domestic (UK) opportunities.



**Exhibit 3**

**What are your views with regard to the following statements:**

Please indicate the extent to which you agree or disagree with the following statements. Please tick the appropriate response. Please note that there is no right or wrong answers .

---

1. *"The majority of UK Indian firms are passive in nature when it comes to internationalisation. They do not actively seek international opportunities and when internationalisation is considered and investigated it is a reactive action in response to the changing business environment"*

Strongly agree    Agree    Undecided    Disagree    Strongly disagree

---

2. *"The mechanism by which internationalisation occurs is via relationships which exist with the family, the extended family and the Asian community at large, i.e. ethnic ties and social networks provide the conduit for international activities."*

Strongly agree    Agree    Undecided    Disagree    Strongly disagree

---

3. *"The culture of the nation with which Indian entrepreneurs and their firms engage in exchange internationally, or the parties with which they engage in exchange internationally, has a significant impact on the internationalisation process of UK Indian firms"*

Strongly agree    Agree    Undecided    Disagree    Strongly disagree

---

4. *"Wherever Indians live and work, the social networks that they create are similar in structure and in mode of operation with social networks shaping the way Indians do business in all settings"*

Strongly agree    Agree    Undecided    Disagree    Strongly disagree

5. *“Where business partners based in other nations are necessary, great emphasis is placed on similarities in culture and the exploitation of ‘social networks’. This becomes critical to the internationalisation ‘go’ or ‘no go’ decision.”*

Strongly agree  Agree  Undecided  Disagree  Strongly disagree

---

6. *“Amongst the range of personal relations used by Indian entrepreneurs to maintain business trust the family and regional ties are of particular importance.”*

Strongly agree  Agree  Undecided  Disagree  Strongly disagree

---

7. *“Within Indian business networks there is a sense of mutual suspicion and an absence of sincerity which may restrict internationalisation.”*

Strongly agree  Agree  Undecided  Disagree  Strongly disagree

---

8. *“The cultural factors associated with Indians are unlikely to diminish to a level which will significantly change UK Indian business behaviour”*

Strongly agree  Agree  Undecided  Disagree  Strongly disagree

---

9. *“Indian firms will exploit both systems trust and personal trust to enter into international markets, the fact that systems trust exists in the UK does not diminish the vigor of personal trust in Asian business life.”*

Strongly agree  Agree  Undecided  Disagree  Strongly disagree

---

10. *“Indian entrepreneurs invest considerable time and resource in order to personalise economic relations.”*

Strongly agree  Agree  Undecided  Disagree  Strongly disagree



11. *“Internationalisation is a viable growth and business development strategy for UK Indian firms.”*

Strongly agree  Agree  Undecided  Disagree  Strongly disagree

---

12. *“Ethnic ties and social networks present a viable mechanism for UK Indian firms to facilitate internationalisation.”*

Strongly agree  Agree  Undecided  Disagree  Strongly disagree

---

13. *“Asian networks differ significantly from Western networks.”*

Strongly agree  Agree  Undecided  Disagree  Strongly disagree

---

14. *“Indians perceive life being a matter of survival by one’s wit and energy under threatening conditions, and with no help from the state”*

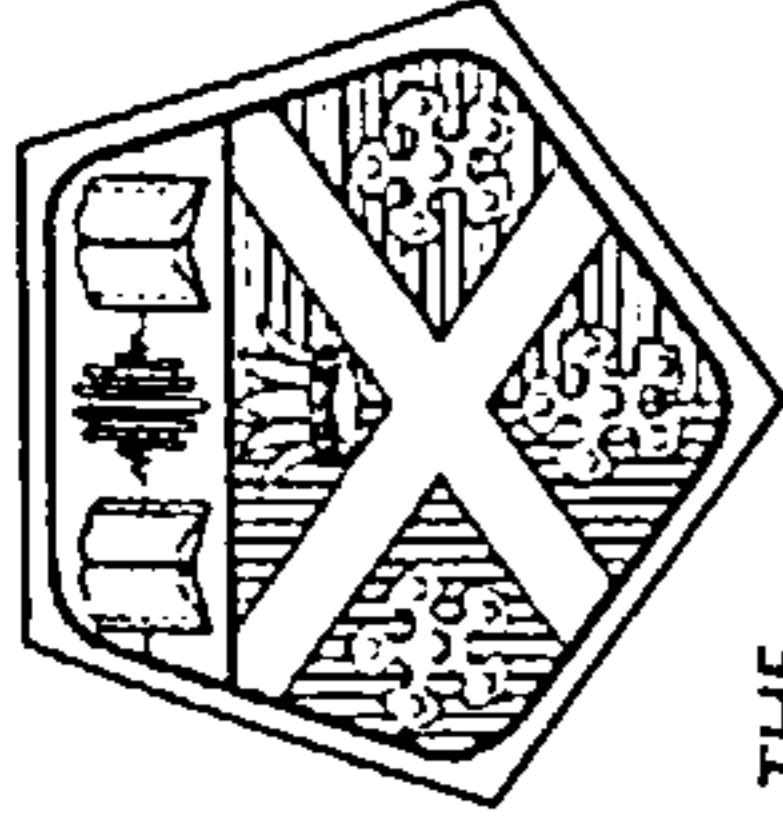
Strongly agree  Agree  Undecided  Disagree  Strongly disagree

---

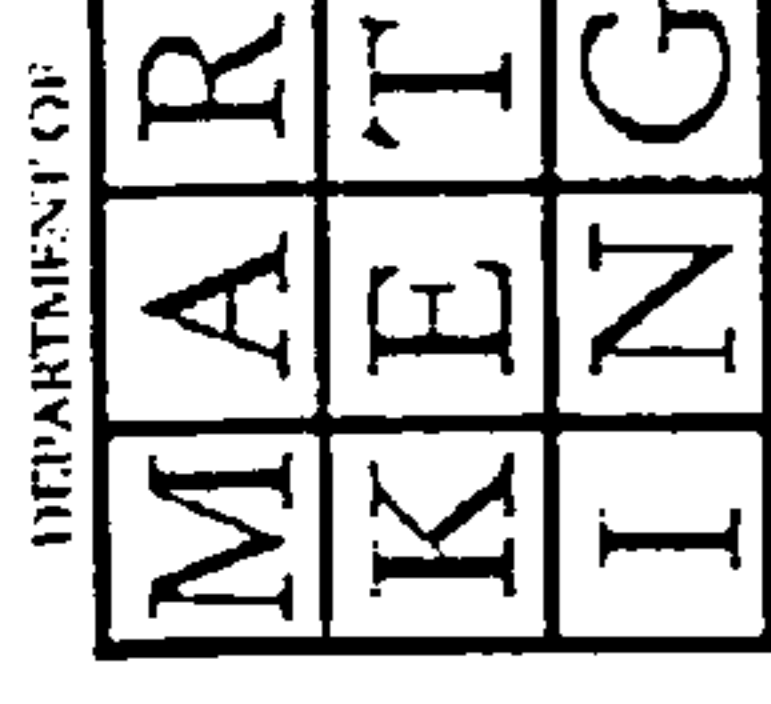
## APPENDIX 4

### Interview Guide





THE  
**UNIVERSITY OF  
STRATHCLYDE**  
IN GLASGOW



DEPARTMENT OF

\_\_\_\_\_  
**Doctor of Business Administration (DBA)**

*The Internationalisation Of UK Indian Enterprises:  
The Significance Of Ethnic Ties And Entrepreneurial Networks*

Doctoral Researcher & Interviewer  
**Jaswinder S. Hayer**

## **INTERVIEW GUIDE**

Overall governing research question:

*To what extent are 'ethnic ties' and 'social networks' significant and important, both during and after the internationalisation decision-making process, in the internationalisation of UK Indian firms?*

Interview Code: \_\_\_\_\_

## INTRODUCTION

Introduce yourself: Your background, the DBA, the University of Strathclyde, your supervision, why you chose the research topic, how you heard about the firm, etc.

Clarify the nature of the study - Briefly discuss the issues: Asian firms, Culture, Internationalisation, Business dynamics (entrepreneurship, decision-making, growth, contacts, resources, competition, etc.), etc.

Outline the format of the interview: Semi-structured, informal, confidentiality, anonymity, language issues, need for clarification of questions, tape recording, anticipated duration

Inform the interviewee that they should answer the questions honestly and sincerely. There are no right or wrong answers. It is not a quiz.



## INTERVIEW & INTERVIEWEE DETAILS

Interview Code:

<b>Fictitious Name Assigned:</b>	<b>Name of Interviewee:</b>
<b>Interviewers Name: Jaswinder S. Hayer</b>	<b>Age:</b> <b>Sex:</b>
<b>Date of Interview:</b>	<b>Position in Company:</b>
<b>Location of Interview:</b>	<b>Industry Sector:</b>
<b>Start Time of Interview:</b>	<b>Name of Firm:</b>
<b>Finish Time of Interview:</b>	<b>Address of Firm:</b>
<b>Duration of Interview:</b>	<b>Telephone Number:</b>
	<b>Fax Number:</b>
	<b>E-mail address:</b>
	<b>Other Relevant Information:</b>

**PART 1: Business Form & Structural Dynamics (15 Issues)**

RECORD OF INTERVIEWEE RESPONSES	
<p><b>Q1.1.</b>                      In what year was the firm founded? Who was involved in founding the firm? What is/was your relationship with them?</p>	<p>Year:                      Individuals involved:</p>
<p><b>Q1.2.</b>                      What is the form of your business? Why? Do others hold shares in your firm? Whom? Why? Has your firm evolved from another organisation? What were the core-competencies at start-up and presently? Discuss</p>	<p>Business form:                      Start-up competencies:                      Current competencies:</p>
<p><b>Q1.3.</b>                      How would you classify your firms primary activities? What is/are your firm's major product(s)? How do you classify your customers? Why did you choose the current line of activity?</p>	<p>Industry Sector:                      Products:                      Market segments:</p>



<p><b>Q1.4.</b> What are the core objectives of your firm? Why? Discuss. Do you believe that business planning, both domestically and internationally, is important, i.e. short-term (up to 1 year), medium-term (1-3 years), and long-term (over 3 years)? Why? Discuss. What were the objectives of the firm at start-up? Have these been achieved? What changes to your plans have resulted? What are your personal objectives and vision? Please comment on the firm's early sales growth?</p>	<p>Core objectives: Start-up objectives: Personal objectives:</p>
<p><b>Q1.5.</b> What has your previous employment experience been? Why did you decide to set-up your own business? What was the key reason? What are your: Interests? Aspirations? Discuss</p>	<p>Employment history:</p>
<p><b>Q1.6.</b> Approximately what percentage of your products would you describe as 'Asian/Indian items? Why?</p>	
<p><b>Q1.7.</b> How have you developed and expanded your business, i.e. products, customers, geographical supply? What key decisions have you made with regard to the business to date? Discuss</p>	

<p><b>Q1.8.</b> Would you describe your business as essentially a family business? Why? Which family members work in your business (F/T, P/T)?</p>	<p>Yes / No</p>
<p><b>Q1.9.</b> Would you say that there is a noticeable cluster of Indian/Asian firms based around your firms location? Was this an important consideration in setting up your business in this location? Discuss</p>	
<p><b>Q1.10.</b> In order of importance to your firm's business activities, what are the languages (other than English) in which members of your firm require fluency? Why? Discuss</p>	
<p><b>Q1.11.</b> Do you operate in competitive markets (domestically and internationally)? Why do you consider them to be competitive? Who are your main competitors? (Domestic, International) What are their nationalities? Why do you consider them to be your main competitors? How do you monitor their activities? How many firms do you regard as key competitors? Of your key competitors, how many are larger than your firm? Discuss</p>	<p>Yes / No                  Domestic competitors:                  International competitors:                  Key competitor(s):</p>



<p>Q1.12. How many employees did you have at start-up? Where and how did you recruit them? What is the most favored method? Why?</p>	<p>Employees at start-up: Recruitment: Favored method:</p>
<p>Q1.13. Currently, what are your: 1. TOTAL number of employees? 2. Number of full-time employees? 3. Number of part-time employees? 4. Number employed on casual basis at a particular time?</p>	<p>1: 2: 3: 4:</p>
<p>Q1.14. Are employee numbers anticipated to increase over the next 3 years? Why? In which areas? Over the last 3 years have you added or reduced the number of people you employ? In which areas? Why? Discuss</p>	
<p>Q1.15. Approximately what percentage of your customers and suppliers are from the Indian/Asian community (internationally and domestically)? Discuss  What percentage of turnover or expenditure do they represent? (for the domestic market and internationally) Discuss</p>	<p>Customers: Suppliers:</p>

**PART 2: International Market Activity**

(20 Issues)

ISSUES TO PROBE	RECORD OF INTERVIEWEE RESPONSES
<p>Q2.1. Did your firm actively seek to become operational internationally? What were your initial reasons for seeking international opportunities, i.e. motives (push and pull factors - solicited/unsolicited orders, customer drivers, network contacts, domestic competition)? Why? Discuss</p> <p>What was the main reason? Discuss</p>	<p>Yes / No                      Initial reason(s):                      Main reason:</p>
<p>Q2.2. In what year did you begin international activities? What are your international business objectives? Why?</p> <p>When you first began to operate internationally what were your view regarding the future of international operations (selling and buying) at the time? Why? Have they been realised or revised? Discuss</p>	<p>Year:                      Objectives:                      Initial thoughts:</p>
<p>Q2.3. In order of importance to your firm, with which countries does your firm currently have international relationships? Why?</p> <p>What FMEDS does your firm currently adopts (and has adopted in the past) with each country? How have FMEDS changed? Why? In which year did international relationships commence with each country?</p> <p>What role did your ethnic ties and social networks play?</p>	<p>Country - Year - FMEDS</p>



<p><b>Q2.4.</b> With how many countries has your firm ceased international relationships? Which countries were they? Why?  <i>What role did your ethnic ties and social networks play?</i>                  Discuss specific market details</p>	<p>Country - Year - FMEDS</p>
<p><b>Q2.5.</b> With approximately how many countries is your firm planning to have international relationships over the next 3 years? In order of importance to your firm which countries are they? Why?  <i>What role have your ethnic ties and social networks played in these decisions?</i>                  Discuss specific market details</p>	<p>Country - Year - FMEDS</p>
<p><b>Q2.6.</b> Has internationalisation necessitated a need to adapt your firms products and services? What adaptations are made? Have you had to adapt your marketing techniques for international markets? In what way? (standardisation Vs customisation)                  Discuss specific market details</p>	<p>Be specific to countries                  Yes / No</p>
<p><b>Q2.7.</b> How large do you believe the international opportunities to be for your business? Why? Discuss positive/negative attitudes to internationalisation - Do you have concerns? What are they? Why?  <i>What role have your ethnic ties and social networks played in this view?</i> Discuss</p>	<p>Current thoughts:</p>
<p><b>Q2.8.</b> What pre-internationalisation experience (e.g. importing, inward technology transfers, foreign contacts, involvement with trade fairs or business missions) did you have before internationalising your activities? Why? Discuss</p>	

<p><b>Q2.9.</b>                  What forms of market research are undertaken by your firm (informal and formal)? Why? How is the information used?  <i>What role do your ethnic ties and social networks play in market research?</i>  <b>Discuss specific market details</b></p>	<p><b>Be specific to countries</b></p>
<p><b>Q2.10.</b>                  What resourcing problems did you experience when you first internationalised your activities? Have you resolved these? How?  <i>What role have your ethnic ties and social networks play in solving resourcing issues?</i>  <b>Discuss specific market details</b></p>	<p><b>Be specific to countries</b></p>
<p><b>Q2.11.</b>                  What are your current problems with regards to the international markets you currently deal with? How do you plan to resolve these?  <i>What role will your ethnic ties and social networks play in this?</i>  <b>Discuss specific market details</b></p>	<p><b>Be specific to countries</b></p>
<p><b>Q2.12.</b>                  In hind sight would you have entered your international markets differently knowing what you do now?  <i>What role could your ethnic ties and social networks have played?</i>  <b>Discuss specific market details</b></p>	<p><b>Be specific to countries</b></p>
<p><b>Q2.13.</b>                  What is your firms screening and selection process when evaluating suitable international markets? How do you begin the process of identifying and searching for international business and market opportunities?  <i>What role do your ethnic ties and social networks play in this process?</i> Discuss  <b>Discuss specific market details</b></p>	<p><b>Be specific to countries</b></p>



<p><b>Q2.14.</b> What factors are important to your firm when considering making a greater commitment, i.e. a local presence, to the international markets it currently deals with? Is there an overriding factor?   <i>What role would your ethnic ties and social networks play in this decision?</i>   <b>Discuss specific market details</b></p>	<p>Be specific to countries</p>
<p><b>Q2.15.</b> How are internationalisation decisions deliberated and finalised within your firm? Who makes them? What is the process? How are they implemented?   <i>What role do your ethnic ties and social networks play in this process?</i>   <b>Discuss specific market details</b></p>	<p>Be specific to countries</p>
<p><b>Q2.16.</b> Does your firm make contact with any individuals, businesses and organisations (domestically and internationally) to improve international performance? With whom?   <i>What role do your ethnic ties and social networks play in the identification of contacts?</i>   <b>Discuss specific market details</b></p>	<p>Be specific to countries                  Yes / No</p>
<p><b>Q2.17.</b> In your opinion what are the key factors which have contributed to your firms ability to initiate and expand international operations, i.e. the critical international success factors of your firm? Why?   <i>Have your ethnic ties and social networks played a part in this?</i>   <b>Discuss specific market details</b></p>	<p>Be specific to countries</p>

<p><b>Q2.18.</b> When transacting international business what do you consider to constitute a suitable business exchange 'atmosphere', i.e. one which makes you feel comfortable and able to make a deal? Why?   <b>Discuss specific market details</b></p>	<p>Be specific to countries</p>
<p><b>Q2.19.</b> Are international ventures treated as 'special' by your firm? Why? Do you think Indian entrepreneurs should be encouraged to seek international opportunities? What may be the hurdles in moving in this direction? Why?   <i>What role can their ethnic ties and social networks play? Discuss</i></p>	<p>Yes / No</p>
<p><b>Q2.20.</b> For the Indian business community as a whole, where do you see the opportunities lying currently and in the future (e.g. industries, products, markets)? Why?           What are you doing to capitalise upon these?   <i>Can ethnic ties and social networks assist in making this happen? Discuss</i></p>	<p>Industries:          Products:          Markets:</p>



**PART 3: Ethnic Ties / Social Networks**

**(7 Issues)**

<b>RECORD OF INTERVIEWEE RESPONSES</b>	
<p><b>Q3.1.</b> Do you believe networking in the Indian community to be an important activity for you and your firm? Why? Define networking?  Discuss specifics</p>	<p>Yes / No</p>
<p><b>Q3.2.</b> With whom do you share/discuss business ideas, possibilities/opportunities? Why? With whom do you discuss your business problems? Why? With whom did you discuss you initial internationalisation decision (formally and informally, private and public sectors)? Why?  Discuss specific market details</p>	<p>Countries: Business sectors:</p>
<p><b>Q3.3.</b> In which countries do your family members reside? Is there scope for business with these countries? Why? How many of your relatives, who reside overseas, run businesses? Of these, how many are in your line of business?  Discuss specific market details</p>	<p>Yes / No</p>
<p><b>Q3.4.</b> Do you believe that Indian social networks can promote/accelerate internationalisation? Have they assisted you? How?  Discuss specific market details</p>	<p>Yes / No</p>

<p><b>Q3.5.</b> From all your network contacts, who are the top 5 that you go to discuss business matters? Why? What is their profile, i.e. gender, age, occupation, your relationship (friendship, business, family, etc.) Do these 5 network contacts know one another? Discuss</p>	<p>1: 2: 3: 4: 5:</p>
<p><b>Q3.6.</b> Has networking resulted in any major business for your firm? What international markets have been accessed via networks? In your opinion, have your international ethnic links influenced the internationalisation of your firm (outward from the UK and inward to the UK)? How?  <b>Discuss specific market details</b></p>	<p>Yes / No</p>
<p><b>Q3.7.</b> What role did your international ethnic links play prior to, during and after the internationalisation of your firm? Have they become less or more important as your firm has grown (domestically and internationally) over time? Why?  <b>Discuss specific market details</b></p>	<p>Before: During: After:</p>



**PART 5: Firm Growth and Performance (4 Issues)**

ISSUES TO PROBE	RECORD OF INTERVIEWEE RESPONSES
<p><b>Q5.1.</b> How do you measure your firm's performance? Why? In order of importance, with whom do you compare your business success? Why? How do you rate your firm vis-à-vis these? Discuss</p>	
<p><b>Q5.2.</b> How would you best describe your firm's growth objectives over the next 3 years? Why? Discuss</p>	
<p><b>Q5.3.</b> Based on the last 3 years as the frame of reference what have been the most important influences on your firm's growth and performance? What factors have significantly limited your firm's ability to meet it's business objectives? Why?</p> <p><b>Discuss specifics</b></p>	
<p><b>Q5.4.</b> How do you see international activities contributing to your total annual sales volume over the next 3 years? Future plans (formal or not) or ideas for international business - it's role? Why? Discuss</p>	

**PART 6: Personal & Cultural Aspects (13 Issues)**

ISSUES TO PROBE	RECORD OF INTERVIEWEE RESPONSES
<p><b>Q6.1.</b> What was the year, country, region, and town of your birth? If born in the UK also give details regarding your father</p>	<p>Year: Country: Region: Town:</p>
<p><b>Q6.2.</b> What is your nationality? If you have dual nationality please state both. Why? What was your nationality at birth (if different from your present nationality)? Why did you change?</p>	
<p><b>Q6.3.</b> In which year did your family migrate to the UK? From which country did your family migrate? Why? Do you intend to return to your country of origin at some point or move to another country? Why? How many generations of your family reside in the UK?</p>	
<p><b>Q6.4.</b> What is your religion? Are you practicing? Why? Does religion influence your business practices? How?  Discuss specifics</p>	
<p><b>Q6.5.</b> Are you able to read, write, and speak languages other than English with reasonable fluency? Which? Why?  What educational qualifications do you have? How have these benefited your firm?</p>	



<p><b>Q6.6.</b> What clubs, societies and the like are you involved with currently (i.e. social, professional, voluntary, community)? Which are they? Why? How important are these links for your business? Otherwise? Why? Discuss</p>	<p>Social:  Professional:  Voluntary:  Community:</p>
<p><b>Q6.7.</b> What does it mean to you to be of Indian origin? How do you classify yourself? Why? What changes have you had to make in adjusting to the UK environment?   <b>Discuss specifics</b></p>	
<p><b>Q6.8.</b> What has your overseas/international business and personal experiences been? E.g. lived (where), worked (where), educated (where), business travel (where, frequency), holidays (where). Has this improved your perspective with regard to international opportunities? What actions have you take?</p>	<p>Lived:  Worked:  Educated:  Business travel:  Holidays:</p>
<p><b>Q6.9.</b> Have you raised your children to always respect their cultural heritage? How have they responded? Are they noticeably different from their relations in India and elsewhere? In what way?</p>	

<p><b>Q6.10.</b> Do you believe that Indian customs are going to be totally replaced by UK customs over the generations? Why? Discuss</p>	
<p><b>Q6.11.</b> How frequently are you in contact with your relatives locally, nationally, and internationally? Why? Do you or do they physically visit one another? How frequently? What is the general nature of discussions?  Would you consider doing business with any of your family members who reside overseas? Why? Discuss</p>	<p>Locally: Nationally: Internationally:</p>
<p><b>Q6.12.</b> How important is the issue of 'trust' to you? Why? Define the term 'trust'? What role do your ethnic ties and social networks play in establishing trust? Discuss</p>	<p>Definition:</p>
<p><b>Q6.13.</b> Taking an overview of your business, what would you say it is that makes it work? Why? Discuss</p>	



**PART 7: The Way Forward (8 Issues)**

ISSUES TO PROBE	RECORD OF INTERVIEWEE RESPONSES
<p>Q7.1. Are you more or less optimistic than you were 12 months ago about the general situation in your business? Why? Discuss</p>	<p>Yes / No</p>
<p>Q7.2. How do you rate the future of your business over the next 5 to 10 years? Why? What challenges can you see ahead? How are you preparing to face them? (Opportunities and threats) What role will your ethnic ties and social networks play in this? Discuss</p>	
<p>Q7.3. If yours is not a public limited company, have you ever considered going public or would you like to go public in the near future? Why? Discuss</p>	
<p>Q7.4. Why do you believe you have been successful? What 5 factors do you believe have contributed to your business success/failure to date? Why?</p>	<p>1: 2: 3: 4: 5:</p>
<p>Q7.5. What 5 factors do you believe will contribute to your business success in the future? Why? What role will your ethnic ties and social networks play in this?</p>	<p>1: 2: 3: 4: 5:</p>

<p>Q7.6. What advice would you like to give to aspiring Asian entrepreneurs in the UK seeking to be successful internationally and domestically? Why? Discuss</p>	
<p>Q7.7. Over the next 3 years are you planning significant new investment in your firms activities? In which areas? Why? Discuss</p>	
<p>Q7.8. To what extent is your firm constrained by issues relating to 'succession planning'? What are the difficulties? What are you doing? Why? Discuss</p>	

### **PART 8: Personal Views**

Do you have any additional comments or views you would like to express relating to internationalisation and/or networks?

---

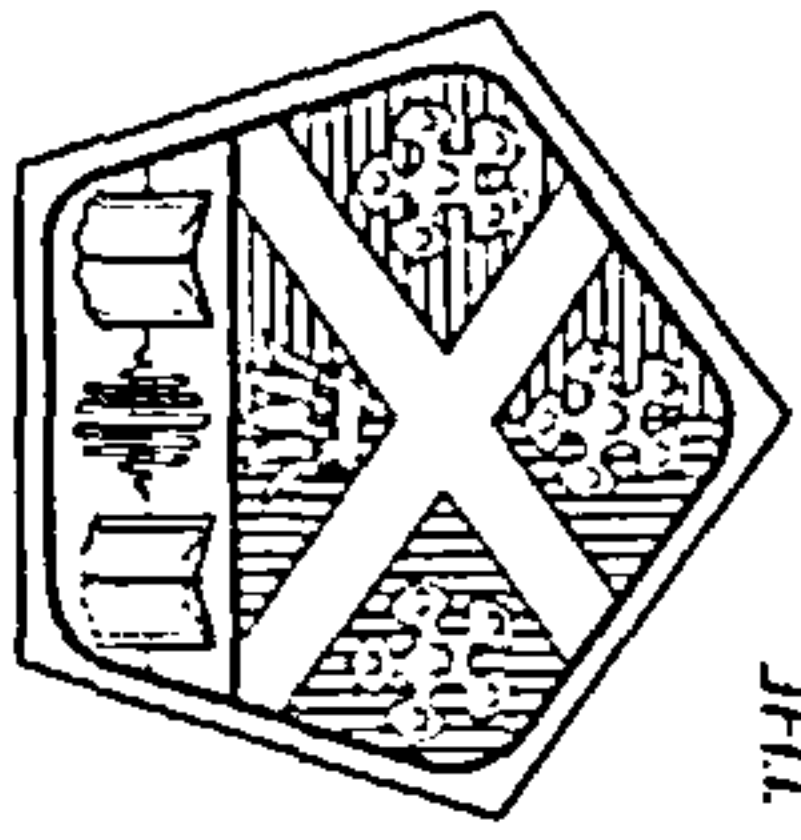
### **Thanks For Participation**

Thank the interviewee for sparing the time from their hectic schedule to participate in the study.

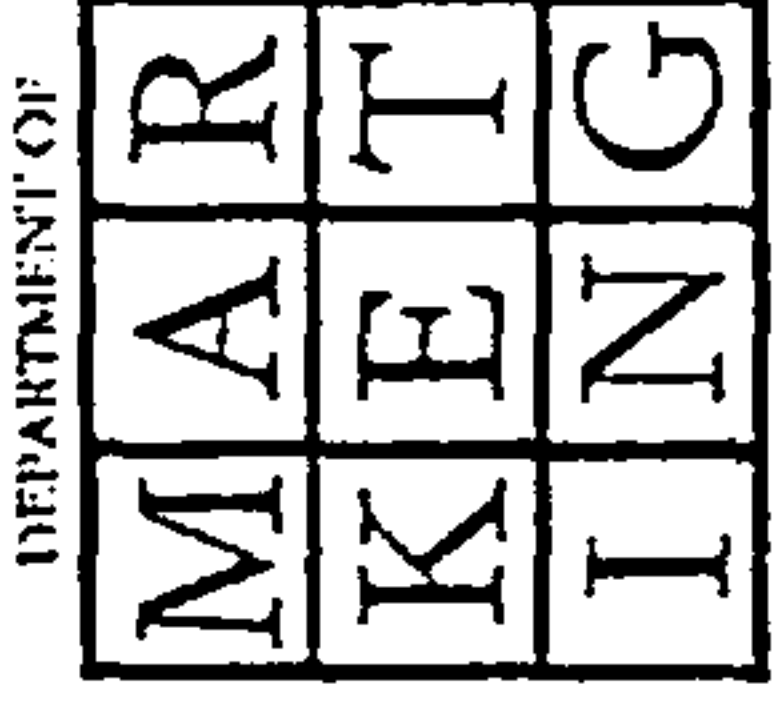


## APPENDIX 5

# Interview Guide Coding Structure



THE  
**UNIVERSITY OF  
STRATHCLYDE**  
IN GLASGOW



\_\_\_\_\_  
**Doctor of Business Administration (DBA)**

*The Internationalisation Of UK Indian Enterprises:  
The Significance Of Ethnic Ties And Entrepreneurial Networks*

Doctoral Researcher & Interviewer  
**Jaswinder S. Hayer**

## **INTERVIEW 'CODING' GUIDE**

**Overall governing research question:**

***To what extent are 'ethnic ties' and 'social networks' significant and important, both during and after the internationalisation decision-making process, in the internationalisation of UK Indian firms?***

**PART 1: Business Form & Structural Dynamics (15 Issues)**

ISSUES PROBED	CODING OF INTERVIEWEE RESPONSES
Q1.1. In what year was the firm founded? Who was involved in founding the firm? What is/was your relationship with them?	⇒ Year: 1951-55 / 56-60 / 61-65 / 66-70 / 71-75 / 76-80 / 81-85 / 86-90 / 91-95 / 96-2000 ⇒ Individuals involved: Me / Family Members / Family & Non-Family / Parents / Me & Non-Family
Q1.2. What is the form of your business? Why? Do others hold shares in your firm? Whom? Why? Has your firm evolved from another organisation? What were the core-competencies at start-up and presently? Discuss	⇒ Business form: Partnership / Limited / Public Limited ⇒ Shareholding: Personally (me and wife) / Immediate Family / Extended Family / Public ⇒ Evolution: From previous business (Yes) / New start-up (No) ⇒ Choice of Sector / Reason: Demand / Experience / Technical Skills
Q1.3. How would you classify your firms primary activities? What is/are your firm's major product(s)? How do you classify your customers? Why did you choose the current line of activity?	⇒ Industry Sector: Textiles / Computing / Food Processing / Manufacturing ⇒ Market segments: Asian / Other/Mainstream / Predominantly Asian / Predominantly Other/Mainstream
Q1.4. What are the core objectives of your firm? Why? Discuss. Do you believe that business planning, both domestically and internationally, is important, i.e. short-term (up to 1 year), medium-term (1-3 years), and long-term (over 3 years)? Why? Discuss. What were the objectives of the firm at start-up? Have these been achieved? What changes to your plans have resulted? What are your personal objectives and vision? Please comment on the firm's early sales growth?	⇒ Nature of planning: Reactive / Proactive
Q1.5. What has your previous employment experience been? Why did you decide to set-up your own business? What was the key reason? What are your: Interests? Aspirations? Discuss	⇒ Employment History: Always been in the family business / Employed by other firm / Both ⇒ Past Experience: Related / Unrelated / Both
Q1.6. Approximately what percentage of your products would you describe as 'Asian/Indian items? Why?	⇒ Product Target Audience: Predominantly Asian / Predominantly Mainstream / Both / Mainstream



<p>Q1.7. How have you developed and expanded your business, i.e. products, customers, geographical supply? What key decisions have you made with regard to the business to date? Discuss</p>	<p>(Discuss)</p>
<p>Q1.8. Would you describe your business as essentially a family business? Why? Which family members work in your business (FT, PT)?</p>	<p>⇒ Family business: Yes / No                  ⇒ Employed: Immediate family members / Immediate family members and extended family members / Not applicable                  (Immediate family = the family unit, i.e. Husband, Wife and Children; Extended family = immediate family plus blood relatives, e.g. brothers, cousins, nephews, etc.)</p>
<p>Q1.9. Would you say that there is a noticeable cluster of Indian/Asian firms based around your firms location? Was this an important consideration in setting up your business in this location? Discuss</p>	<p>⇒ Cluster of Asian firms: Yes / No                  ⇒ Importance to the business Today: Yes / No                  ⇒ Importance to the business in the Future: Yes / No</p>
<p>Q1.10. In order of importance to your firm's business activities, what are the languages (other than English) in which members of your firm require fluency? Why? Discuss</p>	<p>⇒ Language needs (externally): French / German / Spanish / Arabic / Gujarati / Urdu / Hindi / None                  ⇒ Language needs (internally): Punjabi / Hindi / Gujarati / Urdu / None</p>
<p>Q1.11. Do you operate in competitive markets (domestically and internationally)? Why do you consider them to be competitive? Who are your main competitors? (Domestic, International) What are their nationalities? Why do you consider them to be your main competitors? How do you monitor their activities? How many firms do you regard as key competitors? Of your key competitors, how many are larger than your firm? Discuss</p>	<p>⇒ Competitive Markets: Yes / No                  ⇒ Competitors: Domestic / International / Both                  ⇒ Monitoring: Passive-Informal / Active-formal</p>
<p>Q1.12. How many employees did you have at start-up? Where and how did you recruit them? What is the most favored method? Why?</p>	<p>⇒ Recruitment: Referrals / Asian community / Recruitment Agencies / Advertisement / Head Hunt / Job-Centres / Local Community                  ⇒ Favored method: Referrals / Asian community / Recruitment Agencies / Advertisement / Head Hunt / Job-Centres / Local Community</p>
<p>Q1.13. Currently, what are your:                  1. TOTAL number of employees?                  2. Number of full-time employees?                  3. Number of part-time employees?                  4. Number employed on casual basis at a particular time?</p>	<p>⇒ Total Number of Employees: (range)                  ⇒ Full-time: (range)                  ⇒ Part-time: (range)                  ⇒ Casual: (range)</p>

<p><b>Q1.14.</b>                  Are employee numbers anticipated to increase over the next 3 years? Why? In which areas? Over the last 3 years have you added or reduced the number of people you employ? In which areas? Why? Discuss</p>	<p>⇒ Employees anticipated to Increase: Yes / No / Uncertain                  ⇒ Area: Not applicable / All Areas / Uncertain / Production                  ⇒ Last 3 years: Increased / Decreased / No Change                  ⇒ Areas: Production / Not Applicable / Support / Sales / All Areas</p>
<p><b>Q1.15.</b>                  Approximately what percentage of your customers and suppliers are from the Indian/Asian community (Internationally and domestically)? Discuss                   What percentage of turnover or expenditure do they represent? (for the domestic market and internationally) Discuss</p>	<p>⇒ Asian Customers (%): Domestic (%) / International (%)                  ⇒ Asian Suppliers (%): Domestic (%) / International (%)</p>

**PART 2: International Market Activity**

**(20 Issues)**

<b>ISSUES PROBED</b>	<b>CODING OF INTERVIEWEE RESPONSES</b>
<p>Q2.1.                      Did your firm actively seek to become operational internationally?                      What were your initial reasons for seeking international opportunities, i.e. motives (push and pull factors - solicited/unsolicited orders, customer drivers, network contacts, domestic competition)? Why? Discuss</p> <p>What was the main reason? Discuss</p>	<p>⇒ Seek to become international: Yes / No / Not Applicable</p> <p>⇒ Reason(s): Solicited Orders / Unsolicited Orders / Customer Drivers / Network Contacts / Domestic Competition / Industry Forces / International Competition / Domestic and International Competition / Seize Opportunities / Not Currently International</p>
<p>Q2.2.                      In what year did you begin international activities? What are your international business objectives? Why?</p> <p>When you first began to operate internationally what were your views regarding the future of international operations (selling and buying) at the time? Why? Have they been realised or revised? Discuss</p>	<p>⇒ Year: (Group)</p> <p>⇒ Objectives: Improve Margins / Growth and Expansion / Not Currently International</p> <p>⇒ Initial thoughts: Optimistic / Pessimistic / Uncertain / Not Currently International</p> <p>⇒ Global start-up: Yes / No / Not Currently International</p>
<p>Q2.3.                      In order of importance to your firm, with which countries does your firm currently have international relationships? Why?</p> <p>What FMEDS does your firm currently adopts (and has adopted in the past) with each country? How have FMEDS changed? Why? In which year did international relationships commence with each country?</p> <p>What role did your ethnic ties and social networks play?</p>	<p>⇒ Activity: Sell Internationally / Source Internationally / Source* and Sell / Source and Sell* / Not Currently International</p> <p>⇒ FMEDS: Import / Export / Import and Export / Not Currently International / Agents / Distributors / WOS (Acquisition) / Management Contract</p> <p>⇒ Countries: (list)</p>
<p>Q2.4.                      With how many countries has your firm ceased international relationships? Which countries were they? Why?</p> <p>What role did your ethnic ties and social networks play?</p> <p>Discuss specific market details</p>	<p>⇒ Ceased Trading: Yes / No</p> <p>⇒ Decision Criteria: Factor Costs and Profit Margins / Not Applicable / Lack of Capacity</p> <p>⇒ Perception of Indian Market: Good / Bad / Indifferent / No Comment</p>



<p><b>Q2.5.</b> With approximately how many countries is your firm planning to have international relationships over the next 3 years? In order of importance to your firm which countries are they? Why?</p> <p><i>What role have your ethnic ties and social networks played in these decisions?</i></p> <p><b>Discuss specific market details</b></p>	<p><b>Tie up with Q2.7</b></p> <p>⇒ New Market Development: Yes / No / Possibly / Not Applicable</p>
<p><b>Q2.6.</b> Has internationalisation necessitated a need to adapt your firms products and services? What adaptations are made? Have you had to adapt your marketing techniques for international markets? In what way? (standardisation Vs customisation)</p> <p><b>Discuss specific market details</b></p>	<p>⇒ Product Adaptation: Standardised / Customised / Not Applicable</p>
<p><b>Q2.7.</b> How large do you believe the international opportunities to be for your business? Why? Discuss positive/negative attitudes to internationalisation - Do you have concerns? What are they? Why?</p> <p><i>What role have your ethnic ties and social networks played in this view?</i> Discuss</p>	<p><b>Tie up with Q2.5</b></p> <p>⇒ Experience: None / Previous Business / Employment Experience / Seminars/Training / Not Applicable</p>
<p><b>Q2.8.</b> What pre-internationalisation experience (e.g. importing, inward technology transfers, foreign contacts, involvement with trade fairs or business missions) did you have before internationalising your activities? Why? Discuss</p>	<p>⇒ Research: Passive / Active</p> <p>⇒ Key Sources: Customers / Trade / Exhibitions / Personal contacts / Not Known</p>
<p><b>Q2.9.</b> What forms of market research are undertaken by your firm (informal and formal)? Why? How is the information used?</p> <p><i>What role do your ethnic ties and social networks play in market research?</i></p> <p><b>Discuss specific market details</b></p>	

<p><b>Q2.10.</b>                  What resourcing problems did you experience when you first internationalised your activities? Have you resolved these? How?  <i>What role have your ethnic ties and social networks play in solving resourcing issues?</i>                  Discuss specific market details</p>	<p>⇒ Resourcing Problems: No Major Problem / Finance / Lack of Experience</p>
<p><b>Q2.11.</b>                  What are your current problems with regards to the international markets you currently deal with? How do you plan to resolve these?  <i>What role will your ethnic ties and social networks play in this?</i>                  Discuss specific market details</p>	<p>⇒ Current Problems: Competitiveness (Currency Rates) / Quality HR / Quality Suppliers / Language / Not Applicable / None / Finance / Lack of Capacity</p>
<p><b>Q2.12.</b>                  In hind sight would you have entered your international markets differently knowing what you do now?  <i>What role could your ethnic ties and social networks have played?</i>                  Discuss specific market details</p>	<p>⇒ Differently: Yes / No / Not Applicable</p>
<p><b>Q2.13.</b>                  What is your firms screening and selection process when evaluating suitable international markets? How do you begin the process of identifying and searching for international business and market opportunities?  <i>What role do your ethnic ties and social networks play in this process?</i> Discuss                  Discuss specific market details</p>	<p>⇒ Criteria: Ability to Pay / Ability to Deliver / Not Applicable / Favourable Margins</p>
<p><b>Q2.14.</b>                  What factors are important to your firm when considering making a greater commitment, i.e. a local presence, to the international markets it currently deals with? Is there an overriding factor?  <i>What role would your ethnic ties and social networks play in this decision?</i>                  Discuss specific market details</p>	<p>⇒ Setting up of Overseas Plant: Yes / No Way / Possibly / Researched and Investigated / Not Applicable / Highly Unlikely / Only Realistic Option</p>

<p><b>Q2.15.</b>                  How are internationalisation decisions deliberated and finalised within your firm? Who makes them? What is the process? How are they implemented?                   What role do your ethnic ties and social networks play in this process?                   Discuss specific market details</p>	<p>⇒ Decision Making: Me / Family Members / Management Team</p>
<p><b>Q2.16.</b>                  Does your firm make contact with any individuals, businesses and organisations (domestically and internationally) to improve international performance? With whom?                   What role do your ethnic ties and social networks play in the identification of contacts?                   Discuss specific market details</p>	<p>Tie up with Q4.1                   ⇒ Advice sought: Yes / No / Not Applicable</p>
<p><b>Q2.17.</b>                  In your opinion what are the key factors which have contributed to your firms ability to initiate and expand international operations, i.e. the critical international success factors of your firm? Why?                   Have your ethnic ties and social networks played a part in this?                   Discuss specific market details</p>	<p>⇒ CSF: Product / Price / Determination / Sourcing Supply / Overall Service / Not Applicable / Design &amp; Innovation / Professionalism</p>
<p><b>Q2.18.</b>                  When transacting international business what do you consider to constitute a suitable business exchange 'atmosphere', i.e. one which makes you feel comfortable and able to make a deal?                   Discuss specific market details</p>	<p>⇒ Suitable Atmosphere: Ability to Pay or Supply Product / Nature and capabilities of supplier/customer - long-term partnerships and repeat business - mutual orientation</p>
<p><b>Q2.19.</b>                  Are international ventures treated as 'special' by your firm? Why? Do you think Indian entrepreneurs should be encouraged to seek international opportunities? What may be the hurdles in moving in this direction? Why?                   What role can their ethnic ties and social networks play? Discuss</p>	<p>⇒ Special: Yes / No / Not Applicable</p>



Q2.20.

For the Indian business community as a whole, where do you see the opportunities lying currently and in the future (e.g. industries, products, markets)? Why?

What are you doing to capitalise upon these?

Can ethnic ties and social networks assist in making this happen?  
Discuss

(Discuss)

**PART 3: Ethnic Ties / Social Networks (7 Issues)**

ISSUES PROBED	CODING OF INTERVIEWEE RESPONSES
<p>Q3.1. Do you believe networking in the Indian community to be an important activity for you and your firm? Why? Define networking?</p> <p>Discuss specifics</p>	<p>⇒ Asian Networks: Primarily Social / Business</p> <p>⇒ Asian Networks: Important / Un-important</p>
<p>Q3.2. With whom do you share/discuss business ideas, possibilities/opportunities? Why? With whom do you discuss your business problems? Why? With whom did you discuss your initial internationalisation decision (formally and informally, private and public sectors)? Why?</p> <p>Discuss specific market details</p>	<p>Tie up with Q3.5</p> <p>⇒ Decision with: Family / Key Employees (management) / Myself / Close Trustworthy Friends / Professionals (Accountants/Solicitors/Bank Manager)</p>
<p>Q3.3. In which countries do your family members reside? Is there scope for business with these countries? Why? How many of your relatives, who reside overseas, run businesses? Of these, how many are in your line of business?</p> <p>Discuss specific market details</p>	<p>⇒ In Business: None / Some / All / Not Applicable</p> <p>⇒ Scope for Business: Definitely Not / Not Really / Possibly / Yes / We are in Business</p> <p>⇒ Business Activity: Related / Unrelated / Both</p>
<p>Q3.4. Do you believe that Indian social networks can promote/accelerate internationalisation? Have they assisted you? How?</p> <p>Discuss specific market details</p>	<p>⇒ Accelerate Internationalisation: Yes / No / Possibly (contingent on other factors)</p>
<p>Q3.5. From all your network contacts, who are the top 5 that you go to discuss business matters? Why? What is their profile, i.e. gender, age, occupation, your relationship (friendship, business, family, etc.) Do these 5 network contacts know one another? Discuss</p>	<p>Tie up with Q3.2</p>

<p><b>Q3.6.</b> Has networking resulted in any major business for your firm? What international markets have been accessed via networks? In your opinion, have your international ethnic links influenced the internationalisation of your firm (outward from the UK and inward to the UK)? How?</p> <p style="text-align: center;"><b>Discuss specific market details</b></p>	<p>⇒ Asian Networks Helped: Yes / No / Unknown (possibly)</p>
<p><b>Q3.7.</b> What role did your international ethnic links play prior to, during and after the internationalisation of your firm? Have they become less or more important as your firm has grown (domestically and internationally) over time? Why?</p> <p style="text-align: center;"><b>Discuss specific market details</b></p>	<p>⇒ Importance Before: High / Medium / Low / None / Situation Dependant</p> <p>⇒ Importance During: High / Medium / Low / None / Situation Dependant</p> <p>⇒ Importance After: High / Medium / Low / None / Situation Dependant</p>



**PART 4: Agency Support (4 Issues)**

ISSUES PROBED	CODING OF INTERVIEWEE RESPONSES
<p><b>Q4.1.</b> In order to expand your business internationally have you ever sought external business advice (private sector and public sector)? What sort of advice was sought? What was the outcome? Have you sought advice because it was suggested to you by your ethnic ties and/or social network members?</p> <p><b>Discuss specific market details</b></p>	<p>Tie up with Q2.16</p>
<p><b>Q4.2.</b> Do you belong to any Asian/Indian Business Association, Informal Asian/Indian group where business is transacted, or any Asian/Indian trading groups (buying or selling)? Which? Why? Do you use them to develop your ethnic ties and social networks? Discuss</p>	<p>⇒ Asian Business Association: Member / Non-member</p> <p>⇒ Perceived importance for business representation: High / Medium / Low / None</p>
<p><b>Q4.3.</b> In your view, what role could the UK government and/or financial institutions play in facilitating Indian business survival and growth both domestically and internationally? Discuss</p>	<p>(Discuss)</p>
<p><b>Q4.4.</b> Whom did you approach, and from where did you receive your start-up capital, for international activities? In general, what are the most importance sources of funds for your firm's expansion? Why? Discuss</p>	<p>⇒ Start-up Capital: Personal Savings &amp; Family / Bank / Friends / Government Grants</p> <p>⇒ Growth &amp; Expansion Capital: Profits / Bank / Finance Houses</p>

**PART 5: Firm Growth and Performance**      (4 Issues)

<b>ISSUES PROBED</b>	<b>CODING OF INTERVIEWEE RESPONSES</b>
<p><b>Q5.1.</b>                      How do you measure your firm's performance? Why? In order of importance, with whom do you compare your business success? Why? How do you rate your firm vis-à-vis these? Discuss</p>	<p>⇒ Performance Comparisons: Competitors / Historical Performance / Benchmarking</p>
<p><b>Q5.2.</b>                      How would you best describe your firm's growth objectives over the next 3 years? Why? Discuss</p>	<p>Tie up with Q5.3                      ⇒ Firm Growth: Consolidate &amp; Down-size / Maintain Current Business / Grow Moderately / Grow Substantially</p>
<p><b>Q5.3.</b>                      Based on the last 3 years as the frame of reference what have been the most important influences on your firm's growth and performance? What factors have significantly limited your firm's ability to meet it's business objectives? Why?                      Discuss specifics</p>	<p>Tie up with Q5.2</p>
<p><b>Q5.4.</b>                      How do you see international activities contributing to your total annual sales volume over the next 3 years? Future plans (formal or not) or ideas for international business - it's role? Why? Discuss</p>	<p>⇒ Future Role of International Activities: Negligible / Moderate / Depends on the £ / None / Significant / Unchanged</p>

**PART 6: Personal & Cultural Aspects (13 Issues)**

ISSUES PROBED	CODING OF INTERVIEWEE RESPONSES
<p>Q6.1. What was the year, country, region, and town of your birth? If born in the UK also give details regarding your father</p>	<p>⇒ Year: (Group)                      ⇒ Country: Zimbabwe / India (Punjab) / Uganda / Pakistan (Punjab) / UK / Kenya / Burma / India (Delhi) / Malawi</p>
<p>Q6.2. What is your nationality? If you have dual nationality please state both. Why? What was your nationality at birth (if different from your present nationality)? Why did you change?</p>	<p>⇒ Nationality at Present: British / Indian                      ⇒ Nationality at Birth: British / Indian / Ugandan                      ⇒ Reason for Changing Nationality: Not Applicable / Travel Problems / Personal Reasons / Expulsion</p>
<p>Q6.3. In which year did your family migrate to the UK? From which country did your family migrate? Why? Do you intend to return to your country of origin at some point or move to another country? Why? How many generations of your family reside in the UK?</p>	<p>⇒ Return: Yes / No / Possibly / Planning to Return</p>
<p>Q6.4. What is your religion? Are you practicing? Why? Does religion influence your business practices? How?                      Discuss specifics</p>	<p>⇒ Religion: Muslim / Sikh / Hindu / Jain                      ⇒ Influence: Yes / No</p>
<p>Q6.5. Are you able to read, write, and speak languages other than English with reasonable fluency? Which? Why?                      What educational qualifications do you have? How have these benefited your firm?</p>	<p>⇒ Speak: Gujarati / Shawna / Chichewa / Punjabi / Hindi / Urdu / Persian / German / Swaheli / None / French                      ⇒ Education: None / Secondary / Graduate / Postgraduate / Technical / Not Known</p>
<p>Q6.6. What clubs, societies and the like are you involved with currently (i.e. social, professional, voluntary, community)? Which are they? Why? How important are these links for your business? Otherwise? Why? Discuss</p>	<p>⇒ Clubs: Social / Professional / Voluntary / Community / None</p>



<p><b>Q6.7.</b> What does it mean to you to be of Indian origin? How do you classify yourself? Why? What changes have you had to make in adjusting to the UK environment?</p> <p><b>Discuss specifics</b></p>	<p>⇒ Patriotic about being of Indian origin: Yes / No / Indifferent</p>
<p><b>Q6.8.</b> What has your overseas/international business and personal experiences been? E.g. lived (where), worked (where), educated (where), business travel (where, frequency), holidays (where). Has this improved your perspective with regard to international opportunities? What actions have you take?</p>	<p>⇒ Lived: Yes / No</p> <p>⇒ Worked: Yes / No</p> <p>⇒ Educated: Yes / No</p> <p>⇒ Business travel: Yes / No</p> <p>⇒ Holidays: Yes / No</p>
<p><b>Q6.9.</b> Have you raised your children to always respect their cultural heritage? How have they responded? Are they noticeably different from their relations in India and elsewhere? In what way?</p>	<p>⇒ Raised: Yes / No</p>
<p><b>Q6.10.</b> Do you believe that Indian customs are going to be totally replaced by UK customs over the generations? Why? Discuss</p>	<p>⇒ Replaced: Totally / To a major degree / To a minor degree / Not at all</p>
<p><b>Q6.11.</b> How frequently are you in contact with your relatives locally, nationally, and internationally? Why? Do you or do they physically visit one another? How frequently? What is the general nature of discussions?</p> <p>Would you consider doing business with any of your family members who reside overseas? Why? Discuss</p>	<p>⇒ Locally: Daily / Weekly / Monthly / Annually / As and When Necessary / Not Applicable</p> <p>⇒ Nationally: Daily / Weekly / Monthly / Annually / As and When Necessary / Not Applicable</p> <p>⇒ Internationally: Daily / Weekly / Monthly / Annually / As and When Necessary / Not Applicable</p>
<p><b>Q6.12.</b> How important is the issue of 'trust' to you? Why? Define the term 'trust'? What role do your ethnic ties and social networks play in establishing trust? Discuss</p>	<p>⇒ Importance: Very Important / To a Degree / Not Important</p>
<p><b>Q6.13.</b> Taking an overview of your business, what would you say it is that makes it work? Why? Discuss</p>	<p>Tie up with Q7.4 and Q7.5</p> <p>⇒ Makes it work: Family / Close to the Customer / Products / Employees / Personal Qualities</p>

**PART 7: The Way Forward (8 Issues)**

ISSUES PROBED	CODING OF INTERVIEWEE RESPONSES
<p>Q7.1. Are you more or less optimistic than you were 12 months ago about the general situation in your business? Why? Discuss</p>	<p>Tie up with Q7.2                      ⇒ The Future: Optimistic / Pessimistic</p>
<p>Q7.2. How do you rate the future of your business over the next 5 to 10 years? Why? What challenges can you see ahead? How are you preparing to face them? (Opportunities and threats) What role will your ethnic ties and social networks play in this? Discuss</p>	<p>Tie up with Q7.1</p>
<p>Q7.3. If yours is not a public limited company, have you ever considered going public or would you like to go public in the near future? Why? Discuss</p>	<p>⇒ PLC: Investigated / Considered / No real thoughts / Not for us / Possibly at some point</p>
<p>Q7.4. Why do you believe you have been successful? What 5 factors do you believe have contributed to your business success/failure to date? Why?</p>	<p>Tie up with Q6.13</p>
<p>Q7.5. What 5 factors do you believe will contribute to your business success in the future? Why? What role will your ethnic ties and social networks play in this?</p>	<p>Tie up with Q6.13</p>
<p>Q7.6. What advice would you like to give to aspiring Asian entrepreneurs in the UK seeking to be successful internationally and domestically? Why? Discuss</p>	<p>(Discuss)</p>
<p>Q7.7. Over the next 3 years are you planning significant new investment in your firms activities? In which areas? Why? Discuss</p>	<p>⇒ Investment: Yes / No / Possibly</p>

Q7.8.

To what extent is your firm constrained by issues relating to 'succession planning'? What are the difficulties? What are you doing? Why? Discuss

⇒ Concern with regard to Succession Planning: High Degree / Moderate / Insignificant / Not at All