KEY FACTORS AND FORCES THAT SHAPED THE BABY-BOOMER GENERATION OF ETHNIC CHINESE ENTREPRENEURSHIP IN AUSTRALIA

PhD Thesis Submitted by

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ABSTRACT

There has been increasing interest in the forces shaping the global shift of economic and financial power from the Western world to Asia since the end of the 20th century. Part of that focus has been on China and business entrepreneurship within China. Concomitantly, there has been a re-focus of interest on the Overseas Chinese or Ethnic Chinese outside of China – that is, people of Chinese ancestry who live in various countries such as Australia, US, UK, New Zealand, Canada, and especially Southeast Asia.

This study has specifically focused on the baby-boomer generation of Ethnic Chinese with business entrepreneurship in Australia. The goal was to seek a better understanding of the key forces and factors that shape and influence this generation of Ethnic Chinese business entrepreneurs in Australia.

While there have been previous research and publications on Ethnic Chinese business entrepreneurship, there has never been research focused specifically on the baby-boomer generation of Ethnic Chinese business entrepreneurs.

Therefore, this study is an important contribution to knowledge and understanding of the baby-boomer generation of Ethnic Chinese business entrepreneurship in Australia. It fills a gap in the existing research and literature.

In addition to creating a framework for better understanding the baby-boomer generation of Ethnic Chinese business entrepreneurship, a model emerged from the research. It is called the Tri-Cluster Model and is a useful tool as a basis for further research and understanding of Ethnic Chinese business entrepreneurship.
ACKNOWLEDGEMENTS

Undertaking a PhD research project and writing a lengthy thesis is often a lonely endeavor – those who have already done it before me can testify to this. Doing my PhD part-time while working full-time, I have been fortunate enough to be assisted by various kind and generous people who unreservedly helped me on my journey over a period of about eight years.

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Anyone else that I might not have mentioned individually, thank you very much.

Geoffrey T.M. Chow
DECLARATION

In compliance with requirements relating to submission of a thesis for the degree of Doctor of Philosophy of Swinburne University of Technology, the following declarations are made.

I hereby certify that, unless otherwise stated, the work that follows is mine and has not been submitted for a higher degree to any other institution or university.

Geoffrey T.M. Chow
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PART ONE

BACKGROUND

PART ONE CHAPTERS

The following chapters are covered in this first part:

Chapter 1 – Introduction to thesis
Chapter 2 – Ethnic Chinese, China, Southeast Asia and Beyond

Part One of this thesis introduces the research background, and provides essential background information about the Ethnic Chinese – the main focus group of this study.

Chapter 1 briefly describes the research background, the rationale and objectives of the research, the research methods, techniques and conceptual framework, and the thesis structure.

Chapter 2 provides an overview of background information on the Ethnic Chinese, their culture, their relationship with China, and their relationship with Southeast Asia, which is the region where they predominantly reside outside of China.
CHAPTER 1
INTRODUCTION TO THESIS

1.1 PROLOGUE

The success of Ethnic Chinese business entrepreneurs in Southeast Asia is legendary and has been well-documented (Kao 1993; Ma 2003; Mackie 1992; Yan 2008; Yeung 2006). Yet while Ethnic Chinese business entrepreneurs in Australia have had a reasonable measure of success, it has not been as spectacular as in Southeast Asia (Collins 2002; Lever-Tracy 2002). The primary goal of this study was to provide a better understanding of this phenomenon; based on the selected Ethnic Chinese business entrepreneurs within Australia that pertain to the baby-boomer generation\(^1\). More specifically, this study is an in-depth exploration of the baby-boomer generation of Ethnic Chinese business entrepreneurs in Australia. It examines the factors and forces that shape and influence their behaviours and motivations as business entrepreneurs.

The ‘baby-boomer generation’ refers to persons born after World War 2, between 1946 and 1964 (Masnick et al 2011; Butrica et al 2003). There have been questions about defining a group of people by such a term. However, the term ‘baby-boomer generation’ has been commonly used by social scientists, analysts, government officials and media throughout the world (Masnick 2012).

The baby-boomer generation is a global phenomenon that emerged after military service men and women returned home after World War 2. These service men and women settled back into a normal life after six years of war and conflicts; and an increase in offspring occurred as they reunited with their spouses and partners. Through natural births and migration, the United States of America recorded more than 75 million baby boomers (Butrica et al 2003) in

\(^1\) ‘The baby-boomer generation’ refers to persons born after World War 2, between 1946 and 1964.
a population of 340 million; Australia had approximately 5.5 million baby-boomers in 2006 (Quine & Carter 2006) out of a total population of just under 20 million. Many countries experienced the same phenomenon.

The importance of baby boomers on developed societies is both economic and social. First, as a generational group it is the largest in numerical strength (Butrica et al 2003). As a group, they represent the largest market for products and services (Green 2006). As consumers, they have great market power and receive due attention from marketers (Cleaver & Muller 2002) and companies/governments.

Second, the baby-boomer generation, men and women between the age range of 50 and 68, still hold the majority of leadership positions in business, governments, politics, education and nearly every field of human endeavours (Willets 2010). Decision-making is centred in the hands of this generational group.

As a group that has both market and position power, the baby-boomer generation also holds the greatest amount of wealth compared to other generations. As they currently have the greatest wealth and power, sometimes the baby-boomer generation is criticised for its domination of society (Willets 2010).

As the oldest of the baby boomers (i.e. in their late 60s) edge towards retirement, their impact on society is just as important. Governments have to plan for their retirement – a range of services from housing to pensions needs to be provided for this generation (Masnick et al 2011). Businesses and corporations have to plan succession for the next generations to take over. As a group, the baby-boomer generation have attracted much attention and have been studied intensely by scholars and the business world alike.

This qualitative study of Ethnic Chinese business entrepreneurs was conducted in order to develop an enhanced understanding of the development of Ethnic Chinese business entrepreneurship among the baby-boomer generation in Australia. By identifying their motivations and behaviours, we can
begin to have a deeper understanding of baby-boomer Ethnic Chinese business entrepreneurship in Australia.

The main objective of this study was to develop a framework for understanding the characteristics of baby-boomer Ethnic Chinese business entrepreneurs in Australia. The following items are covered in this chapter:

- Background (Section 1.2)
- Rationale and Objectives (Section 1.3)
- Research Questions (Section 1.4)
- Conceptual Framework, Methods and Techniques (Section 1.5)
- Structure and Organisation of the Thesis (Section 1.6).

In this study, the term ‘Ethnic Chinese’, ‘Overseas Chinese’ and ‘Chinese Overseas’ are used interchangeably, as they appear in the existing literature. In recent times, scholars of Chinese studies in particular advocate the use of the term ‘Chinese Overseas’ (Kwok 1999; Pan 2006).

1.2 BACKGROUND

China was and continues to be the main source of migrants of Ethnic Chinese populations to other parts of the world (Wang 2002). Concomitant to this is the fact that China is also the source or influencer of Chinese culture for Chinese outside of China. While many Overseas Chinese have settled well into their adopted countries, many still have cultural links to China, including growing economic and business ties in more recent years.

The ‘re-emergence’ of China as a significant economic and regional power (Shenkar 2005) in the past two decades also means that Overseas Chinese who have settled around the world have been influenced or affected by this phenomenon. This is especially true for Overseas Chinese involved in business enterprises.
China has now become a huge and attractive market to conduct business, trade and investment, as well as a source for goods, especially manufactured goods. Many Overseas Chinese have taken advantage of the ethnic and cultural links they have back in China, and have developed the corresponding business opportunities presented to them.

Overseas Chinese living in various countries (the majority being nationals and loyal citizens of these countries) have also become a ‘bridge’ linking those countries and China. They have facilitated business relationships and trade for their own ethnic community, as well as for other communities in the countries they have migrated to and adopted.

Historically, waves of Chinese migration followed wars, political instability, dynastic changes, increased population pressure, poverty, famine, and natural calamities such as massive floods or earthquakes. Yet movements of populations were most often internal within the Empire of China. That is, populations voluntarily moved or were forced to move within the boundaries of the sovereign state. This happened over a long period of more than 2,000 years (221 BC to 1911 AD, from the First Emperor to the Last Emperor respectively) within the Empire of China.

However, population movements were also sometimes to destinations outside of China. This was where the notion of the ‘Chinese Diaspora’ appeared (Pan 1994). Emigrants from China have spread throughout the world and can be found in almost every country or every part of the globe (Pan 2006).

In the mid-1800s, gold rushes in the USA and Australia attracted many Chinese migrants looking for a fortune or to escape poverty in China. Famines and wars in China also resulted in waves of migration to many other parts of the world. In 1949, the establishment of the People’s Republic of China caused many to flee China for Taiwan, Hong Kong, Southeast Asia, and other parts of the world such as Europe, the USA and Australia.

Those Chinese who were considered ‘Overseas Chinese’ migrated from China in the latter part of the 19th century and throughout the 20th century (Suryadinata
1985). They originated mainly from the coastal areas of southern China – mostly from the provinces of Guangdong and Fujian, as well as from the island of Hainan at the southern tip of Mainland China. Categorised by dialect and sub-dialect groupings, these Chinese emigrants were the Cantonese, Fuzhou, Hainanese, Hakka, Henghua, Hokchia, Hokkien and Teochiu (Haley et al 1998). Destinations of emigration within Southeast Asia included Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam and Taiwan (Haley et al 1998).

Expressing a dissenting view, Emeritus Professor Wang GungWu, a world authority on Overseas Chinese, argued in an interview with *Asian Affairs* that the term ‘Chinese Diaspora’ had been wrongly used to describe the 19th and 20th century instances of Chinese emigration (Wang 2006). He stated that most of the emigrants were not wealthy traders or businessmen, but poor ‘journeymen’ from rural areas of China. He also argued that the word ‘diaspora’ gives a connotation that these emigrants were a cohesive group, and that this was far from the truth.

Pan (2006) documented in *The Encyclopaedia of Chinese Overseas* the spread and settlement of Ethnic Chinese to various parts of Southeast Asia and other parts of the world, including Australia, in the post-World War 2 era. Ethnic Chinese migrants have not only originated from China, but also from Hong Kong and Taiwan during the past few decades. They have come in the form of students or as relatives of eligible migrants, and in more recent years as business migrants.

These Ethnic Chinese migrants, by and large, have integrated well into their respective adopted countries. Some found employment, some either by choice or circumstances started their own business, and some have become very successful business entrepreneurs.
1.3 RATIONALE AND OBJECTIVES

The primary objectives of this study were as follow:

1. To develop a framework for understanding the characteristics of the baby-boomer generation of Ethnic Chinese business entrepreneurship in Australia.

2. To understand, in greater depth, factors and forces that shape the motivations and behaviours for the baby-boomer generation of Ethnic Chinese business entrepreneurship in Australia.

3. To fill a gap in the paucity of research on the baby-boomer generation of Ethnic Chinese business entrepreneurship in Australia.

Schumpeter (1934, 1939) spelled out the groundwork on how the entrepreneurial process works. In addition, Wennekers et al (1999) explained economic growth in relation to entrepreneurial success. Schumpeter’s working definition of entrepreneurship has been used in this study. Essentially, it relates to how Ethnic Chinese start their business enterprises by using the resources, knowledge and experiences available to them to identify opportunities and exploit those opportunities and, if successful, the outcome of these entrepreneurial activities for themselves and for the national economy as a whole.

Immigration and migrants have been significant in shaping Australia’s economy and national identity since the founding of modern Australia. Australian Bureau of Statistics data, for example, found that one in every four persons in Australia’s population in 2006 was born outside of the country (ABS 2006). These migrants, together with their children, comprise more than half of the population of the largest cities in Australia (Collins 1991, 2002).

The Ethnic Chinese economic contribution has been significant in Australia and other countries. The study of Ethnic Chinese in general is fairly extensive (Backman 1995; Chin 1988; Collins 2002, 2003), yet little research has previously been conducted specifically on the baby-boomer generation of Ethnic Chinese business entrepreneurs. Little has been revealed about how
this post-World War 2 generation of Ethnic Chinese business entrepreneurs, born between 1946 and 1965, learned to conduct business, and what forces influenced and shaped their behaviour. There was therefore a pressing need to better understand this baby-boomer generation of Ethnic Chinese business entrepreneurs who are nearing the end of their active business lives, and this study focuses on Australia.

The Ethnic Chinese baby boomers, whether they have migrated from other lands or were born in Australia, are a significant proportion of their Australian communities. Likewise, they hold significant power and wealth compared with other generations. Therefore, as they approach retirement age, obtaining an in-depth understanding while they are still active in business enterprises is important. This will help to better understand how this generation has and will shape and influence the next two generations – Generation X and Generation Y. According to Masnick (2012), Generation X is the generation that follows the baby-boomer generation – this generation are those born between 1965 and 1984; while Generation Y are those born between 1985 and 2004. This is based on a 20-year period for each generation. The baby-boomer generation is the one immediately after World War 2. The pre-World War 2 generation is logically the generation prior to the baby-boomer generation, and is discussed at length in Chapter 6 Methodology. The pre-World War 2 generation serves as a reference to the subsequent baby-boomer generation, which is the focus of this study.

This research study highlights the importance of better understanding the dimensions of the factors and forces that influence and shape the baby-boomer generation of Ethnic Chinese business entrepreneurs in Australia. The factors and forces are both internal and external, and by better understanding them, one can grasp and understand more fully the behaviour of this generation of Ethnic Chinese business entrepreneurs in Australia.

The development of the framework for better understanding the baby-boomer generation of Ethnic Chinese business entrepreneurs in Australia and the Tri-Cluster Model that emerged is considered a key contribution to academic
knowledge for those seeking to understand the Ethnic Chinese business entrepreneurs in Australia.

The Tri-Cluster Model developed in this thesis is useful and applicable for further research in related areas – for example, on Ethnic Chinese Generation X or Generation Y. As such, the Tri-Cluster Model is a worthwhile contribution to academic pursuit, particularly in an era where a heavy emphasis is placed on improving business ties with Asian countries.

In the corporate world, business enterprises and businesspeople may benefit from a greater understanding of the factors and forces that have influenced and shaped the behaviour of Ethnic Chinese business entrepreneurs in Australia. Businesspeople from all walks of life in Australia come into contact with these entrepreneurs, and some even deal directly with them.

Therefore, understanding and applying the Tri-Cluster Model in the contexts of practical business situations, organisations and businesspeople will hope to more adequately deal with Ethnic Chinese business entrepreneurs in Australia. For example, one facet of Ethnic Chinese business is often the active involvement of the spouse but not children. It will therefore be advisable in business negotiations to communicate with the husband-wife team at one time. Otherwise, one could be negotiating with half a team, while perhaps the other half of the team may be more relevant or just as important to deal with. With such knowledge, business negotiations will be enhanced, and time wasting (e.g. having to wait for agreement from the spouse) will be avoided.

1.4 RESEARCH QUESTIONS

The questions this study sought to answer are:

1. What are some of the internal factors and how do these influence the baby-boomer generation of Ethnic Chinese business entrepreneurship in Australia?
2. What are the external factors and how do these influence the baby-boomer generation of Ethnic Chinese business entrepreneurship in Australia?

3. How do the factors mentioned in items 1 and 2 above influence and shape the business behaviour of the baby-boomer generation of Ethnic Chinese entrepreneurship in Australia?

The answers to the above questions will help us better understand the baby-boomer generation of Ethnic Chinese business entrepreneurship in Australia. A model helping to frame their characteristics may also arise from this.

The most important step was to identify these research questions based on an extensive literature review, including the parent literature in the context of family, social and business' networking, business ownership and control, and business entrepreneurship – areas assumed to influence business decision-making among the Ethnic Chinese.

A conceptual framework was then established after reviewing existing literature. A set of questions for conducting in-depth interviews was designed based on the conceptual framework, and was pre-tested to gauge its usefulness in collecting data. The actual fieldwork investigations were mainly conducted through personal interviews with the selected business entrepreneurs (i.e. research subjects).

In brief, the main steps of the study process were research problem identification, literature review, establishment of a conceptual framework, questionnaire design and pre-testing of questions, data collection, data analysis, interpretation of data, and the write-up of this thesis. These steps were not necessarily sequential; the research process was essentially reiterative. However, all steps had been carried out by the time this study was completed.
1.5 BRIEF CONCEPTUAL FRAMEWORK
METHODS AND TECHNIQUES

Figure 1.1: CONCEPTUAL FRAMEWORK OF THE RESEARCH PROJECT

Figure 1.1 illustrates the central thrust of the qualitative research that was proposed for this study – further details are provided in Chapter 6.

The research project methodology was based on the main principles and approach of qualitative research; and the case study mode of research methodology (Yin 1994) was used.

The general approach of this study was exploratory qualitative research with theory building. It was also qualitative data-driven. The study has no theory testing or hypothesis testing. Therefore, it logically follows that no hypothesis or no testing is found in the thesis.

The principal techniques for the primary research data collection were in-depth interviews and narratives with each of the target subjects. Informal observations also occurred where appropriate.

Figure 1.2 shows the general approach to data collection of this study – further details are provided in Chapter 6.
FIGURE 1.2: GENERAL APPROACH TO DATA COLLECTION – PRIMARY AND SECONDARY DATA
1.6 STRUCTURE AND ORGANISATION OF THE THESIS

The structure of this thesis is outlined in Figure 1.4 below. It consists of four major parts.

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FIGURE 1.3: STRUCTURE AND ORGANISATION OF THIS THESIS

**Part One** consists of two chapters. **Chapter 1** briefly describes the research background; the rationale and objectives of the research; the research methods, techniques and conceptual framework; and the thesis structure.

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Chapter 2 provides an overview of background information on the Ethnic Chinese, their culture, their relationship with China, and their relationship with Southeast Asia which is the region where they predominantly resided outside of China.

Part Two comprises chapters that relate to the relevant literature pertaining to Ethnic Chinese business entrepreneurship. Chapter 3 describes the waves of migration and settlements of Ethnic Chinese to Australia. It recounts why, how and where the Chinese settled in their adopted country. Chapter 4 describes and analyses Ethnic Chinese business entrepreneurship and ethnic community economies within Australia. An informative dimension related to the characteristics of successful Ethnic Chinese Business entrepreneurs is described in Chapter 5.

Part Three provides the conceptual framework and research methodology of the study. Chapter 6 is concerned with the construction of a master framework and the conceptual framework for the research project. In addition to the development of the theoretical foundation upon which the research was built, this chapter also describes the research design, data collection and analysis, particularly the case research methodology, data collection procedures and data analysis techniques.

Part Four consists of six chapters – 7, 8, 9, 10, 11 and 12. Chapters 7, 8 and 9 contain the detailed analysis and empirical findings of the research project. A summary of the research results and data analysis are presented in Chapter 10. Chapter 11 shows the development of a new framework and a model for better understanding the baby-boomer generation of Ethnic Chinese business entrepreneurs. The thesis concludes in Chapter 12, by presenting the conclusions and implications of the research findings pertaining to both theory and practice, addressing the limitations of the research, and outlining future research directions.
CHAPTER 2

OVERSEAS CHINESE

CHINA

SOUTHEAST ASIA AND BEYOND

2.1 PROLOGUE

This chapter begins by defining the Overseas Chinese. It then describes the Overseas Chinese in relation to China, officially known as the People’s Republic of China. The concept of and an overview of the Chinese Diaspora are also provided.

The following items are covered in this chapter:

- Definition of Overseas Chinese (Section 2.2)
- China vis-à-vis the Overseas Chinese (Section 2.3)
- Chinese Diaspora (Section 2.4)
- Epilogue (Section 2.5).

2.2 DEFINITION OF OVERSEAS CHINESE

The economic success of East Asian and most Southeast Asian economies during the past three decades has seldom been questioned. However, a rare ‘black mark’ relating to the region was the 1997 financial crisis, the so-called Asian Financial Crisis (El Kahal 2001; Lasserre & Schutte 1999). Although as a whole, the region did not take long to recover economically. Many observers and commentators were so impressed with the region’s speedy recovery that various labels have since been used to describe it, such as the ‘East Asian Economic Miracle’, ‘Asian Tigers’ or ‘Asian Mini-Dragons’ (Petri 1993). Each of these names was meant to denote the rapid economic growth of the relevant regional economies.
It was generally agreed that these economies, with the exception of Japan and South Korea, are dominated or largely controlled by the Overseas Chinese. China’s rapid growth and re-emergence as an economic superpower in the past three and a half decades, since opening up in 1979 to the ‘outside world’, has added credence to the claim that the East Asian region is a dynamic and important part of the global economy (Shenkar 2005). Different theories have been put forward to explain the success of these economies; and some of these will be highlighted in later chapters of this thesis.

To study Overseas Chinese business practices, one must first define what Overseas Chinese is. Two categories of Chinese can be identified: Chinese who are nationals of the People’s Republic of China (P. R. China, henceforth abbreviated to China) and the Overseas Chinese\(^2\). The latter are those Chinese who reside outside of China but still consider themselves as Chinese\(^3\), irrespective of their national status or their ability to speak or understand the Chinese language. The Overseas Chinese include those who reside in Hong Kong, Taiwan and Singapore, where the Chinese population is predominant; those in ASEAN countries where the Chinese population varies greatly in numbers in relation to the total populations (e.g. 2.5% in Indonesia up to 30% in Malaysia); the Chinese populations in North America, Europe and Australia; and those scattered in small numbers in other parts of the world. It was previously estimated by Kraar (1994) that there were about 55 million Overseas Chinese.

\(^2\) Also known as ‘Chinese Overseas’.

\(^3\) There are several interpretations of the term ‘Overseas Chinese’. Apart from the definition used here, at least three other interpretations have been used by other authors.
The definition of ‘Chinese’ in China is a legal one; the predominant group of Chinese (approximately 90% of the population) are called the Han people; and minorities of 55 officially recognised groups make up the rest of the population.

The term ‘Chinese’ usually refers to the Han people, including their customs, values, language (and dialects) and food. This includes the Chinese in China and the Overseas Chinese.

Kwok (1999) argued in an address to the 5th World Chinese Entrepreneurs Convention in Melbourne, Australia that the longstanding term ‘Overseas Chinese’ (Chinese sojourners) should in fact be reversed to ‘Chinese Overseas’, since most of them have settled, carried citizenship or obtained permanent residency status within their adopted lands. He later propositioned that these Overseas Chinese could be labelled “the global Chinese community” in view of the fact that they now live in a globalised world, connected only by being ‘Chinese’.

The Overseas Chinese business communities scattered around the world form a powerful global network with enormous financial clout. Kao (1993) of the Harvard Business School called this network the ‘Chinese Commonwealth’, which covers a diverse range of political and economic systems. He propositioned that this commonwealth is the fourth world economic power after North America, Europe and Japan. He went on to describe the characteristics of this commonwealth, highlighting the different business practices of the Chinese entrepreneurs. Kao’s analysis outlined a new emerging model of Chinese enterprise (Chinese entrepreneurship plus Western management practices and techniques); the availability of Chinese capital for investments across national boundaries; and the invisible or unofficial Chinese capital market. The concept of ‘knowledge arbitrage’ was also put forward by Kao who anticipated a shift to the role of international arbitrageur by Chinese businesspeople.

The Overseas Chinese cooperative web has evolved from hundreds of interlocking family companies and relationships held together by personal trust over several decades. The use of guanxi (personal connections) then extends
business connections to include political powers and networking with key figures in the countries where the Overseas Chinese operate. The Overseas Chinese often deal with each other, speaking the same language and sharing the same cultural bonds. Relationships are cultivated over many years; capital, political connections and practical information are then shared among themselves. The literature suggests that Overseas Chinese businesspeople are usually intensely private; the full details of finances and ownership structures are seldom revealed.

Many business practices of the Overseas Chinese are different from Western business techniques, methods, practices and thinking processes. It was previously proposed that Overseas Chinese business practices are still largely influenced by the values and beliefs of Confucian-based teachings and precepts (Kao 1993). An example is the attitude towards debt – that is, the propensity of the Overseas Chinese businesses to have a low debt/equity ratio. There is a high aversion to debt.

The Chinese business pioneers before World War 2 shared power reluctantly and only with family members. Their values included belief in hard work, strong family ties, frugality and education (Confucian virtues). They used these values as compelling rules to live by. Often wary of debt, Xinyong – a good reputation and solid credit rating – was ere considered a virtue. Much relating to this topic has also been written by Wang Gungwu (Wang 2003), a world authority on the Overseas Chinese.

More often than not, Overseas Chinese businesses were family-owned and were managed by members of the family. The advantages of family-based enterprises included: a) speed in decision-making; b) a long-term view of investments because ownership and management were firmly in the hands of a single family; and c) a focus on cash from the business.

Overseas Chinese in East Asia dominated trading, real estate and finance. Yet the transition from first generation entrepreneurial firms to that of a professional organisation – a potential challenge to the mode of Overseas Chinese enterprise – also meant moving to different business sectors, such as
infrastructure development. Knowledge arbitrage is significantly emerging as a business activity for the younger generation of Overseas Chinese businesspeople (Kao 1993).

### 2.3 CHINA VIS-À-VIS THE OVERSEAS CHINESE

The following main points are discussed in this section:

- Sources of Overseas Chinese migration
- Places and locations of migration
- Waves of emigration (e.g. gold rushes in the USA and Australia, famines and wars in China, and establishment of the People’s Republic of China in 1949)
- Overseas Chinese diaspora.

China was, and continues to this day, to be the source of the majority of movements of Overseas Chinese populations to other parts of the world. Concomitant to this is the fact that China is also the source or influencer of Chinese culture for Overseas Chinese. While many Overseas Chinese have settled well into their adopted countries, many still have cultural links to China, and in recent years growing economic and business ties.

The re-emergence of China as a significant economic and regional power (Shenkar 2005) in the last two decades of the 20th century, continuing unabated into the 21st century, also means that Overseas Chinese who have settled around the world have been influenced or affected by this phenomenon. This is especially true for Overseas Chinese involved in business enterprises.

China has become a potentially huge and attractive marketplace, as well as a source for goods, especially manufactured goods. Many Overseas Chinese have taken advantage of ethnic and cultural links and captured the business opportunities presented to them.

Overseas Chinese living in various countries (the majority are nationals and loyal citizens of these countries) have also become a ‘bridge’ linking those countries and China. They have facilitated business relationships as well as
trade for their own community, as well as for other communities in the countries they live in.

2.4 CHINESE DIASPORA

The concept of ‘diaspora’ has gained credence as a way to understand the complexities of global movements, and the shifting identities of migrants and their descendants in the dystopia of late modernity (Brubaker 2006). A diaspora is identified as a relational network, characteristically produced by forced dispersal and reluctant scattering (Gilroy 2000; Kuhn 2008). Similarly, Leung (2003) conceived diaspora as a dynamic patchwork, or a fluid collage made up of multiple and diverse journeys, sometimes diverging while other times overlapping, embarked upon by individual of a dispersed community.

Diaspora has been used in various ways in the literature. Traditionally, the concept of diaspora describes groups of people who have been dispersed from a common ancestral homeland and have settled in different places (Brubaker 2006). It also suggests that individuals living across the world identify collectively with each other, based on their adopted societies and the geographical place from which their ancestors originate (Levitt & Waters 2002). Earlier migration research suggested that migrants will sever physical linkages with their homeland as they become integrated into their adopted country. As such, diaspora is conceived as a geographic concept which focuses on ‘place’ or ‘location’.

2.4.1 MIGRATION OUT OF CHINA

Historically in China, the waves of migration have occurred when there have been wars, political instability, dynastic changes, increased population pressure, poverty, famine, and natural calamities such as massive floods or earthquakes. Movements of populations were most often internal within the Empire of China. However, population movements were sometimes to destinations outside of China. This is where the notion of the Chinese Diaspora first appeared (Pan 1994; Li & Xiao 2013). Emigrants from China spread
throughout the world and can now be found in almost every country or in every part of the world.

In the 1800s, gold rushes in North America, New Zealand and Australia attracted many Chinese migrants looking for a fortune or a way to escape poverty in China. Famines and wars in China also resulted in waves of migration to many other parts of the world.

2.4.2 CHINESE DIASPORA IN AUSTRALIA

In line with Wang’s argument, Chinese emigrant communities in Australia have not generally been homogeneous (Wang 2006). Although they may all call themselves ‘Chinese’ (‘Han Chinese’ to be exact), they differ according to dialects, sub-dialects, clans and family ties. These differences are then linked to the concept of qiaoxiang – their place of ancestral origin in China (Pan 2006), or their country of birth outside of China. The degree to which these differences have been considered important varies from individual to individual. A community, whether it is constituted for social or business purposes, always comprises individuals who share one or more of these secondary characteristics, in addition to their collective cultural characteristics (Xiao 2001).

For the first 50 years of Chinese settlement in Australia, in the 1800s, almost all Chinese migrants had been born in China. However, the Chinese diaspora in Australia today includes many Ethnic Chinese who were born in Vietnam, Malaysia, Hong Kong, Singapore and Taiwan, as well as those born in China (Ho & Coughlan 1997; Inglis 2006). For example, one-third (34.1%) of the Vietnamese born in Australia in 1986 reported that they were of Chinese ancestry. The 1986 Census also showed that 93.3% of those born in Taiwan were Ethnic Chinese; as were 84.6% of those born in Hong Kong and Macau; 61% of those born in East Timor; and 60.6% of those born in Malaysia and Brunei. In addition, 42.7% of those born in Singapore, 40.7% of those born in Cambodia and 27.4% of those born in Indonesia claimed Chinese ancestry (Ho & Coughlan 1997).
Migrants were drawn to settle in certain places for personal, social, cultural and economic reasons. As the numbers grew, whole suburbs underwent subtle and unsubtle personality changes (Barabantseva 2011). Historically, Victoria has always incurred a longer term perspective on migration than any other state in Australia. Since the 1840s, migrants from all over the world have come to Melbourne, particularly when the gold rushes began in 1851. Italians, French, Poles, Germans, Americans and Chinese, along with the major source of migrants, the British Isles, began to settle in different locations around the Victorian goldfields.

The story of the Chinese in the goldfields was mostly one of peaceful coexistence. While there were occasional anti-Chinese riots, these came well after the initial gold rush and large-scale Chinese immigration. In the second half of the 19th century, it led to state and then national laws aimed at keeping the Chinese out, later even discouraging non-Anglo-Saxon migrants (Inglis 2006). By 1966, the non-white ban on immigration was lifted. This was replaced with a points system that still favoured Europeans, but by the late 1960s more than 6,000 migrants a year were arriving from Asia.

In the early days, from 1901 to the 1960s, the concept of adaptation which was based on the White Australia Policy required new migrants to shed their cultures and languages. These migrants were to be assimilated into the adopted country population so that they would rapidly become indistinguishable from it. They were expected to conform to the norms of Anglo-Australian culture, again emphasising the desire for homogeneity. The adaptation policy, in keeping with the desire to minimise differences, was not sensitive to the special needs of migrants once they had arrived in Australia.

The adaptation policy, however, was changed in 1964, when the Adaptation Section became the Integration Section. According to the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA 2003), integration policies allowed migrants to speak their own languages and retain their customs, but expected their full participation in an ‘integrated Australian culture’.
With integration, the idea that migrant disadvantages ought to be ignored was effectively discarded. A large number of migrants, especially those whose first language was not English, experienced hardship as they settled in Australia and required more direct assistance. The importance of ethnic organisation in helping the process of resettlement was therefore recognised. DIMIA began to fund some migrant aid and education programs (Collins 1991), and expenditure on migrant assistance and welfare rose sharply in response to these needs (DIMIA 2003). The English, Italians and Greeks were overwhelmingly the largest groups entering Melbourne from an almost exclusively European pool.

The English went to the outer east, far south and bayside; the Italians went north and north-west. The Greek migrants mingled with the Italian migrants predominantly in the northern suburbs of Melbourne - Brunswick, Coburg, Preston, Northcote, Reservoir, Thomastown, and Epping. They also gravitated south-east around Oakleigh, and west around Williamstown and Altona. Other nationalities occupied other pockets of the sprawling metropolis. For instance, the Polish-born settled in Caulfield, reflecting the fact that most were Jewish refugees and emigrants. This was where Australian Jews had set up synagogues and schools.

Since 2000, Chinese and Indian migrants have outnumbered those arriving from Britain for the first time in Australia’s history. Malaysia and Vietnam have become the next most common countries of origin. Add in thousands of international students, and the city of Melbourne’s cultural landscape has become very finely contoured. According to the 2001 Census, Australia had become a truly multi-cultural country and home to 4.1 million people born overseas, from over 200 countries. The racial composition of the Australian population has changed dramatically over the past 200 years. The population changed from an almost totally Aboriginal population to predominantly Anglo-Celtic by 1900, and now is a truly multi-cultural population. The 2006 Census revealed that only 70.9% of the Australian population were born in Australia (ABS 2006b).

There has always been debate on the socioeconomic contributions made by migrants to Australia. The migrants have not only contributed in financial terms...
during their stay in Australia – from renting a place, to buying a car, to sending their children to school – they have also created limitless opportunities for themselves and other fellow Australians in terms of job creation, and business opportunities and interaction during their daily encounters (Collins 2008b).

The establishment and growth of Chinatowns within the Chinese community deserves a lot of attention and investigation. Not only do Chinatowns represent a commercial precinct where trading practices occur every day, it also influences the surrounding suburbs in terms of present and future development. Other factors, such as house prices, number of migrants living in the surrounding suburbs, supporting facilities and cultural factors have also been affected by the establishment of such commercial precincts (Collins 2012).

In the past, business entrepreneurship in ethnic minority communities has also contributed to reducing social exclusion and raising living standards in groups that were often among the more disadvantaged in society. Moreover, because of a tendency for ethnic minorities to be concentrated in particular localities, the development of some local economies, and the standard of living within them, might have been heavily influenced by the nature and extent of ethnic minority business development (Collins 2008a).

Earlier migrants often faced ‘blocked mobility’ as employees. There also was a strong tendency for some ethnic groups to have a proportionately larger presence in small business than British migrants and the majority population (Glezer 1998). For instance, Chinese furniture makers and laundry owners were not allowed to sponsor Chinese migrants to help in their business, which meant they had trouble finding sufficient labour. Furthermore, the Factories and Shops Act (NSW 1896; Victoria 1896) defined any workshop employing one or more Chinese persons as a ‘factory’. In contrast, four Europeans were required for a factory to exist. This meant that all small Chinese workshops fell under industrial regulations concerning wages, conditions of work and limited hours of opening.

The other solution was to develop a niche market, such as market gardening, which often developed into large wholesale fruit and vegetable distributing
firms. Unlike the furniture and laundry businesses, which competed strongly with other businesses, the Chinese market gardeners found a niche that did not threaten others and did not attract discriminatory legislation (Choi 1975).

In the past 30 years, increases in the Chinese population and growth in the immigrant population and their urban ethnic concentrations has prompted the expansion of the immigrant enclave economy, which has offered a protected market for immigrant entrepreneurs to engage in ethnic business and self-employment (Portes & Zhou 1996). At the same time, the characteristics and sizes of the Chinese communities have become more complex and diversified. In addition, female Ethnic Chinese business entrepreneurs have begun to appear in larger numbers (Collins & Low 2010).

Chinatowns in Melbourne have been formed in the major areas of high concentrations of Chinese, such as the city’s Little Bourke Street, as well as Footscray, Box Hill and Springvale. Surrounding suburbs have then grown in terms of Chinese population.

Business entrepreneurship in the Chinese community can also contribute to the development of ‘cluster’ economies, because of a tendency for the community to concentrate its existence in certain localities (Barabantseva 2011). Hence, business development within such localities will flourish. This flourishing will further ‘strengthen’ the social status of the community (Lever-Tracy & Ip 2005). On the other hand, sharing information and providing advice and training to co-ethnics can also be counter-productive, as they will become another source of future competition, which can lead to market saturation if the ethnic market is limited (Woolcock 1998).

It has been claimed that Ethnic Chinese business entrepreneurs followed each other into an economic enclave in entrepreneurial chains (Lever-Tracy & Ip 2005). Rivalry therefore needed to be managed alongside trust, but Asians never form a single representative group; on the contrary, they engage in cut-throat competition with one another (Mackie 2006). Hairdressing and restaurants were the most dominant business types in Melbourne and its
surrounding suburbs. However, the growth of the population did not support the continuous opening of new shops like these.

By tradition, Chinese will cut prices down to a cut-throat level, so that only businesses with the most sustainable finances can survive. This fierce competition puts downwards pressure on retail prices (Taormina & Lao 2007). Werbner (2001) contended that an enclave economy enables an ethnic group to communally acquire wealth and influence. However, concentration in a single industry might also lead to an economic collapse because of oversupply of the same or similar goods or services.

**2.5 EPILOGUE**

The long and complex history of Chinese civilisation and culture weigh heavily on the Overseas Chinese. That this history has a major influence on the Overseas Chinese is inescapable, and distinguishes this cultural group even after many generations of living outside China. Given this cultural influence and the often hostile environment and conditions they have had to face, their behaviour, particularly their business behaviour, often became different from that of the people in the lands they migrated to. Overseas Chinese business ‘modus operandi’ is similar to those of other Overseas Chinese in many parts of the world. Overseas Chinese now operate relatively freely across national boundaries in the Southeast Asian region and in other parts of the globalised world.

A review of the literature in this area also highlights the diversity of the Overseas Chinese outside the common cultural core. This might show up as differences in the occupations or business entrepreneurial abilities of clans or sub-clans of the Overseas Chinese.

The Overseas Chinese are not, however, a cohesive group. Most in fact have clan or language/dialect loyalties. Clans or sub-clans have sometimes been engaged in intense rivalry.
Neither is the Overseas Chinese a homogenous group. Seen from outside, it would appear that they are harmonised and that they speak with one voice, but this is far from the truth. Any research conducted on the Overseas Chinese must take cognisance of the aforementioned.

Part Two following is the literature review. Chapter 3 moves on to describe Chinese migration and settlements in Australia; Chapter 4 describes and analyses Ethnic Chinese business entrepreneurship; and Chapter 5 describes the characteristics of successful Ethnic Chinese business entrepreneurs.
PART TWO

LITERATURE REVIEW

PART TWO CHAPTERS

The following chapters are covered in Part Two of this thesis:

Chapter 3 – Ethnic Chinese Migration and Communities in Australia
Chapter 4 – Ethnic Chinese Entrepreneurship in Australia
Chapter 5 – Characteristics of Successful Ethnic Chinese Entrepreneurship.

Part Two of this thesis comprises chapters that relate to the relevant literature pertaining to Ethnic Chinese business entrepreneurship.

Chapter 3 describes the waves of migration and settlements of Ethnic Chinese to Australia. It recounts why, how and where the Chinese settled in their adopted country.

Chapter 4 describes and analyses Ethnic Chinese business entrepreneurship and ethnic community economies within Australia.

In Chapter 5 provides an informative dimension relating to the characteristics of successful Ethnic Chinese business entrepreneurs is described.
CHAPTER 3

ETHNIC CHINESE MIGRATION
AND COMMUNITIES IN AUSTRALIA

3.1 PROLOGUE

The key elements in this chapter broadly examine the literature pertaining to Ethnic Chinese migration and settlements in Australia:

- Ethnic Chinese Migration to Australia (Section 3.2)
- Ethnic Chinese Population in Australia (Section 3.3)
- Epilogue (Section 3.4).

The previous two chapters have referred to the migration of Chinese people to many parts of the world, predominantly to Southeast Asia. This chapter commences with a brief history of Chinese migration to and settlements in Australia. The different waves of immigration will be used to illustrate how the Chinese settlements in Melbourne reflect that of the general Australian migration patterns.

Prior to the 1960s, Melbourne was settled in the aftermath of World War 2 by migrants from Europe, especially from Italy and Greece. However, since the late 1970s, waves of Vietnamese, Cambodians, and later Chinese from Hong Kong, Taiwan and Mainland China settled in Melbourne. These successive waves of migration have made Melbourne one of the most multi-ethnic and multi-cultural cities in the world (MacLeod 2006; Shackleford 2011; Smolicz 1997).

3.2 ETHNIC CHINESE MIGRATION TO AUSTRALIA

Migration has been a significant feature of Chinese life over many centuries. However, one must distinguish internal migration from international outward
migration (Wickberg 1994). Internal migration is migratory movements within the confines of Imperial China. The latter type of migration – international outward migration – is the outward movements of Chinese peoples from China’s coastal areas. It was most active and intense during a number of eras spanning over a thousand years, from the early part of the 2nd millennium CE in the 1100s during the Sung Dynasty, up to the 1910s when Imperial China collapsed after being in existence for more than 2,000 years (Pan 2006; Wang 2000). The period from the 20th century to the early part of the 21st century also witnessed waves of Chinese migration.

The history of China from the early 20th century has been characterised by periodic calamities and mayhems associated with Western and Japanese imperialism, warlord contests, ideological conflicts, a major dynastic collapse, political transitions, civil wars, the failure of the Great Leap Forward, the turmoil of the Cultural Revolution, and the Tiananmen Square incident in June 1989.

Famines and poverty have also been a constant feature of life for the majority of the Chinese population. In the 20th century, migration, either internally within China or outwards, has been a common means of adjusting to political instability and economic hardship (Choi 1975; Collins 1995; Wang 2000).

Chinese migration, from the period mentioned above to recent years, comprises a significant component of the Australian migration program in the 20th century. Ethnic Chinese arrived from China, Hong Kong and Taiwan; as well as Ethnic Chinese re-migration from Vietnam, Malaysia, Singapore, Indonesia and other parts of the global Chinese diaspora (ABS 2006a).

The Chinese diaspora is one of the largest of its kind and scattered geographically around the world. The Chinese Government previously estimated that there were 30 million Ethnic Chinese living outside of China (Thune 2001).

Ethnic Chinese are found on all continents of the world. In some countries, Chinese communities number in the millions and comprise a substantial proportion of the national population. Malaysia, Singapore, Thailand have a substantial Ethnic Chinese population, and so have some of the other

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Southeast Asian countries. In several Western countries, such as North America, the UK and Australia, the Ethnic Chinese are among the largest and longest established non-English speaking background (NESB) migrant groups (Barrett et al 2002; Frost 2002).

3.2.1 MIGRATION TO SOUTHEAST ASIA

Those Chinese who are considered ‘Overseas Chinese’ migrated from China to Southeast Asia in the latter part of the 19th century; and throughout most of the 20th century. They originated mainly from the coastal areas of southern China – mostly from the provinces of Guangdong and Fujian, as well as from the island of Hainan, off the southern part of Mainland China. Categorised by dialect and sub-dialect groupings, the Chinese emigrants were the Cantonese, Fuzhou, Hainanese, Hakka, Henghua, Hokchia, Hokkien and Teochiu (Haley et al 1998).

Destinations of emigration in Southeast Asia included Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam and Taiwan (Haley et al 1998).

In a major work, Pan (2006) provided further details about the Overseas Chinese; their lives, achievements, languages, dialects, sources of migration and behaviour. The origin in terms of villages or counties in China related to Overseas Chinese migration, as well as subsequent sojourns, determined to some extent the occupations and business enterprises that the Overseas Chinese were likely to enter into in their foreign adopted countries.

Even though there has been little research conducted aligning occupations with sources of migration and sojourning, anecdotal evidence exists. For example, those migrants who speak the Hakka dialects are more likely to be engaged in farming in their adopted countries. Those who speak the Hakka dialects have also produced prominent political and military leaders; prominent examples are Lee Kuan Yew (former and first Prime Minister of Singapore) and Dr Sun Yat Sen (First President of the 1st Republic of China in 1912). Similarly, Overseas Chinese who speak the Hokkien dialects have tended to go into business...
trading commodities when they first migrated or sojourned into neighbouring East Asian and Southeast Asian countries.

3.2.2 FIRST WAVE – THE GOLD RUSH IN AUSTRALIA

Early Chinese history in Australia has always been closely linked to the gold rush era. During the gold rush years of the 1850s, there were migrants from various countries – namely China, Germany, Poland, America, Hungary and Scandinavian countries. These migrants were segregated, based on race, religion and national backgrounds. The Chinese were employed mainly in menial labour, and the government of the day and the mining community restricted their movements and economic activities (Inglis 2006; Yong 1977).

The first wave of Chinese arrivals to Australia came seeking their fortune during the 1850s gold rush. It has been assessed that there were fewer than 3,000 Chinese in Australia prior to the discovery of gold (Price 1966). A decade later, that number had increased more than ten times to over 38,000. According to Yong (1977), the Chinese were blocked from working in the goldfields and from jobs in towns.

Yong (1977) classified these early Chinese into two classes – the labouring class and the merchant class. The labouring class was mainly engaged in market gardening, cabinet making, hawking, laundry and cooking. The merchant class concentrated on businesses related to agriculture such as fruit and banana trades, grocery and green grocery, as well as import-export businesses.

As one of the largest and most visibly different community among the non-Anglo-Saxon groups that came to Australia during this migration period, the Chinese attracted a great deal of attention (Inglis 2006). In general, the Chinese were categorised as sojourners rather than settlers. Beyond generalisations about the labour-intensive nature of their agriculture, there was little detailed consideration of their technology, methods, labour arrangements and interactions with Europeans. There was even less discussion of how Chinese farming developed over time, and how their skills were adapted to Australian
environmental conditions. The majority of early migrants worked as labourers. This phenomenon was similar to the early settlement of the Chinese in Canada (Li 1988; Smart 2003), which had a similar history and background to Australia, and to the USA which also attracted many Chinese during its gold rush (Lai 2006). The White Australia Policy and blocked mobility resulted in economic segregation of the Ethnic Chinese up to the late 1970s.

For the Chinese, business ownership was restricted to the service sector in the early years of migration to Australia – in restaurant, laundry and retail businesses. This pattern is similar to that of early Canadian Chinese history (Li 1988). During that time, business partnership was a common strategy to pool limited resources and financial backing for the collective goal of achieving upward mobility.

Ethnic minority groups such as the Chinese were prepared to work long hours in businesses such as retail shops, supported by the family, and were among the most productive and successful. The very experience of living in a difficult environment required qualities of resilience through self-sacrifice, self-restraint, abstinence, hard work and voluntary delay of gratification. These were normally far more severe than those demanded by the lifestyle of those who remained in their home country (Choi 1975; Yong 1977). As a result, the Chinese who were denied work switched from mining to agricultural pursuits, either as general labourers or as station hands. Setting up businesses was generally the last-resort alternative to unemployment or rejection by the majority of Australians – a case of ‘survival strategy’ or ‘economic lifeboat’ (Valdez 2002).

The socially isolated, self-sufficient but industrious Chinese gravitated to Chinese enclaves - an example was Little Bourke Street in Melbourne which developed into a ‘Chinatown’ in the centre of the city. An enclave such as this was a meeting place for many Chinese travellers and sojourners who were bound for China, having spent time in the inland goldfields of Ballarat and Bendigo. It was also a place for newly-arrived Chinese from China.

These Chinese gathered in a single area that provided some security, a place to exchange information, to engage in social relations; and also gathered there
to do business among fellow migrants. This type of clustering was typical of ethnic minority groups wherever they came from.

The purpose of the early Chinese migrating to Australia was to find wealth and achieve a better life upon their return home to China. These Chinese were mostly sojourners (Pan 2006). Traditional Confucian values had a direct consequence on these Chinese – it was a male-dominated population; the constant commute to and from the goldfields, and the sustained contraction of the size of the community were a reflection of a deep commitment on the part of the Chinese to return to their family and their homeland China. The ideas of White Australians were of little concern to them. Seldom did the Chinese direct any actions against white racism or demand more political rights or social assistance (Strahan & Luscombe 1991).

3.2.3 SECOND WAVE – EUROPEAN SETTLEMENTS

British migrants had always been the major source of migrants since white settlement in Australia (ABS 2006a). However, after World War 2, rapidly-developing Australia had to open its doors to more migrants in order to meet the growing demand for labour for the country’s increasing development and nation building. Migrants from Greece, Italy and other European countries (mainly East and South European countries) were allowed to emigrate and match the demands of Australia’s economic development (Collins 1991). The supplementary immigration intake from these countries was a minor deviation from the White Australia Policy. Yet over these years, even though migrants were rapidly added into the Australian population, the overall proportion of Chinese was still at a negligible level.

This organised migration program was mainly conducted through government-to-government agreements between 1952 and 1972 (Ip et al 1998; Shackleford 2011). This involved various assistance programs, such as the ‘ten-pound tourists’, chartering of transport, provision of accommodation, public schooling and health care. Migrants from non-English speaking background (NESB) were concentrated in the unskilled and semi-skilled manual jobs in both the male and female labour markets until the late 1980s. One outcome of this was that
unemployment during the post-war recessions was much higher among migrants from NESB than for migrants from English-speaking backgrounds or among the Australian-born (Collins 1991; Shackleford 2011).

This type of program was then substituted by ‘selective programs’, with prospective migrants selected based on their skills, education and qualifications. This was introduced from the 1970s as Australia experienced increasing unemployment and a decline in its manufacturing workforce. The Europeans did not respond well to the new selective programs which sought skilled and educated migrants. The composition of the immigrant population had changed from the previously dominant UK and Ireland being the source countries to 41.4% compared to East Asian countries of 43.9% by 1989 (BIPR 1994).

**3.2.4 THIRD WAVE – ‘POST-WHITE AUSTRALIA’ MIGRATION**

The third wave of emigration to Australia was characterised by the arrival of refugees from Indo-China in the late 1970s and throughout the 1980s. After the fall of Saigon in South Vietnam in 1975, there was an upsurge of Indo-Chinese boat people arrivals from Vietnam. Tens of thousands of Indo-Chinese refugees were resettled in Australia by the mid-1980s and about 80% were Vietnamese nationals; the rest of the refugees were from Laos or Cambodia (Collins 1991). At the same time, there were other migrants who arrived in the mid-1980s. Earlier waves of migrants tended to arrive under the family reunion program and the migrants were less educated and less skilled, or were former students who had studied in Australian universities (Shackleford 2011).

The majority of Hong Kong, Malaysian and Taiwanese Chinese migrants were independent migrants admitted on the basis of their credentials, skills or wealth by the late 1980s, (Kee & Skeldon 1994). In the late 1980s, Australia received a substantial wave of migrants from China; her first since the 19th century gold rush. There were less than 38,000 mainland-born Chinese in Australia before 1988 (Fung & Jie 1996). However, with the more receptive and open climate in China regarding educational opportunities overseas, the Australian educational
services industry recruited thousands of Chinese students from China to study in Australia, mainly to study English.

The Hawke Labour Government in Australia granted special permanent visas to approximately 20,000 Chinese students from China after the Tiananmen Square incident in 1989. About 22,000 students took advantage of this opportunity and more arrived during the 12 months after the incident, most of whom were eventually granted permanent residency (Fung & Jie 1996). The number of migrants from China increased more than five times, growing substantially from approximately 36,000 in the population census of 1986 to more than 206,000 in 20 years by 2006 (ABS 2006b).

### 3.2.5 Changes in Australian Immigration Policies

The change to the White Australia Policy during the Whitlam era in 1973 encouraged more Indo-Chinese migrants to settle in Australia; particularly after the fall of Saigon in South Vietnam in 1975. These new migrants had the formal education, skills and often financial resources to facilitate their economic and social integration within Australian society (Yuan 1988). This recalibration of immigration policy had already laid the foundation for Asian countries as a major source of migrants. Asian countries had become very prominent among the ‘top 10’ Australian immigration countries (Collins 1995).

During the past 15 years there have been new movements of business entrepreneurial migrants (Harris & Ryan 1994) since the Business Migration Program (BMP) was officially launched in 1981 (DILGEA 1990). Since then, Australia has actively sought to encourage foreign investment. Immigration flows have increasingly been comprised of highly educated and qualified people with good English language skills, many of whom come from Asian countries (Ip et al 1998). The business skills migration intake had increased to about 5,600 or approximately 8.4% of the total migration categories (Castles et al 1991). These new incoming groups have since played the role of sources and linkages for foreign investment. Hence, the influx of these groups also brought in different working models and principles to a Western society.
Australia, being a large, resource-rich country with a small population, has always been the dreamland for most migrants seeking new opportunities and development (Collins 1991, 1995). The BMP has been a key component of Australian policies. Ideally, the program has combined both the amount of monetary investment as well as the skills of the intended migrants (Lowenstein 1992). The intention was to restore Australia’s reputation as a business migrant destination.

There were two main streams of non-humanitarian selection categories after the end of the White Australia Policy: the skilled stream (that included business skills) and the family stream. In addition to this selective migration program, Australia has had a humanitarian program that selected refugees and asylum seekers for resettlement in Australia. The difference between these skilled migrants and previous migrants was obvious. These migrants entered Australia based on stringent immigration selection processes that focused on the applicant’s skills and qualifications, including technical and business skills, and the transfer of business capital. While many of the Asian migrants found jobs in the labour market, these jobs were often below their past experience and skills levels (Alcorso 2000) – career advancement was limited or blocked. Collins (1996) attributed this to the ‘ascent ceiling’, as the blocked mobility factor prevented their advancement.

The benefit of skilled migration to the Australian economy depended on the ability of skilled migrants to find employment at a level that adequately reflected their qualifications. The BMP attracted businesspeople from all over East Asia, especially Hong Kong and Taiwan, to settle in Australia. These migrants were different from the Indo-Chinese refugees and the Chinese students from Mainland China. The business migrants were generally older and more financial. They had superior business skills and experience than the previous groups of Chinese migrants from the previous century of Australian migration history (Chan 2001; Inglis 2009). Thus these migrants injected new skills into the marketplace, and created jobs through consumption and business entrepreneurial activities. They also encouraged investment and created economies of scale in domestic markets (Collins et al 1995). These were skills
that the Australian Government did not have to finance, as they were financed by the education systems of the countries of origin.

With globalisation and international migration, Australia began competing against countries such as Canada, the USA and the UK in business immigration (Li 1988). Business migrants to Australia arrived as experienced business people with sizeable amount of capital, ready to make their mark on the national or international markets.

### 3.3 ETHNIC CHINESE POPULATION IN AUSTRALIA

The 2006 Census data revealed that 2.63% of the total Australian population or about 669,890 Australians were of Chinese ancestry (ABS 2006a). This was the largest among those of Asian descent. 9.1% of those Australians with Chinese ancestry were born in Australia; and they were born to parents (both or either parent) who were born in Australia; this made up a population of approximately 60,917. There were 69.4% Australians of Chinese ancestry whose spoken language at home was not English, and that made up a population of 465,154.

Of the Chinese residents in Victoria, 90.6% were first generation migrants, while only 7.2% were of second or later generation migrants, according to the 2006 Census (ABS 2006a). These figures are comparable with those from the national statistics. While the population of the later generation seems to be relatively small, this category is likely to increase considerably in the future, with more second generation migrants reaching marital age, and increasing numbers of Chinese migrants permanently settling in Australia. At the same time, there have been more Chinese migrating to Australia from China and its neighbouring countries (Chan 2005).

There has been in ethnic diversity among Chinese migrants in Australia in contrast to early Chinese migrants in the first half of the 20\textsuperscript{th} century. The early Chinese migrants came from various districts of Guangzhou (Canton) and were often separated from each other because of the different dialects spoken (Choi 1975). Nowadays, Chinese Australians are even more diverse based on their
original migration source and ethnic origins. Taiwanese, people from Shanghai, and people who originated from Hong Kong are now among the fastest growing segments of the Ethnic Chinese Australian population (Inglis 2006).

There has also been a general shift away from the largely working class origins of the late 19th to early 20th century Chinese. While there is substantial social and economic diversity inside the Chinese Australian population today, it is also the case that many post-1965 Chinese migrants came from professional, white-collar and highly educated backgrounds (ABS 2003b; Chan 1999; Inglis 2006). Fitzgerald (1997) predicted that the Australian population of Asian descent will be between 7% and 10% by 2020. Although this may be an underestimation, as it does not allow for the possibility of temporary residents (e.g. students and business entrants) who may become permanent residents. A latter more conservative projection made in 2001 was that Asians would make up more than 10% of the Australian population in the next 10 years (ABS 2006b).

3.4 EPILOGUE

In this chapter, an elucidation was provided of how economies of ethnic communities are created. Also discussed were the different waves of Chinese immigration to Australia over approximately a period of two centuries. These different stages of migration closely coincided with the Chinese migration history in Melbourne and the state of Victoria in Australia. Migrants are often attracted to settle in certain locations in a foreign land for a variety of personal, social, cultural, economic and other reasons.

In the next chapter, three theories of economies of ethnic communities will be examined. These theories explain the types and quality of ethnic resources that migrants possess or may have access to. These theories also explain some underlying tendencies for ethnic business entrepreneurship.
CHAPTER 4

ETHNIC CHINESE
BUSINESS ENTREPRENEURSHIP IN
AUSTRALIA

4.1 PROLOGUE

The key elements in this chapter broadly examine the literature pertaining to the theories of ethnic enclave economies, followed by a brief history of Chinese business entrepreneurs in Australia. These are discussed under the following sections:

- Theories of Ethnic Community Economies (Section 4.2)
- Brief history of Ethnic Chinese Business Entrepreneurship in Australia (Section 4.3)
- Epilogue (Section 4.4).

The previous chapter described a brief history of Chinese migration to and settlements in Australia. In this chapter, the formation of ethnic communities and three theories of ethnic enclave economies will be discussed. This will be followed by a concise and succinct history of Ethnic Chinese business entrepreneurship in Australia.

‘Ethnic enclave’ refers to a concentration of people in a city or region belonging to the same ethnic group from a specific geographical location (Clark & Drinkwater 2000). Ethnic communities often offer members incentives and motivations to become self-employed; and in addition, they give rise to protected markets in which particular ethnic groups are able to trade with one another through their preferred language and culture.
The literature associated with the explanatory variables of business entrepreneurial behaviour, activities and success of the Ethnic Chinese business entrepreneurs is therefore examined. These variables in the existing literature reveal that they stem from different theoretical and disciplinary backgrounds. This eclectic conglutination is revealed through theories which help in understanding the pathways taken by the Ethnic Chinese business entrepreneurs. This chapter closes with a concise account of the nature and history of Ethnic Chinese business entrepreneurship in Australia.

4.2 THEORIES OF ETHNIC COMMUNITY ECONOMIES

It has been claimed that Ethnic resources are important for migrant business entrepreneurship success (Basu 2004). These resources include: business knowledge and shared expertise, informal credit, business training, a ready source of low-cost labour, and social support. Lofstrom (2002) also provided nearly similar examples of ethnic resources - such as the knowledge and skills to run businesses; ability in transferring experiences and managerial skills; availability of cheap labour; and the social support networks that facilitate a new owner in obtaining necessary start-up capital. Resources such as these are important for new settlers in establishing their businesses in the adopted countries.

Similarly, Sequeira and Rasheed (2004) suggested that within the same ethnic group, migrants business entrepreneurs can actively utilise these resources or passively benefit from them in their business activities, because such resources help reduce risks and uncertainties that a new migrant might face when starting a business. They also enable minimisation of transaction costs associated with labour and financial market transactions.

Fairlie and Meyer (1996) used the term ‘human capital’ as an exemplification of ethnic resources. Included in the term 'human capital' are experience, training, intelligence, judgement; and the relationships between managers and workers (Barney 1991). The levels of human capital that migrants hold and the migrants’ ability to transfer such information across ethnic groups can be vital elements...
that contribute to migrant business success (Fairlie & Meyer 1996). Ethnic resources, therefore, possibly explain why large migrant groups are more likely to succeed than small migrant groups.

The phrase ‘ethnic enclave’ generally refers to a concentration of people from the same ethnic group within a specific physical location (Clark and Drinkwater 2000). They provide incentives and opportunities to find jobs and to become self-employed within the communities with which they are familiar. In a similar vein, Sequeira and Rasheed (2004) claimed that an ethnic enclave is an interdependent network of social and business relationships that are graphically concentrated. Within such an enclave, networks are integral parts which provide the essential information for the establishment of businesses and the economic input requirements.

Therefore, the larger the ethnic group is, the more favourable the economic opportunity for its business entrepreneurs. Ethnic business entrepreneurs are more familiar with the tastes and preferences of their ethnic customers; and so can provide their customers with the security and comfort of performing transactions within the environment of their own ethnic culture and language. It is argued that the ethnic enclave theory implies that both the ethnic business entrepreneurs and workers gain superior economic benefits over those in the general labour markets since the ethnic business owners could obtain low-paid and trustworthy workers (Li and Dong 2007). Enclave employees also receive rewards such as securing jobs through ties of ethnicity, friendship or family. Ethnic enclaves play a vital role in providing access to business opportunities, information, and support for migrant business entrepreneurs.

In conclusion, there is a range of theories associated with the ethnic enclave economy that researchers have developed and analysed over the years based on empirical studies. A number of these theories are strongly related and some also overlap. Some draw on cultural factors, while some focus on socioeconomic areas, and others are related to ethnic and racial issues. These theories may explain migrant business entrepreneurship for some groups;
several fit well with the different cultural needs, particularly language and customs of different groups.

As indicated in the previous chapters, business entrepreneurship is a field that is characterised by widespread disagreement on basic models, assumptions and methods. Similarly, a myriad of different interpretations of the concept of business entrepreneurship exist among economists’ perceptions of business entrepreneurship (Dijk & Thurik 1995; Praag 1996).

### 4.2.1 MIGRANT NETWORKING THEORY

The main principle of the migrant networking theory is that clustering and networking among small firms enables them to achieve as a group more than they can individually, in getting into and competing in the marketplace. The business entrepreneurial advantages of Asian migrants, mostly Chinese migrants were highlighted, because of their ‘cultural self-sufficiency’ and motivations (Stromback & Malhotra 1994). These advantages are important for future overseas networks of ethnic business entrepreneurs within Australia to leverage broader business opportunities.

According to Hsing (1996) connections with families and friends in the migrants’ country of origin are often used by Ethnic Chinese business entrepreneurs to provide market access, a dependable and reliable source of supply, advice on market prospects, or to secure credit. Similarly, Lever-Tracey et al (1991) concluded that Ethnic Chinese business entrepreneurs are in general innovative, successful, and export-oriented business entrepreneurs. They command considerable overseas resources, including financial resources and business networks. These networks are most beneficial when establishing import and export activities because they provide personalised, trust-based networks which can spread into the ethnic community; and into mainstream society and overseas (King 1991).

Networking activities of business entrepreneurs include creating and maintaining strategic social contacts during the planning, establishing and running of businesses. Although they are a set of somewhat intangible
resources, these will be the key components during the establishment of businesses. According to Morokvasic (2003), the network connections that these business entrepreneurs rely on may spread across professional networks; and reaching friends, and colleagues. These contacts within the networks can even extend relations to different organisations, clusters of firms, as well as to other skilled professionals who assist the business entrepreneurs in establishing a firm.

Traditionally, Ethnic Chinese business entrepreneurs rely a lot on their personal contacts via *guanxi* (personal contact and network) with immediate families, friends and business associates. They are more adapted to this networking system. The multiple network system or relations that the business entrepreneurs depend on include several factors, such as age and length of residency in Australia, education levels, work experience, family association, and established personal contacts (Park & Luo 2001; Yang 2002).

Ironically, reliance on family members may limit the business entrepreneurs’ network from which the business entrepreneurs seek a wider range of resources whether it is planning or establishing a business or acquiring a business. For instance, these Ethnic Chinese business entrepreneurs are more likely to have had parents who operated small businesses than the average population. Therefore, their own ideas during planning and their contacts through their families may be restricted by the experiences of their parents (Carney 1998a; Yeung 2000). However, a network of lightly coupled contacts offering knowledge, skills, and insights may reduce the significance of family members. Therefore, the range and types of businesses set up may be larger and wider than the ones made through sole dependence on family ties.

These days, the Ethnic Chinese networking system extends beyond the Chinese community. Informal networks play a major role despite the extensive use of government and community services, such as employment centres, legal aid offices and welfare agencies. Even after reliance on friends and kin has decreased, informal networks remain the single most important support for most Chinese migrants. The networks are the most vital resource in the
Chinese community. Such networks provide informal but personal experience of the local business environment; access to capital; complying with bureaucracy standards and requirements; and local Australian customs and cultures (Carney 1998b; Friesen & Ip 1997).

Although the Chinese migrants are accustomed to being a minority and are not overtly political, they are strongly oriented towards trade and business, and they have an effective informal structure within their community to provide information, jobs and welfare services.

4.2.2 MIGRANT LOCATION THEORY

Urban growth theory provides knowledge of ethnic cluster development (Logan & Molotch 1987), where interest in a place may have been ‘lodged’ by the economic self-interest of an individual, group of people or by an organisation (Light 2002). According to Massey (2005) migrants are drawn to and directed to a neighbourhood by ethnic social networks anchored among friends and relatives who have previously moved there.

A large influx of Ethnic Chinese students into Australia has occurred in the past two decades. The 1997 return of the former British colony Hong Kong to China also saw a wave of Hong Kong people leaving the colony, and many of them settled in or near Melbourne.

Ip et al (1998) suggested that some migrants tend to move into the middle and upper middle-class suburbs of the major Australian cities because of their privileged socioeconomic background. This creates a community within which the individuals and groups utilise the locality as a convenience for meeting other migrants of the same ethnic background. Within the community, the migrants can set up their businesses and run the businesses between different suppliers without going outside the suburbs. This adds to the security of establishing businesses in a foreign country.

Gargiulo & Bernassi (1999) claimed that deep solidarity among in-group members may create a situation of ‘over-embeddedness’ that may lessen the flow of new ideas into the group; and result in parochialism and inertia. The
reliance on the locality may also prohibit the migrants from extending physically outside the boundary, and therefore their chances of adaptation into Australia will greatly decrease. Even though the local community economy itself is self-sufficient, it will not be able to extend further into other areas.

4.2.3 MIGRANT SOCIAL CAPITAL THEORY

Classical economists single out land, labour and physical capital - assets that generate income - as the three basic factors that shape economic growth. Compared to physical and human capital, members of ethnic community and associated networks use ‘social capital’ such as capital from community sources; and from co-ethnic employees, suppliers and markets. Coleman (1988) explained the nature of the relationship between human capital and social capital, which includes age, experience, education and the influence of the family. Financial capital, which is measured by wealth and income levels, can also be increased by social capital according to Portes (1998).

Collins (1996) contended that innovative strategies created to increase both the rate of ethnic small business formation and the success of existing ethnic small businesses would strengthen the Australian economy. More importantly, it is also a way to increase employment within the minor ethnic groups, although there have been cases where some NESB groups of migrants have continued to experience rates of unemployment four to five times higher than the national average. By creating more ethnic small businesses, it offers scope to alleviate the pressure on job creation for these particular groups of migrants.

The concept of ethnic resources or social capital, which has emerged from ethnic business entrepreneurship studies, refers to some identifiable group resource, such as ethnic networks and ethnic solidarity that allow resources to be gathered, shared and utilised (Greene & Chaganti 2004).

Greene and Chaganti referred to the types and quality of ethnic resources that migrants possess or can access to explain their different propensity for business entrepreneurship. For example, Chinese migrants specialised in catering for goods and services for their own ethnic communities, or in
supplying ethnic goods and services such as clothing, groceries, hairdressers, video stores and restaurants. Home sellers chose real estate brokers partially on the basis of race, and because real estate brokers were inclined to work for brokers of the same race or ethnicity (Palm 1985). These retail businesses tended to be run within areas of high concentration of Ethnic Chinese. They were not economically significant, however, as their small businesses only contributed to small-scale operations.

Over the years, new types of businesses such as import and export trading, education providers and student accommodation were added to the list of businesses run by Ethnic Chinese business entrepreneurs in Australia. The range of business types generally increase due to the requirements of different time periods, plus different economic and social environments (Millington & Eberhardt 2006). The subtle change in the size of operations is also relevant as it represents numerous business deals and continuous supply of low-cost items to the Australian community.

It was suggested by Li (2001) that migrants with extra human capital are more inclined towards self-employment. This is possibly because they could gain better access to capital and other resources; in addition, exposure to more business experiences. This finding essentially proposed that migrants with more resources and qualifications are more inclined to engage in self-employment.

4.3 BRIEF ACCOUNT OF ETHNIC CHINESE BUSINESS ENTREPRENEURSHIP IN AUSTRALIA

The 20th century history of Chinese migrant business entrepreneurs was moulded by the White Australia migration policies and the discriminatory practices at every level of Australian society. The discriminatory migration policy of preventing the Chinese from entering and settling in Australia, and the discriminatory laws and practices shaped the character of Chinese emigration into Australia for much of the 20th century.
In contrast, in the last quarter of the 20th century the Australian Government immigration policies had turned non-discriminatory – towards a settlement policy of multiculturalism (Collins 2000). By this time, both the Labour and Coalition governments in Australia had embraced economic rationalism and globalisation.

Several factors, such as the deregulation of the financial system and the floating of the Australian currency in the 1980s and 1990s, led to fundamental changes to the Australian economy – particularly the decline of manufacturing, and the growth of services in finance, banking, telecommunications and media.

Early historical data on migration indicated that there were no free permitted settlers to Australia from China or other Southeast Asian countries (Choi 1975, Inglis 2006). However, by 1901, many Chinese shifted from being indentured Chinese labourers into business entrepreneurship, particularly into market gardening, the food and furniture markets (Choi 1975). Yet their specific impact and role in the country's economic development is not well-known or recognised by Australian historians or society generally, including the government and other stakeholders. Most research has instead concentrated on the earlier gold rush era (Choi 1975; Collins 1991; Ip et al 1998).

One section of the Little Bourke Street area of Melbourne, covering about four city blocks of the street, is one of the largest Chinatowns in Australia. In addition, there are Chinatowns in the suburban areas of Richmond, Box Hill, and Springvale within Melbourne metropolitan. These suburban Chinatowns are clusters of businesses where the Ethnic Chinese can carry out day-to-day grocery shopping, hairdressing, medical consultations, financial transactions, and other types of business activities.

In the past and until today, the restaurant business has been the most common of Chinese migrant business entrepreneurship. These restaurants are located around the major ethnic centres or inner suburbs where the ethnic communities are based. The Chinese restaurant has now become a common feature of the Australian suburban and country town landscape. There are now numerous different ethnic restaurants in major Australian cities – ranging from Italian,
Chinese, Thai, Vietnamese, Japanese and French cuisines and so on (Collins 2003).

Ethnic Chinese in Australia have tended to engage in an ethnic enclave economy, involved both in obtaining and supplying Chinese goods and services, such as grocery stores, noodle factories, fruit/vegetable stalls, and in legal, dental and medical services. These multiple and overlapping markets have formed the basic network and foundation of Chinese suburbs or commercially so-called ‘Chinatowns’. In the early days, these industrial, commercial and service providers were usually networks of small or medium Ethnic Chinese owned and operated enterprises. (Schmitz & Nadvi 1999) contended that this grouping of business enterprises continues to be vital in the early stage of a firm’s life, facilitating small enterprises to grow and to compete in the wider markets.

This economic development is significant in introducing non-traditional Australian goods and services to the local economy. It also brings in business ideas and foreign investment to the broader society. Ethnic enclave economies are collectives; this is best understood as networked spaces embedded in particular industries which focus on the production and distribution of specific objects (Werbner 1999; Zolin et al 2014).

Outstanding individuals often rise on the back of the networks mentioned above. They operated within their ethnic enclave economy that manufactured and sold clothing and related goods to outsiders beyond their ethnic group. Once the clothing economic enclave was established, there was a need for a support network of new kinds of services. However, some of the businesses were not well capitalised and were often run by inexperienced traders and manufacturers; eventually some of them collapsed (Werbner 1999). Yet even though Chinese millionaires tend to rise and fall, the gradual expansion of the enclave economy continues.

Within these enclaves mentioned above, the newcomers to the enclaves take up work in migrant firms, and the newcomers who have gained skills and experience working for co-ethnic owners often set up a new business of their
own later on. Industry concentration through clustering and networking can deliver gains to all parties involved (Zolin et al 2014). This is similar to the formation of Chinatowns in Australia.

The economic growth through collective business networks is important. Collaboration among different business enterprises is vital to both the survival of ethnic communities and the growth of individual businesses (Lever-Tracy & Ip 2005). Thriving migrant business entrepreneurs can have social and economic effects on their communities that go much further than purely individual success (Portes and Zhou 1996; Zolin et al 2014).

In the past three and a half decades, there has been a change in Ethnic Chinese business entrepreneurship, based on the types of ‘jobs’ or ‘businesses’. A summary of different routes that Ethnic Chinese business entrepreneurs took are enumerated below:

1. Those who arrive in Australia under the Business Migration Program – they arrive with financial resources, business experience and a commitment to set up a business enterprise in Australia.
2. Professionals, especially those who have Australian degrees in law, medical, dentistry, or pharmacy – they are also business entrepreneurs in recognition of the fact that they often hire employees for their professional practice.
3. Unqualified and semi-skilled business entrepreneurs, with inadequate English language skills. They do not have adequate start-up capital for business, and are confined in the labour market of the diminishing Australian manufacturing industry, especially in the footwear, clothing, and textiles industry.
4. Business entrepreneurs who operate in Chinese restaurants or small groceries, milk bars, fish and chips outlets, and different types of franchises. While they were generally rejected by the mainstream labour markets, being self-employed gives them more freedom to work longer hours and to choose from a variety of jobs such as cleaning, small retail
businesses and other odd jobs where they can rely on their own family members and friends.

4.4 EPILOGUE

In this chapter, an elucidation was provided of how economies of ethnic communities are created. The significance and relevance of Ethnic Chinese business entrepreneurship was recognised. Besides financial and economic benefits that Ethnic Chinese business entrepreneurs bring into an adopted country, they also introduce multilingualism and multi-ethnicity, cultural sensitivity and knowledge, and human capital such as training and qualifications earned in their original home countries. These attributes are found among many Ethnic Chinese business entrepreneurs, and in the ethnic resources they develop in their business enterprises.

The review of the literature on ethnic business entrepreneurship led to the idea of ethnic resources. This concept of ethnic resources refers to a certain identifiable group resource, such as ethnic networks or ethnic solidarity that allows certain resources to be gathered, shared and utilised by ethnic communities.

In this chapter, three theories of economies of ethnic communities were examined. These theories explained the types and quality of ethnic resources that migrants possess or might have access to. These theories also explained some underlying tendencies for ethnic business entrepreneurship. Migrants are often attracted to settle in certain locations in a foreign land for a variety of personal, social, cultural, economic and other reasons.

In the next chapter, the main elements of successful Ethnic Chinese business entrepreneurship in Australia will be examined. These will also be compared with Western business entrepreneurship to show some of the differences inherent in Ethnic Chinese business entrepreneurship in Melbourne.
CHAPTER 5
CHARACTERISTICS OF SUCCESSFUL ETHNIC CHINESE BUSINESS ENTREPRENEURSHIP

5.1 PROLOGUE

The main elements in Chapter 5 broadly examine the literature surrounding the successful characteristics of Ethnic Chinese business entrepreneurship in Australia:

- Psychology of Business Entrepreneurship (Section 5.2)
- Motivations of Business Entrepreneurship (Section 5.3)
- Cultural Issues Peculiar to Ethnic Chinese Business Entrepreneurship (Section 5.4)
- Difficulties and Challenges (Section 5.5)
- Business skills and Capabilities (Section 5.6)
- Epilogue (Section 5.7).

5.2 PSYCHOLOGY OF BUSINESS ENTREPRENEURSHIP

There are several ways to describe the business entrepreneur and to determine business success. One of the approaches is psychological profiling, which argues that business entrepreneurs often exhibit a typical psychological profile.

Attempts have been made in the past to develop a psychological profile of Ethnic Chinese business entrepreneurs (Ahistrom et al 2004; Collins 2002). Demographic features such as age, marital status, ethnicity and educational background, as well as the psychological or personality traits of the Ethnic
Chinese business entrepreneurs, have often been studied in order to develop this profile.

Other factors usually investigated in such studies have included educational qualifications, age at business commencement, and business type (Ahistrom 2004; Bennet & Dann 2000; Taormina & Lao 2007). However, as socio-demographic and societal changes have occurred in the past 30 years, and access to education pertaining to business entrepreneurship and business management has increased for Ethnic Chinese, it is likely that this situation has changed (Carney 1998; Chen 2001).

The personality traits of successful business entrepreneurship were identified as the following:

- Need for achievement
- Need for affiliation
- Need for power or internal locus of control
- Risk-taking and
- Possessing self-confidence.

The above-mentioned characteristics have been identified (Gartner 1989; McClelland & Winter 1971) as showing the way to the emergence and afterwards business entrepreneur success.

However, the trait or personality contribution to the definition of business entrepreneurs has been criticised by some based on the grounds that the diversity among business entrepreneurs is much larger than personality descriptions. A problem identified with the psychologists’ approach is that they seem to assume that the business entrepreneur is a particular person who is in a fixed state of existence (Gartner 1989).

One key personality trait is strength, a concept which broadly covers personality attributes such as resilience, risk-taking, hardiness, persistence, patience and resourcefulness. So, individuals with a strong and open personality are more likely to face challenges successfully, and are better equipped to develop communication competency; and in so doing, facilitate their own intercultural
transformation and growth while they go through the adaptive process in the adopted society (Kim 1994). Also, the lack of proficiency in the everyday language of the adopted society may prove a stumbling block, as well as a source of anguish and frustration for migrants (Scollon & Wong-Scollon 1990).

5.2.1 SELF-SATISFACTION

Personal motivations have regularly been noted as a category of human motivators, such as the desire for autonomy, to control one’s destiny and the need to be personally fulfilled. The motivation for self-fulfilment is particularly strong for some individuals.

Business entrepreneurship provides an opportunity for migrants to discover a new-found sense of accomplishment in supporting themselves, instead of relying on being employed by others or on government welfare.

Business entrepreneurship is related to the behavioural and personality traits of the individual business entrepreneur. Self-satisfaction, desire for independence, desire for autonomy, control of one’s destiny and being the ‘boss’ are important personal reasons for business ownership – these are the findings of Woldie and Adersua (2004).

Self-satisfaction has strong influences on potential business entrepreneurs. Pistrui et al (2001) found that Ethnic Chinese business entrepreneurs were most motivated by the following four items: need for achievement; desire for higher earnings; desire to have fun; and desire to make a direct contribution to the success of an enterprise. Their data also revealed that Ethnic Chinese business entrepreneurs are being driven to achieve a personal sense of accomplishment, foster family wellbeing and develop new skills.

Brandstatter (1997) researched one of the psychological factors in the business entrepreneurship - internal locus of control. In the study, the business owners indicated how they perceived their past and expected future success as business entrepreneurs. As predicted, those who had personally set up their business (founders) were emotionally more stable and more independent (self-assertive) than those who had taken over their business from parents, relatives...
or by marriage. The personality characteristics of people interested in setting up their own business were similar to those of the founders. In addition, independent and emotionally stable business owners were more satisfied with their roles as business entrepreneurs and with the success of their business, preferred internal attributions towards the business outcome, and were more inclined to expand their business. This was likely related to their personal confidence in managing their own businesses.

In addition, dissatisfaction with previous employment has been suggested by many researchers as one of the main reasons for setting up one’s own business (Wirth 2001). Another possible factor in influencing employees to leave their previous employment and pursue a business venture is slow career progression (Moore & Buttner 1997). Therefore, independence gained by self-employment and the power to make own decisions based on their own choices are the other two main attractions that business entrepreneurs seek to obtain.

The motivation for people to go into small business ownership varies; they include personal satisfaction, independence and flexibility. Even given the anxiety and stress that go hand-in-hand with operating a small business, most small business operators appear to derive more satisfaction by being the decision-maker rather than the recipient of decisions made by others (Walker & Brown 2004).

5.2.2 SEEKING OPPORTUNITIES

Self-employed migrants have generally done substantially better in the labour market than wage or salary migrants (Lofstrom 2002). The attractiveness of the potential to gain more monetary reward is one of the important factors in the consideration of being business entrepreneurs.

The business entrepreneur is a self-motivated individual who takes the initiative to establish and build a business enterprise relying principally on self rather than others to formulate and implement their goals. Other personal attributes of a business entrepreneur - need for control, independence, confidence, self-reliance, initiative and resourcefulness have been frequently quoted as closely
associated with business entrepreneurial values and behaviour. Mueller and Thomas (2000) used the term ‘internal locus of control’ to describe factors related to the basic internal values that business entrepreneurs require for successful businesses. Nonetheless, business entrepreneurs can be exceedingly optimistic about their chances of success, regardless of whether or not a high level of optimism is warranted (Pinfold 2001). Perhaps, this optimism reflects the level of self-confidence business entrepreneurs inherently possess.

Founding business entrepreneurs tend to have more individualistic orientations and motives. New business entrepreneurs are driven by opportunities to ‘develop oneself’ and ‘to lead rather than follow’, as was found in Huisman’s (1985) 12-country study of new business entrepreneurs. Likewise, key motivations identified by the Scheinberg and MacMillan (1986) 11-country survey were – the ‘need for approval,’ wealth, personal development, independence and escape from an unsatisfactory job.

Business entrepreneurs are often perceived as self-centred. One type of business entrepreneur behaviour – seeking self-satisfaction – is more involved and concentrated in the areas in which they have expertise. The other type of business entrepreneur – potential-seeking – is more interested in expanding ‘outside the local circle’ and forming greater contacts with other businesses.

In summary, these personal traits, among others, are considered to be crucial in distinguishing successful business entrepreneurs from unsuccessful ones (Brockhaus 1982). Ethnic Chinese business entrepreneurs will therefore be investigated within this framework, to determine whether they possess these traits, and whether these personality traits and background relate to their business success. Therefore, it is postulated that the background of the business entrepreneurs is related to the success of their businesses. This will help to provide knowledge on the attributes of the baby-boomer Ethnic Chinese business entrepreneurs and the extent to which this proposition is true.
5.3 MOTIVATIONS OF BUSINESS ENTREPRENEURSHIP

A number of studies have examined the motives behind business entrepreneurship (Gilmore 2004; Walker & Brown 2004). These studies concluded that a mixture or a range of factors provided the motivation for business entrepreneurs to create and own their own business venture (Bennet & Dann 2000). Business ownership as a motivation of successful business entrepreneurship has been well researched.

5.3.1 PERSONAL MOTIVATIONS

Personal motivators - such as the need for independence, achievement, and control - have been widely examined with regard to their influence on business start-ups (Lerner et al 1997). Economic motivators comprise of economic necessity, a path to material independence, and greater control over the outcomes of labour (Bennet & Dann 2000). In addition, dissatisfaction with prevailing circumstances can relate to a combination of factors, including disillusionment with career, perceived lack of career opportunities, having flexible work patterns, and the challenge of business ownership.

5.3.2 ECONOMIC MOTIVATIONS

One of the universal motivations that have pushed migrants into starting their own business ventures is the need to generate income, according to the push-and-pull factor theorists. Many newly-arrived Ethnic Chinese migrants have been pushed into whatever market economic activity they can take up. However, the changing nature of government immigration programs, together with the lack of opportunity for entry-level work in Australia, have often led these migrants to view business entrepreneurship as the best way out of the cycle of despair (Choi 1975; Collins 1991; Strahan & Luscombe 1991). After realising the dependence on government programs is not going to improve their finances and self-esteem, many of these migrants have tried to establish their own business enterprises (Strahan & Luscombe 1991). To save face, many of these
migrants have rejected government assistance and launched a new business of their own (Hwang 1987; Ng 1982).

5.3.3 IMPORTANCE OF FAMILY

The importance of the family to Ethnic Chinese business entrepreneurs in Australia cannot be underestimated. For example, it was found that the majority of Ethnic Chinese business entrepreneurs in Brisbane (Australia) used family members in their business (Lever-Tracy et al 1991). Family members including spouse, children and other extended family members were employed in the family business. Family members were also regarded as being more trustworthy, and more committed to the business by Ethnic Chinese business entrepreneurs.

5.4 CULTURAL ISSUES PECULIAR TO ETHNIC CHINESE ENTREPRENEURSHIP

The influence of Confucianism is important to most Chinese. Confucianism is not a religion; instead, it is a code of ethics that underlines and guides the Chinese. It is a worldview and set of unwritten principles initiated by Confucius; studied, commented on and developed by Chinese scholars for more than 2,000 years. Confucianism has been interwoven into the fabric of Chinese society and civilisation. For hundreds of years, Confucianism has been actively taught in China and neighbouring lands. It defines the proper code of conduct in Chinese society and within the Chinese family (Nish et al 1996). Aspects and elements of Confucianism have been adopted by other peoples in Japan, Korea, Vietnam, and further afield.

5.4.1 CONFUCIAN VALUES

Chinese families use stories, parables, sayings and special terms to instil Confucian ideals into their children. Also, in Confucian teaching, the basic unit of society is the family and is always more important than any individual member; and harmony is the most important value for all family members.
Harmony is emphasised – it is taught that no family can stand, and neither can a family conduct business without harmony. In Confucianism, children are taught to suppress their individualism to maintain harmony; in contrast, the Anglo-American culture is the most individualistic, providing a sharp juxtaposition to Confucian-influenced cultures.

The most important family values in a Chinese family are Confucian-based Jacobs et al (1995) claimed. Traditionally, ideologies of Confucian social philosophy determine the roles and expectations at every stage in the Chinese life cycle. In Confucianism, certain relations between family members are provided a position of paramount importance; in particular, senior members of a family are accorded a wide range of authority with respect to the juniors. Both parties to a relationship are circumscribed by rules of correct behaviour which entail rights and responsibilities for each (Bond & Hwang 1986). ‘Xiao’ or filial piety, which principally defines children’s moral duty to their parents, has been understood in the Chinese tradition as the root of morality (Weber 1951).

Through teaching and indoctrination, younger members of the Chinese family learn and accept the responsibility that they will care for the financial and social wellbeing of the elderly members in their family. The elderly accept this care as their right, and families feel pressure from the wider community to meet these obligations. Such reciprocal relationships are still considered a distinctive characteristic of Chinese family cultural values (Ryan 2003). Individualism is considered a menace to such an orderly society, and therefore directly contradictory to one’s duties and responsibilities to others (Fouts & Chan 1995).

However, a longstanding concern about the philosophy of Confucius is the influence on Chinese familial values and the social roles of individuals as they age. According to Chinese philosophy, age transition is perceived as a series of fixed states which imply social and moral obligations, and a pattern that is to be repeated across the generations. However, those who depart from China for a substantial period of time often find cultural values and gender identities regarding duty for the aged to be increasingly influenced by the cultural values of the adopted country. Chinese people are taught not to question their parents’
authority or break rules, for this will bring dishonour to their families (Chua 2012). Rogers (1972) added that the father of the family is the one to whom the Chinese younger generation must listen; as in traditional Chinese families, parents are the authorities, while the father is the main authority.

Between generations there is still a strong sense of family ties, with parental authority remaining unquestioned, and the role of parent remaining exceptionally important in Chinese families wherever they live (Chua 2012). The decision-making process mostly depends on one person who is the head of the family; external and independent assistance is not usually sought. Basically, the weight of any opinion depends on the status and hierarchy of the family member. Trust and a ‘sense of belonging’ are the two major factors in determining further working relationships between the family members and the person involved.

Another cultural idiosyncrasy – the succession of family business – plays a critical role in Ethnic Chinese business entrepreneurship. The process of inducting a successor to a family business is a crucial role in the succession process (Fletcher 2004; Yan & Sorenson 2006). Having a successor ready provides continuity to the family business, raises the business entrepreneurial potential of descendants, and reduces the level of conflict in the succession process. However, when this process does not fit particular succession requirements, the negative side of succession in family business commonly appears: sibling rivalry, poor performance and business failure (Carney 1988; Yeung 2000).

5.4.2 WESTERN NETWORKING STYLE

In recent decades, the business environment in Western society has become more dynamic and complex than ever before. Rapidly changing and competitive environments reinforce the importance of business cooperation. It is imperative that firms must build collaborative and long-term relationships with their customers and suppliers. Another important determinant of business entrepreneurial success, which is of interest to researchers, is business support and networks. It has been broadly acknowledged that networks form an integral
part of the explanation of business entrepreneurial success (Batonda & Perry 2003; Chan 2001).

Networking theorists view business entrepreneurship as embedded in a complex network of social relationships. Within these networks, business entrepreneurship is facilitated or constrained by linkages between aspiring business entrepreneurs, resources and opportunities (Aldrich & Zimmer 1996). According to this view, the presence of networks (formal or informal), such as access or membership in associations, plays an increasingly important role in the success of business entrepreneurs. Networking is understood as one of the key practices contributing to small business success.

Research into the networking practices of business entrepreneurs and the significance of networking to small business success in particular has been predominantly pursued by US and Canadian academic institutions. The findings from such research, primarily based on developed countries, emphasises the importance of support systems, mentors and advisors to the successful start-up and operation of business entrepreneurial ventures.

Hofstede (1980), in his research found that business entrepreneurs in developed countries rely more on instrumental networks; that is, rely on people who are members of professional associations and formal organisations. Relationships are normally formalised among organisational members, as the business entrepreneurs interact and are connected with mentors and business colleagues who have lived through the business entrepreneurial process themselves, and are willing to share the experiences they have accumulated over the years. Thus, in more advanced economies and more individualistic societies, networks as linkages are used instrumentally and mainly in resource generation (Aldrich & Zimmer 1996; Carney 1998).

This Western networking style is different from the Eastern networking style which is described in the following section.
5.4.3 EASTERN NETWORKING STYLE AND CONNECTIONS

The Chinese have sometimes been called ‘born traders’, and the Chinese business culture is a significant feature in Chinese society. Trust among Chinese businesses is created on the foundation of undertakings, loyalty and commitment, and reciprocal obligations; and is a culture different from other ethnic groups. Recent studies of the Chinese business environment confirm differences between Chinese business culture and other cultures (Child & Tse 2001).

In particular, guanxi, as a form of personal connection that has ‘strong implications for interpersonal and inter-organisational dynamics’ (Park & Luo 2001), implies strong strategic potential for doing business in China (Fu et al 2006; Tsang 1998). Guanxi networks, woven by individual guanxi, have become pervasive in business and social practices. In the past two decades, guanxi networks have been given increasing attention by both business practitioners and academics within the agenda of China’s economic reform (Guthrie 1998; Millington and Eberhardt. 2006).

The practices of guanxi can be traced back to Confucianism, which advocates social harmony and emphasises the importance of interpersonal relationships (King 1991). Conforming to Confucian ideology, the social norms of mianzi (face) and renqing (human feelings) also regulate the way Chinese individuals utilise guanxi. These social norms bring intricacies into guanxi practices in three ways: 1) by making personal connection special in its guanxi network; 2) by making them transferable in social networks; and 3) by involving long-term obligations and behaviours (Hwang 1987; Yang 2002).

Chinese people traditionally use the words xin (trust) and qing (affection) to evaluate the quality of guanxi. The subjective judgment of the quality of a focal relationship shapes the dynamics of individual guanxi network development and utilisation. Guanxi is constantly changing, and the activities associated with it also therefore need to change. A close guanxi may provide more confidence for guanxi partners to utilise it for both expressive (affection and trust) and instrumental (business) purposes (Chen & Chen 2004).
In this network, an interwoven fabric of powerful culture, of kinship and connection (*guanxi*) becomes the matrix of Chinese community. This is the network scenario. However, this is not a network formed around township and village enterprises, but a spatial network of networks, where nodes and threads are families, clans, villages and language groupings. These are perhaps large familial, non-geographic power structures, intertwined, wound, interconnected and woven through thousands of enterprises across Mainland China, throughout the Southeast Asian area, and reaching into the USA, Europe and other Western countries.

In contemporary China, the political slogan ‘one family member joins the army, the whole family shares the glory’ illustrates the importance of family values among all members. Networking has been highlighted in Ethnic Chinese business entrepreneurship literature as a very important tool for any venture creation and its management. In further support of this view, Coughlin (2002) suggested strongly that networking is a very effective method for business entrepreneurs to obtain assistance in developing their business plans and engaging in fruitful business entrepreneurial ventures.

In general, the Chinese place high importance on person-to-person relationships. It is said that having a good relationship network in China is the single most important factor for business success, as they prefer ‘relationships first, business later’ (Burns 1998). In this way, the Chinese have a highly structured style of negotiation that goes well beyond the usual Western practices (De Mente 1994). These *guanxi*-based affiliations cut the cost and time involved in all types of transactions.

Another element of this person-to-person relationship is the sense of social prestige among the Chinese. An intangible respect exists within the family, language group, neighbourhood, business circles and society - known as the ‘face’ of a person (De Mente 1994). This face can be of dominating importance in the society that bestows it. It is a grave matter if this standing is lost; this will potentially destroy the individual’s personal and business relationships and future engagements.
Recent efforts in management-related guanxi research have demonstrated that the dynamics of guanxi in the business context is affected by the attributes of organisation and job incumbents (Gold et al 2000; Luo 2000). These studies have conveyed findings that the application and operation of guanxi networks varies according to the attributes of the organisation (i.e. ownership structure, regional location, industrial affiliation, administrative hierarchy, size, history and resources) and job incumbents (i.e. education level, age, tenure, industrial experience, managerial experience). Additional findings from Hutchings and Murray (2003) have also shown that the attributes of organisations and individuals are intensively related to the command of the guanxi process, which subsequently affects the dynamics of guanxi.

Similarly, role models are normally trusted counsellors who share their business knowledge, skills and experience and, most importantly, serve as respected role models for would-be business entrepreneurs and budding business entrepreneurs. In the Chinese business entrepreneurship context, role models are best described as experienced business owners willing to give back to their communities by assisting other Chinese ready to start or grow their businesses. These role models are usually found through guanxi networking (Light et al 1990; King 1991).

Interpersonal relationships that exist at different social levels are also influenced by the size of the enterprises and their ideologies. This contributes distinctive characteristics to Chinese family firms. For example, in addition to having low staff dependence, Chinese families display relatively high levels of flexibility, cooperation and hard work between the family members. It also displays a strong sense of mutual obligation, and they are mostly family-centred. Some of the interpersonal principles advocated by the family business set-up are more prevalent and may have been the primary support of earlier migratory settlements and business enterprise set-up.

Traditionally, Chinese are taught to help others in order to enlarge their own network. Their ideologies inculcate that social and economic activities are not based on competition, but on the collectivist principles of cooperation,
coexistence and mutual support. An organisation is not viewed as being independent, but as an integral part of a larger network of organisations that survive and succeed together.

Maintaining trusting relationships within the organisational network is vital. Networks tend to be established among those who are kin or who have a similar cultural background. They also tend to shape the style of management in Overseas Chinese businesses. However, Ethnic Chinese business entrepreneurs will vary in their adherence to these values. For many families, as they become integrated into the larger overseas culture and with external influences, family and traditional Confucian ideals may become diluted.

In summary, networks have been proven as an important prerequisite to successful Chinese business entrepreneurial activities in any society. The existences of such scaffolds are crucial at the various stages of business entrepreneurial activities. No matter what form it takes and who is involved, it is clear that networking is used by Ethnic Chinese business entrepreneurs as a means to establish their businesses and reputation, acquire resources, develop their businesses, gain advice and information, and reduce isolation (Light et al 1990; Park & Luo 2001). Therefore, Ethnic Chinese business entrepreneurs strategically allocate resources to developing and maintaining networks, and view effective networks as a crucial aspect for making sure the success of their business ventures (Carter 1997; Grant 1991).

5.5 DIFFICULTIES AND CHALLENGES

Generally in the creation and growth of business ventures, business entrepreneurs face a variety of problems, including major financial issues, day-to-day operational issues, staff management and procurement, managing business compliance, and personal issues such as maintaining health and vitality. The environment in the adopted society and its communities impacts directly on newcomers’ adaptation experiences (Kim 1994). The receptivity of the host environment refers to the degree to which the environment is open to, welcomes and accepts strangers into its social communication networks, and
offers them various forms of informational, technical, material and emotional support.

‘Cultural shock’ is also described as the disorientation that comes from being plunged into an unfamiliar setting (McLaren 1998). In an unfamiliar culture, everything that the newcomer experience is different, and subsequently the newly-arrived person may feel incompetent, confused and anxious. Others have described the symptoms as fatigue from constant adaptation to the local culture, being angry and irritable, as well as a feeling of not being in control when dealing with the unfamiliar environment (Gudykunst & Kim 1992; Taft 1976). While experiencing culture shock, people’s self-esteem is often seriously impaired. Migrants with more distinctive physical features or characteristics in relation to the people in the dominant adopted society, such as skin colour, facial features and accented English, may find it harder to acculturate (Padilla & Perex 2003). The contributing factors to culture shock are explored in the next sub-sections.

5.5.1 LANGUAGE

Language is commonly perceived as a core element in the interrelationships between an ethnic minority and the adopted group, as it provides a common means of communication and, more importantly, represents a mode of identity. The behaviour of language can also be explained by communal notions of social categorisation, social identity, social comparison, psychological distinctiveness and cognitive alternatives (Wu 1995). Language is at the heart of adjusting to a new country for most migrants. The significance of language in migrant settlements is affirmed by sociologists, economists, linguists, teachers, and by migrants themselves (Burnett 1998). In Australia, virtually every aspect of settlement hinges upon migrants having some technical English language ability. English is not only the official language of the law and government, but is also the primary language of the economic, social, cultural and educational life of the nation. As Tait et al (1990) suggested, the rules of success are written in English.
Finocchiaro (1995) further explained that language is much more than just a means of exchange between two groups, as they are also trying to understand, accept, assimilate or reject each other’s values. Thus, language expresses and evokes something deeper; in addition to the preliminary functions of expressing thoughts, perceptions, sentiments and values of a culture, it also represents a fundamental mode of collective social identity. The significance of language, as indicative of authenticity, is illustrated by Wu (1995): Wu suggested that for some cultural groups, language is symbolic of their ethnic identity and values, and it demarcates the boundaries of group membership.

Previous research on language and ethnicity has identified a strong relationship between the two. Language is socially accepted as an important system of signs for identifying the uniqueness of any culture, which is crucial to cultural reclamation (Chow 1998). There are various resolutions when the language of a migrant group comes into contact with a different language spoken by the host group. In the initial stage, both languages are retained and become part of the national social life, where each language acquires a well-defined function. The transition then progresses to a later stage where the incoming group loses its language and the adopted language becomes gradually dominant.

### 5.5.2 EDUCATION

There is an adage among Ethnic Chinese parents that they put all their hope into the next generation and strongly impress upon the younger generation the importance of higher education. This maxim has been planted in the mindset of the Ethnic Chinese from generation to generation, stimulating a strong competitive spirit. This value of higher qualifications has a strong influence on migrant Ethnic Chinese (Godement 1999). There is a general belief that by achieving academically, the younger generation of Ethnic Chinese will increase their opportunities for gaining wealth and respect; but without academic achievements they will be marginalised in society.

Traditionally, a primary aim of migration among the Chinese is to find a better life for the children. Chinese perceive providing a good education for their children as one of the most important ‘tasks’. They value education as a
preparation for higher social mobility, and that sufficient education or training is one of the prerequisites to obtain self-sufficiency and self-employment. This phenomenon of valuing education highly corresponds with the findings of Castles et al (1991). It has been found that migrant parents, especially those from Asian countries, no matter what class they come from, place high emphasis on education as a means of ensuring a better future for their children (Collins et al 1995). Thus, the hope is that business entrepreneurship, supported by ethnic resources, provides a path out of poverty and allows the acquisition of greater human capital for their children.

They motivate their children to study by providing all their needs, talking to them about their future and emphasising that education will help them in their future. These parents believe that a good education will likely lead to achieving a university degree that in turn will lead to a good job. This will be the ‘ticket’ to a better life; the hope that their children will not have to work as hard as they do. Parents will see the educational achievements of their children as success and access to career upward mobility, self-employment or highly sought professions.

Education is highly valued by the Ethnic Chinese migrant parents. A sense of security and a promising future lies deeply tied in obtaining higher education, especially in professional areas such as medicine, dentistry, engineering, law and other subjects that require higher university entry scores.

Viviani (1996) found that children of ethnic origin (children of NESB migrants) are staying on at school longer and doing better than students of Australian-born parents, and that the children of migrant manual workers are generally moving into white-collar jobs. This is in contrast to the children of Australian blue-collar workers who are not doing well at school. Dobson and Birrell (2005) also found that Australian-born students are trailing in competition (based on university entry scores) to enter the top health professions.

In 2004, almost a third of local students in medicine were born overseas, mainly in Asia. In optometry, more than two out of five domestic students were overseas-born. In dentistry, more than half of the local students were born
outside Australia. By contrast, in the overall population, fewer than one in five Australians aged 15–24 were born overseas. The report attributed the success of children from migrant families to parental ambition and the willingness of families to invest heavily to ensure their children can compete for scarce and prestigious places at a university (Dobson & Birrell 2005).

The attainment of higher education qualifications is highly prized by migrant parents, especially those from Asian countries, no matter what class they come from. Parents place high emphasis on education as a means of ensuring a better future for their children (Collins et al 1995), which has given rise to the stereotype of the ‘Tiger Mum’ who mercilessly urges and encourages her children to study and excel academically. Thus, the hope is that business entrepreneurship supported by ethnic resources will provide a path out of poverty and allow the acquisition of higher human capital for their children.

The skills and capabilities derived from education are broad ranging, from functional expertise in marketing, accounting, sales or production, to abilities to spot market trends, and learning to deal with people and generate ideas to provide a competitive advantage and underpin enterprise performance (Peteraf 1993). Kim et al (2003) explained that the influence of formal education on the decision to become a business entrepreneur can be viewed along two dimensions: acquisition of skills and credentialing. They further explained that general business skills as well as industry-specific skills might help business entrepreneurs avoid common mistakes and guide them in setting up basic business functions. Also, formal education as credentials can provide access into social networks or serve as an indicator in an evaluation for resources.

### 5.5.3 RELIGION

Religion has never played an important role in Chinese history, at either a political or familial level (Chan 2008; Cheng 1997). Christianity and Buddhism are the two major religions that were imported into China (ABS 2006b), but religious teachings are not considered important in business circles. Instead, they are generally deemed as superstitious. Throughout history, there has been no religious movement in China comparable with Christianity in Europe. Order
and harmony are cosmic principles that give shape to natural laws of which the Mandate of Heaven is one. In addition, anything that can enhance the prosperity or fortunes of oneself or the family is preferred.

The terms ‘spirituality’ and ‘religion’ are sometimes used by writers and researchers in an interchangeable way, with a close relationship between them (Engebretson 2004; Slater et al 2001). However, spirituality is not equal to religion (Ratcliff 2001). While religion refers to a system of belief, attitudes and practices (Koester 2006), spirituality is concerned with the experience of a personal relationship with God, which can be experienced in real-life situations or through religious practices (Engebretson 2004). In short, the relationship between spirituality and religion is that spirituality is the living core of religion.

5.5.4 PREVIOUS WORK EXPERIENCE

According to the resource-based perspectives, apart from education, human capital is derived from relevant work experience. Research has shown a robust positive relationship between prior work experience in the same industry or line of business and venture success (Carter et al 1997; Cooper et al 1994). Highlighting the importance of previous work experience, Kim et al (2003) explained that if the work experience occurs within the industry in which the new business venture is located, individual business entrepreneurs will gain opportunities to understand industry-specific market forces and identify potential market opportunities to exploit. Furthermore, work experience increases opportunities for individuals to obtain positions within various social networks that can be tapped into for market information, access to capital, hiring employees, and developing supplier and customer relationships.

Some earlier studies have indicated that work experience in the same industry as the business venture is a clear advantage in the business entrepreneurial process (Brush et al 2006; Fielden & Davidson 2005). However, most Ethnic Chinese are not prepared for all the regulations and bureaucracy they face when arriving in Australia. Usually, the most difficult barriers are languages and their presumed ‘lack of freedom’ to exert their influence when bargaining with independent regulatory bodies. This presents these migrants with little choice
but to seek upward mobility by setting up their own business specialty within their own ethnic community.

Baker and Wooden (1992) found that 70% of migrants with qualifications obtained overseas did not use their qualifications in their current job, and concluded that non-recognition of qualifications might have been partly responsible for the relatively high rates of ‘invisible underemployment’ within some migrant groups. Chapman and Iredale (1990) also found that only 39% of formally skilled migrants subjected their overseas qualifications to official assessment, and of these only 42% had the qualifications recognised as being equivalent to Australian qualifications. However, they also found that those who had their qualifications recognised did not necessarily earn more than those who did not have their qualifications recognised.

On the other hand, previous work experience of the business entrepreneurs has been suggested as one of the most important influences towards new business success (Cooper 1981). Start-up experience acts as a proxy for skills and competencies as well as enabling the building of network contacts, business reputation and an outstanding track record, among (Vesper 1980).

Previous work experience is a significant element of a business entrepreneur’s human capital. It influences their cognitive behaviour, which in turn affects how they engage within the business entrepreneurial process. Such experience is generally considered an asset, assisting in building networks as well as managerial and other competencies. However, Starr and Bygrave (1991) argued that this could also be a liability which may be due to overconfidence. For instance, when the business entrepreneur is reluctant to vary from a past successful strategy, even if the conditions have changed.

Another way of learning is through observation of the behaviour of others, referred to as ‘role models’ (Bandura 1986). Even limited experience of business entrepreneurial activities can substantially influence how one perceives business entrepreneurship (Scherer et al 1990). Based on the resource-based theorists’ findings industry-related experience is one of the most important factors for successful business entrepreneurial ventures.
Therefore, past work experience of Ethnic Chinese business entrepreneurs plays a significant role in their success.

Ethnic Chinese business entrepreneurs in Australia frequently face a number of barriers in their business endeavours that could hinder their progress. These include language barriers, education levels, business skills and knowledge, previous work experiences, access to human and financial capital, and regulatory environments. Such barriers lead to the postulate that entrepreneurial success is related to the difficulties and challenges experienced by the business entrepreneurs.

5.6 BUSINESS SKILLS AND CAPABILITIES

It is generally acknowledged in business entrepreneurship and management literature, the substantial role played by managerial skills and capabilities in relation to business and financial success. Begley and Boyd (1986) contended that business entrepreneurs often start with a set of distinctive traits; and business skills and capabilities are essential elements to the creation of new business enterprises and to business success. Lerner et al (1997) claimed that some of the factors that relate to business performance and business success include: the ability to engage with people; strong ideas generation; and business skills, especially those related to management and marketing.

Migrant enterprise development largely depends on being the ‘middleman minority’, based on the opportunity structure and operating environment in the adopted country. The set-up and the running of such businesses have gradually changed from keeping it within the family, in that external assistance is often sought to deal with larger issues and problems. This is due to the increased complexities and size of organisations; which means that the answers to business-related challenges lay beyond the business acumen or family expertise.
5.6.1 BUREAUCRACY AND REGULATIONS

Administrative and regulatory burdens affect all new and small enterprises, and can be one of the factors encouraging business entrepreneurs to engage in informal sector activity as a means of avoiding their influence. While less of an issue than finance, there is a need for support organisations operating in areas where there are significant numbers of ethnic minorities, to make administrative and legislative requirements available in appropriate languages, and to provide assistance to ethnic minority business entrepreneurs who have difficulties in responding to the administrative and legislative requirements (Boyer 1996; Li 1988; Teixeira 1998; Tseng 1992).

Unlike in Western countries, the Chinese judicial systems have always overlapped between both state (provincial) and local governments at any given time. These judicial systems have varied during different historical periods, depending on the dynasties. Although no matter how different these laws may be, the head of the family has always been more important and influential than the government representatives.

In Western societies, debates and arguments are constantly heard about what legal and political systems are the right ones, how the details of these systems should be organised and implemented, and what rights and protections one will have.

In China, personal rule by the emperor was the model; the whole discussion was not about the system, but about the legitimacy of the government, the Mandate of Heaven. That mandate was judged by the physical wellbeing of the people. If the people had enough to eat and were not dying from invasions or natural disasters, then heaven must be happy with the rulers. If the people were suffering, for whatever reason – war, earthquakes, famine, venal officials – then heaven had withdrawn its mandate, and before long the government would fall.

Throughout almost all Chinese history, regulatory bodies for any kind of profession, industry and building/structure did not exist. It was simply because such departments or regulatory bodies did not exist; regulatory systems were
non-existent. Regulatory enforcement only began and became more mandatory once China opened its doors 30 years ago (Liang 1987).

According to some Chinese, China has no need for a system of regulations. They believe that if the ancient Confucian values alone do not serve well, there is always *guanxi*, the intricate web of connection built of family, village, friends and language groups (Chen & Chen 2004; Park & Luo 2001). For Western investors, the lack of strong, unambiguous contract law, property rights and reasonably incorruptible courts may be the largest single barrier to entering the Chinese economy, and vice versa (Chu 1995).

Another stand-out area of business development for Ethnic Chinese business entrepreneurs relates to the issue of regulations at several levels of Australian government (federal, state and local governments) and other regulatory bodies. In the past, there were numerous hurdles, administrative burdens and compliance costs related to regulation and governance (Collins 2003).

Ethnic Chinese business enterprises were required to respond to a range of government administrative, regulatory and reporting requirements. Compliance costs were estimated to amount to as much as one-third (32%) of the profits of small businesses in Australia (OECD 1998). The business entrepreneurs had to work their way around the bureaucratic maze of legislation, red tape and policy developments that impacted on their businesses. The inefficiency and inability to reduce the labyrinth of administration work deterred both the potential and existing business entrepreneurs in extending or expanding their businesses further.

### 5.6.2 PREVIOUS EXPOSURE TO BUSINESS ENTREPRENEURSHIP

Besides the resource-based theorists’ views on the human capital, social learning theory offers a different but complementary point of view that business entrepreneurs can acquire crucial business knowledge and skills from family members and friends, especially in the Chinese culture.
The social learning perspective advocates that the individual’s socialisation process, which occurs in the family setting, transforms norms, aspirations and career preferences through observational learning and modelling (Bandura 1977). For instance, researchers have conjectured that self-employed parents might foster the development of business entrepreneurial attitudes in their children through socialisation. Parents may be inculcating a learned preference for self-employment in their children; possibly by providing work experience at a young age, or through subjecting their children to the business entrepreneurial lifestyle; and through the social networks tied to their businesses (Carroll & Mosakowski 1987). The socialisation to business entrepreneurial skills may include not only someone’s parents, but also other relatives as well as friends. Family members such as siblings and cousins can also influence an individual’s beliefs about business entrepreneurship, as well as provide role models and practical knowledge. This informal training and experience are considered a separate element of human capital by Lentz and Laband (1990). It might increase a person’s interest in the start-up of a business entrepreneurial venture, and also improve their chances of success.

It can be seen then that prior knowledge influences the way business entrepreneurs comprehend, extrapolate, interpret and apply new information, in ways that those lacking it cannot duplicate (Roberts 1991). Prior knowledge helps business entrepreneurs to appreciate the value of new information. It also influences their willingness and ability to make new connections among pre-existing ideas, as well as new ideas, allowing them to recognise opportunities.

Family involvement with business and entrepreneurial activities also coincides with earlier studies in the literature, which emphasises that business entrepreneurs are four times more likely to have been subjected to the influences of a business entrepreneurial parent. It is also the view that people’s personalities and skills are partially the result of their genetic make-up, and partially the result of their environment and up-bringing (Bandura 1977; Hisrich & Brush 1985). It has been suggested that family, friends and community are the major influences in the development of young people, whose tasks concern
the relationship with family, with peers and with other people (Engebretson 2004).

5.6.3 SUCCESS STANDARDS

Success, in this research project, is studied in relation to how researchers have attempted to gauge business success, and as to how the Ethnic Chinese business entrepreneurs view their success. Conventionally, most analyses assume a definition of success and failure of any business entrepreneurship by looking at different financial, quantitative measures, such as income, the size of the firm and the number of employed people, as evidence of achievement (Djik 1996). In recent times, there is a growing consensus that business and business entrepreneurs are not standardised, definitions of success need to include non-financial yardsticks.

Werbner (1999) stated that ‘success’, rather than being an individual achievement, is often defined collectively – as the establishment and reproduction of a new value regime and its association with a particular ‘place’ or ‘community’. A strong desire commonly shared by Ethnic Chinese is to be prosperous, and they are highly motivated towards the accumulation of wealth.

According to Fouts & Chan (1995) by calculating the value of land and property is often how the Chinese customarily evaluate people’s wealth and power. The principle that ‘money can buy everything’ has become a common official and unofficial means of gaining traction through procedures and systems. This ‘back door’ channel, also called the ‘Chinese way’, refers to the unofficial economy, similar to the black market, where one can get things done that are not available or not possible in the official economy (De Mente 1994). Therefore, the traditional way of measuring success via profitability may not be adequate.

5.6.4 TRANSNATIONAL EXPANSION

As pointed out by Stromback and Malhotra (1994), Asian, predominantly Ethnic Chinese, migrants have business entrepreneurial advantages in relation to their cultural background and motivations. The important value of overseas networks
of ethnic business entrepreneurs of Australia were highlighted by them. The links with friends and relatives in the country of origin are frequently used to make available a reliable source of supply, advice on market prospects, to secure credit and access to a market. The Ethnic Chinese business entrepreneurs are, in general, innovative, successful, and export-oriented. Lever-Tracey et al (1991) claimed these business entrepreneurs have substantial resources overseas, including business networks and financial resources.

The role of originating country links, and of guanxi networks, can be explored in the context of internationalisation of Ethnic Chinese businesses. However, there are issues of how much dependency on the links to the country of origin and ethnic resources is good for the ethnic business. Ethnic business owners need to consider whether they should build themselves a stronger presence in their adopted country rather than continue to depend on resources in the country of origin. They also need to choose whether to focus on domestic rather than on international investments and activities (Chavan 2002).

5.7 EPILOGUE

There has been wide-ranging research focused on the key elements of successful business entrepreneurs. The literature in relation to business entrepreneurship has largely shed light on many of the variables in question.

Past studies of Ethnic Chinese business entrepreneurs have highlighted a number of problems that the Ethnic Chinese business entrepreneurs have encountered at business start-up and business growth. The lack of access to finance encountered by the Ethnic Chinese business entrepreneurs is one of the problems extensively covered in the business entrepreneurship literature. Several other problems pointed out in the Ethnic Chinese business entrepreneurship literature included – the lack of managerial, business and technical skills; the lack of local knowledge; the lack of knowledge of local customs; language and cultural barriers; and the lack of access to business networks.
In addition, the differences of Ethnic Chinese characteristics have previously been highlighted in comparison with those of Western business entrepreneurs. These concepts of business entrepreneurship of Ethnic Chinese are further explained and enhanced in this study via a better understanding of:

1. The common personality traits of Ethnic Chinese business entrepreneurs.
2. Their motivations for business ownership.
3. The critical resources needed for their business entrepreneurial process.

The next chapter that makes up Part Three details the research framework and research methodology for this study. After describing the research framework, it will describe data design and collection, selection of the research participants’ interview techniques, recording and transcription of data, and analysis techniques employed in this research.
PART THREE

CONCEPTUAL FRAMEWORK AND RESEARCH METHODOLOGY

PART THREE CHAPTER

Part Three consists of only one chapter: Chapter 6 – Conceptual Framework and Research Methodology

Chapter 6 explains the construction of a master framework and conceptual framework for this study. In addition to the development of the theoretical foundation upon which this research was built, this chapter also describes the research design, data collection and analysis. In particular, it describes the case research methodology, data collection procedures and data analysis techniques.
CHAPTER 6
CONCEPTUAL FRAMEWORK
AND
RESEARCH METHODOLOGY

6.1 PROLOGUE

This chapter defines the conceptual framework of this study. In addition, it describes the research design and its rationale; methodology used in this research; choice of research instruments and their development; data collection procedures; and the data analysis techniques.

The following items are covered in this chapter:

- Research Framework (Section 6.2)
- Research Questions (Section 6.3)
- Research Design (Section 6.4)
- Research Participants (Section 6.5)
- Data and Information Gathering (Section 6.6)
- Data Analysis/Processing the Data (Section 6.7)
- Epilogue (Section 6.8).
6.2 RESEARCH FRAMEWORK

Most North East Asian and Southeast Asian economies have been successful over the past three decades. In fact, most observers and commentators are so impressed with them that various flattering labels have been used to describe them, such as the ‘East Asian Economic Miracle’, ‘Asian Tigers’ and ‘Asian Mini-Dragons’. Each of these labels is meant to denote the rapid economic growth of the economies concerned.

It is also generally agreed that these economies have been dominated or largely controlled by family-based, Ethnic Chinese business entrepreneurs who have built large business empires within a short period of time within these economies. This pre-World War 2 generation of entrepreneurs are mostly in their 70s and 80s, and rapidly coming to the end of their lifespan. Members of the baby-boomer generation of these Ethnic Chinese migrants, the majority of them the children of the pre-World War 2 generation of entrepreneurs, are being groomed to take over their business empires. Yet very little is known about their business ability and how they operate in business.

A master conceptual framework for this study is shown in Figure 6.1 below. After thorough analysis of existing research literature, gleaning information from the mass media, and obtaining knowledge and opinions from experts in this field, a conceptual framework for the founding or first generation Ethnic Chinese business entrepreneurs was created (the rectangular shape in the centre of Figure 6.1), which was essentially secondary research. This conceptual framework was then used as the ‘platform’ for primary research on the baby-boomer or second generation.
The primary research used narrative and depth interview techniques to collect and gather data and information. After analysis had been conducted and results produced, a theoretical model was created (see Chapter 11 for details). The data gathering and data analysis for this study are described in Section 6.6 of this chapter.

An extensive literature review was used to help develop the conceptual framework of the pre-World War 2 generation of Ethnic Chinese business entrepreneurs. Chapters 2 to 5 of this thesis detailed the five areas that combine to describe and define this pre-World War 2 generation in business. These five areas are:

1. Ethnic Chinese, China and Southeast Asia
2. Ethnic Chinese business entrepreneurship
3. Ethnic Chinese family business ownership and control
4. Business networking

Figure 6.2 provides a graphical representation of these five areas.
FIGURE 6.2: FIVE AREAS OF PARENT LITERATURE THAT DEFINE THE PRE-WORLD WAR 2 GENERATION OF ETHNIC CHINESE BUSINESS ENTREPRENEURS
By bringing together the data and information from academic literature, expert opinions and online media, the key factors and variables were distilled into two groups:

1. Influencing factors (Figure 6.3 below)

2. Behavioural factors (Figure 6.4 below).

The subsequent conceptual framework is shown in Figure 6.5 and consists of two sets of variables. The dependent variables are the behavioural factors, consisting of entrepreneurial leadership, strategic business decision-making and management in relation to business operations. The independent variables are the influencing factors, consisting of networking, business environment, business stakeholders and the family of the founding entrepreneur.
FIGURE 6.3: INFLUENCING FACTORS OF THE ETHNIC CHINESE BUSINESS ENTREPRENEURS
FIGURE 6.4: BEHAVIOURAL FACTORS OF THE ETHNIC CHINESE BUSINESS ENTREPRENEURS

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FIGURE 6.5: CONCEPTUAL FRAMEWORK FOR THE PRIMARY RESEARCH ON THE BABY-BOOMER GENERATION OF ETHNIC CHINESE BUSINESS ENTREPRENEURS
6.3 RESEARCH QUESTIONS

The main objectives of this study were:

1. To discover the determinants of the strategic decision-making process of the baby-boomer generation of Ethnic Chinese business entrepreneurs, within the contexts of family; social and business networking; business ownership and control; and business entrepreneurship. These factors (depicted in Figure 6.6 below) are known to influence business decision-making among the Ethnic Chinese.

2. To investigate, in-depth, the manner in which the baby-boomer generation of Ethnic Chinese business entrepreneurs make strategic decisions regarding investments, diversification and decisions on items such as the locations of their business enterprises, which may affect the growth and future of their enterprises.

Based on the above, the corporate strategic profile was examined. More specifically, the strategic behaviour of the Ethnic Chinese business was
examined in relation to the aggressiveness of the firm's strategy and its business capability.

Based on the previous section relating to the formulation and implementation of the conceptual research framework, the following research questions were determined:

1. What are some of the internal factors and how do these influence the baby-boomer generation of Ethnic Chinese business entrepreneurship in Australia?
2. What are the external factors and how do these influence the baby-boomer generation of Ethnic Chinese business entrepreneurship in Australia?
3. How do the factors mentioned in items 1 and 2 above influence and shape the business behaviour of the baby-boomer generation of Ethnic Chinese entrepreneurship in Australia?

The answers to the above questions will help us to better understand the baby-boomer generation of Ethnic Chinese business entrepreneurship in Australia.

6.4 RESEARCH DESIGN

The main purpose of this chapter is to establish the rationale and set up the most appropriate research methodology for this project. The topics covered include research design, identification and selection of research participants, data collection and process, research techniques, as well as data processing and data transcription.

Given the real-life context of this research project, the case study methodology was considered the most appropriate to employ.

This methodology can be justified on several grounds, including:

1. The nature of the major research questions.
2. The extent the investigator (researcher) has control over the behaviour of research participants or events.

3. The research focus on a contemporary or historical (past) phenomenon.

It was anticipated that the most effective techniques for collecting data in this study were in-depth interviews and narratives from research participants, as control over the research participants or events was minimal.

As the phenomenon to be investigated is a contemporary one in a real-life context, the most realistic and productive approach was to study it in this context. The need to explore in-depth, to describe in detail, and to explain this complex phenomenon in a 'natural' real-life setting indicated that the case study research methodology was one which would provide the research with the necessary and relevant tools, techniques and methods, and eventually yield the most fruitful results.

Flick (2006, p.15) asserted that:

“… the object under study is the determining factor for choosing a method and not the other way round. Objects are versions of the world not reduced to single variables, but are studied in their complexity and entirety in their everyday context.”

A large part of dealing with real-world events involves dealing with change – personnel change, relationship change and environmental change – where a major component of the change is generational change. The complexity of events in the real world supports the argument for qualitative research as the most appropriate approach; especially where there is generational change involved.

The context above matches several of the criteria proposed by Yin (1994) for the selection of a case study design. The criteria are:

1) Description of an interaction and the real-life context in which interaction occurred.
2) Explaining the causal links in real-life interactions that are too complex for a survey or for experimental designs.

3) Exploring situations in which the interactions being evaluated have no clear, single set of outcomes.

4) Illustration of certain topics within an evaluation in a descriptive mode.

It was argued that a case study was proper and adequate for the purpose of this research as “the single case ... dialectically can be understood as an individualized universal. Thus, the single case was initially seen as the result of specific individual socialisation against a general background” (Hildenbrand 1987, cited in Flick 2006, p.132).

Furthermore, the richness of the data available was more than adequate for what was required. At the same time, a case study design also enables a boundary to be put around the research and gives it a focus. It also enables multiple data collection techniques to be used where necessary (Punch 1998).

The case study design was selected as the best way to capture the dynamics of a complex research situation. De Vaus's classification of the form of case study used was one of a descriptive, theory-building, single-case embedded unit of analysis with a retrospective-perspective, grounded theory (Strauss & Corbin 1998). The case study attempts to describe, retrospectively, the impact of generational events and other factors affecting operations within the organisation, using individuals as subjects. The method allows the researcher to delve in-depth into the complexity and process of the phenomenon under study (Marshall & Rossman 1999).

It is argued that the use of quantitative research would require a priori assumption to be made that could result in the categorisation of people into stereotypes, and might miss hidden and unique variables in a situation where there are many possible variables and relationships. In addition to this, there was the difficulty of identifying responses from the idiosyncratic responses of individuals. That is, the same story narrated by two persons may have two different viewpoints or perspectives. The commonalities have
to be identified for this type of research to be successful. Therefore, quantitative research was deemed not appropriate for this study.

Structured questionnaire surveys are limited to standard questions which do not fully allow interviewees to express their unique experience and opinions. The inappropriateness of using 'standard questions' in case studies may be associated with restating the question, interjecting a question into the answer for purposes of clarification, and using sounds that convey approval (Mishler 1986). Using standard structured questions also eliminates the possible unknown explanations and meanings behind answers provided by the interviewees. That is, explanations or circumstances must be given before standard answers are drawn.

In addition to this case study's qualitative design, the lack of theories in the research area meant that the research design needed to allow for the generation of theories (Hesse-Biber & Leavy 2006). Therefore, the use of a grounded theory design (Strauss & Corbin 1998) was introduced to the case study design to address the need for theory generation. This was possible because grounded theory crosses other forms of research design and can be used within them (Punch 1998). This research design was really an approach to theory development using inductive reasoning – “working toward a condensed abstract and emerging interpretation of what is central to the data” (Punch 1998, p. 218).

6.5 RESEARCH PARTICIPANTS

The target of this research study was the baby-boomer generation of Ethnic Chinese business entrepreneurs in Australia. The research participants were business entrepreneurs who were involved in the operation of their own business enterprises during the completion of this study. The selection process of research participants for interview aimed to achieve a balance of views and experiences.
The selection of research participants was initiated by invitations sent to individuals identified as Ethnic Chinese, or who identified themselves as Ethnic Chinese business entrepreneurs. These Ethnic Chinese baby-boomer business entrepreneurs were sourced and selected in a number of ways: from Chinese business associations, such as the Victorian Chinese Chamber of Commerce, the Chinese Professional and Business Association, and the Victorian Employers’ Chamber of Commerce and Industry; from the researcher’s own network of contacts built up over many years via seminars and conferences, in particular the World Chinese Economic Forum (that the researcher has been involved in as forum moderator and in the past few years as editor of the Forum’s report); via contacts in workplaces/business organisations over many years; and finally, from private business networks.

Upon identifying a suitable research participant, the individual was approached by the researcher of this study. Once the purpose of the research was explained, the potential participant was given the choice to participate or decline. If the research participant agreed to be part of the study, a consent form was completed and signed by them.

Both male and female research participants were included; although on balance, more males agreed to participate than female, in line with gender proportions on the identified list. In the end, 12 research participants were recruited: eight male and four female business entrepreneurs. An in-depth qualitative study of such a group is a representation of a larger cohort defined as baby-boomer Ethnic Chinese entrepreneurs.

6.6 DATA AND INFORMATION GATHERING

Two major methods of data collection were used: narrative and in-depth interviews. This dual technique provides the benefits of ensuring both good quality and a sufficient quantity of data. Figure 6.7 represents the flow of the data collection process. Interviews generally started with the narrative approach to allow research participants the opportunity to tell their stories.
If this dual technique fails to gain satisfactory results, the depth (probing) interview approach is generally used. The depth interview approach follows a question-answer sequence which gives the interviewer a chance to clarify (Silverman 1993). This is either to bring the research participant back on track or to obtain further details on a topic that is directly related to a topic at hand. Typically, division between the two approaches in any particular interview is not clearly defined within a timeframe; it is permitted to flow back and forth between the two approaches. The personality of the research participant is a major determining factor as to which approach might be used more frequently (Silverman 1993), and that was taken into account during the interviews.

A pioneer in narrative theory and its associated narrative interview technique, Ricoeur (1984) argued that much can be learnt through storytelling. That is, facts described along a timeline, so that lessons can be learnt and insights gained. So it is suitable for dynamic research situations, such as in complex studies where the interdependence between time, belief and behaviour changes are important. Narrative is not only a suitable form for telling children's fairy tales. It has also been used in research on law (Jackson 1990), economics (McCloskey 1990) and even in scientific discussions (Harre 1990).

The use of narratives, through which historical memories of successes and failures and their causes are collected as data, provides the basis for a qualitative case study through the depth of articulation that they facilitate.
Their use allows research to create a clear picture of the identity and role of the teller in critical events.

Narratives are suited to the understanding of the complexity of a case in an ideal setting, when a clear timeline is followed, and are themselves deeply related to the dynamics of culture. This makes them ideally suited to the situation in this research project. Furthermore, narratives assist in dealing with the need to access information about a complex web of relationships over time. When things cannot be understood by way of a simple metaphor, narrative is the only other choice (McCloskey 1990). When complexity cannot be easily understood and explained through a simple metaphor, the relationship of the actors in a complex situation is important. Therefore, narrative questioning and narrative responses offer many advantages for studies of this type of phenomenon.

However, narrative theory does not take into consideration the relationship between historical and fictional narratives (Ricoeur 1984). The researcher is, instead, required to link the events using opportunities to gather narratives of events. Through these events, the researcher can build a picture of the development.

Through the analysis of a specific case, it is possible to use narratives to link actions.

The narrative interview technique provides data that other techniques cannot do so easily (Flick 2006), including:

a. People ‘know’ and are able to present a lot more about their lives than they have integrated into their theories of themselves and their lives.

b. The narrative takes on certain independence during its recounting.

c. There is an analogous relationship between the narrative presentation and the narrated.
It is also argued that due to the following reasons, narratives cannot always be utilised as they are intended. Narrative interviewing potentially violates the interaction expectations in the roles of participants (Flick 2006). These reasons are:

1. Expectations linked to the situation of ‘everyday narration’ are not well-understood by research participants.

2. Expectations relating to the situation of an ‘interview’ are not met, because questions in the usual sense of the word are not asked.

3. The space awarded to the interviewee for the production of his or her narratives is rarely given in everyday life.

The ability of research participants to relate historic events accurately against a chronological timeline can also be problematic. Memory is distorted by the relationship of the research participant to the stimuli. The accurate recollection of time and dates may also be affected by the significance of the stimuli. A more memorable event will be remembered for a longer period, and the story is likely to be repeated more frequently. Each time the story is told, a degree of variation will be added, according to the memory of the most stimulating moments. Thus a timeline for the events in the narrative is only relevant when events are integrated within an existing sequential order.

Research participants possess different capabilities in telling a story. People often add fiction to their storytelling to improve its attractiveness. This is done according to their own judgment and perception. At other times, research participants ‘help’ in order to provide perceived outcomes for interviewers, and this process is largely based on personal interpretation of the interviewer's intent.

Other research participants might not be able to tell a full story in chronological order without probing from the interviewer. They are also not capable of continuing such a process over a long period of time; longer than one hour for instance, unless they are really interested in the topic themselves. However,
in most cases, holding interviews on more than one occasion is unlikely to be practicable, due to limited resources.

Therefore, a second method was used in conjunction with the narrative approach – the depth interview technique. The depth interview was chosen to enable the researcher to gain detailed insights (Yin 1994) on certain key issues, while ensuring there were no imposed views on the participant (Denzin 1978) which could limit articulation of complex issues. Within this study’s depth interviews, semi-structured questions were used, combining narrative questions and open-ended probing questions.

This study’s depth interviews were mostly conducted using a semi-structured approach: more directed or guided questions were asked at the beginning of the interview, to help the research participants organise their thoughts. This is particularly necessary because no research participants were paid for their time. It was therefore expected that research participants would not have had the time to prepare their narratives prior to the interviews.

Sackmann (1991) argued that unstructured interviews, by not providing a set of structured questions beforehand, are the only appropriate form of interview for cultural studies to draw out more appropriate and meaningful responses. This method allows the interviewees to freely tell and unfold their stories without the strict guidance of the interviewer. Prior preparations, especially when questions are provided in advance, tend to limit the interviewees' thoughts in providing details of events.

The selection and use of dual question types in this study was in response to a lack of deep responses to the initial narrative approach. Individuals embellish stories and they may have different abilities to express themselves. Probing as a technique to draw out answers was therefore required in this study after the narrative approach. Businesspeople are often reluctant to disclose deep information without considerable probing. The use of this dual approach was justified by De Vaus (2001), and consistent with his belief that any method of data collection can be used within a case study design, as long as it is practical and ethical; one of
the distinguishing features of the case study method is that multiple methods of data collection are often used.

The literature actually showed that there is a degree of confusion as to what narrative is and what a depth interview is. Probing occurs in all semi-structured interviews. Yet the fact that interviewers may be well-trained and experienced means that questions can be biased. This is unless the interviewer is limited to asking one question only: ‘What happened after that?’ Of course, this is based on the assumption that the research participant is capable of describing facts in a chronological order.

The probing interview approach uses open-ended questions so as not to impose any prior categorisation that may limit the field of enquiry (Denzin 1978). Questions are structured so that they relate to the researcher's interests and the research participant’s position and experience. The research participant is encouraged to talk freely around the question, which adds detail and gives the researcher the chance to pursue any surprising responses (Flick 2006). Furthermore, the interviewer can then attempt to move from specific questions to more general, less detailed questions.

In addition, the researcher attempts to ensure that questions are ‘generative’ in nature (Strauss & Corbin 1998). This method is used in an attempt to stimulate a line of investigation in effective directions. Flick (2006) wrote (citing Strauss), “They lead to hypotheses, useful comparisons, the collection of certain classes of data, even to general lines of attack on potentially important problems”.

6.6.1 COLLECTION OF EVIDENCE

This study’s evidence (data and information) comes from the following sources:

- Interviews
- Narratives
Multiple sources of evidence were used in a converging line of enquiry approach (Yin 1994). This was to strengthen the construct validity and increase the reliability of the research. At the same time, a research database was established, to store the data and information separately, so that evidence could be retrieved quickly and easily when needed by the investigator or by other researchers and examiners. This database has also served as the basis for writing this thesis.

6.6.2 INTERVIEWS

In case study research, one of the most important sources of information is the interview. In this study, it was the primary method used to elicit and to explore the problems, factors and issues of the phenomenon under investigation. The focused interview was considered the best option, given limited time and resources. A short period of approximately 45 minutes was scheduled for each interview; the interview was open-ended and a set of prepared questions was posed to the research participant.

In brief, secondary data is important; it enhances information richness and adds great value to the research. Other secondary data was sourced through libraries and internet websites, with only credible sites being used for the purpose of this study. In addition, the company history of each business enterprise was made available by its management, as well as being accessed on the company website. Company materials were collected whenever and wherever possible. Some interviewees provided other printed material, as well as personal notes and diary entries.

Figure 6.8 graphically illustrates the primary and secondary data collection processes.
6.6.3 INTERVIEW PROCESS

The interview process involves careful preparation which begins when a potential research participant is identified. This is generally achieved through recommendations from research participants who have already been interviewed. Once a recommendation is made, the potential research participant’s experience and background is thoroughly researched. In this way, it is determined whether the recommended person is a valuable research participant.

Upon establishing a suitable research participant, the individual is approached by the study’s researcher. Once the purpose of the research has been explained, the research participant is then given the choice to participate or decline. If the research participant has agreed to be part of the research project, a consent form is completed and signed by the research participant.

Further research on the research participant is then carried out to collect as much information as possible, so that when the interview is conducted, the researcher already has a good knowledge of the research participant's background and experience, which facilitates the interviews that were conducted later in this study.
In this study, relevant interview information was also reviewed in the preparatory phase. Thus, less time was consumed by a lack of preliminary information, and the research participant was made to feel more confident at the beginning of and during the interview. It also shortened the warm-up period and made the interview sessions more effective and efficient in most instances. It also enabled the building of better rapport for further interviews, if necessary.

Permission to use a recording device (computer tablet) was also requested. If there was no objection to the use of such a device, the interview was recorded on that device.

As discussed earlier, interviews always begin with the narrative approach. This allows research participants the opportunity to tell their stories voluntarily without much prompting. Typical questions to initiate an interview could be: ‘Can you tell me about your involvement in the business?’; or ‘When did you start your business?’; or ‘How long is it since you started your business?’ The expectation is that the research participant will evolve the storytelling from this point.

During or towards the end of interviews in this study, when opportunities arose, a future lead was always taken up. This was an important part of the research that ensured the continuation of the process and enrichment of the database; and also provided certainty of securing further interviews. In most cases, an introduction from one research participant would often lead to better hospitality, as well as interviews and assistance from other research participants.

Interviews in this study were concluded by thanking the research participant for their time. Sometimes, further comments were also invited.

**6.6.4 RECORDING PROCESS**

The recording process is the first essential step to obtaining accurate, detailed data. Recording provides details that notes cannot achieve, and it also fills
gaps that the interviewer may have missed. Recording may also display the true data, rather than data that is interpreted or which may be affected by perception (Silverman 1993).

Interviews in this study were supplemented by the interviewer taking notes digitally on a tablet computer.

**6.6.5 TRANSCRIBING PROCESS**

Data transcribing is an essential process to ensure that narratives are recorded and processed properly (Silverman 1993). Transcribing data is a technical detail, but an essential process prior to analysis (Atkinson & Heritage 1984, cited in Silverman 1993). “They involve close, repeated listening to recordings, which often reveal previously unknotted recurring features of the organisation of talk” (Silverman 1993, p. 117).

In this study, all interviews were transcribed by professional transcribers. Interviews were sent to be transcribed shortly after the interview, to build on top of the existing notes. This process also acted as a checking system for interviews in this study. That is, pauses, ‘umms’ and repetitions of parts of sentences were omitted. Where notes were different from recorded tapes, the transcriptions were taken from the tape in this study. All transcriptions transcribed by a professional service were confirmed by the researcher by replaying the tape.

Each interview was typed out before the next research participant’s interview occurred, with questions then drawn from the previous interview. This also allowed the researcher to confirm information provided by different interviewees. Transcripts were then sent to the research participant to be confirmed. All were returned to the researcher via email, with confirmation of the transcripts and any alterations to be made.

One of the most common analytic methods in qualitative research is thematic analysis, used effectively by recognised researchers such as Aronson (1994), Boyatzis (1998), Braun & Clarke (2006), Guest, MacQueen, & Namey (2012).
Emphasis in thematic analysis is placed on identifying, examining and recording patterns across datasets. The themes are patterns across datasets which describe a particular phenomenon to a research question; the themes are the categories to be analysed. Thematic analysis emphasises organisation and rich description of datasets.

In this study, after the audio recordings had been professionally transcribed, each transcript was read and re-read. Then the process of coding/highlighting based on the major themes and subthemes begun – this categorising was done to discover themes and subthemes. Any other interesting and/or unusual words/phrases were also examined and noted. This process was done for each audio transcript.

The themes, subthemes, interesting or unusual words/phrases were then closely analysed. The outcome of the thematic analysis was then organised into three dimensions relevant to the research questions and the overall research project. From this, a model was developed which is called the Tri-Cluster Model.

6.7 DATA ANALYSIS/PROCESSING THE DATA

Qualitative research software such as NVivo is a useful aid in qualitative analysis. There are other software packages available – Atlas, Mendeley and HyperResearch, just to name a few. Each has a varying degree of efficacy – various advantages and disadvantages in comparison with the others.

The purpose of using a qualitative research software package CAQDAS (Computer Assisted Qualitative Data Analysis Software) is to have tools to assist in transcription analysis, coding and text interpretation, recursive abstraction, and so on. A researcher has to ‘invest’ a large amount of time and efforts in learning to use this type of software; if and when the researcher is proficient in it, benefits can be derived from its use.

However, qualitative research software alone does not perform data analysis – the software is a suite of aids and tools that assist the researcher in their analysis. Ultimately, the researcher has to perform the analysis.
This study’s reservations on the use of NVivo, apart from the large investment in time and efforts to learn how to use the package, were:

- Difficult to learn and be proficient with it.
- User interface is not intuitive and is not very friendly.
- Slow to open and not easy to navigate within the software.
- ‘Clunky’ and generally difficult to use.

In this study, a range of software tools/packages were used instead of a single software package such as NVivo. This suite of powerful, specialised software packages provided the multiple necessary tools for gathering and storing information, performing transcription analysis, coding and text interpretation of unstructured data, modelling and visualization of data and research findings, and so on.

As a scholar in ICT and mobile technologies, and a Senior Member of the Australian Computer Society, this study’s researcher made the professional judgment that the specialised software packages in combination are more effective and beneficial than a single software package.

While a mix of tools were used in this study, the most frequently used, either on their own or in combination, were Microsoft Word (for thesis writing), MindManager (for data analysis and modelling), Endnote (for bibliography management), MindManager (for mindmapping, outlining and diagramming), PDF Annotator (for annotating, highlighting, in-text searching of PDF documents), and other online tools. Another software package used was Microsoft OneNote, which allowed the gathering of information in various formats, and the storing of the information in one area for quick retrieval. Figure 6.9 below displays the suite of software packages and tools used in this study.
In addition, this study's data was processed with the tools available in MindManager – software that the data were primarily coded in. The approach selected was to focus on the data at different levels of aggregation. This was to address the issue of de-contextualisation of the data from the narratives. The first stage of this approach was to identify concepts using keywords. This process of coding was to identify sentences or sections of the transcripts, and to code them accordingly. They were then abstracted according to the codes using the report function within the software, ready for analysis.

Nodes were set up throughout each transcript, and the codes were then organised into categories of relevance.

This approach helps to look for embedded stories in the narratives, as well as imagery, metaphors and irony. The patterns revealed at the deconstructed level and the constructed level are then compared. Nodes are generated according to each code for analysis. Using a very simple function of the software, reports of each node can be generated. Reports of multiple nodes can also be generated using the software, if desired.

A final further analysis of the data was then conducted to fill in any gaps. Findings and discussions draw on this analysis, supported by relevant theories as covered in the literature review.
6.8 EPILOGUE

Figure 6.10 below is a flowchart of the main steps followed in this study. The process which has been primarily described in this particular chapter is the conceptual framework, as depicted in step 3; research design in step 4; data collection in step 5; data analysis in step 6; and interpretation of data in step 7.

1. Research Problem

2. Literature Review

3. Conceptual Framework

4. Research Design

5. Data Collection

6. Data Analysis

7. Interpretation of Data

8. Thesis Writing

FIGURE 6.10: STEPS 3 TO 7 DESCRIBED IN THIS CHAPTER
This chapter described the development of the conceptual framework of the primary research project, which was placed into the context of the master conceptual framework of the whole research process.

The conceptual framework was established after reviewing existing literature, consulting experts, and gleaning information from the media sources including online.

This chapter also listed and discussed the two sets of variables pertinent to the primary research. One set of independent variables was influencing factors, and the other set of dependent variables was behavioural factors.

One of the most important steps in this chapter was to identify the research questions following an extensive literature review, including the parent literature in the context of family, social and business networking, business ownership and control, and business entrepreneurship – areas which were assumed to influence business decision-making among the Ethnic Chinese.

Subsequently, the research questions were listed and presented in this chapter. From these research questions, the interview questions were developed and generated.

This chapter also discussed a broad range of issues related to this study’s methodology, including the rationale for using a qualitative research approach. Three qualitative research methods were chosen and used for this research: narrative and depth interviews, documentary evidence collection, and online evidence collection.

An outline of the interview techniques, the interviewing process and the recording process were also discussed in this chapter. Some of the major factors influencing the baby-boomer generation of Ethnic Chinese business entrepreneurship were identified during the data collection process. The transcribing of data and processing of data were also discussed in this chapter.
PART FOUR

PART FOUR CHAPTERS

The following chapters are covered in Part Four of this thesis:

Chapter 7 – First Set of Research Findings and Analysis –
Entrepreneur’s Background and Family

Chapter 8 – Second Set of Research Findings and Analysis –
Entrepreneur’s Community and Environment

Chapter 9 – Third Set of Research Findings and Analysis –
Entrepreneur’s Business

Chapter 10 – Summary of Research Results

Chapter 11 – New Theoretical Framework from Research and Model Building

Chapter 12 – Research Contribution, Research Limitation, Future Research and Research Conclusion

Part Four comprises six chapters that cover the results and analysis of this study: Chapter 7, Chapter 8, Chapter 9, and Chapter 10; and the development of a new framework and model in Chapters 11 and 12.

Chapters 7, 8 and 9 comprise the detailed analysis and empirical findings of the research project.

Chapter 10 consists of a summary of the research results and data analysis.

Chapter 11 shows the development of a new framework and the development of a model for better understanding the baby-boomer generation of Ethnic Chinese business entrepreneurs.

Chapter 12 presents the conclusions and implications of the research findings pertaining to both theory and practice; addressing the limitations of the research, and outlining future research directions.
CHAPTER 7
FIRST SET OF RESEARCH FINDINGS AND ANALYSIS

ENTREPRENEUR’S BACKGROUND AND FAMILY

7.1 PROLOGUE

This chapter deals with the research dimension Entrepreneur’s Background and Family. The findings of the first dimension of the research and data analysis are presented in this chapter.

The data analysis was based on data gathered through interviews and written responses from research participants listed in Table 10.1 in Chapter 10.

The following sections are covered in the rest of this chapter:

- Research findings and analysis (Section 7.2)
  a. Entrepreneur’s past
  b. Confucian values
  c. Family in business
- Epilogue (Section 7.3).
7.2 RESEARCH FINDINGS AND ANALYSIS

The first three findings are associated with the first research dimension: Entrepreneur's Background and Family. The three findings are listed below:

- Entrepreneur's past
- Confucian values
- Family in business

The detailed data analysis from which the findings were derived is provided in this chapter. Table 10.4 in Chapter 10 contains the summarised data and statistics on the first dimension: Entrepreneur's Background and Family.

As mentioned in the previous section, the findings of this study are based on the analysis of data gathered from the interviewed research participants. The analysis sought to answer the research questions mentioned earlier. The research questions are:

1. What are some of the internal factors and how do these influence the baby-boomer generation of Ethnic Chinese business entrepreneurship in Australia?
2. What are the external factors and how do these influence the baby-boomer generation of Ethnic Chinese business entrepreneurship in Australia?
3. How do the factors mentioned in items 1 and 2 above influence and shape the business behaviour of the baby-boomer generation of Ethnic Chinese entrepreneurship in Australia?

This chapter sets out the analysis to address Research Question 1 and Research Question 3 mentioned above. The analysis and accompanying evidence are provided in the sub-sections that follow.
7.2.1 ENTREPRENEUR’S PAST

INTRODUCTION

Some critical factors from the past of the baby-boomer generation of Ethnic Chinese business entrepreneurs in Australia are relevant to the motivation and formation of business enterprises for this group. Relevant factors include the following:

1. Length of time resident in Australia
2. Length of time resident in Australia before entering into business
3. Prior experience and knowledge before entering into business
4. The support of spouse

The following sub-sections provide the evidence to support the above assertions.

MIGRATION AND LENGTH OF TIME IN AUSTRALIA

Most of the research participants had migrated and lived for many years in Australia before embarking on a business enterprise. Most came to study at high school level, and went onto tertiary education; then worked before entering into business.

A total of 89% of the participants had lived in Australia for 10 years or more. The exception was the business migrant Jackie from China, who had only been in Australia a relatively short time, for five years or so.

The long time spent in Australia – decades for some of the research participants – was useful, as the business entrepreneur had the chance to be familiarised with the business environment and local culture. Most of the participants also used a long duration of stay to earn and save money, with the eventual aim of establishing a business.

While long duration of stay before establishing a business was most beneficial, not having that long stay was not a major disadvantage, provided the business
entrepreneur already had a solid background working in other businesses, and that due diligence or research had been carried out before embarking on a business venture. This due diligence was shown clearly by Jackie who was in the school supplies industry. Jackie informed the researcher:

*I would say just the legal advice from the lawyer we hired, that’s just the advice to the process. And we did hire an accountant to do a due diligence report, that’s a formal process to buy a business. We spent thousands of dollars on it.* (Jackie, School Supplies Business Entrepreneur, 2012).

All research participants, with the exception of Jackie, spent 10 or more years in Australia before embarking on a business venture. Nearly all of them attended university in Australia; the exceptions were George who was trained as a registered nurse in the UK, Jackie who attended university in China, and Kon who did not study overseas or in Australia. In addition to obtaining an Australian university qualification, most of the participants had worked for many years before entering into business.

**ADVANTAGES OF PRIOR BUSINESS KNOWLEDGE AND EXPERIENCE**

Previous work experience is a significant element of a business entrepreneur’s human capital. It influences their cognitive behaviour, which in turn affects how they engage within the business entrepreneurial process. Such experience is generally considered an asset, assisting in building networks as well as managerial and other competencies. However, Starr and Bygrave (1991) argued that this could also be a liability, which may be due to overconfidence. For instance, the business entrepreneur may be reluctant to veer from a past successful strategy, even if the conditions have changed.

Previous occupation or profession clearly was an advantage, especially when the business entrepreneur was planning to go into the type of business where they could make use of prior knowledge and experience. A large majority, 78%, of the research participants claimed that there were advantages in having prior business knowledge and experience.
For example, Lesley who established five child care centres had worked in law firms for at least 15 years – handling property transactions while she was there. Lesley’s underlying business model was property development of child care centres and ownership of those properties. The child care businesses she sold off while retaining ownership of the properties where they were located. Lesley told the researcher:

... we developed the business; we sold off the business in 2005, and have now retained ... the freehold property as the landlord. So we’re still deriving income from a business that has been sold off. (Lesley, Child Care Centres Developer and Owner, 2013)

The knowledge and experience prior to entering into business allowed Lesley to use her entrepreneurial skills to see the business opportunity in developing a profitable and sustainable business model.

Similarly, Daniela spent 10 years in the mortgage finance industry before she embarked on establishing a finance business of her own. In Daniela’s case, she worked part-time, studied accounting and raised a young family before she joined the mortgage finance industry. She was in the industry for 10 years before setting up her own finance business.


Prior knowledge and experience of the type of business or industry the business entrepreneur planned to establish a business in greatly ensured its success and viability. Seventy-eight per cent of the research participants had been in their own business for 10 or more years.

George actively used his experience as a nurse in the health care system, and built on those core skills and qualifications by cross-skilling in emergency, front desk and night duty. George used his qualification as a springboard to explore and branch out into other departments of the hospital. It was quite clear that he
wanted different challenges and saw the opportunity as a means to make more money, because there might have been penalty rates for working in these areas.

George branched out into his own nursing business without much business experience or a management qualification. He took over managing a nursing home for his friend prior to starting up his own business; after three years he felt that he could do a better job. The following statement indicated this clearly:

Yes, I’ve been running a nursing home, directing nursing for somebody … a friend actually, and I’ve been doing it for nearly three years. And I feel that if I’m doing it myself I can do it much better, because you can control everything. So we saved up and worked hard, saved up a deposit and go into a nursing home [business]. (George, Resort Owner-operator/Photographer, 2012)

George summed up what the ‘heart of the entrepreneur’ was for him: the entrepreneur has a burning desire to have personal control over one’s destiny and career, and this desire overrides other concerns such as risks associated with loss of income, impact on one’s emotional and physical health, and loss of assets.

George continued:

So we saved up and worked hard, saved up a deposit and go into a nursing home. And in those days, we had to borrow about $600,000 dollars, that’s a lot of money in ‘87, ‘88, yeah. Basically we just went in, and it was in Shoreham which is just before Flinders … (George, Resort Owner-operator/Photographer, 2012)

George’s words reflected the high risk he and his wife took in plunging into purchasing a business in 1987; in 1988 the interest rates for borrowing were on the rise and he and his wife borrowed $600,000! He only had about three years’ experience running a nursing home, so even in terms of ‘apprenticeship’ and varied experience it was not very long.
SPouse Support IS IMPORTANT

A majority, 78%, of the research participants claimed that spouse support was important and essential in their establishing a business. The remaining 22% stated that spouse support was moderately important.

Stephen came to Australia in the mid-80s, and his experience at Singapore Airlines prior to migrating to Australia was sufficient to get him a role at the prestigious Windsor Hotel in Melbourne. Stephen’s pursuit of a new entrepreneurial business opportunity was similar to George’s involvement of his wife in the establishment of the business. Both George and Stephen indicated the support of their spouses during the planning phase and initial establishment of their businesses. Both indicated they discussed – or certainly planned extensively with their wives – the decision to branch out on their own. Both their wives were in the nursing profession and continued to work to provide a steady income while the husbands were involved in setting up a new business.

Stephen clearly indicated he had the support of his wife when he decided to change careers, which minimised the risk associated with commencing his own business.

Stephen informed the researcher:

I was with Singapore Airlines for a few years, so I thought if I don’t do it now, it’ll be too late. So I decided that [it is] easier because I had no kids at that time, [and] so my wife said go ahead. So I took the challenge. (Stephen, Art & Craft Business Entrepreneur, 2012)

Moreover, he embarked on a journey of informal ‘professional development’ in an area of interest he was passionate about; he realised that to be a success in this area he needed to educate himself as to what the market demanded. Stephen’s combination of his love of beautiful things and the aesthetic pleasure were obviously derived personally from dealing with beautiful and precious art objects; he also has a passionate desire to run his own business.
Stephen continued:

For the last two years [before started business] I travelled a lot and I surveyed the market before I decided to find a place and when I'm ready. So, during this time I made sure that what I'm doing will be the right thing to do, and I survey the market and I went to Sydney, I went to China – exhibitions and things like that, to make the right move, you know? Yes, study ['research’ first]. (Stephen, Art & Craft Business Entrepreneur, 2012)

Stephen must have had confidence in his own ability, as personal aesthetic appreciation of art is highly subjective. Thus, speculating on art purchases is very risky if one does not know what one is buying, including the rarity of the commodity, together with the increasing rise in fakes and forgeries. So the ability to tell an authentic piece from a fake/forgery or one that has been poorly restored (and thus lessens the value for the unsuspecting purchaser) is quite high.

One could argue that while Stephen did not formally study art history, or contemporary art or fine arts, or anything academic in the artistic milieu, he undertook his own ‘apprenticeship’ by being self-taught. Stephen utilised a very organic approach to learning more about his interest in art, painting, sculpture, porcelain and so on, in order to make a living. One can assume that he had a healthy knowledge base on which to build and further refine and expand his knowledge.

PURSUIT OF PASSION IN BUSINESS

About two-thirds, 67%, of research participants stated that passion in business was most important to them.

In line with this, Stephen did not see a lack of formal qualifications as holding him back from pursuing what he dreamed he wanted to do. Stephen’s case clearly identified a passion for what he wanted to do as the driving force for setting up his business, and he did not feel the need to have formal qualifications to validate his passion. In this respect, one could argue that he
was similar to George, because George did not have any formal management qualifications either before he borrowed the money to buy and run a nursing home.

Stephen’s time spent travelling and self-educating himself about his new business enabled him to learn about the market before he was ready to commence his business. His wife continued in her job, ‘kept the home fires burning’, and they were able to simultaneously fund his self-education while paying a mortgage or rent in Melbourne.

Stephen’s interpersonal skills, which he honed through working at Singapore Airlines and also through his work at the Windsor Hotel, probably prepared him well for the discerning customers he wanted to attract and retain in his business. He managed to weave a direct skills-link between the previous occupations/profession and the business which was created. Thus, he was able to successfully combine a superior level of customer service skills with his knowledge of his trade, in order to successfully build relationships to ensure his business was successful. One gets the impression that the love of art comes first for Stephen, and then the money will automatically flow because people will pay a high premium based on emotional attachment for objects which reflect their status or perception of themselves in life.

Stephen’s obvious love for art was in sharp contrast with Charlie, whose motivation for running his business was driven purely by financial gain, but also in defiance of what others perceived to be the traditional routes to success (professions such as a doctor or lawyer).

Here’s how Charlie explained it:

Let me ask you a question Geoff, if you were on a big wage like say a million dollar plus a year salary, how much tax would you pay on that percentage wise?

That’s what most people say. Eighty-five per cent? Because half of that is income tax, what about GST? GST is what’s left from the other half, so it’s not actually ten per cent, it works out more than
ten per cent because it’s from your after tax money, not your before your tax money.

Then there’s land tax, stamp duty, petrol tax, tax on cigarettes, rates, and all those things you add them all together and you are on eighty-five per cent. So it’s massive, like you get fifteen per cent, government gets eighty-five per cent, do nothing for it just waste your money, you can never get rich like that. So which is better, double your income or halve your tax?

That’s right. Halve your tax; it goes down to forty per cent, so if you make a million bucks you get six hundred thousand. If you double your million it becomes two million and it becomes eighty five per cent, you’re going to get three hundred thousand.

(Charlie, Martial Arts Master/Art Trader/Race Horse Owner, 2013)

PREFERENCE FOR SELF-EMPLOYMENT

All research participants preferred self-employment, but only 67% specifically stated that owning one’s own business was a path to improved financial position; and personal freedom and control.

As an example, Charlie invested time and money in martial arts schools, and made the effort to conduct the schools professionally. Charlie’s apparent motivation was financially and not philosophically driven, which was in contrast with Stephen who had a philosophical love of art and beauty which he shared with his clients in order to gain financially.

Charlie was the only participant who went into detail about taxation, profit and so on. The others did not dwell on money as much as Charlie did.

Zhou leveraged his wife’s – who was his partner – knowledge of secondary schools to combine with his own IT knowledge and expertise to create his education business. He was the only participant who identified his wife in finding the niche market in which to claim a foothold and build the family business. All of the other participants had the support of their wives, but Zhou was the only
one whose wife seemed to be the one in the partnership who identified the opportunities and then persuaded Zhou to apply his expertise.

Kenneth’s legal background and his job as a lawyer brought him into contact with people from overseas who wished to undertake business migration and investments in Australia. Kenneth moved into property development as a result, and was also utilising his legal expertise and knowledge. What was a divergence from the path of the legal trail was the skincare business in China; it seemed completely at odds with the legal lineal progression of his business interests up to then. However, he said he went into China because he found a good partner; a partner he could trust. This might be a beneficial way to learn to conduct business in China; anecdotally, China is a difficult environment to do business, even for Ethnic Chinese from outside China.

TetMing had been in Australia for just over 10 years. He obtained a university degree in engineering in New South Wales, and subsequently earned a law degree as well. He returned to Malaysia for nine years before permanently migrating to Australia 10 years ago. He mentioned that he came from an entrepreneurial family, and so one presumes that his family had provided him with the capital to bankroll and support his business in property development. His choice of business was driven by family dynamics rather than a personal entrepreneurial flair or passion, as his wife was involved in his business as well.

TetMing’s responses appeared to lack personality, which contrasted markedly with the other participants who revealed their personality through their discourse. On the surface it would appear that he was fulfilling family obligation rather than a personal passion, displaying traditional Chinese values of supporting the family business.

Among the research participants, TetMing displayed the most traditional Confucian family values in pursuing his current business ambitions.

CONCLUSION

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Several factors mentioned in this Entrepreneur’s Past findings influenced and shaped the baby-boomer generation of Ethnic Chinese business entrepreneurs in Australia. These factors were distilled from the analysis and are listed below:

1. Preference for self-employment
2. Pursuit of passion in business
3. Importance of spouse support, especially in the initial stages of business formation
4. Migration and length of time resident in Australia prior to business commencement
5. Prior business knowledge and experience.

7.2.2 CONFUCIAN VALUES

INTRODUCTION

In general, Chinese traditions have originated from a variety of philosophies and thoughts – Confucianism, Taoism, Buddhism or other cults/beliefs [Pan 2006]. When one talks about Chinese culture, it could be a culture based on Confucianism, Taoism or one of many minor cults. Complicating matters is the fact that a Chinese person or group of Chinese persons may simultaneously practise all the traditions from the abovementioned philosophies or belief systems.

Nevertheless, Confucianism over the past two and a half millennia came to dominate the Chinese; Chinese values, beliefs, thinking and traditions. The sub-segment below is a brief summary of the principal tenets of Confucianism.

CONFUCIANISM – CODE OF ETHICS

Confucianism to the Western person is similar to Kant’s ‘ethics of duty’; that is, the action is done as a ‘good-in-itself’, and not as a means to an end (BBC Ethics Guide – Duty-based ethics 2013). Confucianism has been interwoven into the fabric of Chinese society and civilisation. For hundreds of years, Confucianism has been actively taught in China and in neighbouring lands.
Aspects and elements of Confucianism have been adopted by other peoples in Japan, Korea, Vietnam, and further afield.

Confucianism considers the family the essential building block of society (Ch’ng 1993; Wang 2002). In its essence, Confucianism prescribes guidelines for relationships between sections of society; three of the five relationships concern the family. It defines the proper code of conduct in Chinese society and within the Chinese family (Nish et al 1996).

Note that in the table below, the individual with the higher status is mentioned first. For example, the father is more reverent within the family hierarchy than the son; and the duty or behaviours that each would demonstrate to each other is that the father would be loving and the son would be reverential.

<table>
<thead>
<tr>
<th>WHO</th>
<th>DUTY/BEHAVIOUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Father &amp; son</td>
<td>Loving/reverential</td>
</tr>
<tr>
<td>Elder brother &amp; younger brother</td>
<td>Gentle/respectful</td>
</tr>
<tr>
<td>Husband &amp; wife</td>
<td>Good/listening</td>
</tr>
<tr>
<td>Older friend &amp; younger friend</td>
<td>Considerate/deferential</td>
</tr>
<tr>
<td>Ruler &amp; subject</td>
<td>Benevolent/loyal</td>
</tr>
</tbody>
</table>

**TABLE 7.1: THE FIVE RELATIONSHIPS IN CONFUCIANISM**

In the Confucian value system, there is considerable emphasis on status, which reflects orderly approaches to behaviour. Similarly we see that in the husband and wife’s Confucian ordered existence, the husband as the head of the house should be good and the wife should listen (indicating her lesser status).

Confucian values included belief in hard work, strong family ties, frugality and education (Confucian virtues). They used these values as compelling rules to live by. Often wary of debt, Xinyong – a good reputation and solid credit rating – were considered virtues. Much relating to this topic has also been written by Emeritus Professor Wang Gungwu (Wang 2003).
The emphasis on status within the Confucian value system cannot be overlooked; if one knows one’s place and knows how to act accordingly within society, then harmony should prevail according to Confucian teachings.

In the subsequent sub-sections, analysis of the data from this research is reported as to the oft-quoted statements about the baby-boomer generation of Ethnic Chinese business entrepreneurs in Australia in relation to Confucianism.

**MILD EXPRESSIONS OF CONFUCIANISM**

Less than half of the research participants (44%) said Confucian traditional values were important to them. Even less (22%) claimed that Chinese customs were important to them in business.

Of all the responses provided, Edward’s voluntary involvement with establishing a Chinese school, his dedication and diligence to attending the school every Sunday morning, and to a lesser degree writing the Chinese newsletter most embodied a number of Confucian values.

Edward stated he did not receive any gain from his business through these activities, yet he spent a considerable proportion of his time cultivating Chinese culture.

Edward explained his commitment below:

> But yes, I was the vice-president there for four or five years, I was very involved, every, sometimes, weekends you sacrifice all your time. (Edward, Mortgage Broker, 2012)

So in this sense, Edward was displaying altruistic behaviours derived from a value set closely aligned to Confucianism’s ‘Jen’ – the virtue of virtues.

Jen is human heartedness, kindness and a sense of the human dignity of life. Edward’s willingness to be self-sacrificing showed that he was willing to extend Jen to others, most likely at some considerable sacrifice of his personal time and energy.
George, on the other hand, seemed laissez-faire in his philosophical approach – there was no hint whatsoever of any philosophical, cultural or religious perspective which was guiding his life principles and his interactions with others within his personal life or his business. George’s response reflected a lack of a spiritual or moral compass providing guidance in his life.

With one exception, none of the other participants reflected Confucian values in any way, shape or form. They acknowledged that Western styles of leadership were different; in fact, TetMing acknowledged that the Asian way is more direct and efficient, whereas he described the Western style as ‘idealistc’.

TetMing, whose business was in property development and who held engineering and law degrees, was the only research participant who mentioned ‘guanxi’, which is a web of relationships, ordered according to Chinese cultural norms and values. As TetMing said:

Chinese style has heavy emphasis on ‘guanxi’, relationships;
Western style does not know, or [does not] place emphasis on the concept of relationship in business. (TetMing, Property Developer/former Engineer, 2013)

This orderliness of behaviour which extends from the family to the business community may have a connection in the fact that a lot of Chinese businesses have deep roots in family, and thus reflect the Confucian value of the importance of the value of the family in society. The concept of Hsiao (filial piety or reverence) may also play a role in this behavioural trait.

Stephen’s perspective of the Chinese/Asians being hard-working may also be linked to this Confucian understanding of filial piety and reverence for the family. Since the parents have provided one with life, according to Chinese tradition, and have sacrificed much for you to survive, then your reciprocal obligation is to do well and make the family name well-known and respected. Duty as a member of a family is to bring honour to the family name; hence the moral obligation to work hard and to bring success, not for personal edification, but for the benefit of the family.
To a degree, TetMing’s involvement in the family business, and his acknowledgement that a wide range of skills are valued, rather than the Western specialist approach, may also reflect this Confucian cultural aspect of filial piety. If one is dedicated to bringing honour to the family, then it follows that a range of skills are cultivated, and that education is valued as a means to develop those skills.

Generally speaking, the research participants did not overtly display any understanding or values of the Confucian traditions and differential behaviours as prescribed in Table 7.1. However, the discussion on management styles and leadership reflected a more divergent or Western perspective, which places more emphasis on the individual achievements, rather than the achievements on behalf of the family.

CONCLUSION
Reasons one can conclude from the shallow display of the ethics of Confucian values are:

1. The distant and remote connections research participants had with China where Confucianism originated.
2. The Western education and Western cultural influence among the research participants who had been living in Australia for a long period of time.
3. Ethnic Chinese migrants, including the research participants in Australia, adapted to their new homeland and developed a separate cultural identity and behaviour that were more suited to their new environment.

7.2.3 FAMILY IN BUSINESS

INTRODUCTION
It has been claimed that the business modus operandi of the Ethnic Chinese is that their business is controlled and managed closely by family members – by children if there are children – of the founding entrepreneur of the business (Chanjaroen & Mellor 2013).
Another cultural idiosyncrasy of the Ethnic Chinese – the succession of the family business – plays a critical role in Ethnic Chinese business entrepreneurship. Family members are trained and ‘tutored’ from a young age. The process of inducting a successor to a family business is a crucial role in the succession process (Fletcher 2004; Yan & Sorenson 2006). Over years, and sometimes decades, the next generation is groomed to take over vital parts of the business or ‘business empire’ if it has grown enormously (Chanjaroen & Mellor 2013). The selected member of the family, often the eldest son, suited or not, will take over the helms of the business.

However, when this process does not fit particular succession requirements, the negative side of succession in family business commonly appears: such as sibling rivalry, poor performance and business failure (Carney 1988; Yeung 2000).

How did the baby-boomer generation of Ethnic Chinese business entrepreneurs in this study compare to what was in the existing literature in terms of family in business? The analysis in the following sub-sections will provide an elucidation of this significant phenomenon of family in business of the Ethnic Chinese.

**SPOUSE AS BUSINESS PARTNER**

Two-thirds, 67%, of the research participants had their spouse as an active partner.

As female business entrepreneurs, both Lesley and Daniela started their own business without a business partner; nor were their spouses involved in the business enterprise. They independently managed their own business.

Lesley explained:

*No [no family members are involved in her business]. Except, I have a sister who runs one of the businesses … in the child care centres. And she runs it as the manager of the child care centre, yes.* (Lesley, Child Care Centres Developer and Owner, 2013)
Helen had her husband as her business partner, as did Jackie. Their husbands were involved in a certain part of the business; and they played a significant role in the business enterprise. For example, Helen was involved and headed up the marketing and public relations of the business; whereas her husband was in charge of administration.

Helen, in the magazine publishing business, said:

\[
\text{My husband and I started this business six years ago. We realised that we both had a set of skills that worked well together. Teamwork is extremely important, as is the mutual respect that we give each other to allow the latitude to go out to and grow the business.} \quad \text{(Helen, Magazine Publisher, 2013)}
\]

Similarly, Jackie was in charge of the finance, administration and marketing; and her husband managed the warehouse, stock inventory and the supply chain. Jackie looked after the ‘front stage’ of the business, and the husband looked after the backstage.

Jackie confirmed:

\[
\text{Oh, it's a family business. My husband is working with me. Yes, my husband mainly works in the warehouse and store, receiving goods, sorting goods and looking after purchasing mainly the suppliers’ views and looking at the purchases from China.} \quad \text{(Jackie, School Supplies Business Entrepreneur, 2012)}
\]

Where the husband played a role in the business established by their wives, the research participants were in positions that were not subservient to their husband’s; they were equal partners. In the case of Jackie, she was the boss of the business enterprise. Jackie controlled the ‘purse strings’ – accounting and finance – of the business. Her husband worked in the backstage, looking after stock and inventory.

The husband-wife combination in business is different in this generation of Ethnic Chinese business entrepreneurs. In the previous generation, before the
baby boomers, females were mostly in subservient positions or in positions of lesser importance than their husbands (Kao 1993).

It is also interesting to note that apart from the husband’s involvement in the above two cases, no other family members were involved in the business enterprise. One minor exception was in Lesley’s case, where the sister managed one of the five child care centres; but overall, the business was owned and managed by the business entrepreneur.

Only 11% of the research participants claimed to have children working for them and involved in their business. This stands in vast contrast with the previous generation, where children and other relatives were involved without exception (Light & Gold 2000).

Among research participants, two-thirds (67%) had a spouse involved in the business enterprise.

Half of the husband business entrepreneurs had the wife as a close business partner; a husband-wife business partnership. Stephen and one other participant ran their own business, but had a wife or a relative to help for a short number of years, or on occasions.

Stephen said of his wife:

    She worked one or two years after the delivery of the baby, but I thought if business is running well, [she can] stay home.

(Stephen, Art & Craft Business Entrepreneur, 2012)

It was clear that most (75%) of the husband research participants had a spouse involved in their business at all times or occasionally. In contrast, only 50% of wife research participants had a spouse partner.

All research participants who had a business partner had their spouse as the partner. Ownership, control and management of the business enterprise were within the family, or in the number of cases sole ownership of the enterprise. This is consistent with what went on in the previous generation where
ownership and control of the business enterprise was always within the family (Kao 1993).

WHERE WERE THE CHILDREN?

Research conducted by Lever-Tracy et al (1991) found that 80% of Brisbane Ethnic Chinese business entrepreneurs surveyed used family labour – family members included spouse, children and other extended family members who were employed in the business. Family members were also regarded as being trustworthy and more committed to the business.

Among Ethnic Chinese business entrepreneurs, the conduct and management of business fully involve children and other relatives (Chanjaroen & Mellor 2013; Light & Gold 2000).

In this study, one major difference compared with the previous generation of Ethnic Chinese businesses is the non-involvement of children in the research participants' business enterprises. Only 11% had children involved in their business.

Children of participants of this study, once they had grown up, pursued their own careers and did not follow their parents’ footsteps. These grown-up children were tertiary educated and tended to strike out on their own, usually in professional occupations. This was in stark contrast with the previous generation of Ethnic Chinese business entrepreneurs (Light & Gold 2000).

In one case, the two children helped with the running of the business while they were living with their parents. This research participant said:

   *My wife and my two kids come and help when they are off, but generally it’s only me and my wife.* (George, Resort Owner-operator/Photographer, 2012)

Once grown-up and left home, the children pursued their own career, usually a professional career.
In another case, the sons were involved and helped with several businesses temporarily or on occasions. However, there was no intention that the sons were going to succeed their parents in the family businesses. The children wanted to ‘do their own thing’.

Charlie, who owns and runs multiple businesses, said:

*One of the other ones [sons], he is working with us in the art business, and he’s doing his builders’ licence. He wants to get involved in some property development, renovations and all that stuff ... Our older son has been involved some ways with this business; he worked with me for a while, he studied multimedia design, and he designed our website and a few other things like that. We work together on a lot of things, but they want to do their own thing.* (Charlie, Martial Arts Master/Art Trader/Race Horse Owner, 2013)

Overall, most children of the research participants did not involve themselves in their parents’ business enterprises – a significant departure from the previous generation where the conduct and management of business fully involved children and other relatives (Chanjaroen & Mellor 2013; Light & Gold 2000).

**BUSINESS SUCCESSION**

An interesting question is: what happens to business succession when the baby boomers reach old age? How can the business, built up by the parents, be passed on to their children to carry on? Or is that the end of the business, once parents pass away? Succession in Ethnic Chinese businesses in the previous generation had often been an issue. However, the approach used was to have family members deeply involved in the business enterprises, so that ownership and control could be passed to the next generation (Chanjaroen & Mellor 2013).

In the previous generation, children and close relatives were involved in the founding entrepreneur’s business. An example is Robert Kuok’s business empire – sons, daughters, nieces and nephews were involved in running the numerous companies of the business empire (Chanjaroen & Mellor 2013).
when Robert Kuok passes from the scene, the business empire will continue in the family, even though it may be within the extended family.

In the case of the baby-boomer generation of Ethnic Chinese business entrepreneurs, children and relatives have not been nurtured to take over the businesses when the time comes for them to hand over ownership and control to their children or relatives. In this study, only 22% of the research participants said they have planned business succession.

**INFLUENCE OF PARENTS**

Ethnic Chinese business entrepreneurs are more likely to have had parents who operated businesses than the average population (Carney 1998a; Yeung 2000).

In this study, all research participants were, therefore, further approached with questions about their parents’ businesses. They were asked whether their parent(s) had/are in business; if parent(s) are/were in business, what type of business; if parent(s) are/were in business, whether this influenced them going into business; and whether their parents in general had influenced them going into business.

Of the research participants who responded, 100% indicated that their parents had/are in business prior to themselves going into business.

The research participants also indicated that their parents being in business influenced them going into business in later life. This is consistent with what is in the existing literature (see Section 5.6.2 of thesis).

Researchers have conjectured that self-employed parents might foster the development of business entrepreneurial attitudes in their children through socialisation. Parents may be inculcating a learned preference for self-employment in their children; possibly by providing work experience at a young age, or through subjecting their children to the business entrepreneurial lifestyle; and through the social networks tied to their businesses (Carroll & Mosakowski 1987). The socialisation to business entrepreneurial skills may
include not only someone’s parents, but also other relatives as well as friends. Family members such as siblings and cousins can also influence an individual’s beliefs about business entrepreneurship, as well as provide role models and practical knowledge. This informal training and experience were considered a separate element of human capital by Lentz and Laband (1990). It might increase a person’s interest in the start-up of a business entrepreneurial venture, and also improve their chances of success.

A common difference among this study’s research participants was their type of business. The research participants’ types of business were different from their parents’. None of them went into their parents’ business or their parents’ type of business. Parents’ business types were: liquor, hotel, furniture, rubber and palm oil plantations, timber/logging, import and export, and traditional Chinese medicine. Research participants’ business types were typically very different (see Section 9.2.3 of thesis).

Brandstatter (1997) researched one of the psychological factors in the business entrepreneurship – internal locus of control. In the study, the business owners indicated how they perceived their past and expected future success as business entrepreneurs. As predicted, those who had personally set up their business (founders) were emotionally more stable and more independent (self-assertive) than those who had taken over their business from parents, relatives or by marriage. The personality characteristics of people interested in setting up their own business were similar to those of the founders. In addition, independent and emotionally stable business owners were more satisfied with their roles as business entrepreneurs and with the success of their business, preferred internal attributions towards the business outcome, and were more inclined to expand their business. This was likely related to their personal confidence in managing their own businesses.

This study indicated that while participants’ attitudes towards entrepreneurship were positively influenced by their parents, they were not beholden to their parents. That is, none of them inherited and carried on their parents’ business. The research participants went into and set up their own businesses that were
different to those of their parents. In addition, they went into business only after many years in a professional/occupation, most often being an employee. Going into business and being self-employed, though very different, was a well-considered and well-prepared move after they had established themselves in the professional/occupation. This contrasts with the existing literature regarding Ethnic Chinese business entrepreneurs (see Section 9.2.3 of thesis).

CONCLUSION

The major results from the analysis of this study relating to family in business are:

1. Ethnic Chinese business entrepreneurs of the baby-boomer generation, like the previous generation, still kept business within the control of the family. The management and control of the business was only entrusted to a close member of the family. With the baby-boomer generation, it was usually entrusted to the wife or the husband.

2. The management and control of the family business for the baby-boomer generation was a husband-wife combination, where there was a spouse. In a situation where there was a non-spouse partner, the partnership/cooperation was not ‘permanent’ – it was usually project-based and therefore had an explicit end date.

3. As seen across several of the research participants’ businesses, the spouse partnership was ‘symbiotic’ – the wife looked after a vital part of the business, and the husband another vital part. When combined, the two parts became an effective whole (the business). The husband-wife business partnership appeared to be the ‘working model’, as children of business entrepreneurs were seldom, if ever, involved in their parents’ business.

4. Children or relatives were not generally involved in their parents’ business. Children also mostly had higher education and pursued professional careers, much like their parents, before their parents went into business. This was in stark contrast with the previous generation pre-baby boomers. This characteristic was a break not only from the
previous generation to the baby boomers, but also from the mode of operation of many generations before that.

5. Regarding the question about business succession: Who is going to succeed the baby-boomer generation Ethnic Chinese business entrepreneurs if children or relatives have not been nurtured to take over the business enterprises? We will have to wait for the eventual outcome in the future as the baby-boomer generation ages and relinquishes control and ownership of their business or passes away.

6. Finally, female baby-boomer Ethnic Chinese business entrepreneurs were a most interesting phenomenon. In two cases, where the women operated alone without a partner, the women were confident and successful business entrepreneurs just like their male counterparts. Where the women were a partner in a husband-wife combination, the women played an equal, sometimes more prominent, role than their husbands. In one case, the husband ‘adored’ the wife as a business partner – he gave his wife the highest praise and prominence as a business partner.

7.3 EPILOGUE

It is clear from the analysis laid out in this chapter that certain important factors and forces have shaped the baby-boomer generation of Ethnic Chinese business entrepreneurs in Australia, as studied in this research project. The following were the three major research findings:

1. Entrepreneur’s past
2. Confucian values
3. Family in business.

Under entrepreneur’s past, the following factors influenced the research participants:

a) Preference for self-employment and the passion to pursue business or undertake something challenging.
b) The support and, for some, the business contribution of the spouse of the research participants was important, especially in the initial stages of creation of the business enterprise.

c) Long-term residency and many years in Australia before entering into business meant that the participants had acquired the necessary cultural understanding of operating in Australia.

d) The prior business knowledge and experience in Australia were beneficial and advantageous before establishing a business; the risk of business failure was minimised.

The Confucian values produced the following factors that had an influence on the research participants as Ethnic Chinese business entrepreneurs in Australia:

a) There was not a particularly strong display of Confucian values among the research participants.

b) The Western education and exposure to Western culture after many years diminished any strong display of Confucianism.

c) The need to adapt to a new environment and new country meant that the research participants developed a new identity that was more suited to their adopted country of Australia.

The following factors influenced the research participants under the family in business finding:

a) As in previous generations, the baby-boomer generation of Ethnic Chinese business entrepreneurs kept the management and control of business within the family.

b) The husband-wife combination in business was particularly strong. Where the husband or wife had a business partner, it was generally the spouse who was the partner.

c) Differing from the previous generation, children were not involved in their parents' business within the baby-boomer generation of Ethnic Chinese businesses.

d) Female business entrepreneurship was particularly strong.
The 11 factors mentioned above constitute the major finding in the first dimension – Entrepreneur’s Background and Family – of this research project.

The next chapter will report on the second research dimension: Entrepreneur’s Community and Environment.
CHAPTER 8
SECOND SET OF RESEARCH FINDINGS AND ANALYSIS

ENTREPRENEUR'S COMMUNITY AND ENVIRONMENT

8.1 PROLOGUE

This chapter reports on the findings and the analysis within the Entrepreneur’s Community and Environment research dimension. The sections covered in this chapter are:

1) Prologue (Section 8.1)
2) Research Findings and Analysis (Section 8.2)
3) Epilogue (Section 8.3).

8.2 RESEARCH FINDINGS AND ANALYSIS

The data analysis, as in the previous chapter, was based on data gathered through interviews and written responses from research participants listed in Table 10.1 in Chapter 10. References were made to this list of participants in the analysis.

The major findings in this second research dimension are listed below:

- Strong involvement in general community
- Networking and relationship building
- Challenges in early decades.
These findings are graphically shown below:

**FIGURE 8.1: THREE MAJOR FINDINGS FOR ENTREPRENEUR’S COMMUNITY AND ENVIRONMENT**

The overall research project sought to answer the research questions mentioned earlier:

1. What are some of the **internal factors** and how do these influence the baby-boomer generation of Ethnic Chinese business entrepreneurship in Australia?

2. What are the **external factors** and how do these influence the baby-boomer generation of Ethnic Chinese business entrepreneurship in Australia?

3. How do the factors mentioned in items 1 and 2 above influence and shape the **business behaviour** of the baby-boomer generation of Ethnic Chinese entrepreneurship in Australia?

This chapter sets out the analysis to address Research Question 2 and Research Question 3 mentioned above. The analysis and evidence are provided in the sub-sections that follow.
8.2.1 STRONG INVOLVEMENT IN GENERAL COMMUNITY

INTRODUCTION

Philanthropy as a concept has not taken off that well here in Australia as it has in some other countries such as the USA (CPCS 2013). We are all well aware of the very wealthy and high-profile American philanthropists like Bill and Melissa Gates, the Rockefellers, the Guggenheims, and Warren Buffett (NBC News 2006). Yet it is not easy to recall an Australian philanthropist unless one goes searching.

In contrast, Australian ‘mateship’, the notion of helping a mate or friend, is considered a core Australian value – it is part of the ANZAC tradition (Australian Government 2013). Mateship is thus part of the Australian national identity, which is somewhat different from philanthropy. It should therefore be considered whether this was a backdrop to this study’s research participants and their attitude to ‘giving back’ to the community. That is, what was the cultural Australian influence on their willingness to give back to the community which supported them in their entrepreneurial endeavours?

Almost all of the research participants were involved in activities in their general community or in their Ethnic Chinese communities. Seventy-eight per cent claimed that they were actively involved in community service; another 56% stated that they had a strong desire to be part of mainstream society. In general, there was strong involvement in either ethnic or the general community.

ASSOCIATIONS TO CONTRIBUTE AND OBTAIN SUPPORT

Almost half of the research participants (44%) stated that they were involved in voluntary associations where they contributed and obtained support.

Kon was continuously involved in voluntary associations, noting the following:

*Past President, Trustee, Member of Council of Elders and Life Member of Chung Wah Association (established 1901), plus other lesser positions held for many years – [as] Treasurer, Secretary, Chairman of various events, etc.* ... (Kon, Manufacturer, 2013)
Kon had demonstrated an ongoing commitment to a charity or a community group over a long period of time.

All the other research participants had been less continuous in their efforts to support charities or philanthropically activities, although all of them at one time or another had been involved or contributed their time to voluntary organisations in the community.

Edward had long been active in the Ethnic Chinese community, and said that he ran a student newsletter during his time at university and that he belonged to a well-known Chinese association (but declined to name it!). He was proud that the Chinese association set up a school on weekends for Chinese education (in Mandarin).

Edward’s feedback regarding status and positions of influence in the associations were interesting. He commented that the president was always a medical doctor and that one could not outvote a doctor! As Edward noted:

I belong to another well-known Chinese organisation, I wouldn’t name them, and I was the vice-president of that Chinese organisation for, twice. I mean, the president was always a medical doctor; you could never outvote the medical, someone with a doctor’s name. I was a vice-president when I was in engineering, when I was here, in engineering. (Edward, Mortgage Broker, 2012)

Therefore, even though Edward was willing to undertake higher status positions within these associations, he felt that another person with qualifications viewed as higher status would always receive the votes (regardless of their actual ability to do the role). Edward also discussed his charitable role as a restaurateur to contribute to worthwhile causes such as the local bushfires (presumably the devastating bushfires at Kinglake in Victoria, Australia). He underplayed his contribution because it was not worth millions of dollars. He displayed a generous and kind spirit which can often have a huge impact on the broader community. Donating half the night’s takings in his business to the bushfire was a very generous gesture!
DESIRE TO BE MAINSTREAM

Just over half of the research participants, 56%, stated that they had a strong desire to be part of mainstream Australian society.

George’s observation about the Lions Club was a valid one. Like most established community groups which aim to attract businesspeople, the Lions have lost a lot of traction – for many years membership was not even open to women! However, his disillusionment seemed to stem from the structure and activities of the organisation, rather than the basic philosophical perspective of assisting others in the community. After all, he dedicated a decade and a half to regular service, and the Lions met once a fortnight, so that’s a sizable commitment.

George’s involvement with the general community now revolved around the CFA (Country Fire Authority) and, to a lesser extent, the Chess Club in Jamieson where he ran a retreat type resort. He said to the researcher:

*Here I actually belong to the local CFA, and I was pretty active with the committee group, but I’m not in the committee this year. Last year I was in the committee. Also here, we run the Jamieson Chess Club here, once a year we have a chess weekend, and I’m the honorary treasurer.* (George, Resort Owner-operator/Photographer, 2012)

It was fairly self-explanatory why George had joined this well-respected community service. The CFA is vital in the event of a bushfire, and it tends to be a magnet for the community to support in times of crisis (i.e. fires and other emergencies). Also, because the locals are familiar with their local geography, they are more aware of local conditions (such as prevailing winds, and risks or dangers within their local environment).

George’s willingness to become part of the community through his involvement with one of the most important volunteer associations in the district was testament to his general philosophy of being open to having friends and acquaintances from a wide range of individuals, not just from a Chinese/Asian
background. Even his involvement with the Chess Club was a particularly Westernised pastime.

George also appeared to be the only research participant who resided in a rural location, a relatively remote one at that. Country people are generally not very open to outsiders, let alone Asians. The fact that George enjoyed integrating into and living in a rural community was indicative of his personality. It was also his desire to be a part of the general community; he played an active role in country life.

COMMUNITY SERVICE AND REACHING OUT

Stephen was the only research participant who mentioned his wife, and how he assisted her with charity fundraisers for the hospital. Stephen was the only one who also linked leadership with the concept of community service, and the need to include younger people to ensure continuity.

As Stephen stated:

This [club] has, in the last two or three years, slowed down a lot because we tried to change, the old guard tried to get the university students to run it, but it doesn’t function well. (Stephen, Art & Craft Business Entrepreneur, 2012)

Stephen’s disappointment about the ‘old guard’ and the university students not pulling their weight reflected the changing attitudes towards networking – perhaps young people now use social networking more to connect, rather than these types of clubs.

Stephen was also involved with the local Greek and Italian communities, and through his business had community links to various charities. Stephen confirmed:

Yes, we did a few fundraisers and helped with the community and help to be charitable, for instance in the hospitals, nursing home. And the Mayor was a customer here, her mum and dad was a customer in the shop. Then they start to know me. From then word spread around, and since many have started to know me as one
Stephen clearly identified the link between charitable work and the business. This was the only example, among all the research participants, of the customer relationship feeding back to community service through personal contact and interest. Stephen believed that this relationship was good for the reputation of the business.

Zhou only became able to commit time and energy to community service in more recent times, presumably because he was spending resources establishing and building the business.

He informed the researcher:

This year and next year we were one of the sponsors of multi-cultural week in Victoria; we were one of the sponsors, and we’re going to do that again in 2013. In a way we’re supporting, but also find time to expose ourselves to other education groups and markets; it is one good channel to support community. (Zhou, Education Business Entrepreneur, 2012)

Now Zhou has made a commitment to multi-cultural week (this was in March, and Harmony Day is part of that week). His efforts were broader than just his Chinese heritage, and it is questionable whether this choice reflected a personal and business commitment to Australia’s multi-cultural society. Zhou also saw this as a way to expose the business to other groups, and so the philanthropy and community service may have a business spin-off.

Kenneth was active in the Ethnic Chinese community decades ago, and he said:

... I started early. I was active in the community [during that time] about the time I was a lawyer in the late 80s ... I was very active in the Chinese association ... (Kenneth, Property Developer/former Lawyer, 2012)
At the time of the interview, Kenneth was a board member of and supported the NGV (National Gallery of Victoria). Kenneth had dedicated his time to serving as a board member of Melbourne University as well. These were voluntary and prestigious positions among the general community. He therefore achieved high recognition by the general community beyond his own Ethnic Chinese community.

It was clear that there was a strong desire by research participants to contribute and ‘give back’ to the general community, and some to their Ethnic Chinese communities. This was consistent with the idea of being part of or a desire to be part of the mainstream Australian society.

8.2.2 NETWORKING AND RELATIONSHIP BUILDING

NETWORKING WAS IMPORTANT

Two-thirds, 67%, of the research participants considered networking as an important and necessary part of doing business. Networking is part of building relationships with friends, clients and customers, and also with potential customers (Light et al 1990; Park & Luo 2001). Those who considered networking important also believed they were proficient at doing it.

Helen, who was in the magazine publishing business, considered networking vital to her business. She confirmed:

*Networking is absolutely crucial to the success of a business.*
*There is a saying: It is not WHAT you know but WHO you know.*

(Helen, Magazine Publisher, 2013)

In contrast, Lesley did not specifically use networking as a business tool, but treated it as part of more general relationship building within the community – business contacts and customers arising from this was a side benefit.

As Lesley said:

*I love meeting people and learning from what they do, and perhaps telling them what we can do, and like I say, I'm an
opportunist, and if there’s a chance to get to know, to learn something new, I’m always interested in that. And networking, yes, I’m very good at that, and have a good network of people in where I live, socially, very socially, or whether it’s business, I’ve always got a good network of people in that way. (Lesley, Child Care Centres Developer and Owner, 2013)

In further contrast, Jackie who came from China five years ago did not believe that networking or relationship building was important. She believed efficient business processes were most important – that is, getting the procedures and rules right. In addition, good customer service and good quality products were deemed as keys to success by Jackie.

Jackie stated:

But here [Australia], straightforward … you don’t need to build a relation with customers. Yes, you do need, but the way [it is done] is different. You don’t need to have dinner with them. You don’t need to have lunch with them. Don’t need to drink wine with them. But you need to provide very good service. You provide very good quality products. (Jackie, School Supplies Business Entrepreneur, 2012)

Overall, networking and relationship building were considered essential to business success, and the research participants who did it considered themselves proficient at it.

Even after a period of time, when reliance on friends and family has decreased, informal networks remain the single most important support for most Ethnic Chinese entrepreneurs. Networks are the most important social resource within the Ethnic Chinese business community. Such networks provide informal but personal experience of the local business environment, access to capital, bureaucracy standards and requirements, and local Australian customs and cultures (Carney 1998b; Friesen & Ip 1997).
In further support of this view, Coughlin (2002) suggested strongly that networking is a very effective method for business entrepreneurs to obtain assistance in developing their business plans and engaging in fruitful business entrepreneurial ventures.

8.2.3 CHALLENGES IN EARLY DECADES

OVERCOMING SUBTLE DISCRIMINATION

About 44% of the research participants stated that there was subtle racial discrimination during their time in Australia; some occurred decades ago. However, they also claimed that it was not a major problem for them.

Edward’s responses pointed to subtle racial discrimination rather than overt racial discrimination. His observation that the Ethnic Chinese (along with other ethnic professionals) were allocated technical tasks rather than managerial tasks within the organisation was pertinent:

… because in the organisation, they [then] see there’s a few Chinese, Indians, Malaysians … but they basically confine [us] to a design area. So [we’re] never sort of able to go beyond the ceiling of [being] in-charge, [being] a manager. (Edward, Mortgage Broker, 2012)

While many of the Asian migrants found jobs in the labour market, these jobs were often below their past experience and skills levels (Alcorso 2000) – career advancement was limited or blocked. Collins (1996) attributed this to the ‘ascent ceiling’, as the blocked mobility factor prevented their advancement.

The functionality of communication and cultural understanding to suppress or minimise racial discrimination was explored by all of the research participants. While most, if not all the research participants, stated that they were not discriminated against, the ability to express oneself and communicate within a different cultural framework impacted on how they were generally perceived by others. Both George and Stephen discussed their perception that people were
initially wary of them, but when others discovered that they were genuine, these people were more likely to be open and friendly.

George, who ran a small resort, appeared the most pragmatic in his responses, and his work in the health system has meant that during his working life, George has been exposed to a very wide range of people from the Australian community. He informed the researcher:

> Obviously. At the end of the day, if you go to an Anglo-Saxon or European area, and you are Asian, there is always some prejudice around, that’s life. Then on the other hand, once they know you, they open up. Best mates for life. As long as you know what you are doing is beneficial to everybody, and not doing anybody any harm, then they welcome with open arms. (George, Resort Owner-operator/Photographer, 2012)

**RACISM NOT A MAJOR PROBLEM**

The majority, 78%, of the research participants said that racism was not a problem for them personally.

Although George provided a stunning example of racism, he stated that overt racism was rare, or in his words “few and far between”:

> Yes it's hard initially if you run a nursing home, and you admit somebody who thinks “What are you doing here, you are Asian you have nothing to do here”. You actually take out the responsibility of looking after them; some of them can be really vicious and nasty. But then as I said, they don’t know you because [you] look different. We have an example of a lady; she used to work in a legal firm. She’s not a lawyer, but she’s of the executive. She nasty in terms of her voice; so acid the nurses dare not go into the room because if you tread a foot in her room, she don’t like it and she just go like that and the whole thing go flying. She’s really acid, and told me “You got no right to be here, you better go back to where you came from”. But that’s few and far between,
Comments by Stephen, who has a business in Chinese art and artefacts, displayed a broader understanding of the reciprocity of human relationships regardless of ethnicity. He said:

_No. I think it’s the psychology of human beings … that once you are sincere and nice to them I think you bring them back … it gets back to you. Once you become arrogant and unfriendly, then naturally you get it back, you know?_ (Stephen, Art & Craft Business Entrepreneur, 2012)

Both Stephen and George highlighted the so-called ‘golden rule’ of relationships: that is, what you do not wish for yourself, do not do to others (Slingerland 2003).

**CULTURE AND CULTURAL MISUNDERSTANDINGS**

‘Culture shock’ is the psychological disorientation that comes from being in an unfamiliar setting. In an unfamiliar culture, everything that the newcomer experiences is different, and subsequently the newly-arrived migrant may feel incompetent, confused and anxious (McLaren 1998).

According to Padilla & Perex (2003), when experiencing culture shock, a person’s self-esteem is often seriously impaired. Persons with more distinctive physical features or characteristics compared to those in the dominant adopted society may find it harder to acculturate.

Responses from Kenneth, one of the study’s research participants, perhaps highlighted the most pragmatic perception of the challenges migrants face when coming to Australia, possibly as a result of his early career as a lawyer assisting migrants with settling in Australia. He told the interviewer:

_But I do see the issue as a migrant, a new migrant, and that the lack of given opportunity. Not for myself but say in a general sense, that a lot of us do not have the opportunity to do what is
their optimum skill set. [Not] mostly because do not know people enough, more because they do not go and meet and then given the opportunity to do those things, and because of a certain different background perhaps misunderstood [understanding] some of the culture. So as a migrant I think those are the issues that I can see. (Kenneth, Property Developer/former Lawyer, 2012)

Kenneth clearly identified that cultural misunderstanding can directly link to lack of opportunities to optimise the use of the person’s skill set. Kenneth identified and acknowledged that not knowing what individuals are capable of and then providing them with the opportunity to undertake those tasks was a result of ignorance about a migrant’s background. This could be a real challenge for Australia as a nation to unearth and capitalise on the innate and dormant talent of its migrants.

Stephen stated that cultural differences can impact on the ease of undertaking business in Australia:

I think there’s a lot of difficulty to get into [a] new market area, for example … if I were to operate in Asian countries, or Singapore, it would be easier. But this is new frontier, new line, [and] new territory, so there are a lot of problems. (Stephen, Art & Craft Business Entrepreneur, 2012)

Stephen also highlighted the problem of being able to communicate well. The importance of communication, of the need to be aware of the complexities of the English language, to talk ‘rightly’, was identified as one of the challenges of doing business:

… we work together, we live, eat together, went to school together, so there’s no challenge. It’s easy to handle. For them [local Australians] we have to talk rightly, use the word rightly, otherwise they don’t understand it [us]. So the way we handle it is very sensitive, you know? Some of the area that you can see, a lot of
CHANGED ATTITUDE TOWARDS ETHNIC CHINESE

Fifty-six per cent of the research participants noted that there had been positive change in attitude towards the Ethnic Chinese over the years they have lived in Australia.

On a particularly positive note, acceptance and attitudes were changing towards Asians who were now seen as an asset or a conduit to business opportunities with the dynamic and growing markets to the north of Australia. Edward's comment below about how attitudes have changed was similar to what other participants observed:

*The environment has changed compared to 40 years ago, I must say. The environment has changed now. Because I can imagine that if I were still staying in an engineering organisation, they probably would want to make me a head of department and go to China and negotiate in Mandarin and get the contract, multimillion dollar contract, and do the designing in Australia.*

(Edward, Mortgage Broker, 2012)

Edward's observation was also what Charlie had observed about the changes in attitude towards Ethnic Chinese:

*Oh yes, especially now they are so embracing, because it's always on the news, Australia's future with China and all that, right? So these days they respect you everywhere, and it doesn't matter. You can go to a house auction in thongs and shorts and they take you seriously. Forty years ago they didn't. These people don't have any money; they go and talk to the Anglo-Saxon guy that pulls up in his Mercedes. Today they'll talk to the Asian in the*
shorts and the thongs because they know they got the money. That's changed a lot obviously; Asia is looked at now as the one wealthiest part of the world, and potentially in the next few years they'll overtake everything else. That change has been very big and obviously racism is a lot less now. (Charlie, Martial Arts Master/Art Trader/Race Horse Owner, 2013)

The observation Charlie made between the shifting of the economy from the old world to the new world is obvious. In the 19th and 20th centuries, Australia was always considered to be at the bottom of the world – that is, the 'wrong part' of the planet in regards to the old world economies of the Western hemisphere. The Australian colonial heritage and mentality to a degree remains; Australia is still very much part of the Commonwealth, and its head of state is Queen Elizabeth II, while the talk of dismissing the monarchy has largely subsided. The current Governor General, Quentin Bryce, is much loved and highly respected. One just has to look at the respect and admiration shown for Queen Elizabeth II on her tour here for her Diamond Jubilee last year, as well as the warmth HRH Prince Charles and Camilla received when they visited earlier this year, to see that Australians, emotionally at least, have maintained some appreciation of their historical ties with the UK.

In the 21st century, with the new world economies of Asia expanding exponentially, Australia is geographically placed at the base of the East Asian corridor, strategically as a resource rich contributor of raw materials to the expanding Asian economies. The perception of Australia’s geographic location from the ‘arse-end of the earth’ to a ‘vital cog’ in the wheels of Asian growth compels a change of thinking strategically, in terms of Australia’s traditional trading partners and military allies (Australian Government 2013b).

The power shift reflects a need to rethink Australia’s contribution to future prosperity of a rising middle class of cashed-up Asian consumers. The challenge Australia faces in the future is how to best integrate its long-term sustainability goals with those of the needs of trade, within the paradigms of climate change. Australia’s rich natural resources fuel the expanding
economies to its north. Its agriculture and farming practices potentially provide food for growing populations, and its embrace of eco-friendly technologies (wind farming, solar farms and wave technology) pave the way for further innovation to deal with the challenges of climate change. Australia’s education sector (particularly tertiary and vocational sectors) also provides opportunities for cultural links and exchange, to cement and grow business opportunities.

Where once Australia’s largest trading partner was Japan, it is now China. Prime Minister Julia Gillard’s Government’s white paper on the Asian Century released in 2012 (Australian Government 2013b), and then followed up by the delegation to China early in April 2013 to boost the Chinese-Australian relationship to a higher level, reinforced the significance of mutual cooperation between Australia and China for success on the world stage. Perhaps most significant is the direct convertibility of the Chinese Yuan currency to the Australian dollar, which will increase the opportunities to foster business relations (ABC News 2013; Villarreal 2013).

All of the study’s research participants appeared optimistic about future business opportunities stemming from the changing perceptions of Ethnic Chinese within Australia. Stephen’s belief that racism will decrease when economic benefits flow seems to be morphing into reality, as Australia seeks to engage more culturally, diplomatically and economically with China.

8.3 EPILOGUE

Based on the analysis laid out in this chapter, certain significant factors and forces have shaped the baby-boomer generation of Ethnic Chinese business entrepreneurs in Australia. The following is a summary of these factors and forces based on the major research findings within the research dimension Entrepreneur’s Community and Environment:

1) Strong involvement in general community
   a. Involvements in community and ethnic associations were viewed as beneficial to gain business support; at the same time to make a contribution back to the community.
b. There was a strong desire to be part of the mainstream society beyond any ethnic group. Therefore, the involvement in activities associated with the wider community.

2) Networking and relationship building
   a. Networking was deemed important as part of relationship building.
   b. Those research participants who engaged in networking considered themselves proficient at it.

3) Challenges in early decades
   a. When some research participants first arrived in Australia decades ago, beginning in the 1970s the White Australia Policy had begun to be dismantled. Racial discrimination was encountered by some to a small degree.
   b. Over the years, less racism was encountered and attitudes towards ethnic minorities, particularly towards migrants from East and Southeast Asia, according to some participants. Given the large number of ‘boat people’ arrivals (mainly refugees) from Indo-China, migrants from that particular part of the world began to be accepted more by the general Australian community.
   c. Understanding the culture of their host country Australia by new migrants, and conversely the efforts and a better understanding by the Australian community were keys to breaking down barriers to racial discrimination or racism.
   d. Attitudes towards Ethnic Chinese by Australian society changed, and acceptance and respect of Ethnic Chinese were noticeable as claimed by some research participants.
   e. Several participants claimed that there was growing awareness that Australia’s future is linked to Asia, especially to East Asia.

The nine factors mentioned above constitute the major findings for the second dimension: Entrepreneur’s Community and Environment.

The next chapter will report on the third research dimension: Entrepreneur’s Business.
CHAPTER 9
THIRD SET OF RESEARCH FINDINGS
AND ANALYSIS

ENTREPRENEUR’S BUSINESS

9.1 PROLOGUE

This chapter reports on the findings and the analysis within the Entrepreneur’s Business research dimension. The following sections are covered:

1. Prologue (Section 9.1)
2. Research Findings and Analysis (Section 9.2)
3. Epilogue (Section 9.3).

9.2 RESEARCH FINDINGS AND ANALYSIS

The data analysis was based on data gathered via interviews and written responses from the research participants listed in Table 10.1 in Chapter 10.

The overall research project sought to answer the research questions as mentioned previously and they are re-stated below:

1. What are some of the internal factors and how do these influence the baby-boomer generation of Ethnic Chinese business entrepreneurship in Australia?
2. What are the external factors and how do these influence the baby-boomer generation of Ethnic Chinese business entrepreneurship in Australia?
3. How do the factors mentioned in items 1 and 2 above influence and shape the business behaviour of the baby-boomer generation of Ethnic Chinese entrepreneurship in Australia?

This chapter sets out the analysis to address Research Question 3 mentioned above. The analysis and evidence are provided in the sub-sections that follow.

The major findings in this third research dimension are graphically shown in the diagram below.

**FIGURE 9.1: THREE MAJOR FINDINGS FOR ENTREPRENEUR’S BUSINESS**

### 9.2.1 EXPANSION OVERSEAS AND THE CHINA FACTOR

**INTRODUCTION**

All but one of the baby-boomer Ethnic Chinese business entrepreneurs studied in this research arrived in Australia from other countries – China, Malaysia and Singapore. As migrants, they naturally had existing overseas connections most notably through:

1. Cultural links
2. Family links
3. Ancestral links

One assumes that there is a strong desire for the business enterprises of the baby-boomer generation Ethnic Chinese business entrepreneurs in Australia to expand overseas. The existing literature strongly supports the view that Ethnic Chinese entrepreneurs in general have a vision of overseas expansion. Ethnic business owners need to consider whether they should build themselves a stronger presence in their adopted country rather than continue to depend on resources in the country of origin. They also need to choose whether to focus on domestic rather than on international investments and activities (Chavan 2002).

This overseas expansionary vision increases the potential for the business to succeed, and it leads to the postulate that business entrepreneurial success is related to the overseas expansionary vision of the business entrepreneurs. Stromback and Malhotra (1994) pointed out the business entrepreneurial advantages of Asian (mainly Ethnic Chinese) migrants because of their cultural background and motivations. They highlighted the importance of these overseas networks of ethnic business entrepreneurs in Australia. These networks provide an advantage when establishing import and export activities because they provide personalised, trust-based networks which extend into the community and beyond, into mainstream society and overseas (King 1991).

Likewise, Lever-Tracey et al (1991) concluded that Ethnic Chinese business entrepreneurs in Australia are, in general, successful, innovative and export-oriented business entrepreneurs who have considerable overseas resources, including financial resources and business networks. The connections with relatives or friends in the overseas country are often used to provide a reliable source of supplies, access to markets, market information, and to secure credit or finance.
OVERSEAS EXPANSION

Only two of the 12 research participants had any business dealings outside of Australia. More than two-thirds, 77%, of the research participants stated that overseas expansion of their business was not important or was only moderately important to them. This majority result was a surprise, given the assumed natural advantages of family, friends and cultural links in research participants’ countries of origin.

Only 22% of the research participants said overseas expansion was important to them. Within this minority, Lesley recently expanded into Singapore with her consultancy which is part of her child care business.

Lesley explained:

Yes, at the moment working at overseas opportunities in Singapore and in the Asian region for child care brokering business. More, an extension … it’s an extension of our child care business, whereby we become the consulting agent for business owners who may want to buy or sell child care centres. (Lesley, Child Care Centres Developer and Owner, 2013)

Kenneth, a former lawyer who became a property developer, opened a cosmetics business in China with a business partner based in China. He said:

I met a friend 20 years [ago] and lost contact with him [for] a long time. When I went to China on a mission with the law institute … and I caught up with him. And it is about knowing someone in China. Knowing China and having a bit of capital. I was looking for diversification; I was looking for a challenge. (Kenneth, Property Developer/former Lawyer, 2012)

Both Lesley’s and Kenneth’s business expansions overseas were only light - with minimal investment or involvement by them. This was their perception of limited overseas expansion of their existing business.
Other minor overseas activities included Stephen importing goods from China for his shop, and George having photography books printed in China and shipped to Australia. These were small-scale activities.

**REASONS FOR MINIMAL OVERSEAS BUSINESS EXPANSION**

The analysis revealed that the baby-boomer Ethnic Chinese business entrepreneurs in Australia did not generally engage in international business, even though their generation travel overseas frequently. Recently two of the research participants travelled to China to visit their family ancestral villages, while others travelled for holidays and to visit relatives and friends.

The following were some of the possible reasons why most did not engage in international business, with the exception of two of the research participants:

a. Their businesses were SMB (small to medium size business).

b. Most of the businesses of the baby-boomer generation Ethnic Chinese business entrepreneurs in Australia were service-based enterprises, without products that can be physically exported – it is much more difficult to expand service-based enterprises overseas unless a franchise system or licensing is used.

c. Usually the baby-boomer Ethnic Chinese business in Australia was operated by a husband-wife partnership or the individual. It was difficult to maintain control and ownership of overseas operations. Therefore, the ability to expand overseas was limited.

d. A combination of the above three factors.

The extent of overseas business expansion vision and activities among the research participants was minimal. It was apparent that most of the baby-boomer generation of Ethnic Chinese business entrepreneurs had minimal overseas ambitions. This is in sharp contrast to what is in the existing literature for Ethnic Chinese entrepreneurs in general.
9.2.2 MOTIVATION OF ENTREPRENEUR

INTRODUCTION
As mentioned elsewhere, this study’s research participants were almost all university graduates; and were professionals or semi-professionals before they went into business as entrepreneurs in Australia. Therefore, an interesting question is why such professionals and semi-professionals in reasonably comfortable situations would want to turn to running their own business, which usually carries higher risks.

The existing literature, especially that was described in Chapter 5, provides us with some ideas on why, in general, some individuals have a tendency to become business entrepreneurs. Personal motivations have been stated as a major category of motivators, such as the desire for autonomy, to control one’s destiny and the need to be personally fulfilled (Brandstatter 1997; Woldie and Adersua 2004). The motivation for self-fulfilment is strong for some individuals.

Business entrepreneurship can provide an opportunity for migrants to discover a new-found sense of accomplishment in following their dreams by supporting themselves, instead of relying on being employed by others.

Business entrepreneurship is related to the behavioural and personality traits of the individual business entrepreneur. Self-satisfaction, desire for independence, desire for autonomy, control of one’s destiny and being the ‘boss’ are important personal reasons for business ownership – these are the findings of Woldie and Adersua (2004).

Self-satisfaction has strong influences on potential business entrepreneurs. Pistrui et al. (2001) found that Ethnic Chinese business entrepreneurs are most motivated by the following four items: need for achievement; desire for higher earnings; desire to have fun; and desire to make a direct contribution to the success of an enterprise. Their data also revealed that Ethnic Chinese business entrepreneurs are being driven to achieve a personal sense of accomplishment, foster family wellbeing and develop new skills.
Brandstatter (1997) researched one of the psychological factors in business entrepreneurship – internal locus of control. In that study, the business owners indicated how they perceived their past and expected future success as business entrepreneurs. As predicted, those who had personally set up their business (founders) were emotionally more stable and more independent (self-assertive) than those who had taken over their business from parents, relatives or by marriage. The personality characteristics of people interested in setting up their own business were similar to those of the founders. In addition, independent and emotionally stable business owners were more satisfied with their roles as business entrepreneurs and with the success of their business, preferred internal attributions towards the business outcome, and were more inclined to expand their business. This was likely related to their personal confidence in managing their own businesses.

In addition, dissatisfaction with previous employment has been suggested by many researchers as one of the main reasons for setting up one’s own business (Wirth 2001). Another possible factor in influencing employees to leave their previous employment and pursue a business venture is slow career progression (Moore & Buttner 1997). Therefore, independence gained by self-employment and the power to make one’s own decisions based on their own choices are the other two main attractions that business entrepreneurs seek to obtain.

The motivation for people to go into small business ownership varies; they include personal satisfaction, independence and flexibility. Even given the anxiety and stress that go hand-in-hand with operating a small business, most small business operators appear to derive more satisfaction by being the decision-maker rather than the recipient of decisions made by others (Walker & Brown 2004).

It is interesting to examine how much this study’s results correspond with previous literature findings. The following sub-sections therefore provide some of this study’s insights on the reasons why baby-boomer generation Ethnic Chinese business entrepreneurs in Australia first went into business.
PASSION FOR WHAT ONE DOES

It appeared that a majority of research participants were passionate about what they did. Sixty-seven per cent claimed that passion for business motivated them to establish their own business; only 33% said it was solely seeing a business opportunity that moved them to do this.

It is no doubt true that owning and managing one’s own business, if the business is successful, puts one in a better financial position to manifest one’s financial dreams and personal goals. However, money and improved financial position were not the only or even the most important motivation of the business entrepreneurs studied in this research project.

George was interested in the lifestyle of running his own retreat/resort for holidaymakers or people who wanted to get away from the hustle and bustle of urban life. For George, living and enjoying a life in a rural setting provided the opportunity to have a clean, spacious and carefree lifestyle that an urban one could not offer. Running and owning a country retreat not only offered a lifestyle that George and his wife desired, but also an income from the retreat as a business. As George said:

> I'm looking at variety of [in] life more than making a lot of money. Money is good, but I’m looking at experience, how other people live, and go into somebody’s shoes and say “how is your life?” (George, Resort Owner-operator/Photographer, 2012)

George went further and said:

> As I said, life is what you make of it, I guess. In Australia, we are fortunate enough that [if] you want to live a way of life, you can actually achieve [it] here in Australia … It gives you the opportunity to do what you want … (George, Resort Owner-operator/Photographer, 2012)

Stephen, dealing in art objects as his business, also found he could devote energy and passion into something he enjoyed; for Stephen, it was not just a business, but also a passion in what he does. Stephen explained:
And I like the art and beautiful things, that’s why it’s my passion.
(Stephen, Art & Craft Business Entrepreneur, 2012)

Similarly, Zhou was passionate about college education, and together with his wife who was a teacher, had built a successful business out of school/college institutions based on this desire.

Kenneth, apart from being a successful property developer, was an active patron of the arts. His position as a board member of the NGV was of great satisfaction to him, and appealed to his desire to have a high profile in the general community. In addition, having membership on the board of a prestigious local university added to that profile. Kenneth’s main passions were the arts and properties.

While Edward was a ‘serial’ entrepreneur, moving from one type of business to another, he also displayed the type of passion typical of all research participants. Edward said:

\[
\text{I wanted to do something not completely different, but something different, because, as I say, while I was working as a civil engineer I got passionate about property investment. So I started my first property investment about early 80s. (Edward, Mortgage Broker, 2012)}
\]

Five child care centres were Lesley’s business pride, but it was not the money and wealth that were the only motivation. Another driving force was the desire to serve the community by providing a vital service to families with young children. Another factor was the desire to keep in touch with the community. The entrepreneurial spirit was evident in Lesley, with plans and initial steps to expand overseas. Lesley said:

\[
\text{It’s a different arm of the business, but yes, we’d like to go and try to establish the business in Singapore at the moment. We’re working in Singapore at the moment, yes. (Lesley, Child Care Centres Developer and Owner, 2013)}
\]
SPOUSE SUPPORT, CHILDREN AND BUSINESS SUCCESSION

As with the previous generation, trust outside the family was evidently lacking among research participants. Yet even though somewhat comparable with the previous generation, the reliance and dependency on family members in business was not as severe. Nevertheless, for most research participants the spouse was the business partner, if there was a partner in the business. This aspect of business culture was very Chinese.

By and large, children of the baby-boomer Ethnic Chinese business entrepreneurs in Australia did not involve themselves or follow their parents’ footsteps into the family business. These children had the opportunity to have a higher education, and therefore took up careers in their own professions. They were not reliant on bequeathing from their parents’ business. In addition, there was little or no pressure from the parents to ‘recruit’ the children into their business enterprise.

The issue of succession in business had not fully arisen yet, as the baby-boomer generation of Ethnic Chinese business entrepreneurs studied in this research were still actively running their business. The problem will arise in the future when these entrepreneurs no longer wish to be active or would prefer to pass ownership and management onto the next generation.

Most of the research participants had been in Australia for many years before embarking on a business venture. There was only one exception, which was Jackie who was a business migrant and was in Australia for about one year before investing and purchasing her business. Migration law on business migrants stipulates that the business migrant invest and operate a business as part of their condition of migration to Australia.

Prior to entering into business, participants were engaged in professional or semi-professional occupations where they honed their skills and waited for business opportunities.

Edward, who was a civil engineer before setting up his mortgage broker business, explained:
... this is when I left engineering, yes. So at the same time I was kind of passionate about talking about property investment, and investment in property, running seminars with the other company, and I got paid, even though it was kind of partner, on a partner basis. So I thought I could do that, it's a … it's some sort of new challenge, you know? And the property is where I wanted to channel my energy. (Edward, Mortgage Broker, 2012)

Kenneth, who was a lawyer before he became a property developer, said:

It was a natural thing. If you recall in the late 80s and early 90s, Australia went into a deep recession and Asia went through a boom time and investment from Malaysia. My job at the lawyer department was in business migration, and I came in contact with a lot of people and they started by saying I want you to be my lawyer and then help with my property and local director and permission where they ask me to take up shares, and it was progression; natural progression. (Kenneth, Property Developer/former Lawyer, 2012)

Finally, Lesley with five child care centres under her name, said:

… my background is in property law; I worked as a paralegal for law firms … law firms, in Melbourne and in Malaysia. So I had 20 years of property experience behind me. And when my son was three years old, three and a half years, three years old, it was hard to find child care placement for him in the area [we] live, so I decided, “Look, if that’s the case, I will go out and build one, and go from there”. But coming from a law background, in a legal background, you know, it just gives me a bit, a good foundation to start off any business. (Lesley, Child Care Centres Developer and Owner, 2013)

CONCLUSION

The baby-boomer Ethnic Chinese business entrepreneurs in Australia that were studied in this research entered into business for the passion of doing it;
or with the spirit of adventure; or with a sense of better control of their own and their family life; or a combination of any of those elements.

The spouse’s support was important, even when or where the spouse was not directly involved in running or managing the family business. Yet the children of these baby-boomer Ethnic Chinese business entrepreneurs were, in general, not involved in their parents’ business.

The long residency in Australia and cultural acclimatisation/preparation for business was also evident. As mentioned earlier, most of the research participants had spent years in semi-professional and professional occupations before entering into business. Most had also already spent years, decades for some, living in Australia.

Specific reasons for entering into business varied, and a range of some of them are listed below:

1. Edward – he hit a tinted ceiling – he could not go managerial or higher up in his organisation, despite years of service. Therefore, going into business was an attractive option.
2. Kenneth – as a lawyer, saw an opportunity in property development while dealing with and helping migrants and investors in property purchases and property development.
3. Jackie – she had to follow a business migration stipulation to immigrate as a business migrant to Australia.
4. Daniela – she was already in the finance industry, and saw the opportunity to set up her own business as a finance broker after working in the industry for over 10 years.
5. Lesley – she worked as a paralegal and handled property transactions; she saw a need to be filled in child care services, and built five child care centres as a result.

As can be seen above, all of the research participants had a different reason and/or motivation to move from being employed to self-employed; that is, to own and manage one’s own business. Most of motivational factors for going into business were consistent and match what is in the existing literature.
9.2.3 MODERN APPROACH TO BUSINESS

INTRODUCTION
As migrants, the baby-boomer generation of Ethnic Chinese business entrepreneurs studied in this research arrived in Australia from various countries (see Table 9.1).

It was previously proposed that Overseas Chinese business practices were still largely influenced by the values and beliefs of Confucian-based teachings and precepts (Kao 1993).

One might assume that these baby-boomer generation participants will behave much like the previous generations of Ethnic Chinese business entrepreneurs, their parents in particular, in their approach to business. However, the evidence from this study does not support this view.

The following table displays the country of origin of the research participants:

<table>
<thead>
<tr>
<th>Country of Origin</th>
<th>Number of Participants</th>
<th>Participants (in percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>1</td>
<td>8.3%</td>
</tr>
<tr>
<td>China</td>
<td>2</td>
<td>16.7%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>7</td>
<td>58.3%</td>
</tr>
<tr>
<td>Singapore</td>
<td>2</td>
<td>16.7%</td>
</tr>
</tbody>
</table>

TABLE 9.1: COUNTRY OF ORIGIN OF THE RESEARCH PARTICIPANTS

INFLUENCE OF HIGHER EDUCATION
The following table shows the types of qualification and education these business entrepreneurs had before going into business.

Unlike the previous generation, the baby-boomer Ethnic Chinese business entrepreneurs were tertiary educated – most had a university degree. They were also educated in Western education institutions.
### Table 9.2: Research Participants' Qualification and Education

Table 9.3 then shows what business, qualification and education the research participants were involved in at the time when this research was carried out:

<table>
<thead>
<tr>
<th>Participant</th>
<th>Original Business</th>
<th>Qualification</th>
<th>Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charlie</td>
<td>Martial art schools</td>
<td>Engineering degree</td>
<td>University</td>
</tr>
<tr>
<td>Daniela</td>
<td>Finance brokerage</td>
<td>Finance diploma</td>
<td>College</td>
</tr>
<tr>
<td>Edward</td>
<td>Property investment</td>
<td>Engineering degree</td>
<td>University</td>
</tr>
<tr>
<td>George</td>
<td>Nursing care</td>
<td>Registered nurse</td>
<td>College</td>
</tr>
<tr>
<td>Helen</td>
<td>Asian magazine publishing</td>
<td>-</td>
<td>Business trained</td>
</tr>
<tr>
<td>Jackie</td>
<td>School supplies</td>
<td>M.Bus. Administration</td>
<td>University</td>
</tr>
<tr>
<td>Kon</td>
<td>Manufacturing of bedding</td>
<td>-</td>
<td>Business trained</td>
</tr>
<tr>
<td>Kenneth</td>
<td>Legal service</td>
<td>Law degree</td>
<td>University</td>
</tr>
<tr>
<td>Lesley</td>
<td>Child care centres</td>
<td>Paralegal diploma</td>
<td>College</td>
</tr>
<tr>
<td>Stephen</td>
<td>Chinese food (café)</td>
<td>-</td>
<td>Business trained</td>
</tr>
<tr>
<td>TetMing</td>
<td>Property development</td>
<td>Engineering degree</td>
<td>University</td>
</tr>
<tr>
<td>Zhou</td>
<td>Education</td>
<td>Information technology</td>
<td>University</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Participant</th>
<th>Current Business</th>
<th>Qualification</th>
<th>Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charlie</td>
<td>Martial Arts master, art trader, race horse owner</td>
<td>Engineering degree</td>
<td>University</td>
</tr>
<tr>
<td>Daniela</td>
<td>Finance/banking</td>
<td>Finance diploma</td>
<td>College</td>
</tr>
<tr>
<td>Edward</td>
<td>Mortgage brokerage</td>
<td>Engineering degree</td>
<td>University</td>
</tr>
<tr>
<td>George</td>
<td>Resort Owner-operator, photographer</td>
<td>Registered nurse</td>
<td>College</td>
</tr>
<tr>
<td>Helen</td>
<td>Asian magazine publishing</td>
<td>-</td>
<td>Business trained</td>
</tr>
<tr>
<td>Jackie</td>
<td>School supplies</td>
<td>M.Bus. Administration</td>
<td>University</td>
</tr>
<tr>
<td>Kon</td>
<td>Manufacturing of bedding</td>
<td>-</td>
<td>Business trained</td>
</tr>
<tr>
<td>Kenneth</td>
<td>Property development</td>
<td>Law degree</td>
<td>University</td>
</tr>
<tr>
<td>Lesley</td>
<td>Child care centres</td>
<td>Paralegal diploma</td>
<td>College</td>
</tr>
</tbody>
</table>
While most participants had remained in the business they first entered into, several subsequently went into another type of business. For example, Edward first went into property investment and eventually ended up in property finance brokerage. George was in nursing care and then moved to operating a rural retreat business. Another was Kenneth who trained and practised as a lawyer, and then moved into property development. However, the majority (about two-thirds) kept the same business as when they first commenced.

The higher the education these baby boomers possessed, the greater the influence it had on their outlook on life; and on the business approach and methods. Fifty-six per cent confirmed that higher education had influenced their approach to business.

The previous generation relied heavily on networking and years of ‘on the job training’ experience; and on natural talent for entrepreneurship. In contrast, the baby-boomer generation heavily relied on their education to guide them, or used additional education as the foundation for learning the particular type of business they entered into.

**INFLUENCE OF PREVIOUS OCCUPATION**

The often extensive years of working in a profession or occupation post-tertiary education also influenced this study’s baby-boomer Ethnic Chinese business entrepreneurs on how they set up and managed their business. A high percentage (78%) of the research participants believed that their previous occupation had influenced their approach to business.
In his previous occupation, Edward was an engineer – he spent years in an engineering position as an employee before becoming involved in property development and investment. As Edward said:

.... needing someone who can speak Mandarin and Cantonese, to give presentation about properties and properties development, and the company was from Queensland. They've got property developments all over Queensland – Gold Coast, Brisbane, Cairns, Rockhampton, you know. So I was their sort of, I flew in and out to Queensland for a while, and also was working full-time as an engineer. (Edward, Mortgage Broker, 2012)

Edward became involved in property investments and had ended up in property mortgage financing by the time he was interviewed for this research.

Kenneth’s background was a trained and practised lawyer working in a firm primarily involved with business migration. His dealing with business migrants who were interested in property development led Kenneth to property development on a larger scale. Larger and long-term property development projects were the outcome.

Kenneth explained:

It was a natural thing. If you recall in the late 80s and early 90s, Australia went into a deep recession and Asia went through a boom time and investment from Malaysia. My job at the lawyer department was in business migration, and I came in contact with a lot of people and they started by saying I want you to be my lawyer; and then help with my property and local directorship where they ask me to take up shares and it was progression … natural progression. (Kenneth, Property Developer /former Lawyer, 2012)

Lesley said:

... my background is in property law; I worked as a paralegal for law firms in Melbourne and in Malaysia. So I had 20 years of
property experience behind me … coming from a law background, in a legal background, you know, it just gives me a bit, a good foundation to start off any business. (Lesley, Child Care Centres Developer and Owner, 2013)

Among the baby-boomer Ethnic Chinese business entrepreneurs studied in this research project, there was one consistency – the entrepreneurs worked many years in a particular field before going into a related business.

LEADERSHIP AND MANAGEMENT STYLE

Stephen said:

Yes, leadership concept. I think it is good because you let everybody have a chance to say something …. For example, the Singapore Business Club we formed, it was successful because everyone had a role to play and everyone’s responsible for their duties and responsibility. (Stephen, Art & Craft Business Entrepreneur, 2012)

Charlie explained his perceptions of business leadership:

As a leader, you need to be able to get to the people and to be able to advance, as only what one person can do is so limited, but if you spread the hands out and it’s exponential, then you can achieve a lot … You need to have that communication, and have that feedback. (Charlie, Martial Arts Master/Art Trader/Race Horse Owner, 2013)

Kenneth said:

I think it’s having the right people … I think [having] the best partner.

The common thing you know; and the other things you don’t know you let other people do it. No point trying to be an expert;
it’s not possible. (Kenneth, Property Developer/former Lawyer, 2012)

TetMing also commented on leadership:

Leadership by example. Chinese style [of leadership is] no nonsense; Western [style of leadership is] idealistic. (TetMing, Property Developer/former Engineer, 2013)

This study’s baby-boomer Ethnic Chinese business entrepreneurs were different from the previous generations in their approach to business management and leadership. Differences included the type of business; how business enterprises were set up; management and conduct of the business; and as previously noted, business succession.

Two important factors contributed to the above differences:

- Education – this generation of business entrepreneurs were educated. The majority of the research participants were university educated; and they were also Western educated (mostly in Australia).
- The length of residency in Australia was the second factor; and together with their education meant the methods and approaches to operating a business were different from the previous generation. Western styles of management and leadership were evident. This was, however, combined with core Chinese Confucian values – it was a ‘hybrid’ business behaviour that was adapted to the Australian environment.

CONCLUSION

The baby-boomer Ethnic Chinese business entrepreneurs in Australia studied in this research project mostly used a modern approach to business. Their management and leadership style was Westernised and modern in its outlook and business operations.
9.3 EPILOGUE

It is clear from this study’s analysis discussed in this chapter that certain factors and forces influenced the baby-boomer Ethnic Chinese business entrepreneurs in Australia. The following is a summary of these factors and forces, based on the three major research findings:

1. Expansion overseas and the China factor

The results showed that the baby-boomer generation Ethnic Chinese entrepreneurs in Australia did not generally engage in international business. The following are some of the reasons why they did not engage in international business, with the exception of two research participants:

   a. The businesses of the research participants were SMBs – most of the enterprises were service-based.

   b. As most of the businesses were service-based, there were no products which could be exported – it is more difficult to expand overseas unless a franchise system or licensing is used.

   c. The desire to maintain control – it would have been more difficult to maintain control and ownership, as usually the business was a husband-wife partnership or operated by the individual.

2. Motivation of entrepreneur

The reasons for entering into their own business varied, and a range of them are listed below:

   a. Edward – he felt that he could not go up to managerial level within his organisation, despite years of service.

   b. Kenneth – a lawyer who saw an opportunity in property development while dealing with migrants and investors.

   c. Jackie – compliance to business migration legislation as a business migrant to Australia.

   d. Daniela – a financial professional who saw the opportunity to set up her own business as a finance broker.
e. Lesley – previous profession was a paralegal handling property transactions, and saw a need to be filled in child care services, building five child care centres as a result.

As can be seen above, all of the research participants had a different reason and motivation to move from being employed to self-employment – owning and managing their own business.

3. Approach to business

Two major factors influenced the entrepreneurial business behaviour of research participants in this research project:

a. The Western education that the majority of the research participants had completed influenced the way they conducted business.

b. The long residency and adaptation to the Australian environment was a major factor in the behaviour of these business entrepreneurs.

The 10 factors mentioned above constitute the major findings for the third research dimension: Entrepreneur’s Business. This chapter concludes the analysis results of this study.

The next chapter will provide a summary of the analysis and findings of this study of the baby-boomer generation of Ethnic Chinese business entrepreneurs in Australia.
CHAPTER 10
SUMMARY OF RESEARCH RESULTS

10.1 PROLOGUE

Chapter 10 provides an overview of the analysis and findings of this study. In this chapter, a description of the context of the research findings and analysis is also given. The research questions are also restated in Section 10.2 below.

This chapter is a prelude to the three chapters that follow Chapters 8, 9 and 10 each provide detailed analysis and findings of a specific dimension of the research outcomes, and seek to answer each of the research questions of this research project.

The next three chapters also detail the analysis that the findings are based on. The research analysis and outcomes are presented within three research dimensions pertaining to the baby-boomer generation Ethnic Chinese business entrepreneurs in Australia as studied in this research project. The first research dimension Entrepreneur’s Background and Family is described in Chapter 8; Chapter 9 covers the research dimension Entrepreneur’s Community and Environment; and Chapter 10 reports on the research dimension Entrepreneur’s Business.

The three research dimensions contain the main findings of the research: the internal as well as external forces and factors that shaped the baby-boomer generation of Ethnic Chinese business entrepreneurs in Australia as studied in this research project.

The following sections are covered in the rest of this summary chapter:

- Data Gathering and Analysis (Section 10.2)
- Research Findings (Section 10.3)
10.2 DATA GATHERING AND ANALYSIS

Data gathering in the form of interviews began in early October 2012 and lasted into the early part of February 2013 before the lunar Chinese New Year. Some research participants opted to provide responses in writing.

All participants are listed in the table below, and pseudonyms were used to shield them from being identified for privacy and confidential reasons:

<table>
<thead>
<tr>
<th>Participant</th>
<th>Brief Participant Description</th>
<th>Interview Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Edward</td>
<td>Mortgage Broker/former Engineer</td>
<td>05/10/2012</td>
</tr>
<tr>
<td>Stephen</td>
<td>Art &amp; Craft Business Entrepreneur</td>
<td>22/10/2012</td>
</tr>
<tr>
<td>Jackie</td>
<td>School Supplies Business Entrepreneur</td>
<td>19/11/2012</td>
</tr>
<tr>
<td>Zhou</td>
<td>Education Business Entrepreneur</td>
<td>03/12/2012</td>
</tr>
<tr>
<td>Kenneth</td>
<td>Property Developer/former Lawyer</td>
<td>03/12/2012</td>
</tr>
<tr>
<td>George</td>
<td>Resort Owner-operator/Photographer</td>
<td>22/12/2012</td>
</tr>
<tr>
<td>Charlie</td>
<td>Martial Arts Master/Art Trader/Race Horse Owner</td>
<td>18/01/2013</td>
</tr>
<tr>
<td>Lesley</td>
<td>Child Care Centres Developer and Owner</td>
<td>06/02/2013</td>
</tr>
<tr>
<td>TetMing</td>
<td>Property Developer/former Engineer</td>
<td>14/02/2013</td>
</tr>
<tr>
<td>Kon</td>
<td>Manufacturer</td>
<td>15/02/2013</td>
</tr>
<tr>
<td>Helen</td>
<td>Asian Magazine Publisher</td>
<td>21/03/2013</td>
</tr>
<tr>
<td>Daniela</td>
<td>Finance Business Entrepreneur</td>
<td>23/03/2013</td>
</tr>
</tbody>
</table>

**TABLE 10.1: RESEARCH PARTICIPANTS IN RESEARCH PROJECT**

In total there were 12 participants, and these participants came from a variety of industries – the property and construction industry was the most dominant, with three participants in it. Service industries were also dominant – research participants were in child care, education, holiday resort, publishing, finance, martial art teaching and hospitality (restaurant) industries. Only one research participant was in the manufacturing industry.

The research participants were spread across 11 different business types. Two participants were finance; and three of the participants’ business portfolios had property interests in them. The specific type of business of research participants...
included property development, property investments, education (colleges),
holiday resort, Chinese art, horse ownership and racing, martial art,
finance/banking, publishing (Asian magazine), manufacturing, school supplies,
cosmetics, child care, and art dealing. The diagram below illustrates, clockwise,
the various types of business research participants were engaged in:

Several participants were involved in a number of different businesses over a
period of years, or engaged in a number of different businesses simultaneously.
For example, one participant owned and managed businesses in martial art
schools, horse racing/ownership and art dealing simultaneously. Thus, this
participant had a diversified business portfolio.

Another participant, over a number of years, was involved in property
investment, restaurant, travel agency and finance brokering, sequentially. A
third participant started, owned and managed a nursing home, photographic
shop/service and a holiday resort, also sequentially.

However, most of them focused on a single type of business – for example,
Chinese art or finance.
Table 10.2 below provides information on the main categories and composition of the type of business enterprises that research participants were involved in at the time of this study.

<table>
<thead>
<tr>
<th>Type of Business</th>
<th>Number of Participants</th>
<th>Participants (in percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Properties</td>
<td>3</td>
<td>25.0%</td>
</tr>
<tr>
<td>Finance</td>
<td>2</td>
<td>16.7%</td>
</tr>
<tr>
<td>Art Dealing</td>
<td>2</td>
<td>16.7%</td>
</tr>
<tr>
<td>Education (colleges)</td>
<td>1</td>
<td>8.3%</td>
</tr>
<tr>
<td>Child Care</td>
<td>1</td>
<td>8.3%</td>
</tr>
<tr>
<td>Martial Art</td>
<td>1</td>
<td>8.3%</td>
</tr>
<tr>
<td>Horse Ownership/Racing</td>
<td>1</td>
<td>8.3%</td>
</tr>
<tr>
<td>Asian Magazine Publishing</td>
<td>1</td>
<td>8.3%</td>
</tr>
<tr>
<td>Cosmetics</td>
<td>1</td>
<td>8.3%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1</td>
<td>8.3%</td>
</tr>
<tr>
<td>Holiday Resort</td>
<td>1</td>
<td>8.3%</td>
</tr>
</tbody>
</table>

**Table 10.2: Type of Business Research Participants Were Involved In**

Note: The numbers and percentages in Table 10.2 do not add up to a total of 12 research participants (column 2) or 100% (column 3), because some research participants were involved in more than one type of business.
Table 10. Below displays the country of origin of the research participants:

<table>
<thead>
<tr>
<th>Country of Origin</th>
<th>Number of Participants</th>
<th>Participants (in percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>1</td>
<td>8.3%</td>
</tr>
<tr>
<td>China</td>
<td>2</td>
<td>16.7%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>7</td>
<td>58.3%</td>
</tr>
<tr>
<td>Singapore</td>
<td>2</td>
<td>16.7%</td>
</tr>
</tbody>
</table>

TABLE 10.3: COUNTRY OF ORIGIN OF THE RESEARCH PARTICIPANTS

As shown in Table 10.3, the largest number of research participants was from Malaysia. They were ex-Malaysians of Ethnic Chinese heritage.

All the research participants, except one, mentioned above were migrants, most having resided in Australia for many years, with some stretching to several decades. Only one participant was born in Australia; however, he strongly identified himself as an Ethnic Chinese person with Chinese migrant parents.

Another aspect was the number and proportion of these participants who were engaged in the provision of services in their business enterprise. Of the 12 participants, nine or 75% were in the services sector of the economy, one in manufacturing, and three were involved in property sector. The remaining two were in retailing/distribution, which is generally classified as a service.

Each research participant had a different and interesting life/business ‘story’. All were fascinating individuals – all were business entrepreneurial.

In the next section, the research findings of the baby-boomer generation of Ethnic Chinese business entrepreneurs in Australia are listed, and the research questions are restated.
10.3 RESEARCH FINDINGS

Nine major research findings emerged from the qualitative data gathered and analysed, as graphically shown in Figure 10.2 below.

![Diagram of research findings]

**FIGURE 10.2: MAJOR QUALITATIVE FINDINGS**

The findings and analysis were borne out of providing answers to the following research questions of this study:

1. What are some of the internal factors and how do these influence the baby-boomer generation of Ethnic Chinese business entrepreneurship in Australia?
2. What are the external factors and how do these influence the baby-boomer generation of Ethnic Chinese business entrepreneurship in Australia?
3. How do the factors mentioned in items 1 and 2 above influence and shape the business behaviour of the baby-boomer generation of Ethnic Chinese entrepreneurship in Australia?
The three tables below provide the statistics that emerged from the data analysis and findings, relating to the three dimensions of Entrepreneur's Background and Family, Entrepreneur's Community and Environment, and Entrepreneur's Business.

Tying in with Chapter 8’s more detailed analysis, Table 10.4 below contains the summarised data and statistics on the first dimension: Entrepreneur's Background and Family.

### Dimension 1: Entrepreneur's Background and Family

<table>
<thead>
<tr>
<th>Entrepreneur's Past</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Migration and length of time in Australia</td>
</tr>
<tr>
<td>1) Less than 10 years</td>
</tr>
<tr>
<td>2) More than 10 years</td>
</tr>
<tr>
<td>b) Length of time in business in Australia</td>
</tr>
<tr>
<td>1) Less than 10 years</td>
</tr>
<tr>
<td>2) More than 10 years</td>
</tr>
<tr>
<td>c) Spouse support was important in establishing my business</td>
</tr>
<tr>
<td>1) Important</td>
</tr>
<tr>
<td>2) Not important</td>
</tr>
<tr>
<td>3) Moderately important</td>
</tr>
<tr>
<td>d) Passion in business most important to be successful</td>
</tr>
<tr>
<td>e) Advantages of prior business knowledge and experience</td>
</tr>
<tr>
<td>f) Preference for self-employment</td>
</tr>
</tbody>
</table>

### Confucianism

| g) Confucian traditional values important to me | 44% |
| h) Only Chinese customs important to me in business | 22% |

### Family in Business

| i) Spouse is my active business partner | 67% |
| j) My children are involved in my business | 11% |
| k) I have planned business succession | 22% |

Table 10.4: Summary Data of Entrepreneur's Background and Family
The following are the three major research findings for the Entrepreneur’s Background and Family dimension:

1. Entrepreneur’s past
2. Confucian values
3. Family in business.

Under entrepreneur’s past, the following factors influenced the research participants:

1. Preference for self-employment and the passion to pursue business or undertake something challenging.
2. The support and, for some, the business contribution of the spouse of the research participants was important, especially in the initial stage of creation of the business enterprise.
3. Long years of residency in Australia and many years in Australia before entering into business meant that the participants had acquired the necessary cultural understanding of operating in Australia.
4. The prior business knowledge and experience in Australia were beneficial and advantageous before establishing a business; the risk of business failure was minimised.

Confucian values produced the following factors that had an influence on the research participants as Ethnic Chinese business entrepreneurs in Australia:

1. There was not a particularly strong display of Confucian values among the research participants.
2. The Western institutional education and exposure to Western culture after many years had diminished any strong belief in Confucianism.
3. The need to adapt to a new environment and new country often meant that the research participants developed a new identity that was more suited to their adopted country of Australia.
The following family in business factors influenced the research participants:

1. As in the previous generation, the baby-boomer generation of Ethnic Chinese business entrepreneurs kept the management and control of business within the family.
2. The husband-wife combination in business was particularly strong. Where the husband or wife had a business partner, it was often the spouse who was the partner.
3. Differing from the previous generation, children were not generally involved in their parents’ business among the baby-boomer generation of Ethnic Chinese business entrepreneurs.
4. Female business entrepreneurship was strong.

The 11 factors mentioned above constitute the major findings in the first dimension – Entrepreneur’s Background and Family – of this research project.

Table 10.5 below contains the summarised data and statistics on the second dimension: Entrepreneur's Community and Environment. They are a summary of the data and detailed analysis of the data from Chapter 8.

### Dimension 2: Entrepreneur's Community and Environment

<table>
<thead>
<tr>
<th>Strong Involvement in the General Community</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Associations to contribute and obtain support</td>
</tr>
<tr>
<td>b) Strong desire to be part of mainstream society</td>
</tr>
<tr>
<td>c) Active in community service</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Networking and Relationship Building</th>
</tr>
</thead>
<tbody>
<tr>
<td>f) Relationship building is important to me</td>
</tr>
<tr>
<td>g) Networking is important for my business</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Challenges in Early Decades</th>
</tr>
</thead>
<tbody>
<tr>
<td>h) Experienced subtle racial discrimination</td>
</tr>
<tr>
<td>i) Racism not a major problem for me</td>
</tr>
<tr>
<td>j) Noted changed attitude towards Ethnic Chinese over the years</td>
</tr>
</tbody>
</table>

**TABLE 10.5: SUMMARY DATA OF ENTREPRENEUR'S COMMUNITY AND ENVIRONMENT**
Under the dimension Entrepreneur's Community and Environment, the following factors influenced the research participants:

1. Strong involvement in the general community
   a. Involvements in ethnic associations were viewed as beneficial to gain support; simultaneously making a contribution back to the community.
   b. There was strong desire to be part of the mainstream society beyond an ethnic group. Therefore, the involvement in activities associated with the broader community.

2. Networking and relationship building
   a. Networking was viewed as an important part of relationship building.
   b. Those research participants who engaged in networking considered themselves highly proficient in their networking capabilities.

3. Challenges in early decades
   a. When some research participants first arrived in Australia decades ago, beginning in the 1970s the White Australia Policy had begun to be dismantled. Racial discrimination was encountered by some to a small degree – about 16.7% claimed subtle discrimination.
   b. Over the years, less racism was encountered and attitudes towards ethnic minorities were more tolerant, particularly towards migrants from East Asia and Southeast Asia, according to some participants. Given the large number of ‘boat people’ arrivals (mainly refugees) from Indo-China, migrants from that part of the world began to be accepted more by the general Australian community.
   c. Understanding the culture of their host country Australia by new migrants, and conversely the efforts and better understanding by the Australian community were keys to breaking down barriers to racial discrimination or racism.
d. Attitude towards Ethnic Chinese by Australian society changed, and acceptance and respect of Ethnic Chinese had become noticeable as claimed by some research participants.

e. Several participants claimed that there was growing awareness that Australia’s future is linked to Asia, especially to East Asia.

The nine factors mentioned above constitute the major findings for the second dimension of this research: Entrepreneur’s Community and Environment.

Table 10.6 below contains the summarised data and statistics on the third dimension: Entrepreneur's Business. They are a summary of the data and detailed analysis of the data from Chapter 10.

**Dimension 3: Entrepreneur's Business**

<table>
<thead>
<tr>
<th>Expansion Overseas and the China Factor</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Expansion overseas is not a trend for my business</td>
<td>33%</td>
</tr>
<tr>
<td>b) Overseas business expansion for my business is</td>
<td></td>
</tr>
<tr>
<td>1) Important</td>
<td>22%</td>
</tr>
<tr>
<td>2) Not important</td>
<td>44%</td>
</tr>
<tr>
<td>3) Moderately important</td>
<td>33%</td>
</tr>
<tr>
<td>c) China is directly important to my business</td>
<td>0%</td>
</tr>
</tbody>
</table>

**Motivation of Entrepreneur**

| d) Passion for business motivated me                                        | 78%     |
| e) Spouse and children are source of business motivation                    | 22%     |
| f) Seeing business opportunity moved me to start my business               | 33%     |

**Approach to Business**

| g) Higher Education influenced my business approach                         | 56%     |
| h) Previous occupation influenced my business approach                      | 78%     |
| i) Predominantly Western leadership style                                   | 33%     |
| j) Predominantly Eastern management style                                   | 11%     |
| k) Have planned business succession                                         | 11%     |

**TABLE 10.6: SUMMARY DATA OF ENTREPRENEUR’S BUSINESS**

Under the Entrepreneur's Business dimension, the following factors influenced the research participants:
1. Expansion overseas and the China factor

The analysis showed that the baby-boomer generation Ethnic Chinese business entrepreneurs in Australia studied in this research did not generally engage in international business. The following are some of the reasons why they did not engage in international business, with the exception of two research participants:

a. Most businesses of the research participants were small to medium sized businesses (SMBs) – the enterprises were service-based.

b. As most of the businesses were service-based, there were no physical products which could be exported. It is difficult to expand overseas unless franchise system or licensing is used.

c. The strong desire to maintain business control – without having to employ someone outside the family or delegate management responsibilities – limited expansion overseas, as the business was usually a husband-wife partnership or was the business of an individual.

2. Motivation of entrepreneur

The reasons for creating their own business varied among research participants, with some of them being:

a. Edward – he hit a ceiling – he could not go ‘managerial’ or higher up in his organisation despite years of service.

b. Kenneth – as a lawyer, saw an opportunity in property development while dealing with migrants and investors.

c. Jackie – she had to follow a business migration stipulation to immigrate as a business migrant to Australia.

d. Daniela – she was already in the finance industry, and saw the opportunity to set up her own business as a finance broker.

e. Lesley – she worked as a paralegal and handled property transactions, saw a need to be filled in child care services, and built five child care centres as a result.
As can be seen in the above list, all of the research participants had a different major reason or motivation to move from being employed to self-employment – that is, owning and managing one’s own business.

3. Approach to business

Two major factors influenced the business behaviour of research participants in this research project:

a. The Western education that the majority of the research participants had received influenced the way they conducted business. The business methods and techniques were essentially learned from that of a Western education and Western ways of conducting a business.

b. The long residency and adaptation to the Australian business environment was a major factor in the behaviour of the business entrepreneurs studied in this research project.

The 10 factors mentioned above constitute the major findings in the third dimension – Entrepreneur’s Business – of this research project.

In combination, the three dimensions mentioned above – Entrepreneur’s Background and Family, Entrepreneur’s Community and Environment, and Entrepreneur’s Business – encapsulate the essence of the framework for better understanding the baby-boomer generation of Ethnic Chinese business entrepreneurs in Australia, as studied in this research project.
10.4 EPILOGUE

This chapter was an overall summary of the analysis and findings of the research on the baby-boomer generation of Ethnic Chinese business entrepreneurs in Australia. It provided an overview and summary of the analysis and findings based on the data gathered for this research project.

The research questions were restated so that the research analysis and findings stayed focused on addressing the aim of the research project: to produce a framework for better understanding the factors and forces that have shaped and influenced the baby-boomer generation of Ethnic Chinese business entrepreneurs in Australia.

The next chapter – Chapter 11 – looks at the process of developing a new theoretical framework and building a new model for this research project.
CHAPTER 11
NEW THEORETICAL FRAMEWORK FROM RESEARCH AND MODEL BUILDING

11.1 PROLOGUE

This chapter describes the development of a new theoretical framework for better understanding the baby-boomer generation of Ethnic Chinese entrepreneurs, and the theoretical model that emerged from this process.

The sections covered in this chapter are:

- Prologue (Section 11.1)
- New Theoretical Framework (Section 11.2)
- New Version of Theoretical Model (Section 11.3)
- Summary (Section 11.4).

11.2 NEW THEORETICAL FRAMEWORK

RESEARCH AIM AND RESEARCH QUESTIONS

It is worthwhile restating the research aim and research questions that this study aimed to address. The main aim of this research study was to establish, discover and uncover some of the key factors and forces that influence and shape the Ethnic Chinese baby-boomer generation of business entrepreneurs in Australia.
The research questions derived from this primary aim are restated here:

1. What are some of the **internal factors** and how do these influence the baby-boomer generation of Ethnic Chinese business entrepreneurship in Australia?

2. What are the **external factors** and how do these influence the baby-boomer generation of Ethnic Chinese business entrepreneurship in Australia?

3. How do the factors mentioned in items 1 and 2 above influence and shape the **business behaviour** of the baby-boomer generation of Ethnic Chinese entrepreneurship in Australia?

This study was heavily focused on addressing these research questions tying in with the research. The following sub-sections summarise each of the three research questions based on the research data and findings described in earlier chapters – Chapters 8, 9 and 10. The analysis in those chapters also strongly linked the data to earlier existing literature.

**RESEARCH QUESTION 1**

**What are some of the internal factors and how do these influence the baby-boomer generation of Ethnic Chinese business entrepreneurship in Australia?**

1. **Entrepreneur’s past**

   Preference for self-employment and the passion to pursue business or undertake something challenging were significant factors that motivated participants towards business creation.

   The support, and for some the business contribution, from the spouse of the research participants was important, especially in the initial stage of creation of the business enterprise.

   Long years of residence existed – 89% of research participants had lived in Australia for more than 10 years, some of which had been spent studying at a tertiary institution. Many years spent in Australia before entering into
business meant that the participants had acquired the necessary cultural understanding of operating in Australia.

The prior business knowledge and experience in Australia were beneficial and advantageous before establishing a business; the risk of business failure was minimised.

2. Confucian values

There was not a particularly strong display of Confucian values. The Western education and exposure to Western culture after many years diminished any strong display of Confucianism.

The need to adapt to a new environment and new country meant that the research participants developed a new identity that was more suited to their adopted country of Australia.

3. Family in business

As in previous generations, the baby-boomer generation of Ethnic Chinese business entrepreneurs in Australia kept the management and control of business within the family.

The husband-wife combination in business was particularly strong. Where the husband or wife had a business partner, it was the spouse who was the partner.

Differing from the previous generation, children were not involved in their parents' business within the baby-boomer generation of Ethnic Chinese businesses.

Business entrepreneurship involving females was strong.

RESEARCH QUESTION 2

What are the external environmental factors and how do these influence the baby-boomer generation of Ethnic Chinese business entrepreneurship in Australia?
1. **Strong involvement in general community**

Involvement in ethnic associations was viewed as beneficial to gain support; simultaneously making a contribution back to the community.

There was strong desire to be part of the mainstream society beyond an ethnic group. Therefore, the participants embraced involvement in activities associated with the broader community.

2. **Networking and relationship building**

Networking was viewed as an important part of relationship building.

Those research participants who engaged in networking considered themselves highly proficient in their networking capabilities.

3. **Challenges in early decades**

When some research participants first arrived in Australia decades ago, beginning in the 1970s the White Australia Policy was in the process of being dismantled. Nevertheless, remnants of Australia’s past policy remained and racial discrimination was encountered by some to a small degree – about 16.7% claimed subtle discrimination. However, all research participants stated that racial discrimination was not a problem for them.

New migrants’ understanding of the culture of their host country Australia, and conversely the efforts and better understanding by the Australian community were keys to breaking down barriers to racial discrimination or racism.

Several participants claimed that there was growing awareness that Australia’s future is linked to Asia, especially to East Asia. Fifty-six per cent of the research participants claimed that attitudes towards Ethnic Chinese had changed in the positive direction.
RESEARCH QUESTION 3
What are the factors that influence and shape the behaviour of the baby-boomer generation of Ethnic Chinese business entrepreneurs in Australia?

1. Expansion overseas and the China factor

   According to the definition of SMB (small to medium sized business) (ABS 2001), the businesses of the research participants were mostly SMBs – the enterprises were also service-based.

   As most of the businesses were service-based, without products which can be exported, it was more difficult for research participants to expand overseas unless franchise system or licensing was used.

   There was a strong desire to maintain control and ownership of the business – it was more difficult to maintain control and ownership outside Australia, as usually the baby-boomer Ethnic Chinese business was a husband-wife partnership or owned by an individual. This limited expansion overseas.

2. Motivation of entrepreneur

   The motivation to become a business entrepreneur was a combination of internal and external factors, combined with existence of a business opportunity.

   One research participant had hit a ceiling; that is, he could not go ‘managerial’ or higher up in an organisation as an Ethnic Chinese employee, despite years of service, which prompted him to start his own business.

   Another research participant was practising as a lawyer and saw an opportunity in property development while dealing with migrants and investors – a way of getting involved in the property industry.

   Business migration rules and stipulations meant that one research participant had to go into business to qualify as a business migrant to Australia.
3. **Approach to business**

Previous work or occupation in a related field led to setting up business in that industry. For example, one participant worked in the finance industry, and saw the opportunity to set up their own business as a finance broker. Another example was the participant who worked in a legal firm as a paralegal and handed property transactions, and saw a need to be filled in child care services, so built five child care centres as a result.

The Western education that the majority of the research participants had received influenced the way they conducted business. They adopted and used the Western approach and methods of conducting business, rather than relying on traditional Chinese models.

The long residency and adaptation to the Australian cultural and business environment was also a major factor in the behaviour of the business entrepreneurs studied in this research project.

**NEW THEORETICAL FRAMEWORK**

After taking into account these answers to the research questions, the conceptual framework developed in Chapter 6 was revised and is presented in this chapter as the final version of the conceptual framework of this study.

This new conceptual framework is a useful resource for those who seek to understand some of the key factors and forces that have influenced the behaviour of the baby-boomer generation of Ethnic Chinese business entrepreneurs, particularly those who have come into contact with these entrepreneurs or have business dealings with them in Australia or overseas.

The framework may also be helpful to researchers who wish to further test the conceptual framework or elements of the conceptual framework with a larger number of research participants, or apply the theoretical model in other countries. The final version of the conceptual framework is provided in Figure 11.1 below. A function of each element of the framework was discussed in detail in Chapters 8, 9, 10, and is summarised in this current chapter.
The original conceptual framework developed and presented in Chapter 6 was based on the literature that encompassed all Ethnic Chinese businesspeople, including all generations. It was a broad and general conceptual framework, which guided the research propositions to this study and formulate a new, revised version of the conceptual framework.

The new conceptual framework is a revision and update of the original. The new framework specifically targets the baby-boomer generation of Ethnic Chinese business entrepreneurs in Australia.

**THEORY BUILDING**

The process of building a theoretical framework is one of increasing abstraction of ideas and concepts; it can be visualised as a hierarchical, upwards process (Wacker 1998; Eisenhardt 1989; Eisenhardt & Graebner 2007; Taagepera 2008). Anfara and Mertz (2006) likened it to an upwards process beginning at the bottom: *empirical evidence* (concrete); *concept* (words); *construct* (cluster); *proposition* (relationships); and finally *theory* (abstract).

The development of a framework for greater understanding of the Ethnic Chinese baby-boomer generation of business entrepreneurs followed on from the identification and analysis of the research findings based on the primary data gathered in this study. The research findings and analysis were detailed in the previous chapters – Chapters 8, 9 and 10. A theoretical model emerged at the apex of the hierarchical structure based on the data and analysis of the results found in this research project (see Figure 11.1 above).
This study’s process of devising a model adhered to the scheme that Anfara and Mertz (2006) used. That is, starting at the bottom of the pyramid and moving upwards, as shown in Figure 11.1, primary data was mainly collected through interview questions. The data was processed to glean common themes or unusual concepts from the interview transcripts. Through further analysis, major findings emerged – this is the third level of Figure 11.1’s pyramid. By comparing and contrasting these major findings with the research framework distilled from the earlier literature (Chapters 3 to 5), we can begin to glean the key factors and forces that shaped the baby-boomer generation of Ethnic Chinese business entrepreneurs. With even further analysis, and configuration of the factors and forces, a theoretical model for the baby-boomer generation of Ethnic Chinese business entrepreneurs emerged. After three levels of analysis and abstraction, the theoretical model sits at the top of the pyramid. This theoretical model is further explained in the next section below.
11.3 NEW VERSION OF THEORETICAL MODEL

THEORETICAL MODEL EXPLAINED
The theoretical model introduced in the previous section is illustrated in Figure 11.2 below:

![Tri-Cluster Model and its Three Research Dimensions](image)

FIGURE 11.2: TRI-CLUSTER MODEL AND ITS THREE RESEARCH DIMENSIONS

The theoretical model consists of three major elements. Moving clockwise in Figure 11.2, the diagram shows:

- Labelled A – Entrepreneur's Background and Entrepreneur's Family
- Labelled B – Entrepreneur's Community and Environment
- Labelled C – Entrepreneur's Business itself.

Individually or in combination, A, B and C are major forces that have influenced and shaped the business behaviour of the Ethnic Chinese baby-boomer generation of business entrepreneurs in Australia. These business entrepreneurs are at the centre of this theoretical model.

Nested in the three elements, as shown below in Figure 11.3, are findings that contain the factors which act as close-range determinants of entrepreneurial behaviour. Figure 11.3 illustrates the nested research findings.
FIGURE 11.3: RESEARCH FINDINGS NESTED IN THE TRI-CLUSTER MODEL

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The major findings are labelled A.1, A.2, A.3; B.1, B.2, B.3; and C.1, C.2, C.3. Within each finding, the overriding factors are embedded, and each group of findings and factors form a cluster. There are three clusters. The name of the theoretical model was derived from the three clusters of findings and factors; and is thus called the Tri-Cluster Model.

The factors in clusters A and B most influenced and shaped the business behaviour of the entrepreneur and the entrepreneur’s business enterprise. Figure 11.4 illustrates the model graphically.

![FIGURE 11.4 FACTORS AND FORCES IN CLUSTERS A AND B IMPACTING ON THE ENTREPRENEUR'S BUSINESS IN THE TRI-CLUSTER MODEL](image)

The theoretical model as illustrated in Figure 11.4, represents a new way of looking at and better understanding the baby-boomer generation of Ethnic Chinese business entrepreneurs. Hitherto, no concise theoretical model had been developed and put forward – this model is new and original.

### 11.4 EPILOGUE

In this chapter, the development of the new conceptual framework of the primary research project was described. The conceptual framework was also placed into the context of a master conceptual framework of the whole research process.

An initial conceptual framework was established in Chapter 6, after reviewing existing academic literature, consulting experts, and gleaning information from
the media including online sources. Chapter 6 also listed the two sets of variables pertinent to the primary research – one set of independent variables known as the ‘influencing factors’, and one set of dependent variables termed the ‘behavioural factors’.

One of the most significant steps in earlier chapters (Chapters 1 to 5) was to identify the study’s research questions after an extensive literature review, including the parent literature in the context of family, social and business networking, business ownership and control, and business entrepreneurship – areas which were assumed to influence business decision-making among the Ethnic Chinese.

Subsequently, these research questions have been listed and presented again in this chapter. From these research questions, the interview questions were developed and generated. Data was gathered and thematic analysis was conducted on the data.

The findings and theoretical model developed in this research can be used as a basis for future research that may be undertaken in different geographical locations, countries or regions to further validate the findings in a broader context, with the objective of generalising the model. The theoretical model can also be used for hypothesis testing purposes.

Since this research study was conducted on the baby-boomer generation of Ethnic Chinese business entrepreneurs, it is suggested that the theoretical model thus developed can be applied in future research on younger generations of Ethnic Chinese business entrepreneurs in Australia – Generation X or even Generation Y. Some limitations of this research study are listed in the next concluding Chapter 12.
CHAPTER 12
RESEARCH CONTRIBUTION
RESEARCH LIMITATIONS
FUTURE RESEARCH AND
RESEARCH CONCLUSION

12.1 PROLOGUE

This last chapter provides a summary of the final research findings of this study. It also aims to highlight the significance, limitations and contributions of this research project; and in addition suggests further research moving forward into the future.

The sections covered in this chapter are:

- Prologue (Section 12.1)
- Summary of Research Findings (Section 12.2)
- Significance and Contribution of This Research (Section 12.3)
- Limitations of This Research and Future Research (Section 12.4)

12.2 SUMMARY OF RESEARCH FINDINGS

The results of this study clearly identified the factors and forces that shape the characteristics and behaviour of the baby-boomer generation of Ethnic Chinese business entrepreneurs in Australia. These factors and forces were laid out in detail in previous Chapter 11, while the detailed analysis and findings from this research were presented in Chapters 8, 9 and 10.
The factors and forces were shown to be embedded in the three dimensions that were developed in the course of the research:

1. Entrepreneur's Background and Family
2. Entrepreneur's Community and Environment
3. Entrepreneur's Business.

These three dimensions that also formed the theoretical framework are useful analytical tools. The Tri-Cluster Model that emerged from these dimensions is then a useful conceptual tool when applied to a similar group of persons like the participants in this research project. The Tri-Cluster Model and framework can also be applied to the next generations of Ethnic Chinese business entrepreneurs in Australia, as well as to previous generations of Ethnic Chinese business entrepreneurs in Australia.

In addition, it is suggested that the Tri-Cluster Model and framework can also be applied to any of the abovementioned generations in other countries besides Australia.

Further research can be carried out in countries that are similar to Australia – migrant nations such as the USA, New Zealand and Canada that have a sizable Ethnic Chinese population. Research can test, validate and generalise the Tri-Cluster Model and framework.

**12.3 SIGNIFICANCE AND CONTRIBUTION OF THIS RESEARCH**

This study highlighted the importance of better understanding the dimensions of the factors and forces that influence and shape the baby-boomer generation of Ethnic Chinese business entrepreneurs in Australia. The factors and forces
were both internal and external, and by better understanding them, one can grasp and understand more fully the behaviour of this generation of Ethnic Chinese business entrepreneurs in Australia.

The development of the framework for better understanding the baby-boomer generation of Ethnic Chinese business entrepreneurs in Australia and the Tri-Cluster Model that emerged is considered a key contribution to academic knowledge for those seeking to understand the Ethnic Chinese business entrepreneurs in Australia.

The Tri-Cluster Model developed is useful and applicable for further research in related areas – for example, on Ethnic Chinese Generation X or Generation Y. As such, the Tri-Cluster Model is a worthwhile contribution to academic pursuit, particularly in an era where a heavy emphasis is placed on improving business ties with Asian countries.

In the corporate world, business enterprises and businesspeople may benefit from a greater understanding of the factors and forces that have influenced and shaped the behaviour of Ethnic Chinese business entrepreneurs in Australia. Businesspeople from all walks of life in Australia come into contact with these entrepreneurs, and some even deal directly with them.

Therefore, understanding and applying the Tri-Cluster Model in the contexts of practical business situations, organisations and businesspeople will help to more adequately deal with Ethnic Chinese business entrepreneurs in Australia. For example, one facet of Ethnic Chinese business is often the active involvement of the spouse but not children. It will therefore be advisable in business negotiations to communicate with the husband-wife team at one time. Otherwise, one could be negotiating with half a team, while perhaps the other half of the team may be more relevant or just as important to deal with. With such knowledge, business negotiations will be enhanced, and time wasting (e.g. having to wait for agreement from the spouse) will be avoided.
12.4 LIMITATIONS OF THIS STUDY AND FUTURE RESEARCH

LIMITATIONS OF STUDY
This study has produced significant findings; however, there were several limitations.

First, the number of research participants at 12 was considered a limitation, even though it was an in-depth qualitative research study. The interviews and narratives during data gathering were in-depth; most of the transcripts were about 20 pages long, with one transcript that went up to 47 pages.

While the study was internally valid, the research findings were not generalizable due to the limited number of research participants. However, the limited time and resources for an individual researcher did not allow a study beyond what could be achieved in the research project. The research was therefore scoped in such a way that the project was ‘manageable’ by a single individual researcher while still remaining valid internally.

The general approach of this study was exploratory qualitative research with theory building. It was also qualitative data-driven. The study has no theory testing or hypothesis testing. Therefore, it logically follows that no hypothesis or no testing was found in the thesis.

Secondly, this study was conducted on the baby-boomer generation of Ethnic Chinese business entrepreneurs based in Australia only. Therefore, the findings and Tri-Cluster Model produced may only be relevant to Australian-based Ethnic Chinese business entrepreneurs. This may be a limitation that needs to be tested in other countries.

Third, the study conducted was on Ethnic Chinese business entrepreneurs in Australia whose business enterprises were mostly categorised under small and micro-enterprises, where individuals or husband-wife partnerships were involved. The Tri-Cluster Model produced in this study may therefore not be applicable to larger size enterprises.
FURTHER RESEARCH

There are further areas for research on the baby-boomer generation of Ethnic Chinese business entrepreneurs. First, an extension of this research study could be considered for a generalisation of the findings and the conceptual framework developed. For such an extension of research, it may be appropriate to use the Tri-Cluster Model developed in this study on a larger number of research participants, so that statistical analysis and hypothesis testing can be conducted. A large-scale and well-funded research project would be necessary.

Furthermore, an extension of the research model to the next generations of Ethnic Chinese business entrepreneurs – Generation X or Generation Y – would be most useful.

Other suggested specific or potential expanded areas of research include:

- Succession problems and issues from one generation to the next – from baby-boomer generation to younger generations
- Involvement or lack of involvement of children of Ethnic Chinese business entrepreneurs in Australia in family business enterprises
- Differences in business style and decision-making between the baby-boomer generation and the later generation(s)
- The ‘synthesis’ of Western know-how in management, technology and thinking processes on the one hand, and on the other hand the Eastern or Ethnic Chinese approach and cultural influence on business among the younger generation of Ethnic Chinese businesspeople
- Ethnic Chinese business organisational structure in relation to performance in those business enterprises
- Deeper study of separation of ownership and control of family-based and family-owned businesses in Ethnic Chinese firms
- Comparative study of separation of ownership and control of business firms (Chinese/Ethnic Chinese/Anglo-Saxon)
12.5 SUMMARY AND CONCLUSION

This chapter has summarised this study’s main research findings and insights. The conceptual framework for better understanding the baby-boomer generation of Ethnic Chinese business entrepreneurs in Australia was described. In addition, a model was developed and discussed.

One of the noteworthy contributions of this study is the Tri-Cluster Model that was developed in this study. It could be used as a model in future research with a larger number of research participants in a quantitative study.

The Tri-Cluster Model is also useful and applicable for further research in related areas – for example, on Ethnic Chinese Generation X or Generation Y. It can also be used for hypothesis testing purposes in the future.

Understanding and applying the Tri-Cluster Model among practical business situations, organisations and businesspeople could mean being more adept at dealing with Ethnic Chinese business entrepreneurs in Australia, and most likely other parts of the world.

However, some limitations of this research study were also listed in this chapter. One of the limitations was the low number of research participants – only 12. Another limitation was the research study was conducted on the baby-boomer generation of Ethnic Chinese business entrepreneurs based in Australia. Therefore, the findings and Tri-Cluster Model produced may only be applicable to Australian-based Ethnic Chinese business entrepreneurs.

In addition, this study was only conducted among Ethnic Chinese business entrepreneurs in Australia whose business enterprises were mostly categorised under small and micro-enterprises where individuals or husband-wife partnerships were involved. The Tri-Cluster Model produced in this study may therefore not be applicable to larger size enterprises.

Potential future research has already been discussed in this chapter. Research might also be conducted in other countries on Ethnic Chinese business
entrepreneurs, using the framework and Tri-Cluster Model developed in this study.
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APPENDICES

Appendix A: Ethics approval of research project.

Appendix B: Research interview questions.
APPENDIX A: ETHICS RESEARCH APPROVAL

From: Keith Wilkins [mailto:kwilkins@swin.edu.au] On Behalf Of RES Ethics
Sent: Wednesday, 19 September 2012 12:23 PM
Subject: SUHREC Project 2012/145 Ethics Clearance

To: Dr Robert Gill/Mr Geoffrey Chow, FHEL

Dear Robert and Geoffrey

SUHREC Project 2012/145 Key Factors and Forces that Shaped the Baby-boomer Generation of Ethnic Chinese Business Entrepreneurship in Australia

Dr Robert Gill, FHEL; Mr Geoffrey Chow

Approved Duration: 19/09/2012 to 31/12/2013 [Adjusted]

I refer to the ethical review of the above project protocol conducted on behalf of Swinburne's Human Research Ethics Committee (SUHREC) by a SUHREC Subcommittee (SHESC4). Your responses to the review, as emailed on 31 August 2012 with attachments were put to the Subcommittee delegate for consideration and feedback sent to you. Your responses to the feedback, as per email of 8 September 2012 with attachments, accord with the feedback.

I am pleased to advise that, as submitted to date, the project has approval to proceed in line with standard on-going ethics clearance conditions here outlined.

- All human research activity undertaken under Swinburne auspices must conform to Swinburne and external regulatory standards, including the National Statement on Ethical Conduct in Human Research and with respect to secure data use, retention and disposal.
- The named Swinburne Chief Investigator/Supervisor remains responsible for any personnel appointed to or associated with the project being made aware of ethics clearance conditions, including research and consent procedures or instruments approved. Any change in chief investigator/supervisor requires timely notification and SUHREC endorsement.
- The above project has been approved as submitted for ethical review by or on behalf of SUHREC. Amendments to approved procedures or instruments ordinarily require prior ethical appraisal/clearance. SUHREC must be notified immediately or as soon as possible thereafter of (a) any serious or unexpected adverse effects on participants and any redress measures; (b) proposed changes in protocols; and (c) unforeseen events which might affect continued ethical acceptability of the project.
- At a minimum, an annual report on the progress of the project is required as well as at the conclusion (or abandonment) of the project.
- A duly authorised external or internal audit of the project may be undertaken at any time.

Please contact the Research Ethics Office if you have any queries about on-going ethics clearance or you need a signed ethics clearance certificate, citing the SUHREC project number. A copy of this clearance email should be retained as part of project record-keeping.

Best wishes for the project.

Yours sincerely

Keith Wilkins for
Kaye Goldenberg
Secretary, SHESC4

Kaye Goldenberg
Administrative Officer (Research Ethics)
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APPENDIX B: RESEARCH INTERVIEW QUESTIONS

1. How long ago did you migrate to Australia?
   How long ago did you enter into business? Briefly, describe your current business. Why did you choose to become a business entrepreneur/person?
   Were there any particular problems that you had to overcome entering into business; and doing business as an Ethnic Chinese compared to Caucasians?

2. Is yours a family business? If so, who are involved …wife, children, etc.?
   What part do family members play?

3. What are your ideas about leadership in business?
   Is this the way you personally operate/function?
   What are your views on Western and Chinese style of leadership?

4. When you make a decision about your business, do you consult others?
   What factors do you consider when you are going to make a decision about a major business decision or investment?

5. To what extent do you give responsibilities to other members of management team? Do you like to keep everything under control yourself?
   Does the management of your business involve people other than family?
   What are your views on Western and Chinese style of management

6. What are your views on Western and Chinese style of personal and business networking? Has networking been helpful to your business?
   What community or communal involvement have you been involved in – association, society, sport, charity, etc., etc. over the years? How have these related to your business?

7. How do you get along with your business competitors?
   Have you co-operated with competitors or form alliances/partnership with them?

8. With the many changes over the years you have been in business - political, legal, economic, financial, social-cultural, technological, environmental changes - what are some of those that had influenced or impacted your business most?
   (Example – the abolition of the White Australia Policy and sizable Asian migration over the last 40 years changed the general community attitude and behaviour in Australia towards Ethnic Chinese – how did these relate to your business?).