

EVOLUTION AND GROWTH OF PAKISTANI-OWNED SMES IN THE AREA OF BEDFORDSHIRE LONDON

Dr. Iftikhar Ahmed Butt and Ms. Naveeda Zeb

¹Assistant Professor, in the University of Management Sciences and Information Technology, Kotli AJ&K Pakistan.

²Lecturer, in the University of Management Sciences and Information Technology, Kotli AJ&K Pakistan.

ABSTRACT: *This paper was aimed to investigate those factors which had played an important role in strategic evolution and growth of Pakistani-owned SMEs in the area of Bedfordshire London. The objective was to discover some facts and figures about business experiences of these firms and make the finding a source of learning and development for other similar enterprises in the UK. The target population (sampling frame) was comprised over 42 firms qualifying criterion of SMEs. While applying purposive (judgement) sampling approach, a representative sample of 7 firms (out of 42 firms) with 18 respondents performing at managerial level was selected to conduct in-depth interviews. A case-based empirical investigation conducted around selected group of companies revealed that a number of factors including families and friends, qualification and experience, well thought-out business decisions, clarity of goals and objectives and dual socialization of entrepreneurs while living and working in Pakistan and the UK had played an important role in strategic evolution and growth of these companies. Analysis of the data confirms the vital importance of these factors in laying a sound foundation of these businesses to evolve and flourish in the UK's highly competitive business environment. The findings of the study are expected to provide some practical lessons to newly built Pakistani-owned enterprises in the UK in developing and strengthening their businesses to survive, grow and succeed in the market.*

KEYWORDS: SMEs, EMBs, Education, Experience, Dual socialization, Pakistan, UK

INTRODUCTION

There is ever growing trend in Ethnic Minority Businesses (EMBs) in the UK from last four decades. These companies have so rapidly multiplied that they now number over a quarter of a million as significant contributors to the UK's business population. It has been seen that despite reasonable quantitative development, quality factor looks uneven in with EMBs concentrated at the bottom of the value added chain and located in some of the most deprived areas of the UK. These companies, particularly 'African-Caribbeans' have been facing financial problems because of their limited access to financial resources. To address their financial problems, public sector needs to play a dynamic role while improving data on EMB's, engaging them in business support programmes, and initiating specialist programmes for financial and strategic development of these companies (Ram and Jones, 2008). In recent years, British interest in minority businesses has increased a lot because of rapid growth of EMBs as an emerging economic force of the country. Their role in the UK economy is likely to further increase since the ethnic population is expected to double over the next 25 years (Barclays Bank, 2005). The 2001 UK census classified ethnicity into several groups: White, Black, Asian, Mixed, Chinese and Other (ONS, 2009). These categories formed the basis for all National

Statistics ethnicity statistics until the 2011 Census results were issued. According to the 2011 census, the ethnic composition of the United Kingdom was as set out in Table 1 below.

Table: 1: Ethnic composition of the United Kingdom

Ethnic groups	2011 population	2011 %
White	55,010,359	87.1
White: Gypsy or traveller	63,193	0.1
White: Total	55,073,552	87.2
Asian British: Indian	1,451,862	2.3
Asian British: Pakistani	1,173,892	1.9
Asian British: Bangladeshi	451,529	0.7
Asian British: Chinese	433,150	0.7
Asian British: Other Asian	861,815	1.4
Asian British: Total	4,373,339	7.0
Black or Black British	1,904,684	3.0
Mixed: Total	1,250,229	2.0
Other ethnic group: Total	580,374	0.9
Total	63,182,178	100

Source: Sources: 2011 Census Ethnic Group, local authorities in the United Kingdom

Literature reveals that the overwhelming majority of ethnic minorities reside in the most disadvantaged areas of the UK; therefore the government has been supporting EMBs through its remit to encourage entrepreneurship in these areas (Mascarenhas-Keyes, 2006). Alongside government support and encouragement, social capital and surrounding commercial environment is playing an important role in the evolution and development of ethnic minority businesses. As highlighted by Kaloosterman et al, (2005), outcomes of these companies will be influenced by the wider economic and institutional context into which immigrants are inevitably inserted. While presenting this context they insist that the role of the state be given at least equal prominence with that of the capitalist market upon which it impinges (Ram, et al., 2002). They argue that liberal and flexible regulatory approach of the UK government towards evolution and development of ethnic businesses, number of such businesses is growing while creating over quarter of a million firms contributing at least £15 billion to the UK economy (Mascarenhas Keys, 2006; Ram and Jones, 2008). Studies confirm that more people from ethnic than white backgrounds are starting their own businesses. Research has shown that the most entrepreneurial groups in the UK are black Africans, though they are more than three times more likely to start a business than their white counterparts, their business failures rate is also higher than that of any other group. Indeed, ethnic minority businesses in the UK need to scale up their activities in order to compete effectively with the mainstream businesses (Ekwulugo, 2012).

The research further reveals that despite numerically an impressive profile of the EMBs in the UK, these companies are decidedly less so in terms of performance. Most of black and ethnic minority enterprises are narrowly concentrated into poorly rewarded and fiercely competitive sectors - catering, clothing and low order retail sectors. South Asia companies (including Indians, Bangladeshi and Pakistani), are more inclined towards take-aways and retailing, majority of Chinese are involved into food trade, and corner shop retailing and hair dressing

are more favourite to African Caribbeans (Ram and Jones, 2008). Not only do all these sectors demand punishing work for poor rewards but prospects for business development are threatened by competitive market pressure, continually exacerbated by regulatory change. ALL of this means that the promotion of market diversification or 'breakout' by policy-makers has to be a top priority (Ram and Smallbone, 2003).

Some problems of EMBs are related with their access to mainstream market. About 32 per cent ethnic minorities are living in the UK's most deprived wards with an impoverished local customer base and in the inherent problem in raising finance and insurance (Mascarenhas-Keyes, 2006). With regards to liberal regulatory regime it has been noticed that alongside advantages, the regime is generating some problems for these companies while encouraging the creation of a host of firms that are completely ill-equipped to thrive under conditions of unbridled competition. They are also ill-equipped with regards to financial capital. Particularly, African-Caribbean business community finds it most difficult to access start-up capital from the capital market, a problem compounded by the shortage of informal sources from family and community networks (Ram, et al, 2002). In addition, it has been argued that ethnic entrepreneurs tend to be motivationally ill-equipped; although South Asian entrepreneurialism has been persistently explained positively as a voluntaristic expression of 'cultural' attributes (Basu, 1998). Some researchers have highlighted the concept of 'necessity entrepreneurship' resulted by a wave of de-industrialisation in the UK and its after effects in the form of unemployment which, in a racist job market, affected ethnic minorities even more severely than other workers (Mascarenhas-Keyes, 2006). An issue of concern among ethnic entrepreneurs is that they avoid formal sources of business support; rather they heavily depend upon informal resources to reinforce their business activities (Deakins et al. 2005).

Studies around Asian businesses reflect an expanding trend in the UK's small business sector. The cultural and business experience of managers, however, was found to have an effect on the pace and direction of the overseas expansion (Crick et al, 2002). Research reveals that success of UK based Indian, Pakistani and Bangladeshi small businesses appears to be closely related both to the share of personal capital invested at start-up and to the entrepreneur's educational qualifications & previous experience. An orientation among Asian migrants towards establishing businesses with their own capital in an unfamiliar environment illustrates their entrepreneurial spirit & professional commitment. Banks and government agencies can play an important role in strengthening these businesses to improve their contribution in the UK's economy (Basu, 1999).

Problem statement

It has been widely recognized by many authors and researchers that small and medium enterprises (SMEs) are playing a vital role in the economic progress of countries around the world. According to the Observatory of European Small and Medium-sized Enterprises, SMEs dominate each economy and employ substantial part of the private sector workforce not only in Europe but also in other developed countries (European Commission, 2003; Kongolo, 2010). Despite pivotal role of SMEs in economic growth and development, this sector is still deprived and underdeveloped in Pakistan. On the other hand Pakistani-owned SMEs in the UK have shown substantial progress in terms of investment, employment, production, sales, market share and return on investment. This paper was aimed to investigate some leading factors which had contributed in evolution, growth and development of these enterprises in the UK's multicultural business environment. The ultimate objective was to learn from experiences of these enterprises and making the findings of the study a source of guidance, motivation and

reinforcement for similar enterprises in the UK and also for underdeveloped SME sector of Pakistan.

METHODOLOGY

Research design

An exploratory research design was applied to investigate and discover facts and figures about strategic growth and development of Pakistani-owned enterprises in the UKs' multicultural business environment. Due to subjective nature of the research topic, it was decided to gather qualitative data through in-depth interviews with the help of a semi-structured questionnaire. To ensure more and more reliability of the research findings, a group of 7 enterprises with heterogeneous backgrounds was selected to get comparative and contrasting perspectives about target population instead of gathering primary data with similar characteristics. In other words, the researcher preferred to select a few but different cases, with different products and with different reflection of their managerial and operational activities.

Sampling Procedures

It was a case based study around 7 Pakistani-owned SMEs in the area of Bedfordshire London. Hundreds of Pakistani enterprises with good business prospects exist in the area, but majority of them are operating at micro level with less than 10 employees. Only 42 of them qualified the criterion of SMEs. As mentioned above, the nature of current research topic and research questions was purely subjective requiring interpretative and qualitative approach of data gathering process, therefore the researcher decided to apply non-probability sampling procedures (judgment and quota sampling) to select representative samples out of the target population. To apply the vision of non-probability procedures in letter and spirit, the researcher had been continuously visiting the area of Bedfordshire (area of target population) to obtain first-hand information about different enterprises through observation and informal conversation with entrepreneurs, employees and customers. To select representative samples out of target population, the researcher divided total population into two groups: 1) Trading (19 companies) 2) Services (23 companies). Again first group was divided into 3 categories and second group was divided into 4 categories. It was decided to shortlist total population while selecting 3 cases from each of these categories and 21 cases in total. The shortlisted cases were evaluated in the light of information gathered through informal surveys conducted at the beginning of sampling process. After having a critical evaluation of these cases, the researcher selected 7 cases (3 medium and 4 small) out of 21 cases while taking 1 case from each of 7 categories. By this way, the researcher did his best to ensure that selected samples contain enough potential to represent characteristics of whole population.

Data Gathering Process

As mentioned above, due to subjective nature of the research '*case based study*' stood top priority of data gathering process. According to the literature, qualitative data is more flexible in comparison of quantitative research, because it allows adaption of direct interaction between researcher and its participants (Frankel and Devers, 2000; Creswell, 2003). Since the researcher had selected cases with heterogeneous characteristics to gather qualitative data with differentiated features of different enterprises, therefore, it was not possible to apply structured interviews (with fixed questions) or to totally depend upon non-directive unstructured

interviews (with free-style discussion with respondents). Therefore, semi-structured interview approach was preferred (Tashakkori and Teddlie, 2003). To apply the semi-structured approach, the researcher prepared a list of interview themes and some mandatory lead questions to be covered. The main themes and lead questions were standardized in nature and served as a checklist for all interviews. These themes and questions also helped to the researcher in preparing a wide range of variable sub-questions expected to be covered during interviews. However, variable list was changeable according to the given situation, where some new questions were expected to be added and some of the questions in the list were expected to be deleted. Many questions emerged during different interview sessions with flow of conversation with the respondents. It is pertinent to mention here that a frequent variation had been taking place in interview questions depending upon the size, nature and structure of different companies and differentiated views and visions of respondents.

Contact Methods

To undertake the data gathering process, a researcher can make contact with respondents through telephone, internet, mail questionnaire, on a one on one basis, or by using a mix of these methods. In some other situations a researcher may interact with respondents on individual or group basis (with a small number of participants) in the case of semi-structured or in-depth interviews (Saunders et al., 2007; Healey and Rawlinson, 1994). As far as the current research is concerned, it required detailed interaction with respondents to collect in-depth information related to *what, why and how* types of the questions. Therefore, all respondents were contacted to conduct face to face interviews. It was not possible to conduct in-depth interviews through telephone, internet or mail questionnaire. Because of the face to face interview approach, the researcher and respondents were also flexible in making changes/adjustments in interview process and schedules with mutual understanding (Jankowicz, 2005).

Findings

The empirical investigation conducted around a group of small and medium companies discovered some exceptional insights about role of background factors (pre-migration and post-migration period of entrepreneurs) in strategic evolution and growth of these companies. Majority of participating entrepreneurs clearly acknowledged the role of close relatives and friends in providing '*voluntary support*' to these companies at introductory stage of their life cycle. The current flesh and blood of these companies was linked back with background factors. A range of factors including 'family and friends, education and experience and dual socialization of entrepreneurs' were identified as key factors that had played their role from beginning to date. The figure 1 below provides a brief view of background factors and their role in the strategic evolution and growth of these companies.

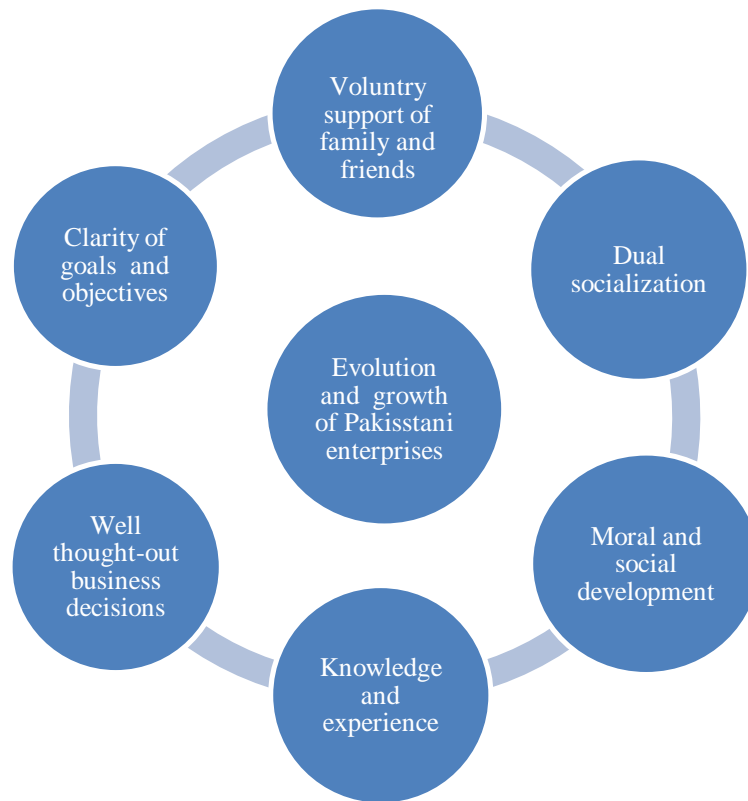


Figure 1: Contributing factors in Evolution and growth of these companies

Source: Primary data gathered through case studies

The following paragraphs give a detailed view of the above depicted factors and their relevant impact on strategic evolution and growth of these companies.

Voluntary support from family and friends

It was interestingly noted that close relatives and friends have been providing ‘*voluntary services and free of interest loans*’ to back these companies to survive and grow in a highly competitive market of the UK. It was a typical reflection of Asian culture in the UK society. Mr. S H owner manger of a superstore pointed out a surprising fact about support of his family members:

“My younger brother Mr. H M and two of my cousins voluntarily joined my company in the beginning and have been working without wages for initial three months. Many of my close relatives provided me with a substantial amount of money as a ‘Qarz-e-Hasana’ (interest free loan) for an indefinite period of time. Similarly my in-laws including my father in-law, mother in-law and sister in-law are used to spend their whole week end at the premises and perform multiple roles for the improvement of my business”.

Mr. H B (proprietor of a big fabric and garments store) became excited while telling about the support of his wife:

“She is a wonderful lady who always stood behind me and encouraged me a lot in difficult times. My wife is my best friend who also faced difficulties because of myself but never ever left me alone. From beginning to date I cannot forget her heart felt cooperation to me”.

Mr. T A Khan (owner manager a food company) also shared similar views and said:

“My family members joined hands with me with flexible terms and conditions even at lower wages with an intention to support me at initial stage of the business. Here I would like to acknowledge the fact that without financial and moral support of my close relatives, it was not possible for me to take a big risk of new business in a highly competitive market of Luton”.

The above extracts taken from interview transcripts present some examples of Asian culture composed of sincerity and selflessness of close relatives while supporting these companies during difficult times. Because of this, they got enough time and space at the beginning to survive and grow in the UKs highly competitive market. Indeed, family factor played an important role to give a boost to Pakistani people to enter into business sector of the UK. From beginning to date family factor looks dominant in strengthening financial and administrative position of these companies. The primary data further revealed that small companies enjoy more support from close relatives compared to medium companies.

A unique feature of family support is related to ‘*Joint family system*’ which rarely happens in white families. This system has been contributing a lot in moral, social and economic development of entrepreneurs back from Pakistan to the UK. Their basic economic strengths were the result of joint family system. They got enough confidence to take some bold initiatives while living with close relatives. Mr. M S Malik (owner of a small company) was the real beneficiary of this system. While sharing an interesting piece of information with the researcher he said:

“I came in this country in May 2005. I received a warmest welcome from my in laws and started to live with them. They bore all my expenses and did not allow me to share a single penny in these expenses. While living with my in-laws I felt that I was living with my parents in Pakistan. Without any exaggeration, here I would like to say that my achievements in this country are the result of an extra-ordinary cooperation of my in-laws with me”.

Views of some other participants were found in agreement with Mr. Malik. Indeed, their business initiatives were encouraged and reinforced by the patrons of joint family system, who always remain in favor of this system to get their families secured from rising influence of western family system. The role of joint family system in economic and business development of these companies looks very common in small companies; however, the role of this system is playing less in the case of large companies. Indeed, by the passage of time this system is losing its role and importance in internal and external lives of these people. Mr. S Khan expressed similar views about decreasing role of joint family system:

“Unfortunately the culture of joint family system is losing its value and importance in Asian countries because of rising influence of western culture in these countries. As a matter of fact they are depriving themselves by the blessing of unity and brotherhood. He emphasised the importance of joint family system and said:

“There is need of hour to restore and strengthen joint family system in Asian as well as western families. I believe that a culture of ‘*joint family system*’ is an excellent solution of many economic and social problems of these families”.

The empirical research further revealed that ‘*role of family friends*’ was not less than close relatives. Indeed, the friends and close relatives have been serving as valuable ‘*social capital*’ for these companies. Personal friends of entrepreneurs have been playing a volunteer role in

promoting these companies among their own circles and also in wider communities. It rarely happens in the case of white British companies. Mr. S H duly acknowledged the role of his friends in the promotion of his business and said:

“Dozens of my friends became my regular customers. They have been promoting my business across the Bedfordshire among their friends and relatives. Some of my friends provided a reasonable financial support (*soft loans*) to me whenever I went under financial pressure”. Mr. H B declared his friend as an angel of blessing for him. He expressed his feelings as follows:

“Mr. M S Butt of Luton provided me with extra-ordinary financial support at introductory stage of my business. He also evacuated his shop for me and rented it to me on very flexible terms and conditions. For the first three months he charged nothing and declared this period ‘*a bonus period*’ for me. Indeed, Mr. Butt always proved an angel of blessing for me during uncertain and difficult times of my business”.

The above examples reflect an exceptional role and importance of family friends in internal and external development of these companies. This phenomenon is very common in these companies.

Moral and social development

Behavioural formation of entrepreneurs and managers was linked back to their elders. The family factor played an important role in their moral and social development while living in Pakistan. Their personality traits were mainly grown in a typical Asian family culture in Pakistan. They were further polished while living and working in the UK. Hence their overall behavioural formation is a mixture of both cultures. Mr. G H Shah (owner of a medium sized real estate and property business) clearly acknowledged the role of his elders in shaping his moral and social behaviour while living in Pakistan. He commented:

“My personality traits and life styles had been mainly shaped and socialised by my elders. Many times I heard my late grandfather saying ‘do not become harsh and angry to mistakes of others’, ‘be lenient and tolerant while dealing with others’, ‘always respect the beliefs and rights of others, and be fair and straightforward while making deals and agreements with others’. ‘Hard work, patience, politeness, tolerance and fair play’ are the main lessons I learnt from my elders. I feel proud while saying that I am a product of my family background”.

The above feelings and expressions provide some examples of the family environment where Mr. Shah was grown and developed. His personal and professional foundation was the result of the time he spent with his family during his childhood. Similarly, majority of entrepreneurs /managers highlighted the role of their family background in their moral and social development. Religion remained an important factor in shaping overall environment of their families. While explaining the role of his father in his personality development, Mr. S A Malik said:

“My parents were religious minded and I was grown in religious environment, an environment where everyone was abiding by the basic values and principles of Islam. However, my father was a balanced and moderate Muslim and did not like any type of extreme and rigid approach towards Islamic ways and obligations. Indeed, I am replica of my father who always favoured a flexible and accommodative approach in religious matters”. Mr. Malik further commented:

“My father was an organized, disciplined and neat and clean person. I was really impressed by his upright and balanced personality and did my best to follow footprints of my father. My today’s personality is an offshoot of dynamic life of my father”.

In the light of above quoted thoughts and feelings, it was found that moral and social dynamics of their personalities have been playing an important role in shaping business and people management styles and strategies of these companies. Their social and professional life here in the UK was being reinforced by their background factors. While commenting on his social and professional life orientations in the perspective of his family background, Mr. T A Khan said:

“Compared to religious or political activities, I am more inclined towards social activities. Because of a social profile of my personality, I got a large number of friends and familiars in Luton and other areas of the London. They prefer to visit my restaurant because of my continuous social relationing with them. People from diverse backgrounds come here to exchange views of their mutual interest and also enjoy our rich and traditional menus. I understand that ever rising clientele of our company is because of our informal and social environment”.

Majority of respondents were found of the opinion that background factors have been playing a positive and constructive role in shaping mode of their relations with employees and customers. Their flexible, moderate and balanced approach towards people was the result of their preliminary growth and socialization while living in Pakistan. Some of them admitted the fact that most of their achievements in the UK were linked back to their family backgrounds. Contrarily, few managers working with medium companies gave less importance to background factors. They argued that moral and social factors have their importance in maintaining better relations among individuals and groups, however, these factors had less influence in strategic growth and development of these companies. They were of the opinion that traditional approaches and methods reinforced by typical Asian culture contain little potential of adjustability into multi-cultural environment of the UK. They were in favour of developing modern and multi-styled image and identification for Pakistani companies to ensure more and more adaptability and adjustability into multi-ethnic society of the UK.

Dual socialisation

The investigation further discovered that dual socialization of entrepreneurs and managers while living and working in Pakistan and the UK had played an important role in developing a bi-cultural image of Pakistani-owned SMEs in the UK. They were playing their role as *‘bi-cultural mediators’* seeking to reflect a moderate and bi-cultural image of their businesses to survive and succeed in a multi-cultural market of the UK. Their personality profiles reflect a blend of Asian and British socialization; consequently their business and people management styles reflect a clear image of both cultures. The products and services, employees, languages, communication patterns and overall working environment of these companies present a *‘multi-styled exposure’* to attract attention of customers from diverse backgrounds. Mr. H B commented that multi-ethnic approach of the business and people management plays its role in attracting multi-ethnic customers. He quoted example of his own business and said: “We have been doing our best to provide all types of products with a large number of designs under one floor to satisfy the needs of all types of customers. Currently we offer a wider mix of designs with thousands of product substitutes to satisfy multiple choices of our multi-ethnic customers”. Mrs. H B added:

“It rarely happens that a customer leaves the store with empty hands because his choice was not available in the store”.

Because of dual socialisation and personality development of these entrepreneurs, they were found favourable and adaptable with multi-ethnic and multi-cultural trends of the UK market. Majority of participating entrepreneurs were found of the opinion that Pakistani-owned companies could survive and grow in the UK market while fulfilling the requirements of both (Asian and British) cultures in terms of people management and their business activities. Bi-cultural image of these companies is quite evident by the fact that majority of their staff consists of Asian migrants and British born Asians. However, ratio of staff between these two categories varies from small to medium organizations. Overall these companies prefer multi-lingual staff to deal with multi-lingual customers. Migrated staffs prefer to speak their native languages while dealing with migrated customers, particularly while dealing with first generation customers. On the other hand British born staffs prefer to communicate in English while dealing with British born customers, particularly with second and third generation customers. Wider mix of Pakistanis, Indians, and Bangladeshis was seen working with these companies. There is small number of Africans, Europeans, and white British employees working with these companies. The following table provides ethnic-based distribution of employees working in these companies.

Table 1: Ethnic based distribution of staff (the figures emerged out of primary data)

S/N	Name of the company	Size of the company	Total staff	Pakistanis	Indians	Bangladeshis	Others: Black /white /Europeans
1	Al-Huzafa Foods	Small	18	11	4	2	1
2	Bestway Cash & Carry	Medium	108	69	18	14	7
3	Bedfordshire Accommodation Bureau	Medium	59	35	10	5	9
4	Chiltern Hotel & Restaurant	Medium	67	42	8	7	10
5	Kashmir International	Small	20	13	4	3	0
6	Memsaab Boutique	Small	25	15	6	2	2
7	Q & A (The Grill House)	Small	21	13	4	3	1
	Total companies)	7 3 Medium 4 Small	318	198	54	36	30

Source: Primary data gathered through case studies

The above table reflects a clear majority of Pakistanis with the figure of 198 (62 %) working in these companies; whereas 38 % employees belong to other communities (Indians, 54; Bangladeshi, 36; others, 30 = 120). Overall, bi-cultural approach of the people working in these companies is playing an important role in maintaining a bi-cultural image of these companies among multi-ethnic customers. The Pakistani entrepreneurs and managers had

learnt the culture of contentment, hospitality, generosity, informality, flexibility, tolerance, brotherhood, and religious commitment from Pakistan; and the culture of formality, equality, punctuality, quality, system, procedures and discipline while living and working in the UK. The dual socialization and behavioural formation of these entrepreneurs contributed a lot in developing a bi-cultural and dual profile of these companies in the UK's multi-ethnic business environment. In other words, their profiles are a mix of traditional (Pakistani-orientation), and modern (British-orientation) styles and strategies.

Knowledge and experience

The entrepreneurs and managers clearly acknowledged the role of their pre-business knowledge and experience in strategic evolution and growth of their businesses. It was a pleasant surprise for the researcher that all of them were University Graduates (as evident in table below), and most of them had earned professional degrees in the field of business, commerce, finance, law and information technology. Also they had spent many years while working with other companies and had acquired a reasonable level of competency and confidence to start their own business instead of working with others. Indeed their business initiatives in the UK were reinforced by their pre-business knowledge and experience and also their general exposure about opportunities and problems of this country.

The following table provides a brief view of their academic strengths before start of their own businesses.

Table 2: Academic profiles of entrepreneurs and managers (data emerged out of primary investigation)

S/N	Name of entrepreneurs/managers	Companies	Designations	Qualifications	Country
1	Mr. S Hussain	Kashmir International	Director/General Manager	MBA (Master of Business Administration)	Pakistan
2	Mr. R A Malik	Kashmir International	Business Manager	MPA (Master of Public Administration)	Pakistan
3	Mr. M K Chohdry	Kashmir International	Office & Staff Manager	M. Com (Master of Commerce)	Pakistan
4	Mr. S Hussain	Al-Huzafa Foods	Director	M. Com (Master of Commerce)	Pakistan
5	Mrs. S Hussain	Al-Huzafa Foods	General Manger	Bachelor of Law	UK
6	Mr. M H Butt	Memsaab Boutique	Director	B. A. (Bachelor of Arts)	Pakistan
7	Mrs. M H Butt	Memsaab Boutique	Business Manager	Diploma in textile designing	UK
8	Mr. A A Shah	Bedfordshire Accommodation Bureau	General Manager	M.A. (Accounting & Finance)	UK
9	Mr. Z A Shah	Bedfordshire Accommodation Bureau	Office & staff manager	BSc. Information Technology	UK

10	Mr. I A Shah	Bedfordshire Accommodation Bureau	Legal Advisor	Bachelor of Law	UK
11	Mr. T A Khan	Q & A (The Grill House)	General Manager	B. A. (Bachelor of Arts)	Pakistan
12	Mr. S Khan	Chiltern Hotel	Director	M.A. (Master of Arts)	Pakistan
13	Mr. S A Malik	Bestway Cash & Carry	General Manager	B.A. (Bachelor of Arts)	Pakistan
14	Mr. A Pervez	Bestway Cash & Carry	Owner and Director	MBA ((Master of Business Administration)	UK

Above table indicates the fact that entrepreneurs and managers of these companies were highly qualified with professional degrees before start of their businesses. Their academic achievements had played a vital role in their personal and professional development. While highlighting the role of education in personal development, Mr. S Khan said: “After completion of education, there was a complete change in my personality in terms of knowledge, vision, confidence and life styles. Education played an important role in my character building and social development”.

Before start of his own independent business in 2006, Mr. Khan had been working for different financial and business institutions in Pakistan (1975-78) and the UK (1980-90) for the period of about 15 years. In 1990 he joined a real estate business in the area of west London as partner and availed an important opportunity to enhance his entrepreneurial and operational skills while performing as co-partner and practicing employer in the field of housing and letting. As a matter of fact Mr. Khan had achieved enough financial and professional potential while performing at different positions in different companies before taking a formal start of his own business in the name of ‘Chiltern Hotel’ in 1906. He started as a small company with 35 employees and within 6 years he had converted his company into a medium sized company with 67 employees.

Similar situation was observed in other companies. Because of their academic backgrounds, they had availed better job opportunities in this country compared to immigrants with ordinary qualifications. These opportunities had provided them appropriate platforms to improve their ability and skills while performing at different administrative and operational positions. For another example, Mr. G H Shah (Bedfordshire Accommodation Bureau) gave notable comments about role of pre-business period in his personal and professional development: “Before start of my own business in 1994, I spent almost 25 years of my life while working with different companies including restaurants and factories. I should duly acknowledge that these 25 years contributed a lot in my personal and professional development in this country. I had improved my communication and interpersonal skills; I had achieved a lot of experience to deal with employers, employees, customers and legal institutions. Above all, I achieved a lot of courage and confidence to take big risks for big gains in this country”. Indeed, 25 years long experience and exposure had given a big boost to Mr. Shah to start his own business to make a brighter financial career in this country. He took start with a micro company in 1994, and now after passage of 19 years, he is owner of a medium sized real estate company of 59 employees with millions of turnover per years. He is one of successful businessmen in the county of Bedfordshire. Above paragraphs provide some examples of a pivotal role of

academic background and practical experience of entrepreneurs and managers in the evolution, growth and development of successful enterprises in this county. In this perspective, it is strongly recommended that to start any type of business in the UK, one must be familiar and experienced about opportunities and problems and also about legal requirements and obligations to open and carry on the business.

Well thought-out business decisions

The case-based empirical research further revealed that owner-managers of these companies had spent a lot of time in searching and evaluating different opportunities to take more and more appropriate business initiatives with wider scope and brighter prospects of success in the market. They had obtained a reasonable knowledge about existing markets in terms of products and services, customers, competitors, needs and trends of the market. Majority of them had undertaken informal studies around proposed markets before throwing their resources at the mercy of the market. They also consulted their close relatives, friends and notables around them to reach at right conclusions. While highlighting his pre-business study of the market, Mr. M H Butt said: “Without any formal feasibility studies I had been keenly observing business activities of different retail and whole sale businesses in and around Luton. Close observation of products and services, sellers, buyers, buying patterns, and informal conversation with suppliers, employers, employees and customers were the main sources of my feasibility studies. Indeed it was a painstaking and time taking process to reach at right conclusions”.

It is very much important for new comers in the field of business to have a thorough knowledge of markets and marketers. It is not sensible to take immature business decisions without having enough knowledge of opportunities and problems of the market. In addition to market awareness, new entrepreneurs need to conduct consultations with experienced people from their relatives, friends and familiars. Mr. S Hussain duly consulted his relatives /associates before taking a formal decision to start his own business: “Before taking a formal start of the business, I consulted my close relatives in the UK including my in-laws, cousins, my parents and brothers in Pakistan, also my close friends and important community members and discussed with them prospects of the business in the chosen segment of the market”. Similar views were shared by the majority of participating respondents including Mr. G H Shah, Mr. R A Malik, Mr. S Hussain, Mr. S Malik and Mr. T A Khan. They also highlighted the role of pre-business feasibility studies and brainstorming process to facilitate appropriate business decisions in terms of products and services, target market, target customers and selection of attractive locations for their business set-ups.

Here it is pertinent to quote a beautiful example from views of Mr. R A Malik who particularly mentioned about selection of an appropriate and attractive location for his business. He remarked:

“We are located at Bury Park - an established and crowded Asian market with majority of Pakistani and Kashmiri people. Here over 70 % businesses are owned by Pakistanis, hence a large number of Pakistani people visit this market regularly to buy a wider mix of products. An extensive network of hotels, restaurants, general stores, and mosques (worship place for Muslims), Barclay’s bank, post office, library, community centre and many other utilities and public centres are located in and around Bury Park. Therefore, it was an ideal place for Asians to invest their resources, devote their efforts and ensure prosperity for their future generations”. Similar views were expressed by Mrs. S Hussain as follows: “After spending a couple of weeks in searching an appropriate location for the business, I succeeded in searching a spacious warehouse on Leagrave Road

Luton. It was a corner premises located at cross-roads where a spacious parking space was also available. The adjacent area was thickly populated with multi-ethnic people including Asian, African and European immigrants. Particularly, there was less competition in the area in the existence of 2-3 small ethnic stores. There was a wider scope to establish a big departmental store to serve multi-ethnic community of the market". Mr. Malik, Mr. Hussain, Mr. Khan and others clearly acknowledged the leading role of an approachable, comfortable and crowded location behind a speedy promotion and penetration of these businesses with a rising trend of their performance indicators. Overall outcomes of these businesses proved that well-thought out business decisions based on critical and careful study of the internal and external factors of the market played a role in strategic evolution and growth of these companies in a multi-ethnic and multi-cultural business environment of the UK.

Clarity of goals and objectives

While exploring the role of background factors in shaping strategic orientations of these companies, it was found that alongside other factors, 'clarity of goals and objectives' also contributed a lot in keeping them at right tracks towards better outcomes of their investment. Participating entrepreneurs and managers were found of the opinion that a company needs to clarify idealistic ways and directions to ensure maximum return on investment. Mr. A Shah highlighted three main objectives of his company: "Right from the beginning to date, we are pursuing three objectives - credibility, professionalism and discipline. Indeed, these objectives provide basic guidelines to the company management about all types of administrative and operational activities".

Credibility factor is almost common in these companies. They are doing their best to build-up a professional and trustworthy image of their companies in the minds of suppliers, employees, customers and institutions. Quality, variety, price economy and winning loyal customers are some examples of idealistic objectives of these companies. While giving a brief view of his company objectives Mr. H Butt said: "We aim to lead in quality, variety and fashions, to maximise turnover through market penetration and to build-up a credible image among all stakeholders of the company in order to grow and succeed in the presence of huge competition in the market".

In all of above examples there are many lessons for new investors to start, to grow and succeed even in the existence of hundreds of competitors in the same market. The following figure presents an overview of idealistic goals and objectives as were enumerated by participating respondents.

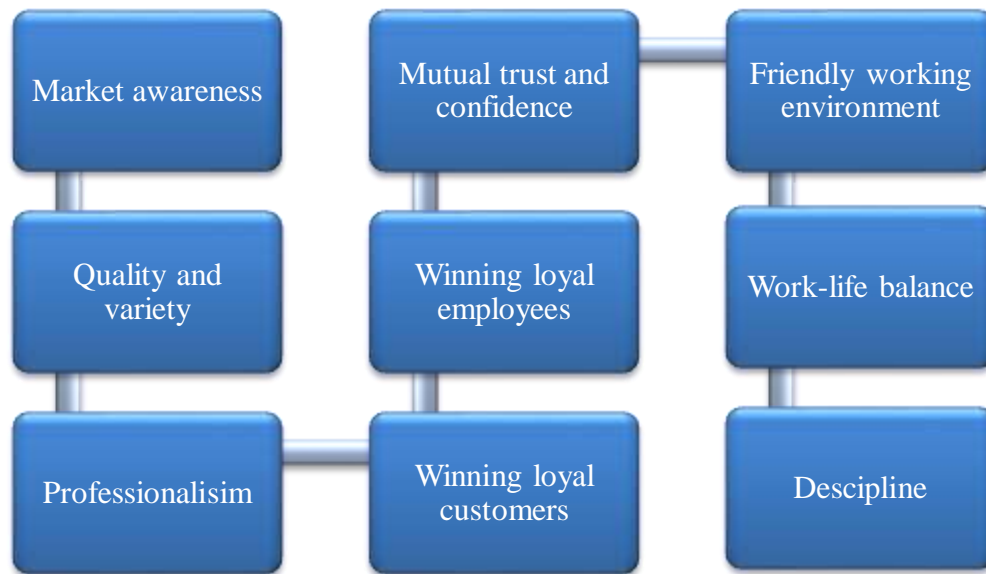


Figure 2: An overview of idealistic goals and objectives of these companies

Source: Primary data emerged out of interviews.

The objectives displayed in above model provide an overview of leading goals and objectives of these companies. New companies need to set clear, specific, approachable and affordable business objectives before launching their business program in the market. After setting their objectives, entrepreneurs and managers need to get continuous light from these idealistic objectives to move forward towards their ultimate goals and objectives related to turnover, market share and return on investment.

CONCLUSIONS

Overall findings of the study revealed that there is long background history of Pakistani-owned SMEs in the UK. Pakistani origin entrepreneurs had spent many years of their lives as employees in different small and large enterprises. Majority of them started their career as labourer such as waiter, factory worker, taxi driver and were gradually elevated at different managerial and administrative positions by the passage of time. It took longer time to familiarise them with multi-cultural environment of the UK. They worked with keen interest and sincerity and left no stone unturned to develop their professional career in a new country. After achieving reasonable work experience and familiarising them about operational structure and system of different business institutions, they took some initiatives to start their own businesses at micro and small levels and became owner managers of their businesses.

The investigation of seven SMEs in the area of Bedfordshire London revealed the fact that all of the entrepreneurs took start with limited resources. Majority of them depended on borrowed money from their close relatives and friends. Majority of their staffs consisted of close relatives and friends. They were hired at very low wages; even some of them offered their services voluntarily to reduce financial pressure at very beginning of these companies. A unique feature of family support for these entrepreneurs was related to '*Joint family system*' which rarely happens in white families. Their basic economic strengths were the result of joint family

system. They got enough confidence to take some bold initiatives while living with close relatives. Education was another factor which contributed a lot in evolution and growth of these businesses. The entrepreneurs and senior managers of these companies were highly qualified having professional degrees such as business, commerce, law and Information Technology. Because of sound academic background and pre-business experience, they were competent enough to invest their resources in the businesses with brighter prospects of growth and development. Analysis of the data further revealed that moral and social development of these entrepreneurs while living in Pakistan and the UK motivated them to develop friendly and trustworthy relations with their suppliers, employees and customers. Behavioural formation of entrepreneurs and managers was linked back to their elders. The family factor had played a key role in their moral and social development while living in Pakistan. Their personality traits were mainly grown in a typical Asian family culture of Pakistan. Asian originated dynamics of their personalities had been playing an important role in shaping business and people management styles and strategies of these companies. These styles were mainly reflected by tolerance, equality and fair play with all stake holders.

The study further discovered that dual socialization of entrepreneurs and managers while living and working in Pakistan and the UK had played an important role in developing a bi-cultural image of Pakistani-owned SMEs in the UK. They were playing their role as '*bi-cultural mediators*' seeking to reflect a moderate and bi-cultural image of their businesses to survive and succeed in a multi-cultural market of the UK. The products and services, employees, languages, communication patterns and overall working environment of these companies present a '*multi-styled exposure*' to attract attention of customers from diverse backgrounds. Because of dual socialisation and personality development of these entrepreneurs, they were found favourable and adaptable with multi-ethnic and multi-cultural trends of the UK market. The open secret of their success stories in the UK's multicultural business environment was linked to '*well thought-out*' business decisions. They had spent a lot of time in searching and evaluating different opportunities to take more and more appropriate business initiatives with wider scope and brighter prospects of success in the market. They had obtained a reasonable knowledge about existing markets in terms of products and services, customers, competitors, needs and trends of the market. Majority of them had undertaken informal studies around proposed markets before throwing their resources at the mercy of the market. Overall outcomes of these businesses proved that well-thought out business decisions based on critical and careful study of the internal and external factors of the market played a role in strategic evolution and growth of these companies in a multi-ethnic and multi-cultural business environment of the UK.

REFERENCES

- Barclays Bank (2005), Black and Minority Ethnic Business Owners: A market research perspective, London: Barclays SME research team.
- Basu, A. (1998), "An exploration of entrepreneurial activity among Asian small businesses in Britain", *Small Business Economics*, no. 10, pp. 313-26.
- Basu, A., Goswami, A. (1999), Determinants of South Asian Entrepreneurial Growth in Britain: A Multivariate Analysis. *Small Business Economics*, 13(1), 57-70.
- Creswell, J. W. (2003) *Research design: Qualitative, quantitative, and mixed method approaches*, eds. 2, SAGE publication: USA.

- Crick, D., Chaudhry, S., Batstone, S. (2002), An investigation into the overseas expansion of small Asian-owned U.K. firms, *The Journal of Small Business Economics*, 16(2), 75-94.
- Deakins, D., Ishaq M., Smallbone, D., Whittam, G. and Wyper, J. (2005), "Minority ethnic enterprise in Scotland: a national study", Final Research Report for the Scottish Executive, Edinburgh.
- Ekwulugo F. (2012) "Ethnic Minority Businesses: Challenges and Agenda for Research", Paper presented to the ISBE (*Institute for Small Business and Entrepreneurship*) 2012 Conference held at Dublin Ireland.
- European Commission (2003) *SMEs in Europe* [online] Available from: <http://www.european.eu_int/comm_enterprise/enterprise_policy/analysis/doc/smes_observatory_2003_report7_en.pdf> [Accessed 27 August 13]
- Frankel R. M. and Devers, K. J. (2000) Study design in qualitative research: Developing questions and assessing resource needs. *Education for Health*, Vol. 13, No. 2, 2000, p. 251-261.
- Healey, M. J. and Rawlinson, M. B. (1994) Interviewing business owners and managers: A review of methods and techniques. *Geoforum*, 24: 3, 339-55.
- Jankowicz, A. D. (2005) *Business Research Projects*, (4th edn.) London: Business Press Thomson Learning.
- Kaloosterman, R., Van Lune, J. and Rath, J. (2005), "Mixed Embeddedness: immigrant entrepreneurship and informal economic activities", *International Journal of Urban and Regional Research*, 23 pp, 253-67.
- Kongolo, M. (2010) Job creation versus job shedding and the role of SMEs in economic development. *African Journal of Management*, Vol. 4 (11), pp. 2288-2295.
- Mascarenhas-Keyes, S. (2006) "Ethnic Minority Small and Medium Sized Enterprise in England: Diversity and Challenges", paper presented to the 51st conference of the International Council for Small Business, Melbourne, Australia 18-21 June 2006.
- Ram, M and Smallbone, D. (2003), "Policies to support Ethnic Minority Enterprise: the English Experience", *Entrepreneurship and Regional Development*, Vol. 15, No. 2, pp. 151-66.
- Ram, M. (2002), "Unravelling Social Networks in ethnic Minority firms", *International Small Business Journal*, Vol. 12 No. 3, pp. 42-53.
- Ram, M. and Jones, T. (2008) "Ethnic Minority Businesses in the UK: An overview", *Migrações Journal - Special Issue on Immigrant Entrepreneurship*, October 2008, n. 3, Lisbon: ACIDI, pp. 61-71
- Saunders, M., Lewis, P. and Thornhill, A. (2007) *Research Methods for Business Students*. Harlow, UK: Prentice Hall Financial Times.
- Tashakkori, A. and Teddlie, C. (2003) *Handbook of Mixed Methods in Social & Behavioral Research*. Thousand Oaks: Sage.