IMMIGRANT ENTREPRENEUR FIRM START-UP BEHAVIOUR AND REASONING: A reflective study of causation, effectuation and bricolage

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24.06.2013
ABSTRACT

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Immigrant entrepreneur firm start-up behaviour and reasoning: A reflective study of causation, effectuation and bricolage
(Jyväskylä Studies in Business and Economics)

Entrepreneurship research studies how and why firms come into being, survive and grow (Davidsson, 2004; Gartner, 1985; Schumpeter, 1934). Early literature has proposed a linear model of entrepreneurship which is intentional (Bird, 1988), opportunity discovery (Kirzner, 1997; Shane and Venkataraman, 2000) and goal & strategy oriented (Wiklund & Shepherd, 2005). Being a mainstream in the earlier research, it is labelled as causation model by Sarasvathy (2001). Several scholars such as Baker & Nelson (2005) and Sarasvathy (2001a, b; 2008) questioned the validity of the model and proposed two additional models to the classic model: Effectuation (Sarasvathy, 1998) and Entrepreneurial Bricolage (Baker & Nelson, 2005). These models claim that entrepreneurs not only start by planning the ends and exploit opportunities, however they start with means at hand which drive them to different ends.

Taking the initiative from immigrant entrepreneurship literature and causation, effectuation and bricolage models, this study critically reviews the theories and proposals as well as the margins between these three entrepreneurship models. In addition, the literature review findings are empirically studied on four Finnish immigrant entrepreneur start-ups by a semi-structured interview. Their start-up behaviours and reasoning is categorized under “initial plan and process factors”, “financial decision-making” and “strategic reasoning” and reflected on the studied theoretical models by the method of qualitative content analysis.

Results clearly prove that causation, effectuation and entrepreneurial bricolage are an integral part of the case immigrant entrepreneurs’ firm creation reasoning and behaviours. Moreover, entrepreneurial bricolage model is studied in the context of affluent resources & environment and the development of the model is suggested under this context in addition to the context of penurious environment and scarce resources as introduced by Le’vy-Strauss (1966) and developed by Baker & Nelson (2005) in entrepreneurship literature. Further directions for future research and managerial implications are discussed as concluding remarks of this study.

Keywords: Causation, Effectuation, Entrepreneurial Bricolage, Immigrant Entrepreneurship, Start-up, Firm creation behaviour
DEDICATION AND ACKNOWLEDGEMENTS

I dedicate this study to my beloved new-born Inji. May knowledge be always the light of your life journey!

I would also like to dedicate this study to my friends and all the others who work and struggle for development and peace in the developing world. Your efforts to leave a better world to the next generations are priceless.

Completing this amazing journey has been through the support and encouragement of many amazing people. Firstly, I would like to thank all University of Jyvaskyla staff for their contribution in the maintenance and development of such a marvellous study environment. Surely, I owe a debt of gratitude to my 18 years’ friend, Bahruz Rzayev, who had an influence on choosing Finland: such a wonderful study destination. Meanwhile, I would like to express my gratitude to my family and all my friends in Finland and abroad. Thank you for being there!

This study could not have been possible in the planned timeline without my wife’s steadfast support. Thank you Günay for everything!

My highest appreciation goes to my supervisor professor Juha Kansikas for his guidance and support at all phases of my wonderful educational journey.
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1 INTRODUCTION

Causation, as labelled by Sarasvathy (2001a, b) is a set of classical entrepreneurship research which suggests that in order to reach the ends entrepreneurs start by planning the ends and selecting between means. In addition, later research has introduced two more models on the contrary to the classic model: Effectuation by Sarasvathy (1998) and Entrepreneurial Bricolage by Baker & Nelson (2005). These new models claim that predictive strategy is not the only choice when creating a new firm or a market. Therefore, this new view suggests that entrepreneurs do not necessarily employ only predictive reasoning however they do focus on means and create the outcome by means they already possess. Although relatively young compared to earlier or classic model of entrepreneurship, these models have been studied and experimented in significant amount of studies and they have added a new view to the firm creation behaviour of entrepreneurs.

Taking an initiative from immigrant entrepreneurship and entrepreneurial models of how firms come into being, the aim of the study is to analyse and reflect firm creation behaviour of the immigrant entrepreneurs in the context of effectuation, causation and entrepreneurial bricolage theories. These models are presented as a theoretical framework from which the study departs. The selected immigrant entrepreneurs in this study are immigrants living in Finland and entrepreneurs, by definition, those dealing with opportunity exploitation, uncertainty bearer and risk-taker (Drucker 1999, Kilby 1971, McCleland 1961, Schumpeter 1934, Shapero 1975). Therefore, this study also aims to review the research on immigrant entrepreneurship as well as the important facts and figures about the context country.

The study employs qualitative research method to conduct the empirical study: four full-time first-generation immigrant entrepreneurs were chosen who resided permanently in Finland and created a small business within the last two years of the empirical study took place. Causation, effectuation and bricolage are not likely to occur in the same business environment setting; therefore, in order to understand the concepts better, the study focused on variety and chose immigrant entrepreneurs of later entrants such as buyers of
already operating businesses, new market creators such as finding out what lacks in the area and turning them into a new opportunity, and those in seek of “make-do” resources to innovate, invent and test something new before dismissing an opportunity. Interviews were carried out in English or Turkish as these languages are fluently/ natively spoken by the informants and researcher. This fact also increases the validity of the study as both the researcher and interviewee understands each other more clearly.

Immigrant entrepreneurship, one of the key themes of this study, has been an issue from 1970s in the research. As globalization rises immigration has taken a part of some many countries' culture and policy. According to the United Nations Economic and Social Council release (February, 2013), there are 214 million migrants the number of which has increased about 37 per cent since 1990s. The major part has moved to North America (80 per cent) while Europe takes the second place (41 per cent). According to Clifton (April, 2012) in Gallup survey taken in years 2009-2011 resulted that roughly 640 million people desire to migrate to other countries by leaving their country permanently. Of those U.S. is the dominating one on the basis of desirable destination which is followed by UK, Canada, France, Saudi Arabia and Australia respectively.

Immigration roots from many different reasons. Within the development of transportation technology the time and costs decreased which pushed immigration mainly from poverty and natural diseases. However there also other different migration purposes such as personal (avoiding crime, personal relationships), educational (moving somewhere else to take and education and stay permanently), employment (long-term/ permanent contract-based work abroad), Retirement (moving to warm/ tourism countries after retirement), suppression of non-economic factors (religious and political).

Research has introduced 4 types of entrepreneurs within an international context. They are International Entrepreneurs (IE), Ethnic Entrepreneurs (EE), Returned Entrepreneurs (RE) and Transnational Entrepreneurs (TE). International Entrepreneurs are those in pursue of internationalization while Ethnic Entrepreneurs are immigrants of a different language/ culture who is engaged in self-employment in adopted country. Their group membership is tied to cultural heritage which is known to outgroup members (Drori et al. 2009; Kloosterman et al., 1998; Rath & Kloosterman, 2000; Yinger, 1985).

Being slightly different from Ethnic Entrepreneurs, transnational entrepreneurs are entrepreneurs of global relations as well as the relationship with their own countries. They are usually embedded in at least two social environments and maximize their resource base. Baltar and Icart (2013) suggest that the economic linkages between host and home country are highly dependent on institutional factors, thus formal and informal institutional factors play a great role in transnational entrepreneurship. Finally, Returned Entrepreneurs are the people who return to their country of origin after having done business abroad. According to Drori et al. (2009) both EE and RE can be included in the TE category so it is a challenge to define TE in that sense.
Finland, where the empirical part of this study has taken place, is a Nordic welfare state and is one of the desirable countries for immigrants. The country is reported to have a significant number of applications for residence permit. According to annual report Ministry of the Interior in Finland (2010) there has been a decline in the number of migrants since 2008 and 25,650 people migrated to Finland in 2010. As shown in the table 1, the grounds for a residence permit applications only 117 applications were submitted on the basis of self-employment while 4502 were for employment of all 24,547 applications. Consequently, only 0.45 % of all residence permit applications are for self-employment in 2009 while 0.47% takes for the year of 2010. Certainly when reviewing this statistics the fact should not be forgotten that EU/ EEA nationals do not have to apply for permit while entering Finland.

Table 1     Number of residence permit applications and their grounds. (Ministry of the Interior in Finland Annual Report 2010)

<table>
<thead>
<tr>
<th>Grounds for a residence permit application</th>
<th>Number of applicants in 2009</th>
<th>Number of applicants in 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment</td>
<td>3,953</td>
<td>4,502</td>
</tr>
<tr>
<td>Self-employment</td>
<td>95</td>
<td>117</td>
</tr>
<tr>
<td>Finnish origin</td>
<td>697</td>
<td>710</td>
</tr>
<tr>
<td>Study</td>
<td>4,653</td>
<td>5,438</td>
</tr>
<tr>
<td>Other grounds</td>
<td>2,883</td>
<td>3,169</td>
</tr>
<tr>
<td>Family ties, marriage etc.</td>
<td>2,342</td>
<td>2,441</td>
</tr>
<tr>
<td>Family ties children</td>
<td>3,540</td>
<td>4,251</td>
</tr>
<tr>
<td>Family ties, other relative</td>
<td>1,819</td>
<td>2,857</td>
</tr>
<tr>
<td>Family ties, family member of a Finnish citizen</td>
<td>808</td>
<td>1062</td>
</tr>
<tr>
<td>Total</td>
<td>20,790</td>
<td>24,547</td>
</tr>
</tbody>
</table>

The number of residence permit applications is a significant proportion considering the fact that Finland has 5.4 million inhabitants, as reported by Statistics Finland (2013). Finland has shown a very good statistics in its
integration policy and environment for immigrants as presented in the section 2.2 of this study in more details.

The structure of this study comprises the main sections (chapters 2-6), introduction (chapter 1) and summary and conclusions (chapter 7). The main sections consist of:

- Theoretical background: Chapter 2 discusses immigrant entrepreneurs and presents the related facts and figures of the case country, Finland. Chapter 3 reviews the key theories on the causation, effectuation and bricolage concepts.

- Methodological choice: Chapter 4 introduces the selected method which correlates the theoretical and empirical part

- Empirical study: Chapter 5 introduces the immigrant entrepreneurs studied empirically and finds out causation, effectuation and bricolage behaviours in their firm creation

- Discussion: Chapter 6 will present and discuss the findings of empirical study
2 IMMIGRANT ENTREPRENEURSHIP

This chapter firstly reviews immigrant entrepreneur concept by presenting previous research on this issue. Part 2.1, thus consists of the research on the immigrant entrepreneurs. In addition, part 2.2 presents related facts and studies about Finland, the destination of empirical study of the thesis.

2.1 Research in Immigrant entrepreneurship

Immigrant entrepreneurship has been a research issue since 1970s when the first publications on immigrant entrepreneurs came into being in the North America and shortly after in the United Kingdom followed by Australia and Europe (Kloosterman & Rath, 2004:3). Immigrant entrepreneurs have been studied from different perspectives and they have contributed significant findings to the entrepreneurship research. In this part research findings in immigrant entrepreneurship are discussed.

The differences between the generations of immigrant entrepreneurs have been studied from different perspectives. Azmat (2010) explores the social responsibility patterns of immigrant entrepreneurs and finds out that home-country contextual factors influence the immigrant entrepreneurs’ social responsibility, however this is more likely to happen in the cases of first-generation entrepreneurs and relatively less in second generation educated entrepreneurs. According to Rusinovic (2008) second generation immigrant entrepreneurs tend to go beyond their ethnic boundaries into mainstream markets. Arcand (2012) studies the generational transmission of entrepreneurial spirit or in other words main factors affecting the next generation of immigrant entrepreneurs to get involved in self-employment. The results indicate that ethno-cultural background and parental influence do not have a significant relationship on involvement in entrepreneurial activities of next generation immigrants. According to Inman et al. (2007) there are challenges for immigrants in the transmission of cultural values for the next generation. Several of these are limited familial and communal guidance and modeling,
Western culture barriers, inability to apply parental experience and upbringing, potential for intermarriage and cultural knowledge limitations. According to Yang (2011) immigrant entrepreneurs’ trust toward their kin is related to altruistic behaviors. The kin tends to be those of closer family such as sibling rather than distant ones such as cousin. However the study results also show that perceived trust towards the kind is not directly related to the intention to hire the kin.

Studies show that in the United States foreign born immigrants' self-employment rate is more than native-borns (Light and Sanchez, 1987). However this statistics of self-employment rate changes depending on the ethnic communities and host countries (Collins, 2003; Hammarstedt, 2004). Research has focused on the reasons why immigrants desire to be self-employed. Chu et al.’s (2010) study on Vietnamese American immigrant entrepreneurs reveals that the main factors for business ownership are independence, job security and training. In addition personal freedom, personal satisfaction and growth attainment are motivation factors in this phenomenon. A similar study by Liargovas and Skandalis (2012) concludes that family survival needs, immigrant community ties, personality, market and general economic conditions affect self-employment decision of immigrant entrepreneurs in Greece. Kwang & Won’s (1985) on Korean entrepreneurs in the United States find out that immigrant entrepreneurs heavily rely on their ethnic resources which facilitates their business creation and development however in the later phase it brings about problems such as intra-ethnic business competition and uncertainty as a middle-man minority. Additionally, Waldinger and Der-Martirosian (2001) find out that while immigrant entrepreneurs such as Cubans in Miami and the Chinese in San-Fransisco adopted ethnic enclave strategies by employing ethnic co-workers, others such as the Koreans, Asian Indians, Greeks, Israelis and Russians did not perform the same employment strategy and heavily relied on selling to customers outside of their community. According to Basu (2010) market knowledge of home country and hiring on non-ethnic employees lead immigrant entrepreneurs to success, moreover capabilities such as entrepreneur’s education, experience, involvement in international business networks and ability to move into more promising markets lever entrepreneurs into larger and global markets.

In addition, ethnic entrepreneurs usually face discrimination at societal level and disadvantages in educational skills (language skills and educational level). These factors make them get the jobs which natives are reluctant to do or become self-employed (Mata and Pendakur 1999, Zhou 2004). Though Zhou (2004) made a review of early findings to come to this point, Mata and Pendakur (1999) used a quasi-longitudinal methodology to study the issue thoroughly. As self-employment is based on work experience and opportunities available at the time-being it is challenging to predict the outcomes from one-time study. They carried out research on the chosen group 4 different times (1961, 1971, 1981 and 1991). This overcomes the doubts that outcome from previous research limitations because earlier findings are based on single point
at one time study. A more recent empirical finding of Constant et al. (2007) on western Germans, Turks and other Non-EU migrants in Germany proposes that education does not have any significant role in the decision of self-employment choice. However the article states strong entrepreneurial ties of the Turks, and suggests that Turks are 70 per cent more likely to be self-employed than any other immigrant group. This brings up limitations to come to the result that level of education does not affect self-employment decisions of migrant entrepreneurs on the controversy of earlier research (Mata and Pendakur 1999, Zhou 2004). Similarly Carbonell et al. (2011) study immigrant entrepreneurs on the basis of how education affects their entrepreneurial activities. Educational influence on business activities of immigrant entrepreneurs is proven in their findings while this influence has no significant relationship with motivation for firm creation and business process. Shinnar and Young's (2008) study in the Hispanic immigrant entrepreneurs find out that the reason why immigrant entrepreneurs start their own businesses is not only push factors out of job markets however pull factors played greater role in this phenomena. The main pull factor pulling immigrants to entrepreneurship is determined as ethnic enclave. Ndofor and Priem (2009) form hypotheses and study the variables which would make the immigrant entrepreneur to choose ethnic enclave or dominant market strategy for their ventures. The first hypothesis that the higher economic capital negatively affects the ethnic enclave strategy is not supported. As a second hypotheses the human capital and the selection of strategy is studied. The three measures of human capital: educational level, prior entrepreneurial experience and prior managerial experience make different outcomes in this study. Prior managerial experience affects the ethnic enclave strategy adoption negatively while prior entrepreneurial experience is positively related. The level of education however is not observed to be related to this positively or negatively. Social capital within the community is positively correlated to the ethnic enclave strategy however whereas social capital outside the community affects it negatively. Similarly social identity with the ethnic community is positively correlated to ethnic enclave strategy.

The opportunity structures and ethnic behaviors influence on immigrant enterprise bought about the concept of embeddedness into immigrant entrepreneurship research (Razin, 2002). Early research has associated embeddedness with “substantivism” named by Karl Polanyi (1957) and “moral economy” in political science and history (Thompson, 1971; Scott, 1977). According to Granovetter (1985) embeddedness of economic activity is mainly overemphasized in the embeddedness of economic activity in social relations, kinship relationships in particular. Barrett et al. (2002) suggests that social embeddedness in a minority enterprise is dependent on the factors such as demography, local or regional economy, direct competitive environment and links with financial institutions. Kloosterman et al. (1999) the focus on socio-cultural traits solely does fails to explain embeddedness and I they introduce “mixed embeddedness” concept by viewing immigrant entrepreneurship as “…theoretically, primarily located at the intersection of changes in socio-
cultural frameworks on the one side and transformation process in (urban) economies on the other” (Kloosterman et al. 1999:257). Peters (2002) in response claim that Kloostermanian “mixed embeddedness” explain better the process of immigrant enterprise as the concept mainly focuses on the entrepreneurial process and factors influencing that. Instead Peters (2002) adds “human agent” concept for a better explanation which claims that generations do affect immigrants’ entrepreneurial focus. According to Razin (2002) economic embeddedness and mixed embeddedness concepts somehow attempt to clarify the embeddedness however case study approach fail to show the broader and more formal validation of the concept.

Several studies have been conducted resulting in the notion that immigrant entrepreneurs are highly educated (Aptekar, 2009; Bates, 1999; Min and Kim, 2009). According to Clark and Drinkwater (2010) higher educational qualifications reduce the likelihood for immigrants to have self-employment, as it opens opportunities into professional working life. On the other hand, Basu (1998) suggests that there is a positive relationship between the related education and the success of the entrepreneur as the education develops analytic and other related skills. Lofstrom (2002) finds out that self-employed immigrants' earnings and educational skills are more than those of working life. However, in terms of English language skills, wage/ salary based immigrants prove better than immigrant entrepreneurs. Similarly Portes et al. (2002) study on transnational entrepreneurs find out that transnational entrepreneurs are often part of the elite and earn higher than salaried immigrants. Sullivan (1981) and Bearse (1984) suggested that immigrants can make more profit in the self-employment. Moreover the study suggests that transnational entrepreneurs cover the majority of the self-employed immigrants, and becoming transnational entrepreneur is not related with arrival recency or marginal economic status (Portes et al., 2002).

Some economists such as George Borjas (1990:164-165), Bates and Dunham (1991) controversially argue that self-employment of the immigrants does not give any relative advantage on wage labor. On the contrary, according to the United States Small Business Administration (2009) sixteen-percent of high-impact, high-tech firms have at least one founder reported by the Office of Advocacy of the U.S. Small Business Administration. These immigrant entrepreneurs were also highly educated holding masters and/ or doctorate degrees. Recent studies find out that immigrant entrepreneurship in the United States result in innovation and job creation in the market (Anderson & Platzer, 2006; Fairlie, 2008; Wadhwa et al., 2008). Immigrant entrepreneurs had a role in founding great technological companies of U.S. such as Intel, Yahoo, Google, eBay and Sun Microsystems (Wall Street, 2006). Similarly, Business Credit journal reports that 31% of the engineering and technology companies founded from 1995 to 2005 in the 11 technology centers had an immigrant key founder (Business Credit, 2007). On the contribution of immigrant entrepreneurs into U.S. economy Wall Street (2006: p. A.12) presents Anderson & Platzer’s report (2006) which found out that over the past 15 years, immigrants have started 25
percent of U.S. public companies that were venture-backed. These businesses employ some 220,000 people in the U.S. and have a current market capitalization that "exceeds $500 billion, adding significant value to the American economy."

Studies by de Vries (2012) on immigrant Indian entrepreneurs worldwide find out the common behavioral patterns in different host countries. One of the most encountered results is that immigrant entrepreneurs view their family as an informal labor source (Dana and Dana, 2003; Min and Bozorgmehr, 2004; Salt, 1992). Informal or internal resources take a significant part in immigrant startups rather than formal advice or sources (Basu, 1998). Storey (1994:247) claims that ethnic entrepreneurs face challenges in accessing formal financing for their start-ups. Ando (1988) find out that black entrepreneurs are less likely to obtain bank loans in spite of the equal loan terms. Similar conclusions are driven in Bates' (1997) study in the financial institutions lending to small business start-ups. According to the study, black-owned firms are poorly capitalized and receive smaller amount of loans than white-owned firms (Bates, 1997). Access in start-ups for the ethnic minority entrepreneurs is generally a challenge compared to other start-ups (Bank of England, 1999) caused by suspicion from the host community and racism (Ram & Jones, 1998). Research has proven the existence of discrimination and social obstacles for immigrants in the labor market (Ballock and Smallbone, 2003; Benson-Rea and Rawlinson, 2003; Mace et al., 2005). In addition to higher profits in working for ethnic economy, cultural and social components are the main reasons why individuals prefer to work in the ethnic economy (Aldrich and Waldinger, 1990; Light 1984; Portes and Jensen 1989; Waldinger, Morokvasic, & Phizacklea 1990). Therefore, social networking and social capital in ethnically concentrated areas provide vast information on market opportunities as well as ethnic resources such as ethnic labor, credit market and consumer preference knowledge (Teixeira et al., 2007; Waldinger et al., 1990). However while exploring the problems of immigrant entrepreneurs Min (1990) finds out that immigrant entrepreneurs integrate into society less than the immigrants in general labor market. Social integration and social status has been found to be achieved in self-employment for immigrants which otherwise would not be able to attain (Kupferberg, 2003; Serdedakis et al., 2003). Waldinger (2003) emphasizes on the importance of immigrant integration into the society without which an ethnic conflicts would happen in the United States.

Finally, immigrant entrepreneurship has been studied from a gender perspective and ethnic women are also reported to be actively engaged in ethnic entrepreneurship in spite of some challenges or disadvantages (Dallalfar, 1994; Pio, 2007; Robles, 2004; Vries, 2012). Collins and Low (2010) study on immigrant female entrepreneurs and conclude that minority female immigrants play an increasing role in Australian SME sector. They (2010) find out ethnicity shapes the resources in female immigrant entrepreneurship however religious and cultural differences and linguistic barrier limits their entrepreneurial experiences.
Whether or not migrant entrepreneurs are engaged in self-employment through their disadvantageous status or skills they will work hard to survive and achieve success as any other entrepreneur. In spite of the fact that immigrant entrepreneurs face numerous challenges in adapting to new environment Chang & Tsai (2011) suggest that these challenges take them to acculturation process which develops their leadership abilities and benefit them for a successful career. The goal is the same; however factors are different which take them to the attainment. In their qualitative study of large migrant entrepreneur groups in Netherlands Nijkamp et al. (2010) found out that managerial, innovation, negotiation, communication and customer relationships skills are the factors affecting different ethnic groups’ success conditions. At this point migrant entrepreneurs are not different from general entrepreneurs as human capital (Becker, 1964) and business competences (Lado & Wilson, 1994) are the attributes affecting the productivity within the field of entrepreneurship (Chaganti and Greene, 2002).

In conclusion, studies prove how important contributions immigrant entrepreneurs have made in the economy. They range from those of having a small restaurant business at the corner to those founding high-tech firms. They are therefore in search of opportunities to exploit them as any other entrepreneurs. What makes them different is the background, or in other words the matter of being “outsider” in the local society. Depending on societies this phenomenon of being immigrant affects at a certain degree to engage in entrepreneurial activities. As seen from the studies the language and communication barriers mainly deprive them of a labour market which usually make them create their own firms. However one thing is for sure that they do not only compete in the market as a once unemployed immigrant, moreover as an entrepreneur bearing the uncertainty and longing to exploit opportunities, compete and thrive in the market.

2.2 Finland as a country of immigrant entrepreneurship

Finland is a Nordic country situated in Northern Europe bordered by Sweden to the west, Norway to the north, Russia to the east and Estonia on the south across the Gulf of Finland. According to Statistics Finland (2013) Finland has the population of 5.4 million. After gaining its independence in December 1917 Finland has joined to a number of significant institutions United Nations (1955), Organization for Economic Co-operation and Development (OECD) (1969), European Union (1995) and the Eurozone (1999). Finnish and Swedish are the official languages in Finland.

In the annual report of Ministry of the Interior in Finland (2010) it is visible that the number of foreign nationals living permanently in Finland during 2000-2010 has increased by nearly 1.9 times. The largest groups by
citizenship are Estonians, Russians and Swedes. These facts are illustrated in Figure 1 and Table 2 in detail.

**FIGURE 1**  Number of foreigners permanently residing (excluding asylum seekers and those who already acquired Finnish citizenship) in Finland during 2000-2010 (Adapted from Ministry of the Interior in Finland Annual Report of 2010, p.4)

**TABLE 2**  Largest groups permanently residing in Finland by citizenship (Adapted from Ministry of the Interior in Finland Annual Report of 2010)

<table>
<thead>
<tr>
<th>Citizenship</th>
<th>Number of people in 2010</th>
<th>Proportion of foreign nationals %</th>
<th>Y/Y trend %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estonia</td>
<td>29,080</td>
<td>17.3</td>
<td>+ 14.0</td>
</tr>
<tr>
<td>Russia</td>
<td>28,426</td>
<td>16.9</td>
<td>+ 0.8</td>
</tr>
<tr>
<td>Sweden</td>
<td>8,510</td>
<td>5.1</td>
<td>0.0</td>
</tr>
<tr>
<td>Somalia</td>
<td>6,593</td>
<td>3.9</td>
<td>+ 18.4</td>
</tr>
<tr>
<td>China</td>
<td>5,559</td>
<td>3.3</td>
<td>+ 7.3</td>
</tr>
<tr>
<td>Iraq</td>
<td>5,024</td>
<td>3.0</td>
<td>+ 26.3</td>
</tr>
<tr>
<td>Thailand</td>
<td>5,021</td>
<td>3.0</td>
<td>+ 11.7</td>
</tr>
<tr>
<td>Turkey</td>
<td>3,973</td>
<td>2.4</td>
<td>+ 4.3</td>
</tr>
<tr>
<td>Germany</td>
<td>3,715</td>
<td>2.2</td>
<td>+ 2.4</td>
</tr>
<tr>
<td>India</td>
<td>3,468</td>
<td>2.1</td>
<td>+ 9.5</td>
</tr>
<tr>
<td><strong>Total of foreign nationals</strong></td>
<td><strong>167,954</strong></td>
<td><strong>100</strong></td>
<td><strong>+ 7.9</strong></td>
</tr>
</tbody>
</table>

In addition the number of multicultural families has increased significantly as in Figure 2. The most typical case is the marriage between Finnish husband and foreign wife. Finnish wife and foreign husband was more than any other cases in 1995, whereas now being the second typical multicultural family. The number of families of foreign members has increased visibly during 1995-2009.
As in many other countries unemployment problem of immigrants also exists in Finland. The main problem seems to be the unemployment among Somalis, Iraqis and Afghans. Whereas one third of Turkish people living in Finland are self-employed, however the rate of unemployment for Somalis, Iraqis and Afghans is over 50% as reported by YLE (2010). The employment difficulties for Somalis have been reported in the local media for years (Helsingin Sanomat, 2005; Sauvala, 2010; YLE, 2010). According to Statistics Finland (2012) the employment rate of foreigners is 17.6% lower than the employment rate of Finnish origin. However, as seen from Figure 3 the gap the between the employment rate of these two is decreasing slowly year by year.
Research has continuously proven that in spite of challenges faced many migrants are still involved in self-employment. (Kloosterman et al., 1998; Rath & Kloosterman, 2000; Yinger, 1985). There are also differences in ethnic groups of entrepreneurial behavior. For example, Katila and Wahlbeck (2012) study patterns how Turkish and Chinese entrepreneurs establish a business in Finland. According to their study entrepreneurs of both origins seemed to have learned the skills by working in similar industry before they created their own firms. Also the main target was adapting the requirements of the Finnish customers and society in general. However, the access to resources available was found to be different. The study reveals that while Turkish entrepreneurs could access easily to bank loans with the guarantors of their Finnish relatives, the Chinese had limited possibilities for this and they often relied on the financial capital and staff via transnational connections and family ties. Additionally, Van Tubergen (2005) study on immigrant entrepreneurs of 14 EU countries including Finland and classic immigrant countries (Australia, Canada and the United States) find out that immigrant of non-Christian origins are more likely to be self-employed. Those who are self-employed usually come from small, highly educated and long-time settled immigrant communities and unemployment affects the self-employment decision.

Unemployment problem of immigrant entrepreneurs in Finland has been the key issue in several other studies. Valtonen (2001) interviewed immigrants and found out that the majority of immigrant jobseekers in Finland consistently meet obstacles in the labor market. Though immigrants' social citizenship gets them into housing, education and health services they seemed to be “outsiders” of labor market. Similarly, Wahlbeck (2007) finds out that, Turkish immigrants who work in restaurants generally find it difficult to work in the general labor market. Some of them learn about the business after which they establish their own restaurant/ pizzeria. Accordingly, Downs et al.’s (2012) study on 198 immigrant entrepreneurs in 4 EU countries: UK, Finland, Greece and Poland. The study results reveal that there are common socio-cultural factors that either promote or discourage self-employment for immigrants in these countries. The same problem is found in Wahlbeck’s (2008) studies on Turkish immigrants in Finland. Moreover the study reveals that the pizzeria and kebab business is not found a profitable business. Exceptionally long working hours only make some profit; whereas the independence seems the main point that why Turkish restaurant owners in Finland are contented with self-employment. Similar results are found on Hirvi’s (2011) study on Sikhs in Finland. Moreover it is argued that (Hirvi 2011:111) entrepreneurship is very common among Sikh men in Finland which would be contrary to Joronen’s (2002:163) argument that of those immigrants coming from outside Europe, entrepreneurship is low rate except for Turks.

Thus, it can be inferred that the immigration entrepreneurs are not always pursuing self-employment for exploitation of opportunities however to avoid unemployment as a result of barriers such as language, discrimination etc. In Finland for example, the latest research done by Larja et al. (2012) concluded
that 45% of people having Russian surnames are discriminated in recruitment process. Forsander & Trux (2002) mention the existence of this problem at a societal level:

“Mentally, it still seems difficult to let go of the egotistical idea that only Finns can live in Finland. People often seem to think that Finns are welcomed all over the world, but the world itself is not welcome in Finland. It is as if Finland were a secret place to which only club members have the entry code; during the period of isolation, what Finland did not have was an international, public space.” (p.228)

However, discrimination is not believed to be conspicuous in Finland, as Finnish law strictly prohibits discrimination on grounds of sex, sexual orientation, age, origin, language, religion, faith, opinion, health, disability or other similar grounds. The Ombudsman for Minorities deals with the status and equality of ethnic minorities and foreigners living in Finland. Moreover, National Discrimination Tribunal of Finland actively deals with ethnic discrimination cases (Suomi.fi). The strict rules against discrimination do not make it visible in Finland.

Finland gives high priority for solving the unemployment problem and the immigrant integration policies mainly target at integrating immigrants to the labor market (Valtonen, 1998; Wahlbeck, 1999). According to Finnish National Board of Education (2010) “The objective of immigrant education is to provide people moving to Finland with opportunities to function as equal members of Finnish society and guarantee immigrants the same educational opportunities as other citizens”. A young immigrant child of compulsory school age who resides in Finland permanently has the same right to education as Finns. In addition to equality, functional bilingualism is preserved by instruction in Finnish and Swedish. In addition the children can be taught their own native language in schools (Ministry of the Interior annual report 2010: 16). Finally, multiculturalism is promoted by encouraging immigrants to maintain their own mother tongue and cultural identity. Finnish policy thus aims for the integration of immigrants in the society and carries out programs to reach this aim. According to Migration Integration Policy Index (MIPEX) study (2011) over 31 countries Finland ranked 4th place after Sweden, Portugal and Canada in integration policy. As seen from the figure 4, the country’s strengths were in political participation and anti-discrimination while the lower points came from the access to nationality and long-term residence indicators.

In many cities of Finland migrant entrepreneurship can easily be noticed: Turkish, Chinese restaurants, Asian markets are easily visible in big and small cities. According to Finnish Enterprise Agencies (2012:2) there are around 6500 businesses founded by foreign entrepreneurs in Finland. In Global Entrepreneurship Monitor (GEM) 2011 study, Finland is reported to have favorable conditions for entrepreneurship (Stenholm et al. 2012). Finland has
also taken 10th rank among 185 countries for the ease of doing business, as reported by Doing Business (2013).

![Migration Integration Policy Index (MIPEX) Statistics for Finland in 2007-2010. (Adapted from MIPEX web-site under the link http://www.mipex.eu/finland)](image)

**FIGURE 4** Migration Integration Policy Index (MIPEX) Statistics for Finland in 2007-2010. (Adapted from MIPEX web-site under the link http://www.mipex.eu/finland)

To sum up, Finland has sufficient background as an immigration country. The country was reported to have strict rules against discrimination which is one of the main issues for immigrants. As discussed in the previous section earlier research mainly mentioned discrimination and language barriers for the immigrants to be deprived from the labor market of the host country because of which they would end up being entrepreneurs. Finland carries out integration programs for immigrants which ease the language and cultural barriers for them. Moreover, Finland is a country with good opportunities and business environment as reported by Doing Business (2013). These facts above indicate the hint that many immigrants in Finland do not always open their businesses only because they have no other possibility to survive, referred as disadvantage theory by Light (1980). It is seen likely that Finland being a welfare state and having an excellent business environment and laws as well as immigrants’ own expertise and knowledge are more likely to be the main drivers for their self-employment decision. However, this issue is not the focus and main research interest in here as this study focuses on the firm creation reasoning and behavior of immigrant entrepreneurs by qualitative interview with four immigrant entrepreneurs in Finland. In this study, the country has been mentioned to be having a reasonable business environment for immigrants, which is consistent with Doing Business report (2013).

Chapter 3 continues with the theoretical framework of the research interest of our study and discusses the three main behavior and reasoning models: Causation, Effectuation and Entrepreneurial Bricolage.
3  THEORETICAL MODELS OF CAUSATION, EFFECTUATION AND ENTREPRENEURIAL BRICOLAGE

In this chapter theoretical models of causation, effectuation and bricolage are presented. These models explain the new firm and market creation behavior and reasoning of entrepreneurs. Each section will introduce (3.1: Causation, 3.2: Effectuation, 3.3: Bricolage) the models and the final section (3.4) gives a brief tabular summary of these models.

3.1  Causation

Causation, named by Sarasvathy (2001a, 2001b, 2008) to differentiate it from her new proposed Effectuation model, is a traditional perspective on entrepreneurship. In this classic model effect/goal is given and the entrepreneur selects between means to create that effect (Sarasvathy, 2001). This model is likely to be followed by later entrants into an industry that identify and exploit opportunities in low level uncertain existing markets (Sarasvathy, 2001a, 2001b, 2008; Fisher, 2012).

Causation process starts with the discovery of opportunity through an intentional process and resource attraction (Katz & Gartner, 1988) and opportunity evaluation and decision whether to form or not to form a firm to exploit this opportunity (Venkataraman, 1997; Shane and Venkataraman, 2000). Referring this process as classic entrepreneurship Shah & Tripsas's (2007) illustrate this process as in the Figure 5.

Therefore, as Sarasvathy (2001a, 2001b) suggests, for the causal processes to occur the market for a product and pre-info need to be existent for the opportunities to be evaluated and exploited. By pointing out the necessity of existence of the markets and information about the market as the boundary condition for causation Sarasvathy (2001a, 2001b, 2008) proposes effectuation model as markets are highly dynamic, ambiguous and impossible to predict, therefore it is not enough for entrepreneurs to follow the causal steps.
Ojala et al. (2012) study Finnish SMEs internationalization process in the causation and theoretical models. According to their study Finnish software SMEs use more causal logic in their foreign market selection while effectual logic is dominant in their foreign market entries. A similar study is done by Andersson (2011) who focuses on the internationalization pattern of born global firms. The study finds that market entry could be done in a short time by entrepreneur’s prior knowledge and networks as well as by cooperation with local network partners. Therefore effectuation is suggested to be an effective model in the internationalization process of born global firms.

3.2 Effectuation

Effectuation literature takes its roots from Sarasvathy (1998) and Sarasvathy et al. (1998). Sarasvathy et al. (1998) studied 4 entrepreneurs 4 bankers on how they perceive risks and return which concludes that entrepreneurs and non-entrepreneurs perceive risk and return distinctively. In her doctoral dissertation Sarasvathy (1998) explores this problem in a different perspective: She studied how entrepreneurs and non-entrepreneurs react to risks and returns and found out that entrepreneurs tend to engage in more effectuation related behavior rather than causation related behavior.

Sarasvathy et al.’s (1998) introduction of effectuation is better explained and compared with causation in Sarasvathy (2001b). The article (Sarasvathy, 2001b) summarizes that causation is a basic process of seeing the effect in advance and focusing on and selecting among means to make up the effect. Effectuation on the other hand is a process of focusing on and selecting among the given means first and seeing what effects would be created by those. In causation means are chosen with the requirements for the effect and the criteria
is based on expected return. In effectuation there are some means given and the actor discovers possible effects out of those means with affordable loss and risk. Causation longs to predict the future and gain market shares in existing markets with competitive strategies, while effectuation focuses on controlling aspects of the future and creating new markets through cooperative strategies. Therefore, Sarasvathy (2001b) proposes effectuation as the dominant decision model for entrepreneurial decision making, particularly in the absence of preexistent markets. Empirical findings of the study include these proposals: Firms created through effectuation process will fail early and at low investments however it is a failing-forward experience for experimentation of new ideas at lower costs and creation of larger and more successful firms on the long run. Those, which success through this process will most likely be early market-entrants through alliances or partnerships. Effectuation firms are most likely to use practicalities than their causation counterparts at the firm level: They do not tend to use traditional types of market research, long-term planning, net present value analyses, hierarchical and procedure-based cultures; they prefer improvised marketing activities and alliances, short-term financial analyses, participatory cultures and less effective in strongly determined procedures in decision making. According to Dew et al. (2008) an entrepreneur can avoid “innovator’s dilemma” by creating new markets which will bring some aspects of effectual decision making into the large firm decision making process. Wiltbank and Sarasvathy (2010) aim to overcome the biases on effectuation by presenting nine issues that effectuation does not possess. Firstly they state that effectuation does not depart from rational choice however it is a non-overlapping decision-making. However it is not irrational or non-rational it rather pluralizes the notion of rationality instead of abrogating it. They also suggest that effectuation is not a replacement for predictive strategy however it exists parallel to effectuation. In addition effectual reasoning is described to focus on how to make things valuable or how to create a value out of things rather than how to take on valuable resources. Therefore, effectuation is not a random process or an independent theory, however it is a theory of action integrating several economics and management theories and it has systematic principles that can be applied to large firms and economies in addition to small firms.

Quite several scientific articles experimented and studied entrepreneurial market creation and emphasized control over predict of events (Dew et al., 2011; Sarasvathy, 2001a; Sarasvathy, & Dew, 2005a; Wiltbank et al., 2006). In her article Sarasvathy (2001a) discusses the results of her study on 27 expert entrepreneurs and finds out effectual reasoning in their cognitive processes in 23 of them. Identity, Knowledge and Network is initial means for their entrepreneurial decision making in the creation of the new market. This shows the emphasis on future events which they can control rather they can predict. Therefore entrepreneurs are least likely to pursue the causal way; a classic view which starts with search, identification, recognition and discovery of opportunity and by taking a series of steps (business plan, extensive market
research, competitive analysis and then acquiring resources, carrying out the plan, creating competitive advantage and keep the advantage by adapting to the changeable environment). Instead the initial means (Identity, Knowledge and Network) will enable them interact with others and make their customers their strategic partners. By developing the product and increasing these partnerships further segmentation and market defining occurs which a process of creating the market by effectual is reasoning. Figure 6 is a summary of Sarasvathy’s (2001a) ideas in market creation in different steps in effectuation and causation process. Another article (Sarasvathy & Dew, 2005b) suggests market creation through effectual process opens the “black box” and shows how contents can be used. The consumer preferences at the birth of new markets are ambiguous therefore entrepreneurs work with means in line with getting stakeholder commitments with affordable loss and by leveraging contingencies. According to Dew et al. (2009) affordable loss principle in the plunge decision can be used in all three views of entrepreneurial opportunities. These views are explained in Sarasvathy et al. (2003) study to explain how entrepreneurial opportunities come into being. The first one is opportunity recognition when demand and supply exists. If either of them lack then comes opportunity discovery in order to discover the lacking supply or demand for the match-up process. When neither supply nor demand exists then one or both along with related economic inventions are created, a process named as opportunity creation.

![FIGURE 6](https://example.com/figure6.png)

Contrasting Causation and Effectuation model in the creation of a new market
Wiltbank et al. (2006) studied strategies based on planning and control at a high/low level and conclude that where control is high a whole new world of fascinating intellectual opportunities will emerge. A recent experimental study on effectuation and idea generation is done by Dew et al. (2011). They study on 27 expert entrepreneurs (experts) and 37 MBA students with 0-21 work experience in large and complex organizations which aims to study new market creation views on effectual and causal perspectives. The study concludes that expert entrepreneurs produce an immense number of ideas by employing transformation processes rather than novice MBA students using search and selection criteria. Moreover, Read and Sarasvathy (2005) study the relationship between entrepreneurial expertise use of effectual logics and new venture performance. They offer 5 testable propositions as a result. The first one suggests that preferences for effectual action increases as entrepreneurs become experts. Also, they learn to balance these two actions during the growth age of their firms and then develop a clear preference for effectual strategies when their expertise increases. In addition, entrepreneurs at their novice stage, the more available resources to them they will be likely to have effectual action. However, this case does not affect expert entrepreneurs significantly. Another suggestion is that successful firms will employ effectual action at the beginning and then grow with causal action. The final hypothesis is that only a small number of entrepreneurs turn into large corporations from an entrepreneurial firm. Accordingly, Dew et al. (2008) suggests that new ventures adopt more effectual behavior than established firms. Similar results are found in Harmeling et al. (2002) study of how new ventures come into being in high uncertainty environment. They suggest that entrepreneurs are more likely to use effectual reasoning at the early phase of the new firm as uncertainty and goal ambiguity are in a high level. Effectual behavior in the venture creation and development in corporate setting has been studied by Harting (2004). Similarly, in this study effectual principles were 60% of the semantic chunks during the initial phase of the case company studied. However in the later phase it seemed to decrease gradually. Therefore the study suggests that in corporate entrepreneurship effectual reasoning is more likely to be used in the earlier phases which would be altered by causal reasoning in the later phases.

Effectuation is studied to be as the most used reasoning tool in uncertainty circumstances in several works (Read et al., 2009; Sarasvathy & Kotha, 2001; Sarasvathy & Dew, 2005a, Wiltbank et al., 2009). Sarasvathy & Kotha (2001) conducted a study on a randomly chosen internet company to study how entrepreneurs behave in Knightian uncertainty, dealing with a future where “there is no valid basis of any kind for classifying instances” (Knight, 1921:225). They (2001) observed that entrepreneurs employed effectual logic constructs (means, control, affordable loss, partnership and leverage contingency) when facing this uncertainty. Sarasvathy’s & Dew’s (2005a) another study is an experiment on verbal protocol of 27 entrepreneurs and concludes that in the “technology of foolishness” where future is uncertain entrepreneurs used a logic of identity (who they are), action (what they know) and commitment (who they know)
rather than a logic of preferences, beliefs and transaction. In a similar method of study done by Read et al. (2009) on 27 expert entrepreneurs (experts) and 37 MBA students approach to marketing problems, expert entrepreneurs are less likely to use market data rather they used effectuation. They did analogical reasoning with taking into account affordable loss, thought more holistic about the business and created new market ideas and more likely to use direct initial sales themselves and used a negotiated pricing rather than predictive. The emphasis on control of the events versus prediction is argued in Wiltbank et al.’s (2009) article from capitalist perspectives. They study this phenomena on angel investors (wealthy individuals acting as investors) suggest that investors make better achievements in control strategies and emphasize them more than prediction strategies. According to Chandler et al. (2001) study, uncertainty is negatively related to causation while positively related to effectuation.

Certainly there have been several debates on effectuation for further theoretical development. Goel & Karri (2006) discusses entrepreneurial characteristics and claims that effectual logic may drive entrepreneur to over-trust. They consider this over-trust not only as a negative consequence however as a risk to be considered in entrepreneurship. On the contrary Sarasvathy & Dew (2008a) debate previous article and claims that effectuation does not predict or assume trust; trust would rather play an important role in causation. Instead they suggest that effectuation is better lensed through human behavior variation characteristics: Heterogeneity (differences on human beings), Lability (changes over time) and Contextuality (Playing multiple roles) and by putting aside prediction, opportunism and psychological characteristics. In response to this article Karri & Goel (2008) reject the claims of the article that trust is predictive. They rather stick to the idea that entrepreneurs do (over) trust deliberately to create resources and give little significance of its risk in effectuation. They criticize Sarasvathy & Dew’s (2008a) sticking to the proposal that effectuation is independent of behavior variation characteristics. In addition, Sarasvathy & Dew’s (2008a) citing unpublished empirical studies and informal conversation a rich body of literature on cognitive structures, attitudes and behavior is suggested as a response (Karri & Goel, 2008: 744). Therefore, Karri& Goel (2008) propose that focusing on only the variation characteristics will limit theory building of entrepreneurship and further studies are needed in other characteristics such as attitudes, cognitions and reasoning process of entrepreneurs as these are also changeable over time and contexts.

Another debate is on whether or not effectuation process is derived from Lachmannian view of an entrepreneurship: subjective knowledge, continuous recombination of resources and institutions created on the driving force of entrepreneurs. In response to Chiles et al. (2007) who claim that effectuation roots from Lachmannian view Sarasvathy (2008) argue that effectual knowledge concept is inter-subjective and based on non-predictive information unlike the following. By rejecting this claim Sarasvathy rather refer to Davidsonian view of knowledge that she claims to be identical with effectuation. However going through Sarasvathy’s effectuation articles it is not noticed Sarasvathy’s
discussion of Davidsonian view; the point which is also criticized by Chiles et al. (2007). By reviewing a limited number of his works they propose that Davidson has "inter-subjective view" with objective reality. They argue that knowledge theory having objectivity does not explain effectuation fully and if so clear philosophical positioning of effectuation needs to be studied. On the contrary they suggest it to be based on Penrosean subjectivism which they claim to be similar to Lachmannian’s views. Another debated issue is on resource based view of effectuation: Sarasvathy & Dew (2008b) point out that effectual resources are not Lanchmannian. They differentiate effectual entrepreneur’s initial means (Network, Identity, and Knowledge) and propose that capital assets which are assumed to be initial means of Lanchmannian entrepreneurs are the artifacts created in later phases by effectual entrepreneur. They put an emphasis on the means at the starting point of effectual entrepreneurs and prove it not to be identical with the other view which is considered as an irrelevant explanation in response by Chiles et al. (2008). They refer to Sarasvathy’s (2001: p.250) effectual entrepreneur’s Barney’s equilibrium based initial firm level resources (physical, human and organization resources) and effectual initial means and assumes that there is no significance difference between these means& resources and those of Lachmannian entrepreneur. Both authors agree that effectuation is based on Penrosean view of resources and Lanchmannian view of institutions (artifacts created from human action) however Chiles et al. (2007; 2008) assume Penrosean and Lanchmannian views similar, therefore stick to their original idea that effectuation literature is based on Lachmannian’s view of entrepreneurship.

Effectuation has been theoretically discussed in the fields of management (Augier and Sarasvathy, 2004), economics (Dew et al. 2004), psychology (Sarasvathy, 2003) and organizational design Sarasvathy et al. 2008). In her study of effectuation and the sciences of the artificial Sarasvathy (2003) suggests 4 ideas and implications for entrepreneurship. Firstly it is suggested that natural laws do not dictate people’s own designs, effectual principles can take one to build artifacts rather than pre-determined goals and worries about them. It is also suggested that prediction in design should be avoided. Locality and contingency is emphasized and viewed as opportunities to be exploited. Additionally, effectual principles exploiting these through interdependence and independence of the parts are suggested to be more enduring firms. According Sarasvathy et al. (2008) effectuation has impact on organizational design which occurs at two combinations: between founder and the firms and between firms and environments. They put on emphasis on organizational design of both stages as effectuators using transformational approaches design both firms and the environments we are in.
3.3 Entrepreneurial Bricolage

Entrepreneurial Bricolage was introduced Baker & Nelson’s (2005) findings as the market creation of entrepreneurs in penurious environments by gathering elements at hand for new initiatives overpassing institutional regulations and limits. Bricolage as a term simply meaning *creating something from nothing* (Baker & Nelson, 2005) origins from Le’vy-Strauss’s (1966) bricoleur whose *universe of instruments is closed and the rules of his game are always to “make do with whatever is at hand”*. (p.17)

In their work Baker & Nelson (2005) identifies 2 types of bricolage: Parallel and Selective. The firms engaged in parallel bricolage start with diverse resources usually not intended for use by others (1) and create a non-existent opportunity (2) usually not within the terms of institutional and regulatory environment (3) by amateur and/or self-taught skills (4) and involving customers, suppliers in hands-on operations (5). Selective bricolage refers to those firms which used parallel bricolage during some period however rejecting it at a later phase once the business was established or transition completed. They also conclude that firms in parallel bricolage are not likely to grow while firms adopting bricolage narrowly or temporarily however then enacting environmental resource limitations are likely to experience growth. Figure 7 summarizes Baker & Nelson (2005) study of bricolage.

![Figure 7: Entrepreneurial Bricolage by Baker & Nelson, 2005 (Adapted from Fisher 2012: 1028)](image)

Bricolage versus high tech breakthrough or in other words, “hands-on” versus “hands-off” experience is contrasted by Garud and Karnoe (2003) and it is concluded that more “favorite” high-tech breakthrough yet confers some disadvantages in micro-learning processes to design the emergent technological path. Thus, bricolage starting with low-tech design is able to build up and
override high-tech breakthrough. According to Salunke et al. (2012) bricolage in service entrepreneurship generate interactive and supportive service innovation which becomes a sustained competitive advantage. Therefore, it can be concluded that bricolage is connected with innovation and growth.

Bricolage is a new concept in entrepreneurship literature thus according to some researchers it requires more development. In the recent literature the concept is suggested to be explored and studied more in institutional perspectives (Rao et al., 2005; Phillips and Tracey, 2007). Nevertheless, bricolage has been recently studied in several contexts and it has contributed in the entrepreneurship literature. So, in addition to market creation, bricolage is also used in entrepreneurship literature to study in technology entrepreneurship (Garud & Karnoe, 2003), nascent firm growth (Baker et al., 2003) and performance & innovativeness (Senyard et al., 2009). Baker et al. (2003) introduce the concept network bricolage as “dependence on pre-existing contacts at hand”. They suggest that founding area of business is more likely to be shaped by network bricolage rather than founder’s prior industry in knowledge-intensive industries. Furthermore network bricolage is instrumented during post-founding experiences: Ranging from recruitment and office equipment to financing the business. According to Senyard et al. (2009) bricolage effects positively on nascent firm performance however there is no significant relationship between bricolage and innovation. The latter only moderates bricolage-performance relationship in emergent firms. In their later work Senyard et al. (2010) support previously mentioned idea on bricolage – firm performance phenomena however they suggest that changes in innovation and essential elements of business reduce the bricolage advantages in young firms.

Bricolage is studied in social entrepreneurship context by di Di Domenico et al. (2010) who develop a new framework. In addition to the previous elements of bricolage literature (making do, overcome limitations and improvisation) they (2010) add social value creation, stakeholder participation and persuasion elements to social bricolage. Therefore the social bricolage entrepreneurs are suggested to generate employment opportunities and skills development as well as governance structures and persuasion of actors for social value creation. Similarly Desa and Basu (2013) find out that social ventures engage in bricolage in the extreme environments: low and high munificence and prominence. Bricolage is found to be a dominating strategy to be employed by international social entrepreneurs to function and grow within restrictive, cognitive and normative institutions (Desa, 2012).

The resources used in bricolage are not only those which others do not need. An addition to this earlier bricolage resource finding, Stritar (2012) introduces the term “resource hijacking” in bricolage literature which means that entrepreneurs design and grow their firms on resources by others control or share. Internet has been the main resource used by those however not the only one. Additionally, social networks and marketing were among the resources used by bricolage entrepreneurs. It is also concluded in the article that
these “free” resources are not only meant to reduce costs but also increasing the returns on the investment. In Ilahiane’s (2011) study of micro entrepreneurs mobile phones are claimed to be the main driver resource of bricolage activities. To sum up, bricolage comprises mainly make-do with available resources and seeking new resources. The “trial and error” principle is an integral part of this behavior. Bricolage does not necessarily only mean doing something at a very low level of knowledge and technology, however bricolage is adopted in different spheres including high-tech environments. Vanevenhoven et al. (2011) reviews bricolage as a successful behavior for an entrepreneur because by using readily available resources and prior knowledge they can reduce the uncertainty and exploit an opportunity. It may involve stretching out norms and regulations to “discover” something new, to innovate.

3.4 Theoretical Summary: Causation, Effectuation and Bricolage models in brief

As seen from the above mentioned sections new market and firm creation and development behavior can be in various ways such as those of explained by causation, effectuation and entrepreneurial bricolage theories. In table 3 tabular comparisons of main ideas of these three theories are illustrated.

|-----------------|--------------|-----------------|----------------------------|

The theoretical summary as well as the discussions of this chapter makes the starting point of this study. The applied context entrepreneurs are immigrant entrepreneurs and the context country is Finland both of which are also presented and discussed in the previous chapter. The next chapter introduces and discusses the method used in this research.
4 METHOD

In this section the chosen methodological choice is discussed. Chapter 4.1 discusses content analysis and chapter 4.2 presents the empirical data collection procedures as well as validity and reliability of this study.

4.1 Content Analysis

Content analysis is “a research technique for making replicable and valid inferences” (Krippendorff, 2004: 18) or in other words “any qualitative data reduction and sense-making effort that takes a volume of qualitative material and attempts to identify core consistencies and meanings” (Patton M.Q. 2002: 453). It provides new insights and increases researcher’s understanding of particular phenomena (Krippendorff, 2004: 18). In this type of analysis texts do not have simple meanings which can be directly export to conclusion driving; rather word and sentence count, phrase categorization and several other interpretations can be applied to a text (Krippendorff, 2004: 22). In parts 4.1.1 and 4.1.2 I discuss content analysis within two dimensions: qualitative versus quantitative and inductive versus deductive. These sections also present the selected type of content analysis in this study. Finally section 4.1.3 presents the steps taken to carry out the analysis.

4.1.1 Qualitative versus Quantitative

In general qualitative research deals with non-numeric data with interpretation while quantitative data is numerical analysis of data (Bauer et al., 2000; Greener, 2011; Thomas, 2003). Winter (2011:2) distinct these two methods on the basis of researcher’s role: In quantitative study the researcher is a neutral observer without influencing a situation, while a qualitative researcher learns about a situation by getting involved and/ or influencing it. Qualitative analysis makes
the transformation from the raw data already obtained into findings they aim to make sense of data reveal (Miles & Huberman, 1984: 16; Patton, 2002: 432).

Content analysis can be quantitative or qualitative. Quantitative content analysis as a method dates back to early 20th century when it was used as quantitative newspaper analysis (Krippendorff, 2004: 5). Quantitative content analysis uses numbers and counting while qualitative content analysis seeks the answers to research question by verbal categories. Krippendorff (2004: 87) views quantitative content analysis as “explicitness and objectivity of scientific data processing” while qualitative content analysis is referred as “appropriateness and procedures used relative to a chosen context”. Weber (1990) addresses qualitative content analysis as more in-depth language analysis rather than counting. Hsieh & Shannon (2005: 1278) define qualitative content analysis as “subjective interpretation of the content of text data through the systematic classification process of coding and identifying themes or patterns”. This study firstly attempts to make theme and pattern identification with the help of existing literature and then use this as an analysis tool for the empirical data gathered by interviews. Therefore qualitative content analysis is adopted in this study.

4.1.2 Inductive versus Deductive

In inductive analysis the data are analyzed upon the discovery of patterns, themes and categories in it, while in deductive analysis the data are analyzed on the basis of existing framework (Patton M.Q. 2002: 453). According to Babbie (1989: 44) “during deductive phase we reason toward observations during inductive process we reason from observations”. Therefore, it can be inferred that inductive analysis tends to build a theory by observation, while deductive analysis tends to study the theory in a context. In general theory development and knowledge building have both developed equally important in research (Lancaster, 2005: 22). Using Kolb’s learning cycle model Gill and Johnson (2010: 38-68) state that new rules, observations and reflections are derived from the testing of the rules coming from previous experiences. According to Kolb et al. (1979) learning cycle model, an experience will bring about learning because an individual will reflect upon it to make the sense of it. When this process continues new generalizations are made of prior experiences and they are put into experiments in relatively new situations. By putting this cycle in research context Pathirage et al. (2008) infers two approaches: theory developing for the first part and theory testing for the latter. Thus, deductive approach is briefly theory testing, while inductive approach is theory developing. It is noteworthy to mention the third type of analysis called abductive analysis. This type of analysis begins with a “surprising fact” and then generates a reasonable theory about the fact (Saunders et al. 2012). Suddaby (2006) calls it also “analytic induction” in which both deduction and induction is used.

In content analysis the usage of inductive and deductive analysis is the same as in other methods: in the cases of lack of enough former knowledge inductive approach is suggested (Elo & Kyngäs, 2008). Deductive approach is
taken to operationalize the structure of the analysis based on the previous knowledge, and/or for theory testing (Elo & Kyngäs, 2008). There is also the third type, summative content analysis, introduced by Hsieh & Shannon (2005: 1283), is an analysis of identification and counting of certain words and going beyond their meaning to have an understanding of their usage in the contexts.

As this study reviews theoretical framework and reflects it empirically, content analysis is taken as an analysis method to make the replicable and valid inferences as stated by Krippendorff (2004: 18). In particular, there are two main reasons why content analysis is the method to be employed in this study: Firstly this study makes the initial coding and categorization of earlier literature as illustrated in table 4. The next main reason is that this categorization is used in the empirical part of the study: after the interviews have been taken with case informants, their responses are analyzed with these set of codes and categorizations as presented in empirical part of this study. The analysis requires the careful process of analysis of the interview content as this study has the coding of the three different firm creation theoretical models. Therefore coding and categorization of theoretical framework as well as content analysis of empirical material based on this categorization makes content analysis the appropriate method for this study.

Finally, this study has employed deductive approach as it is based on earlier research and aims to retest the existing knowledge data in a new context. The summarized data of the study suggests causation, effectuation and bricolage as the widely employed expertise when the entrepreneurs exploit opportunities and create firms and markets. In this study these theories are studied in the context of the firm start-up behavior of immigrant entrepreneurs in Finland.

4.1.3 Processing Plan

As this study aims to take deductive research, in a general view firstly, a body of theories are presented and summarized with their categories. Therefore the theoretical framework is the starting point in this study. It is firstly aimed to understand immigrant entrepreneurs in research as it is the empirical part is done in the context of immigrant entrepreneurs. The main objective, firm creation behavior and reasoning is studied in a vast theoretical framework. With the help of this theoretical framework, the main models are theoretically summarized and studied also empirically. It is noteworthy to state that, the aim of this study is not test the theory or modify it rather to study literature, to summarize the existing literature and to reflect the theories in the context of immigrant entrepreneurs to have a better understanding of the theoretical framework.

Existing literature on the key theme of this study has created the base or in other words, “understanding of the variables of interest” referred by Hsieh & Shannon (2005: 1283). These variables help to focus the study data and they are organized in charts, tables etc. to categorize the existing data before they are applied or tested in a new environment. The process is referred as deductive category application (Mayring, 2000), categorization matrix and coding the data
according to the categories (Elo & Kyngäs, 2008: 111) and initial coding scheme and relationships between codes (Hsieh & Shannon, 2005: 1281). Schreier (2012: 42-43) suggests that coding is recommended to be used when the research question focuses on theory and analysis and/or when the material is very discrete. In this study, firm creation behavior is studied via triangulation study of three main theoretical schools (causation, effectuation and behavior). The sub-categories for firm creation that is going to be studied are initial plan and process factors to start the business, financing decision and initial strategic analysis of future. Table 4 presents the categories and subcategories along with their explanations as deducted from the theoretical framework.

<table>
<thead>
<tr>
<th>Theories</th>
<th>Causation</th>
<th>Effectuation</th>
<th>Entrepreneurial Bricolage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sub-categories and their explanations</strong></td>
<td><strong>Initial plan and process factors</strong> Analysis of steps and resources for the desired firm</td>
<td>Analysis of what is at hand and what kind of firm can be created with these</td>
<td>Using resources at hand and obtaining resources that others don’t need for “make-do”</td>
</tr>
<tr>
<td><strong>Financing decision</strong></td>
<td>Focus on how much you would afford to lose</td>
<td>The investment required and its returns that you would get</td>
<td>No specific financial focus, rather focus on involving customers/suppliers for participation in operations</td>
</tr>
<tr>
<td><strong>Strategic reasoning</strong></td>
<td>Market and competitor analysis</td>
<td>Taking on chances and possibilities building strategic relationships</td>
<td>Making do and seeking new resources</td>
</tr>
</tbody>
</table>
4.2 Data Collection

This part presents the interview used in this study (section 3.2.1) and the informants of the interviews (section 3.2.2). In the final section (3.2.3) the reliability and validity of the study is discussed.

4.2.1 Qualitative interview

Interview explores world of individual's experience which alternates the substances of everyday life (Gubrium and Holstein, 2002:9). It is widely used practice of which we can make true generalizations (Platt, 2002:51). The interview type used in this study is qualitative interviewing, an enquiry type, which aims to get interpretations not just facts or laws from interviewee answers. (Warren, 2002) Therefore, in the qualitative interview respondents are viewed as active meaning makers (Holstein and Gubrium, 1995:9) whose meaning of life experiences can be understood and interpreted (Warren, 2002:53). Qualitative interviews can be structured, semi-structured and unstructured (Arksey and Knight, 1999). Patton (2002) names them as informal, conversational interview, the interview guide and the standardized open-ended interview respectively. Structured interviews have the questions agreed in advance and the scripts are used without change. In semi structured interviews main questions and scripts are pre-determined but interviewers usually produce several other questions to explore the issue. Unlike the two mentioned above unstructured interviews may or may not have broad topics. It aims to set the direction depending on the informant. The interview of this study has the key questions and issues in advance; moreover additional follow-up questions come into being during the interview process to examine the topic of interest fully Rubin and Rubin (1995:145-146). Therefore the used format in this study is semi-structured format, which is the commonest structure in qualitative study (Arksey and Knight, 1999).

According to Kvale (2007:35-36) there are seven stages of interviewing: thematizing, designing, interviewing, transcribing, analyzing, verifying and reporting. The researcher firstly identifies the respondents and then he/she must ask them if they agree to be interviewed, in which informed consent is obtained (Warren, 2002). The logic of informed consent is “the researcher will understand the intent of research as it is explained by a researcher or consent letter” (Warren, 2002:89).

Holstein and Gubrium (1995) suggest that qualitative interviews should be audiotaped or videotaped. Warren (2002) puts the question whether the respondent is unaffected by taping or not, and concludes that it might mean differently to different respondents depending on social class, age etc. The interviews in this study have all been recorded and the respondents have been asked in advance whether they are willing to have a video-recorded interview or they would feel more comfortable if the interview is only audio-recorded.
The interviews are all face-to-face interview to run it more effective. Warren (2002) refers seeing and feeling as important as asking, listening, talking and hearing in an interview. Discussing the advantages of telephone and face-to-face interview Shuy (2002) adds that face-to-face interview is suitable for research conducted in some social sciences which require “natural and self-generated” answers rather than those of standard questionnaire.

There are several models for the transcription of interviews for data analysis. One of the widely used methods is Jeffersonian transcription model (Jefferson, 2004) which is utilized in the interview transcription process of this study. The transcriptions have carefully been analyzed several times by going back and forward on the recorder to make it as accurate as possible. According to Poland (2002) the transcripts should be checked against errors by going back and forward on the tape. The analysis of transcripts in this study also aims to start with verbatim transcripts to get a clear view of interview interaction (Wengraf, 2001) and in the later stage it omits the errors which change the meaning of what is originally meant as suggested by Poland (2002). However, concreteness has been taken into account in this matter against “researchers' reconstructions of the general sense of what a person said, which would allow researchers' personal perspectives to influence the reporting” (Seale 1999: 148). Therefore, would the context-changing error would be found in the transcript it was highlighted and asked the interviewee to keep the accuracy. The researcher has himself done the transcription to keep the accuracy as there might be further challenges with accuracy if it is done by hired people (Poland 2002; Warren & Karner, 2010)

4.2.2 Informants

In qualitative interview studies respondents can be selected by priori research design, theoretical sampling, and intentional selections such as selection of specific people as key respondents, “snowball”, convenience design (Holstein & Gubrium 1995, Spradley, 1979). Priori research design requires elicitation experts and intentional sampling (Seidman, 1998). This sometimes may not work out if the method employs strictures (Warren, 2002). In ethnographic interviews a particular selection of respondents can be made depending on respondents’ narrative ability rather than topic-related interest (Briggs, 1986). This has been developed with slightly new perspective in the latter phase and new ethnographers focus on cultural members’ active representation of their own worlds and ethnographers’ interpretations (Atkinson, 1990; Holstein & Gubrium, 1995). Theoretical sampling strategy is the selection of interviewees those who best represents the research of interest (Glaser and Strauss, 1968). Theoretical sampling can be done through a snowball process: One suitable respondent is chosen for the study and then the study continues with the respondent’s social network (Arksey and Knight, 1999: 4). According to Warren (2002) a sampling may also begin with acquaintances and then continue to strangers. This is typically found in snowball process (Warren, 2002).
The selection criteria of this study was first of all entrepreneurs with a foreign background living permanently in Finland, having found their business in the last 2 years, being a full-time entrepreneur and having at least one employee apart from himself/herself. The researcher started with one acquaint entrepreneur and then got the remaining informants by networking or stepping in the places and inviting them for a research interview. The business foundation time was selected to be in the last 2 years in order to get more info about the foundation phase, as it would be challenging for informants otherwise to remember details of start-up behavior. The study focused on the variety of firm and market types aiming to reflect all causation, effectuation and bricolage behavior. Thus, the informants in this study have various business models: they are new market creators, having purchased already operating place, cooperative starter and one who has taken over the place being an employee before in the place and having earned the senior owner’s trust. The cultural background was not considered to be in the selection criteria of this study, as cultural background and the studied theoretical models have not been proven to be strongly related.

4.3 Reliability and Validity

In everyday language validity refers to the quality of truthful and rigorous while reliability is defined as dependability and trustworthiness. Similarly, these meanings can be found in science, however in science theories determine the reliability and validity issues. In this part several theories are reviewed on both reliability and validity. Moreover, the reliability and validity of this study is discussed in the later part.

Validity is referred by Kvale (2002) in three constructs. The first is craftsmanship which refers to researcher’s investigating ability as checking, questioning and theorizing. A researcher should check the credibility of findings continually. This process should be involved in each step of the research not only in the end as a final verification. By questioning, Kvale (2002) suggests that the content and purpose of an investigation should be clear before the method. Finally validity is assumed as the theoretical questioning of the nature of the phenomena investigated. The second construct is communicative validity which Kvale (2002:313) puts it as testing the validity of knowledge claims in a dialogue. Valid knowledge therefore is not absorbed by approximations to the social reality however it is obtained by conversation about the reality.

The final element, pragmatic validity is referred as verification of the research or simply to make true. The truth according to him is whatever assists to take actions to produce the desired results. Pragmatic validity transcends communicative validity constructs. According to Kvale (2002:317) pragmatic
validity goes beyond communication and covers the ethical dimension and rests on observations and interpretations.

Patton (2002) suggests that qualitative research credibility depends on 3 issues of the research: accurate methods usage in data analysis, credibility of the researcher and philosophical belief of the research. By referring to data analysis accuracy Patton (2002) suggests first of all an analysis should support alternative ways of explanations and patterns. The second suggestion in this matter is the triangulation. Patton (2002: 555) quotes Denzin (1989: 307) on triangulation and suggests that having multiple data sources, observers, methods and theories in a study is likely to overcome the intrinsic bias which is from studies where single theory, observer and method is used. Therefore triangulation deals with consideration of multiple methods, observers, theories and data sources. Moisander and Valtonen (2006) call it methodological coherence and transparency and suggest multiplicity of readings as there is no unique single truth in this context. Silverman (2011) suggests that the analysis of the data by several researchers can develop the reliability of the research. Accordingly, Lecompte and Goetz (1982) consider the multiplicity of researchers as an element of internal and external reliability. In internal reliability the question is whether other researchers would use the similar method of the study to drive conclusions. Similarly triangulation of researchers in external reliability refers to whether other researchers would generate the same findings suggested by the study. However, Seale (1999: 157-158) states the difficulty in pursuing this study replication method, hence suggests that the researchers should expose the conclusion-driving process as detailed as possible.

Triangulation of data brings out various dimensions of the data, however not the absolute truth (Hammersley and Atkinson, 2007; Silverman, 2011). Silverman (2011) puts an emphasis on the importance of data triangulation however views it insufficient for validating a qualitative study. Instead following elements for validation are suggested (Silverman, 2011:351-395):

1. Analytic induction: refers to working with the data inductively and rejecting the assumptions that the researcher’s data can be only descriptive and exploratory.
2. The constant comparative method: Finding another case to test the conditional hypothesis.
3. Deviant-case analysis: Actively identifying the deviant cases and concepts, not leaving them out if they incorporate with the other data.
4. Comprehensive data treatment: Comprehensive analysis and description of the phenomena by making generalizations from every single piece of the data.
5. Using appropriate tabulations: Counting techniques usage in a qualitative study to identify variety in the data and understand the frequency of the identified phenomena.
Researcher credibility issue should be tackled in the research by giving supporting information about the researcher. According to Patton (2002) any information which affects any phase of the research process should be reported regardless of being personal or professional. Moreover a researcher should possess skills to be able to clear out links between interpretations and inferences drawn (Moisander and Valtonen, 2006). Finally Patton (2002) puts an emphasis on the philosophical belief in the value of qualitative research as “fundamental appreciation of naturalistic inquiry, qualitative methods, inductive analysis, purposeful sampling and holistic thinking” (Patton, 2002: 553). Moisander and Valtonen (2006: 151) quote Elizabeth Hirschman (1986:238) to state that researcher values are affiliated with the choice of the method, data and findings. Therefore the sensitivity of the researcher to the ethics and politics of interpretation is suggested (Moisander and Valtonen, 2006). In addition, when sampling is done intentionally, critical thinking is required whether the processes of the research interest are most likely to be happening in the selected cases (Denzin and Lincoln 1994; Silverman 2011).

In content analysis method, which is employed in this qualitative study, validity is referred by Potter & Levine-Donnerstein (1999) in 2 issues: validity in coding scheme and validity in coding standard. Coding scheme should be theoretical driven (Bauer, 2000; Potter & Levine-Donnerstein, 1999). Potter & Levine-Donnerstein (1999) also put an emphasis on coding decisions validation against some standard. There are several suggestions in defining the standard. One view is standard’s being objectivity which can be found on the content of which the analysis is made. Another view claims that experts can create standards as they are fully capable and knowledgeable in coding rules. A third view suggests that norms should be the standards in coding. Therefore as Potter & Levine-Donnerstein (1999) suggest, the person setting the standard does not have to be an expert in this issue. Krippendorf (1980) does not appear to favor the norm-based standards. According to him when data standards taken from average or majority does not yet imply reliability as the disagreements within there “implies nothing who is right or who is wrong” (Krippendorf, 1980:132). As a response to this, Potter & Levine-Donnerstein (1999:269) agree that modes derived from average are not yet reliable however the strong modes can be coding norms. Therefore, it is suggested that although each coders make judgments based on own subjective reasoning, if there is high consistency across them, then it is intersubjectivity.

In this study as mentioned in previous sections deductive analysis process is followed. Therefore the developed coding scheme of this study is deduced from existing theories. Triangulation method is applied while reviewing and presenting the theories. The research interest of this study, how entrepreneurs end up creating new firms, is described by various theories of three different views: classic method or causation as referred by Sarasvathy, effectuation and bricolage. Deducted codes are determined accordingly with these views to keep the multiplicity and accuracy. Hence, this creates the codes with multiple meanings as illustrated in Table 3.1. The challenge seems to identify them as
clear as possible since the categories are hard to be identified with their “wordy” meaning. Thus, as Waltz et al. (2010: 284) puts “in content analysis both unitizing reliability (consistency in identifying the unit(s) to be categorized) and interpretive reliability (consistency in assigning units to the categories) are important”. To achieve comprehensibility in this study, the related interview parts are deconstructed and dissected as illustrated in the next chapter. The analysis process in this study has been carried out twice, each of which occurs in different times. Then these results are compared to keep the once more few weeks after the initial coding to compare initial and later judgments to keep the trustworthiness. This process is referred as diachronic reliability in qualitative research by Kirk and Miller (1986: 42) and stability by Krippendorff (2004:215) as an element of reliability in content analysis. Krippendorff (2004) also adds reproducibility and accuracy as elements of reliability. Reproducibility is referred as the coding of the same text by more than one coder independently (Krippendorff, 2004). Finally, accuracy according to Krippendorff (2004) is testing of the text to a standard or a norm. Accuracy is considered the strongest of all reliability elements (Krippendorff, 2004:216; Weber, 1990:17). However, Weber (1990:17) states that such standard coding is not often used for texts: therefore it is rarely used by researchers.

To sum up this study has the potential to address the codes and categories with proper theoretical background (Classic theories, effectuation and bricolage), context to be studied (firm creation), empirical data (interviews) and sampling (immigrant entrepreneurs in Finland). The empirical data is carefully interpreted twice and the latter findings are compared with the earlier to increase reliability. All analyzed and reflected parts of the interviews are presented as quotations in tabular forms which improve the validity, trustworthiness and quality of the study.
5 EMPIRICAL STUDY

This chapter will introduce empirical results studied on four immigrant entrepreneurs. As discussed in the method part the informants are those who have had their business within the last 2 years of when the interview took place, and those who are full time immigrant entrepreneurs with have at least one employee in addition to him/ herself. Case entrepreneurs’ original names are not presented and they are referred as A, B, C and D. In the next four sections each section will present brief info about the informants and their firm creation behaviors individually. The sections firstly present general information about the informants and then their related quotations are presented in tables in accordance with the study categories: initial plan and process factors, financial decision-making and strategic reasoning. These categories are reflected on causation, effectuation and bricolage theoretical models with content analysis of the quotations.

5.1 Entrepreneur A

Entrepreneur A is an Irish man who has a small café in the uptown close to university library. The café was founded by him about six months before this study was conducted. The entrepreneur has had a tattoo studio joint to the café for several years. Then, he decided to rent the joint place and try something new: a coffee and tea place which is unique and noticeably different than the others. The next sections will introduce entrepreneur A’s initial plan and process factors (4.1.1), financing decision (4.1.2) and strategic reasoning (4.1.3) with his own quotations reflected on causation, effectuation and bricolage theoretical models.

5.1.1 Initial plan and process factors of Entrepreneur A

The initial plan and process factors on the phase of founding has been a dynamic experience in Entrepreneur A's case. He did not have only a static or
linear process factors however he took on every possible chance for thriving. Therefore, the initial plan and process factors are rich with causation, effectuation and bricolage activities. In order to understand all these factors better they have been organized in different tables using Entrepreneur A’s own quotations. Table 5 below shows factors more related to causation:

**TABLE 5**

<table>
<thead>
<tr>
<th>Quotations reflected on Causation</th>
</tr>
</thead>
<tbody>
<tr>
<td>“I learned at a very young age not to involve family or friends in business because it will bring about horrible results. It is usually because they try to put their friendship over the fact that you are a boss. If you become friends with your employees that is another thing because they were your employees first then a friend. But if they are friends first then they will abuse: “I wanna that day off”, “come on it is OK if you open 2 hours later”, “I need to get the ticket for that concert, if you give me money in advance that would be easier for me” and many other problems will occur. I actually use Facebook when I am in need of employees. Every time when I need I put up an ad there.”</td>
</tr>
<tr>
<td>“I first started with a Finnish employee because she knew all the laws and rules, she had been abroad for a long time and she had small networking and she was studying to be event organizer. That was important as well as we gained others through the events, concerts and etc.”</td>
</tr>
<tr>
<td>“Then the foreigners came in and I needed extra foreigner employees for this place. I still needed Finnish speaking employee as we are in Finland ...”</td>
</tr>
<tr>
<td>“However I did not really involve them (customers) in our business operations.”</td>
</tr>
</tbody>
</table>

As noticed Entrepreneur A firstly did not want to involve family or friends in business which means he did not focus what is at hand while recruitment process. Also, the fact that at the very start family members would be useful to reduce costs and to thrive however A preferred to work with outsiders to reach the clear goal: to have a café of high quality. In recruitment process he focused on locals upon start-up to cope with challenges easily. Also he was not interested in involving customers in his business operations which is more likely to occur in causation. Therefore, these factors can be reflected on causational reasoning. However after start-up the network or in other words “who I know” plays a great role to proceed as a successful café. Table 6 continues with the process factors reflected on effectuation.
TABLE 6  Initial plan and process factors quotations of Entrepreneur A reflected on the theoretical model of Effectuation

<table>
<thead>
<tr>
<th>Quotations reflected on Effectuation</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Upon start-up I needed the networking because it plays a vital role. As for knowledge I think you need to have knowledge of the people. Basically, here it is who you know rather than what you know. I think opening of the cafe was because of who knew, who wanted a place to sit. But it is also who I met after having the cafe and knowing them made up the cafe. So, to begin with it was who I knew that would want the product. Because they can expand the network and tell others about this place. I think you need to know some people to start with who will bring some more.”</td>
</tr>
<tr>
<td>“The network helped me after the start-up, 5 months ago. When I started getting international student as employees networking then started. And it brought clients. Before that I opened sort of a cafe in the uptown where students can come for a coffee and enjoy. However the problem is this is Finland and the worst case is this is Jyvaskyla, a small city and people here don't look, they walk straight to the downtown and then they decide where they wanna go in downtown. So the networking is really important and it has helped tremendously. And the networking was done with employees' friends and with other foreigners via Facebook and all the other tools like that. That’s what helped.”</td>
</tr>
<tr>
<td>“…moreover I needed a foreign employee as foreigners have more friends than locals in here. It is interesting that a Finn who lives here for their whole life have fewer friends than a foreigner who has been living here for a year. Because they do not need to know more people maybe, they have their families and close friends maybe that is enough. And as foreigners, we just love to meet people, it is nice to have friends, different people and you get to learn different cultures. That is important in networking and we got a person who has a lot of friends and networking and who is serious to work with us. I employed couple of foreigners who had good people skills and let them freely work in here as I am busy with the other side (tattoo place), my family.”</td>
</tr>
<tr>
<td>“At start-up the main resource was money and coffee. The product that makes us most unique is the coffee. There are known coffee places in this area but our coffee is special and with a bit more care to customers. The way of making filter coffee in our place is more quality than others. E.g. We clean our coffee pod every couple of hours to make sure that there is no coffee left,”</td>
</tr>
</tbody>
</table>
which is not usual for many other places. Thus, we focused on more to the quality than the loss, any way loss occurs everywhere. Especially cleaning the pod frequently requires the removal of coffee in the pod, but that's OK, we learned in the end how much amount of coffee we use, amount of milk etc."

“Yes, first is coffee and apart from that next product that we have is tea. I am part Irish and part Scottish and I love tea.”

“And the more I go into the business, more I learn from the customers or what they want. We have a new menu coming in a couple of weeks, with different tastes what customers suggest, or drink in their own countries. We learn from customers how they drink coffee, and we even have one coffee especially for one customer, and I like it. It is makes no great difference for me and I learn how to make it, but it gives the possibility for new customers to come in which brings about diversity and learning.”

“And there is no listening to customers (in other places) and that is what I am doing in here to make the difference. We do listen what people say and want. E.g. one came and said “I wish had that thing from my country” and 2 days later when he came in I had it already in the menu and I asked “do you want one”? We already got and learned how to do it and if it is not the same taste that you like, educate us how to do it the way you like. And we learn from each other then. It is a good thing, they feel involved and they are happy because they feel like a family. They feel like home: for example the guy over there has not been home for 1,5 years and he is so happy to drink the coffee of his home country in this place.”

As seen after the start-up A focused on networking in order to get more customers. The principle of “Who I know” played a role in thinking of the product and attracting more customers to his new business. A focused on the resources at hand: coffee and the unique machine that he had in the area which he believed would make the coffee tastier than the others. Moreover his knowledge of the tea helped him to offer it to the clients. Next coming step is learning from customers and increasing segment through product development as suggested by effectuation. A learns from customers and continuously develops his products according to the customers’ needs. Therefore network is not only needed for a clear goal in A’s case however network makes A select between effects to create the outcome. Meanwhile, A also practices “trial and error” and other bricolage behavior which will be presented in Table 7:
TABLE 7  Initial plan and process factors quotations of Entrepreneur A reflected on the theoretical model of Entrepreneurial Bricolage

<table>
<thead>
<tr>
<th>Quotations reflected on Bricolage</th>
</tr>
</thead>
<tbody>
<tr>
<td>“To be fair on the star-up I did not know what I was doing exactly (Laughs). I think I focused more on variety. I think I was hoping for the end, like a shot in the dark, so it is hard to say what I was focusing on. I did not focus on the costs or anything like that because I did not want to do it too much because when you focus on the expenses of opening a café, it is very expensive because of the all the products and everything you have to buy. I think I was focusing on what we would sell in here. I was trying to get the quality and good coffee there. I did not look at the costs or anything like that.”</td>
</tr>
<tr>
<td>“I did not start the idea in the smartest way, only head first, and decision that “yes it is a good idea, it will work”. And then I realized I need to know people, I need to meet people.”</td>
</tr>
<tr>
<td>“We have new trials such as toasts, sandwiches and certain drinks that we invented here. I just combine new flavors, it looks really weird, completely bizarre but in the end it is an explosion of a flavor in a mouth. I think it is great because there are sort of things that you have to try before you dismiss it. It might look bizarre but if you taste it then it feels great. I mean everything we have in here has definitely a reason. Somebody has liked it; even more than one person has liked it so that we have it there. And then we have different things we import that none else in Finland imports”.</td>
</tr>
<tr>
<td>“Not the laws of course (stretching norms and regulations), I would say I was bended with the rules and norms. I have to say I tried to stretch the norms to be able to do some things. I had to do different toasts in my mind but here there are ridiculously many rules on the toast making which make no sense. Even the responsible department here agrees that yes it is stupid but that is the way how it is. So, we were creative finding different ways of reaching those norms, making things possible and legal.”</td>
</tr>
<tr>
<td>“There were other norms and rules that we stretch out to see what we can do but we still try to see what we can do more innovative because I do appreciate being different. Next to...”</td>
</tr>
</tbody>
</table>
this place is my tattoo studio and there is a small distance between them which is a stretched out norm in Finland which they will accept. For health department it seemed unusual that a tattoo and I is attached which means that they will firstly check that side then this side and then they will double check to make sure that there is no risk of being attached. We also stretch out the boundaries of flavor. That’s the thing we really stretch out and get extremely creative.”

“We were thinking of putting down the window to have a terrace because if the big window is removed then people can feel like a terrace, so that is also bending a norm because it is not usual in here. There is one of the things that we plan to do to be inventive and bending the rules in a good way especially for customers. This way could enjoy sun while being inside. But we have to still check that how much creativity is allowed in this sense. We are even thinking of handing out festival chairs to people who could technically take the chair and sit outside and feel like terrace. But we have to see how it is regulated by law because we don’t want our customers to get into trouble. For some people it might look unusual that taking chair outside and feeling like terrace but for others it is also being different and I think it would be interesting.”

Bricolage reasoning in A’s experience is seen both before and after the start-up in planning factors, and trying and combining new resources after the start-up and also stretching out rules and norms after start-up to make do or in other words to innovate. Before start-up he did not have any specific plan for the café so he started like “a shot in the dark” as he expresses himself. Another example is his make-do experience by combining resources to invent new toasts, drinks with different flavors etc. So, by making these new “inventions” he made “trial and error” principle with continuous customer feedback and created “something from nothing”. Finally, bricolage way of stretching rules and norms can be seen in his post-startup activities mainly to innovate within the boundaries of the laws. A accepts that Finnish laws are strict with certain things, however he is in search of stretching out norms to discover new trends if the law permits. As he himself says “There were other norms and rules that we stretch out to see what we can do but we still try to see what we can do more innovative because I do appreciate being different”.

As seen from the process factors A is a very dynamic entrepreneur who has had rich variety of behavior which could be explained by all the 3 models studied. When these models were described shortly asked in the end, which reasoning best expresses his behavior his answer was also the same: mixture of
all. Table 8 presents his point of view why the plan and process factors best describe all causation, effectuation and bricolage way of reasoning altogether.

TABLE 8 Initial plan and process factors quotations of Entrepreneur A reflected on the theoretical models of Causation, Effectuation and Entrepreneurial Bricolage

| Quotations reflected on Causation, Effectuation and Bricolage | I started with the sense that I knew people, I knew what I wanted … I knew that people want coffee but eventually there is a gap in the market. That was the main thing. But it ended up with trial and error. We tried a lot of things, we even tried putting around the reception bar and chairs, different people reacted different ways. We had different logos on the window; different people reacted in different ways. We tried this and that coffee, now by trial and error I have been able to narrow things down. It is hard to follow one in a business start-up unless you have done the same business in the same place before. It is hard to see what is going to work. You can’t say for example “I know this is the best business option for this place, you are going to have this type of coffee, that kind of atmosphere, this kind of workers and it is going to definitely work out”. If you start like that you will be closed in 4 months. Because if everybody knew the perfect combination there would be many other businesses in here. And it would be magic if you know all these beforehand. It is impossible, there has to be trial and error. And I was lucky to have the second business for trial and error otherwise I would not be so happy. It was trial and error at the beginning and more error but being able to focus everything down, now we have this place and it is a lot better. |

Therefore, being an entrepreneur, moreover being a dynamic one in search of innovation makes A take on any possibilities and try them before they disappear. So, when analyzed on the theoretical models of this study, A’s initial plan and process factors are broadly reflected on all three models which again proves how dynamic A has been in his entrepreneurial start-up.

5.1.2 Financial decision-making of Entrepreneur A

Financing decision in the case of Entrepreneur A was also dynamic and multiple which can be explained by the three models studied in this research. Table 9 introduces A’s financing decision quotations reflected on causation, effectuation and bricolage:
TABLE 9 Financial decision-making quotations of Entrepreneur A reflected on the theoretical models of Causation, Effectuation and Entrepreneurial Bricolage

<table>
<thead>
<tr>
<th>Quotations reflected on Causation and Bricolage</th>
<th>“First I looked how much it would cost if I did not make any money, because I had a second business running as well. So, I could afford to lose a little bit. In a way I thought it was not going to be a loss just a stand step.”</th>
</tr>
</thead>
</table>
| Quotations reflected on Effectuation          | “And after that I had to decide with my family how much we are willing to lose and how much we are willing to invest. So I did not look at it from the start, which I should have. I looked at it 6 months afterwards start-up.”  
“But it is true that I went through when the investments went up, coz I had to fight things, more furniture, more machinery, staff and etc. So after the costs went up I was thinking how much I was ready to lose.” |
| Quotations reflected on Bricolage              | “I did not look at the costs or anything like that.” (Meaning before the start-up)  
“I did not focus on the costs or anything like that because I did not want to do it too much because when you focus on the expenses of opening a I, it is very expensive because of the all the products and everything you have to buy.” |

As seen from the table at the very beginning of startup, A did not have any financial focus. He rather decided to open a café without consideration of financial planning. However, later on the stage of founding he did have some financial considerations which he relates to his he another running business. So, as he states because of the other business he “would not lose, rather give it a try”. It is therefore reflected on causational “costs analysis” as well as bricolage “make-do” together as it comprises both reasoning models. Though he does not mention about the returns he would get, he still does not consider how much he is willing to lose, rather try the idea. Therefore effectual reasoning in financing decision before start-up period did not occur in this case. However, after the start-up period, when the business grows and requires some more investment A’s financial reasoning becomes closer to effectuation reasoning: he takes into account “affordable loss” principle and makes decisions how much he is willing to lose.
5.1.3 Strategic Reasoning of Entrepreneur A

When analyzing entrepreneur A’s strategic reasoning it is clear to see that A had more causational strategic reasoning. However, it is still possible to see effectual and bricolage patterns in his strategic vision. Table 10 below presents A’s quotations on his strategic decision-making.

TABLE 10 Strategic reasoning quotations of Entrepreneur A reflected on the theoretical models of Causation, Effectuation and Entrepreneurial Bricolage

| Quotations reflected on Causation | “And the issue is that in this town there is no selection of tea in cafes. There is no ice-tea anywhere. So, I was considering having a good selection of both coffee and tea. And there is a poor selection of cold coffee in this area, and the one that is advertised is wrong, as they do not know how to make it. Our strength was to keep international environment as well as high quality and also not to lie to people by showing them the real quality and selection.

“We have certain tea sorts such as red espresso and other special tea types and we have a specific machine to make them. The machine has to be modified and none can do it in here. I don’t know anyone else in other European countries who can do it, as the machine comes from South Africa.” |
|--------------------------------|----------------------------------------------------------------------------------|
| Quotations reflected on Effectuation and Bricolage | “Yes, we listened to customers what they think about different places: e.g. one said “that place is expensive” and we made it cheaper, other said “that coffee is bad” and we considered it. I listened to myself that that tea is disgusting and I’ll do a better one in here. They do not serve ice-tea anywhere here.”

“... so we bring in coffee from different countries and educate people who come here, with different coffee types.” |

Entrepreneur A clearly states that he analyzed the environment in the area and the selections others offer. So, he finds out the lacks in the market as well as what services/ products would make him unique. For example a selection of coffee and tea products is one of the strength that he has planned to be different than others. Meanwhile, after start-up he continues strategic relationships with customers to increase segmentation, an effectual strategic reasoning. Finally, trying out and inventing new tea and coffee types and involving customers this way in their decision-making can be regarded as bricolage “make-do” strategy.
5.2 Entrepreneur B

Entrepreneur B is a young Greek woman who founded a cooperative offering internationalization and entrepreneurial development for already existing firms and potential entrepreneurs. The idea belonged to B who pursued it actively and managed to found a cooperative with other members to realize her dream. Apart from being a founder and member she is the current CEO of the cooperative. Entrepreneur B’s start up behavior and reasoning will be presented in subsections 5.2.1 (process and plan factors), 5.2.2 (financial decision-making) and 5.2.3 (strategic reasoning).

5.2.1 Initial plan and process factors of Entrepreneur B

Entrepreneur B’s initial plan and process factors were also dynamic, thus can be reflected on in all causation, effectuation and bricolage models. Therefore, in order to understand them clearly each model process and plan behavior will be introduced in separate tables with B’s own quotations. Table 11 below shows the factors related to causation:

<table>
<thead>
<tr>
<th>Quotations reflected on Causation</th>
</tr>
</thead>
</table>

“...When I was thinking what I want to do, I focused on what I was missing. I think I focused more on the outcome, what I would like to see happening in Jyvaskyla and what is missing for that to happen. So, after I saw what was missing for the outcome, then I started mostly working on how to meet the outcome, or what means do I need for that.”

“This is my 4th year in this city and I have been working with foreign people. I realize that all of us (foreigners) share a common problem; we have problems in finding a job because we don't speak Finnish. Then I thought, we need to come up with something with which we can employ ourselves without speaking Finnish. Certainly in the long run we would speak Finnish but if we don't enter the system how are we going to integrate? So, the one of reasons was that entrepreneurship is something that I like, and working on it brings out potentials. The main reason why I decided to found this cooperative is because I realized that there is a high international capital in this region which is not used highly, and nobody takes advantage of it. So I thought it would be nice to have a business format for it.”

“Not for reducing costs (Involving the family members and
friends in operations to reduce costs) however just for advice in something. I am also asking these from my team members and friends. For example how what kind of logo would fit the company etc. But not necessarily for reducing the costs. For example if we had a restaurant then I would ask my family members to join me to reduce costs.

As seen from table 11 above B had the first idea gotten from a lack in the market: “high international potential, which is not used highly and nobody takes advantage of it”. As she clearly expresses, after having had the outcome plan clear she then finds out what is missing to reach that outcome. These factors are therefore considered in the perspective of causational reasoning. In addition, the fact that she did not involve family members and friends in the business operations can be understood as she did not focus on reducing financial costs this way and also did not focus on “who I know” principle in getting members for the cooperative. In addition to causational reasoning B had several other process factors which can be reflected on effectuation, as seen in the table 12 below:

TABLE 12 Initial plan and process factors quotations of Entrepreneur B reflected on the theoretical model of Effectuation

<table>
<thead>
<tr>
<th>Quotations reflected on Effectuation</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Since we created this association and I went through all the paperwork I knew what to expect. I utilized all these people that I knew. For example the Student Union, they knew that I am trying to unite international people here. I also used international office, Keski-Suomen liito as my network. I told my idea to them and they advised me something, or gave me hints which I took into account while founding the venture.”</td>
</tr>
<tr>
<td>“Yes, it came out of my personal knowledge and personal experience. Because I lived here for several years, I knew that we have the international knowledge/ talent here that are not used. I asked the question of &quot;WHY&quot; and I realized that it is very hard for a foreigner to enter the market unless there is a high business trust on them. Maybe it is because in many countries foreigners enter the country but do not integrate enough, and they might even break laws or cheat the locals which bring about the prejudice on foreigners. And this is what we try to solve it in this region.”</td>
</tr>
<tr>
<td>“For market resources we did a small market research, we used our network through the chamber of commerce to get more info about the market. The chamber of commerce contacted the interested companies and we heard back from around 20 of...”</td>
</tr>
</tbody>
</table>
them who would be interested in our services, thus internationalization. So that is the way how we got the market resources. And we are in search of resources to expand and thrive.”

Knowledge and network played a role in B’s start-up period especially in finding what lacks in the market and who B knows to help her find potential customers and exploit the opportunity. Moreover, B used “who I know” principle while tackling the start-up challenges such as funding and other procedures. These all can be reflected on effectual reasoning as the network took her to different ends by easing procedures. Finally, bricolage reasoning B’s initial and process factors of founding the venture is introduced in table 13.

TABLE 13 Initial plan and process factors quotations of Entrepreneur B reflected on the theoretical model of Entrepreneurial Bricolage

| Quotations reflected on Bricolage | Yes, exactly. (Combined resources and used them in the ways they are not meant to be used). For example, we did not have a lot of money for traveling around, but the money we had was meant for market research. However, we also spent that money for traveling though it was not meant to be for that. Definitely, you have to be flexible.

Yes, definitely. Since I am not Finnish, I do not have the Finnish mindset, I have Greek entrepreneurship mindset. But we have some people (meaning other members) who are Finns, thus helping me to proceed with Finnish mindset. And at some points I skipped some processes, not legally though but stretching the norms and etc.

From human resources I was focusing on their interest in participating. At the very beginning we did not have money and we had to gather as a team to work hard and get money. This helped to clear out who is interested to work with us voluntarily. If it was salary based from the beginning many people would accept it but only some people were interested in this case to make something out of nothing. So, it was only because of their interest and their will that they wanted to offer their expertise. We have people, for example who are experts in web-designing and they offer their resources for free. So, each of us has our own area of expertise to offer. |

B’s activities reflected on bricolage is firstly combining and using different resources for proceeding. Moreover, B also stretched out the norms and rules which she relates to the ground of being non-local. The recruitment process also was based on members’ interests without any payment. Therefore, B could
make up a team of “make something out of nothing”, in her own words. This can also be reflected on bricolage reasoning.

5.2.2 Financial decision-making of Entrepreneur B

B’s financial reasoning factors mainly consisted of using external resources to provide financing of the venture. Using B’s quotations, this section will present financial decision making of B reflecting upon causation, effectuation and bricolage as presented in table 14:

<table>
<thead>
<tr>
<th>TABLE 14</th>
<th>Financial decision-making quotations of Entrepreneur B reflected on the theoretical models of Causation, Effectuation and Entrepreneurial Bricolage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Quotations reflected on causation</strong></td>
<td>“… I focused on more to the benefits, thus outcomes but I did not think about loss. I thought and saw how much income we could get for the cooperative. Of course if I had a business plan and investment of 100000 euros then I would focus on both. So it depends also on the amount of money invested. Whenever I have an idea and I want to implement it I focus on the outcome, the benefits, the profit and value it will bring to me. For me, if you think about losing then you should not even start it.”</td>
</tr>
<tr>
<td><strong>Quotations reflected on effectuation</strong></td>
<td>“The truth is that cooperative is a business model that does not need much money. And this is good for us, foreigners, who have experience, knowledge but not money. So, the cooperative does not require too much money and also Finnish officials support this kind of integration of foreign people. .. Finnish system offers ways to support. For example, Protomo gave us space for building the company, then we got some funding from Keski-Suomen liito as they helped as with the registration fees and so on. So, Finnish officials appreciate this but they want you to be serious about the project.”</td>
</tr>
</tbody>
</table>

“The most important role (network playing a role in financing of the venture), seriously. If people who I was sharing my ideas would not be interested they would not pay or they would not join. And we would not be able to realize that because cooperative requires people. And if the city of Jyvaskyla and regional council did not see the need or did not believe that we are serious about it, they would not support us. Also, because of my positive attitude as well as the fact that I have been living here and working as a student ambassador and I am a person who admires Finland. I think all these play a role for a foreign person to get funding.”

“It (selecting the cooperative business model as limited liability requires having more financial resources) is only at the very
beginning but anyway later we would need money to operate. So it does not make much difference. Also, our members have to put in capital with which we could again cover the registration and other fees. ...however at the very beginning cooperative model was smartest way to start if there is not enough money and if there are many people sharing the same idea. But anyway in the end, this model also requires financing issues such as others: e.g. Rental payment, salary payment to accountant, marketing etc”

“Yes (involving customers or other businesses on her business operations or strategic relationships), definitely, one of them is with a bank. For example we need to have a bank account and we made a deal with them that we market them and they give us super prices for their services. Or with telecommunication company A...”

The decision to start as cooperative model where there were people but no financial resources can be regarded as bricolage. Certainly, after start-up the model also required financing like in the other venture models, however as B expresses “at the very beginning cooperative model was smartest way to start if there is not enough money and if there are many people sharing the same idea”. This can be best reflected on bricolage “create something from nothing” especially in Finnish business environment where there are strict rules and steps to open a small company. They would require having more money as deposit or for other use if they would have had other business model, so cooperative model eased this process at the beginning. Moreover, B had a “make-do” strategy to avoid possible expenses and to carry out all the required legalities such as having a bank account or phone. As a result B is considered to “find the equipment out of nothing”.

In terms of investments or planning of the funding in B’s cooperative case, she admits that she focused on more outcomes than how much she is willing to lose. The fact that they do not have to invest a big amount of money at the beginning might have affected that she does not focus on affordable loss principle. As B herself admits “if I had a business plan and investment of 100000 euros then I would focus on both (meaning that both on the returns and affordable loss principle). So it depends also on the amount of money invested.” However it is noteworthy to mention that the amount of money spent in this business model requires more responsibility, so the notion of amount being less can’t single-handedly drive B not to focus on affordable loss principle. It is because financial reasoning in this business model even much more responsible issue as the cooperative has to make reports of how the funding is spent. So, it can be concluded that B’s own entrepreneurial mindset drives her more causational “focus on returns” than effectual “affordable loss” principle.
Effectuation in addition played a role in financial process factors of Entrepreneur B, especially in terms of “who do I know” and “what do I know” to get funding to operate. B used her knowledge and network to get support from different organizations to be able to provide financing for her venture. Her activeness as an international student (e.g. being a student ambassador) already gained some network for her which she utilized to get to the main decision-makers with high references and get the financial support from them. Finally, to be able to operate as cooperative she needed people joining the cooperative and sharing the idea who would also pay some fees to be part of it. “Who do I know” network and “What do I know” international knowledge and experience played a great role for her to gather the members for the cooperative thus also arranging the initial financing of the cooperative.

5.2.3 Strategic reasoning of Entrepreneur B

The market analysis and positioning itself in a niche where others cannot simply take them out was B’s initial strategic reasoning. Moreover, B focuses on more cooperating than competing, moreover it is assumed that the niche she has positioned her cooperative does not require rivalry. It is mainly because the others offering similar services are “giants” of the region and they work with bigger companies as B focuses on smaller start-ups to develop. So, in a way this strategy benefits both parties, especially B’s cooperative to get experience and to operate successfully in an international environment. Table 15 will introduce B’s strategy quotations in the reflection causation and effectuation models:

<table>
<thead>
<tr>
<th>TABLE 15</th>
<th>Strategic reasoning quotations of Entrepreneur B reflected on the theoretical models of Causation, Effectuation and Entrepreneurial Bricolage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quotations reflected on causation</td>
<td>“Yes, I did a market research and found out that there are many companies offering the hiring and counseling services, and public companies offering market research and etc. And based on the first services I had in my mind I could map down our stakeholders, people who would be interested to buy or to sell. That was how I did it.”</td>
</tr>
<tr>
<td></td>
<td>“Of course I analyzed what they (competitors) do and in what parts they lack or they do not offer to collet those as our services in our cooperative. An example is how much they charge for their services. We analyzed that the cost is not suitable for smaller companies to buy that expensive services at the start-up and we used it as our advantage. We also analyzed our strengths and weaknesses.”</td>
</tr>
<tr>
<td></td>
<td>“Yes, what makes us unique is the native knowledge of our</td>
</tr>
</tbody>
</table>
team members. For example if a company wants to expand to Russia and we have already members who are Russian and who know about the market. One can speak Russian but that does not guarantee the native knowledge if you are not a Russian. And the products come from our members' rich various backgrounds which make the product unique.”

**Quotations reflected on effectuation**

“My strategy with competitors is that we are not competing, rather cooperating. We are here not to compete however to add value to the entrepreneurial development. We are not made up with only Finns so we can't do the same things they do and also we are a cooperative. And now, if another cooperative comes with the similar idea I would not think of competing again.”

“It is a matter of trust, we buy from them (other suppliers) and we also bring clients to them.”

Before start-up B used causational reasoning by analyzing the opportunities in the market. So, market availability and lacks enabled her to plan and position her venture in the market. Also, analysis of what services would make her venture unique than the others is a part of her initial strategic reasoning which can be interpreted at causational behavior.

After start-up building strategic relationships with competitors is reflected as effectual “leveraging strategic relationships” strategy. In addition strategic partnership with important stakeholders, business identities such as bank and telecommunication companies can be reflected on effectual building strategic cooperation. Thus we can conclude that causational strategy was adopted before start-up and effectual strategic reasoning shined after the start-up in the early phase.

### 5.3 Entrepreneur C

Entrepreneur C was a Turkish husband and wife who recently opened a restaurant close to the center. The restaurant both operates in the daytime offering a good selection of buffet lunch for customers and at nighttime with a range of pizzas and kebabs for customers of nightlife. As they were together during the whole process of start-up and answered the interview questions together they have been referred as entrepreneur C.

Seeing the intensive competition in the capital area entrepreneur C decided to move to northern areas presuming that there the rivalry would be less intensive. C ended up moving to Jyvaskyla, a central Finland city, and purchasing a restaurant and putting own experience and ideas to make it look like a new restaurant. Therefore, C focused on means on hands as well as
analyzed and predicted the future to reach the aim. The next subsections 5.3.1 (initial process and plan factors), 5.3.2 (financial decision-making) and 5.3.3 (strategic reasoning) will reflect C’s behavior and reasoning upon causation and effectuation as these were the dominant models as inferred from their quotations.

5.3.1 Initial plan and process factors of Entrepreneur C

C’s initial plan and process factors were observed to be more effectual. They only started what is at hand and what can be done with that. Their experience also played a role that what kinds of business they can do. Table 16 presents the factors with C’s own quotations:

<table>
<thead>
<tr>
<th>Quotations reflected on effectuation</th>
</tr>
</thead>
</table>

“Mainly we focused what we have at hand and we could do with that. This restaurant also played a role because it did not delivery services before we purchased, so this was exactly what we needed. We would not be able to operate both in delivery services and clients coming here. So, because this place fit what we needed and wanted we purchased this restaurant.”

“It (network) did not affect at all in our case. Because we have lived here for 20 years we did feel necessity of using our network, rather our own experiences in this field helped us to make the right choice.”

“I do not think so. (Stretching out norms and rules). As for working hours, Finnish law strictly puts the exact working hours, thus we work at exact hours and then the night shift continues working till the morning. And there are controls every now and then to make sure that the working hour regulations are met by restaurant owners. I think long working hours would be possible e.g. in a restaurant which would be open from 10 am to 10 pm but because this place is open after midnight then new regulations apply to this place which we have to obey.”

“Because we purchased this restaurant, our knowledge and experience played a role to fulfill what lacks and to offer a quality.”

Means at hand and the previous knowledge and experience were the main drivers for C to purchase and open the venture. The resources at hand for example, played a great role that they wanted a place where delivery service is not possible. C also did not try to stretch out rules and norms as they focused
on more the quality of what to do rather than innovation and invention of new services. When asked about stretching out norms and regulations they only thought of long working hours that would have been a possible norm stretching, however as they also operate night time they stated that the law does not allow to work long hours even if they would like to. The effectual reasoning therefore were dominant initial plan and process factors, as they only proceeded with what they have and what they can do with that rather than planning “trial and error” or “make-do” factors as in bricolage or focusing on the outcome and analyzing what is needed to reach that outcome.

5.3.2 Financial decision-making of Entrepreneur C

Financial decision-making in the case of entrepreneur C consisted of mainly a focus on means at hand. Table 17 will introduce C’s quotations on financial decision making.

<table>
<thead>
<tr>
<th>Theory</th>
<th>Quotations of Entrepreneur C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quotations reflected on effectuation</td>
<td>“Our family and friends do not live in this city so this is impossible (Involving family members or friends to reduce financial costs) for us anyway.”</td>
</tr>
<tr>
<td></td>
<td>“The first resource (focused on the start-up process) was money or in other words, financial resources.”</td>
</tr>
<tr>
<td>Quotations reflected on both causation and effectuation</td>
<td>“This city was new for us as we had lived in Helsinki before we came. And because we did not know the local market and consumption in this city we had think both of the choices. This is a new city, environment and new business identity: so we have to both calculate how much we would afford to lose as well as the returns that we would get out of the invested money. So, we took risks when we opened this place. And we have always had delivery service restaurants and this is the first time that we decided not to have it. This can also be a risk, but we accepted it as this type of restaurant is convenient for us.”</td>
</tr>
</tbody>
</table>

The fact that their family members and friends were not living in the city made them unlikely to utilize their help which could have possibly brought about a bricolage behavior. However, this also shows that C focused on means at hands, therefore family and friends’ help were out of the resources at hand; rather money was the only resource at hand and the main perceived driver.

The uncertainty, lack of knowledge of market in the new city made them adopt both causational and effectual reasoning of financial investments: they
both focused on affordable loss principle as well as the benefits that they would get out of the investments.

### 5.3.3 Strategic Reasoning of Entrepreneur C

Entrepreneur C had a linear strategic analysis while exploiting the opportunity. The strategic reasoning factors were mostly causational; however effectual behavior can also be reflected in their case. Table 18 introduces strategic reasoning of C reflected within causation and effectuation.

**TABLE 18** Strategic reasoning quotations of Entrepreneur C reflected on the theoretical models of Causation and Effectuation

<table>
<thead>
<tr>
<th>Quotations reflected on effectuation</th>
<th>“It (involving customers in business operations) is unlikely in the restaurant business. We only have a customer-card and each time they eat they get a stamp and after having visited here certain times they get the next order for free. This is a way of keeping the customers in here.”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quotations reflected on causation</td>
<td>“We especially opened the restaurant here because Helsinki market is not very competitive that it is not worth sometimes having a restaurant there. The efforts to have the quality may not work as expected because there are restaurants at each corner. We chose this city because it is small and there is not that much rivalry as in Helsinki.”</td>
</tr>
<tr>
<td></td>
<td>“Yes (meaning whether they made analysis of services to make their restaurant unique), fast service and operations. We planned it to be our advantage and uniqueness. Also, the price difference also makes us unique. As we are new we offer campaigns, cheaper services than the others this attracts customers as well. But this campaign applies to all recently opened restaurants so that customers would get to know the restaurant, or the new owner and services.”</td>
</tr>
<tr>
<td></td>
<td>“Because this restaurant had already operated we only visited here for a week and analyzed its client visiting regularity, possible income etc. before we made a decision to purchase it or not”</td>
</tr>
<tr>
<td></td>
<td>“Only the customer potential, possible income, location could be resources that we analyzed.”</td>
</tr>
</tbody>
</table>

The customer card to keep the customers in their restaurant can be reflected on as an element of strategic cooperation with customers; thus effectual reasoning. In addition we can observe that C did market and strategic analysis before
deciding to take on the opportunity. As the market was unfamiliar they seemed to adopt more causational strategic reasoning such as focusing on the location and rivalry, client base, what services would make them unique and other possible advantages. Therefore before deciding to purchase the place they adopted a causational strategic reasoning and after start-up they also added effectual reasoning to this such as building strategic relationships with customers. However C did not seem to adopt bricolage strategy, possibly because of the fact it would not be suitable in this restaurant business as justified by C when asked if they involved customers in their operations. However, what is observed in C’s behavior is the using what is at hand and analyzing what would benefit them rather than creating something with bricolage “make-do”.

5.4 Entrepreneur D

Entrepreneur D was a Turkish man who had a restaurant in the middle of the city, few kilometers far from the downtown and other main locations of the city such as university and student residences. The restaurant mainly sells fast food and drinks and the client base includes all age groups. D started working in the place as a waiter and chef, but as the owner got old, D offered him if he could take over the place and pay some monthly money. “I had no money, but the trust and ability” D says. According to him though others offer a big sum of money to purchase the place, the owner gave it to D for a very low price trusting that he would be successful. The interview took place when it was taken over by D for about 2 months and according to D, the sales doubled since the time he started as a new owner.

As an entrepreneur, D found it hard to operate a restaurant. His main argument was the payment for extra services such as TV, radio and many other services which in the end becomes a significant amount of money going out. According to him “There are too extra expenses that I have to cover as an entrepreneur, which are far cheaper in my country”.

The next sections will introduce D’s reasoning in initial plan and process factors (section 5.4.1), financial reasoning (section 5.4.2) and strategic reasoning (section 5.4.3) reflected on causation, effectuation and bricolage theoretical models.

5.4.1 Initial plan and process factors of Entrepreneur D

Entrepreneur D involved several initial plan and process factors which can be reflected on causation, effectuation and bricolage models. Table 19 shows the quotations and the theoretical models they are reflected.
TABLE 19  Initial plan and process factors quotations of Entrepreneur D reflected on
the theoretical models of Causation, Effectuation and Entrepreneurial Bricolage

<table>
<thead>
<tr>
<th>Quotations reflected on Causation</th>
<th>“No, absolutely not” (involving customers in business operations)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>“Also in order to reach what I want, what I lack and what do I still need to get was also part of my behavior”</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quotations reflected on Effectuation</th>
<th>The first resource was money and as well as my knowledge, my abilities, self-confidence and talent.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Firstly what I can and what I know plays a role in founding of the business.</td>
</tr>
<tr>
<td></td>
<td>“My wife was the only one who affected my founding as she has been living here for a very long time she has quite many acquaintances in this area. So they would be our potential customers…”</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quotations reflected on Bricolage</th>
<th>“I think an entrepreneur has to try something new and make sure that the customers like it in order to earn. I also tried new things and recipes. For example I tried different fast food recipe that I discovered and I am not willing to tell the name so I will refer them to A. I tried A on my family, friends and customers; if they liked it then”</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>“Both before and after founding I tried the ideas I got or the things I saw perspective to try”</td>
</tr>
<tr>
<td></td>
<td>“Yes we try to stretch rules to innovate. For example now it is summers season and inside is a bit warm. We wanted to open a terrace and for that we had to ask for permission from the people living in this building. And also because it is so close to traffic road it was not allowed. I came up with different ideas to make it happen such as opening the window and some other ideas and applied for permission however I was rejected in all cases. And we still try to stretch the rules to see what we can get out of it”</td>
</tr>
</tbody>
</table>

Initial plan and process factors as noticed from D’s quotations are more likely to be effectual and bricolage however we can still see causational behavior in it. Firstly at some points thinking of the outcome and focusing on what is needed was a part of founding behavior as stated by D in the table 19 above. Moreover, not involving customers in any operations can be reflected on a part of causation while it is not necessarily always a part of causational behavior.
The initial focus of D upon started-up was “means at hand” such as knowledge and abilities. His wife played a great role in “who do I know” part as she had many acquaintances in the area which D considered to be his potential clients and also learn from them which product would prove successful. Finally, he tried out different food recipes to “invent” new recipes by “trial and error” principle. He tried these “make-do” activities both before and after founding. He also tried to stretch out the rules and norms to get some advantage out of it. For example although he failed to get a positive decision from officials for terrace, he still continued to stretch out rules by coming up with new proposals to have the terrace.

5.4.2 Financial decision-making of Entrepreneur D

As D took over the restaurant from the previous owner because he was considered to be a trustworthy and talented person he did not have an advanced financial plan. It is most likely the reason that D has a limited amount of quotations in terms of financial reasoning which are presented in table 20 below:

| Quotations reflected on Causation | “Of course there was a risk of losing but I did not start this journey with the idea of losing, rather I focused on how much investment s I could make to make more money. But definitely how much I afford to lose was not main point, I have to spend and lose something to earn something in the future” |
| Quotations reflected on Effectuation | “The first resource was money” (meaning what they started with upon start-up) |
| Quotations reflected on Effectuation and Bricolage | “Yes I am now working with my family. ... And of course, it helped me in reducing the costs, in the end I am paying for the family member the money that would be paid to someone else and this helps us financially. And I want my family to earn money. I get help with both delivery and inside service.” |

The main financial reasoning is causational as D focused more on returns than “affordable loss” principle. Also, money, the resource “at hand” played a role in his financial decision-making that can be reflected on effectuation. Finally, the fact that he hired a family member to reduce costs can be reflected on effectual and bricolage reasoning as this phenomenon is more likely to happen in these models than causation.
5.4.3 Strategic reasoning of Entrepreneur D

When asked on about strategy D answered it only in a single way of reasoning which is more causational. As shown in table 21, D mainly analyzed the competitors around, thought of the services which would make him unique before and after start-up process.

<table>
<thead>
<tr>
<th>Strategic reasoning factors quotations reflected on Causation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certainly I thought up what to do so that would be unique and different than the others. And after that I embarked on this. Frankly said, in order to earn in this kind business you have to do something different than the others. And I made different analysis of the possible competitors around. The analysis still continues. We have now had the target customers and in order to still grow we do need to make competitor analysis and what services would make us unique.</td>
</tr>
</tbody>
</table>

What is noticed in entrepreneur D’s reasoning is that the elements of reasoning have been the same before and after founding. It can be inferred from D’s quotations that the he did not reject any mindset after founding rather focused on the same behaviors and improved them after start-up. Therefore, D’s causation, effectuation and bricolage behavioral practices were observed during both before and after the start-up.
6 DISCUSSION

Chapters 2 and 3 introduced the theoretical framework that this study took the initiative and chapter 4 introduced the empirical material and reflected each case entrepreneur’s quotations on the firm creation behavioral models of causation, effectuation and bricolage. So, the empirical material is introduced with quotations of each entrepreneur and each entrepreneur’s financial, plan and process factors as well as strategic reasoning is reflected with theoretical models separately in tables. This chapter in addition will introduce the interpretation of case entrepreneurs’ reasoning and behavior altogether with the discussed theoretical models (causation, effectuation and bricolage) as in table 22. Then the general findings are discussed and reflected with earlier literature findings and suggestions.

TABLE 22  Case entrepreneurs’ behaviour and reasoning interpreted with causation, effectuation and bricolage theoretical models

<table>
<thead>
<tr>
<th>Case Entrepreneurs Models</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selecting between means (local and after some time foreign employees) to be able to operate in the host country</td>
<td>Selecting between means for reaching the outcome (what is missing creating a venture and realizing this idea)</td>
<td>Focus on returns of the investment</td>
<td>Selecting between means to reach the outcome (what is missing start it up again as a new owner)</td>
<td></td>
</tr>
<tr>
<td>Doing competitor</td>
<td>Focus on returns of the investment</td>
<td>Analyzing the market and the purchased place (location, customers)</td>
<td>Focus on the returns of the investments</td>
<td></td>
</tr>
<tr>
<td><strong>Causation</strong></td>
<td><strong>Effectuation</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>----------------</td>
<td>------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>analysis to make the firm unique than the others</td>
<td>Selecting between possible effects (international student friends of the employees) and gain networking and customers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Analyzing costs of the outcome before start-up in order to consider how much would be lost if there is no success</td>
<td>Starting with what is at hand (knowledge, network) and get first customers, financial support and to be able to ease the legal issues for the start-up</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Analyzing the opportunities in the market (high international capital which is not utilized) and predicting the future</td>
<td>Establishing and leveraging strategic relationships with competitors and other suppliers (such as bank and telecommunication)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Doing market research and competitor analysis before start-up</td>
<td>Affordable loss principle</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>returns of the initial investment</td>
<td>Starting with what is at hand (knowledge, experience, money and the ability) and what outcome could be created with that</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Analyzing the services which could make them unique and different than the other competitors</td>
<td>Affordable loss principle</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>potential before buying and starting it up as a new owner</td>
<td>Building strategic relationships with customers (having a customer card which motivates)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Analyzing the competitors around and the services which could make them unique and different than the other competitors</td>
<td>Focus on what is at hand (money)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Affordable loss**
 Selection between means in order to reach the outcome was mentioned by three out of four case entrepreneurs in this study. Entrepreneur A firstly searched
and started with a local employee in order to easily operate in the host country. In entrepreneur B’s case the outcome was determined to be the realization of the idea and she focused on what is missing to reach it. A similar outcome is seen on entrepreneur D’s case, as he also tried to search and find the missing issues before starting his entrepreneurial career. This behavior is reflected by causal model of entrepreneurship which is described in research as “Causation processes take a particular effect as given and focus on means to create that effect” (Sarasvathy, 2001a: 245). Similarly as Sarasvathy (2001b: D1) states “Causal reasoning begins with a given goal or a particular effect to be created, and consists of principles, techniques, and criteria for generating and selecting between possible means to achieve the given goal or create the particular effect”.

Interestingly, at different stages all the case entrepreneurs used effectual reasoning of starting with what is at hand without any clear outcome for that. In effectuation literature Sarasvathy (1998:15) describes it as the process elements of entrepreneurial expertise in which “they start with who they are, what they know and whom they know and start networking with others and doing what they can do without worrying what they should do”. Knowledge and abilities of the entrepreneurs were the dominant starting point which is noticed in all case entrepreneurs’ behavior. In addition to this “What do I know” principle, “Who do I know” principle or in other words network “at hand” played a great role in three out of four case entrepreneurs. The one who did not mention network as an important issue mentioned that they moved to a new city where they did not know anyone, so this is most likely the reason that why entrepreneur C did not use “Who do I know” principle. This principle was mainly used to attract the network as initial customers, to get information and ease the legal issues. Entrepreneur A even employed international students who did not speak the local language so that they would get their surroundings to the place as customers. Therefore, it is noticeable that how important network at hand is in gaining the customers. It can be concluded that all four entrepreneurs used “bird-in-hand” principle by Sarasvathy (1998:15) meaning that creating something with resources at hand rather than discovering new ways for the outcome.

The bricolage “make-do” principle which is by definition “making do by applying combinations of resources at hand to new problems and opportunities” (Baker & Nelson, 2005:33) was mentioned in three of the case entrepreneurs. In two cases “creating something from nothing” principle was used to discover new food and drinks which was never tried in the area. Entrepreneurs A and D usually tried this method to attract new customers and by getting a continuous feedback from the customers they decided whether to improve, offer or simply ignore the new invention. This is more consistent with the term of term “creative reinvention” introduced by Rice & Rogers (1980) which means making changes by putting resources to a different use and reinventing something new. Additionally, entrepreneur B gathered the volunteer experts as a member to her cooperative who would work for free.
This can also be also a good example of “creating something from nothing” when there is no high financial resources to employ experts and pay them. Stakeholder participation in the creation, management and governance of a social enterprise is referred as an element of social bricolage in Di Domenico et al’s (2010) study. This case is also consistent with Desa’s (2011) suggestion that despite having challenges international social entrepreneurs can engage in bricolage and reconfigure existing resources at hand which can make the venture survive.

Additionally, only one entrepreneur involved his family in his operations and services such as delivery and cleaning issues. This is reflected on bricolage labor input as referred by Baker & Nelson (2005) which is involving customers, suppliers, friends and other hangers-on in their works and operations. These all process factors indicate that bricolage resources meaning “Resources used in different ways which they were not meant to be used that way originally” (Baker & Nelson, 2005) played an important role in start-up period.

Interestingly, when asked what resources they focused on at the start-up only two of them mentioned money while the other two did not. Those who did not mention the money as an element of initial resources before start-up did not focus on financial issues and used bricolage principle upon start-up process. Instead of focusing on the costs entrepreneur A focused on his idea or as Baker & Nelson (2005) call it bricolage skills which are those of amateur and self-taught skills which are not applied elsewhere. A rather different approach was noticed in the case of entrepreneur B who created something from nothing: she selected the business model (cooperative) to avoid the required start-up money by law which she did not seem to have. This model selection was mentioned to be for a very short-term as B mentioned that they would anyway need money after having started officially. The adjustment of business model is discussed by Shackle (1966) as a focus-loss principle:

“It is practical and reasonable to regard the focus-loss, in absolute terms as depending on the nature and scale of the enterprise concerned. Thus, by choice of an appropriate kind, or an appropriate size, of plant or enterprise, he can adjust the greatest amount he stands to lose, that is, his focus loss, to the amount which, given the size and character of his assets, he can “afford” to lose.” (p.765)

Despite Shackle (1966) reflects this adjustment on more “affordable lose” principle B’s step can be reflected on more bricolage behavior than affordable loss principle. According to Dew et al. (2009:110) “The affordable loss heuristic involves decision makers estimating what they might be able to put at risk and examining what they are willing to lose in order to follow a particular course of action”. However in this case there was not even money at the start-up so she does not mention in this case how much she was willing to lose. The start-up
costs and others were only met by the membership fees and other institutions’ helps.

In addition, B was noticed to have been engaged in “focus on returns of the investment” principle which was also mentioned by two other case entrepreneurs. This is consistent with the causation model reasoning which focuses on the maximizing return by selecting the suitable strategies (Sarasvathy & Dew, 2008c). Entrepreneur A, who did not focus on the returns of the investments, only analyzed the costs if he would not make any money. However he expressed that he did not have any financial focus before the start-up rather he focused on what to do. So his financial reasoning comprises causal “analysis” and bricolage “make-do” model behaviors. However, several months after start-up when A had to make more investment, he then used the affordable loss principle, “to the extent that an entrepreneur is willing to lose” as suggested by Sarasvathy & Dew (2008c). While entrepreneur A used “affordable loss” principle several months after start-up, entrepreneur C employed this logic before start-up process. Entrepreneur D only used effectual financial reasoning by focusing on money as “What is at hand”, however entrepreneur B did not employ any effectual financial behavior.

Strategic analysis was the highly employed reasoning which is seen on all case entrepreneurs. All case entrepreneurs did some research before start-up to analyze the possible competitors. Moreover, three entrepreneurs gathered information to see what they lack and create and offer several services different than the others. Referring this as causal strategic reasoning Sarasvathy (2001a) states:

“If decision makers believe they are dealing with a measurable or relatively predictable future, they will tend to do some systematic information gathering and analysis within certain bounds” (p.252).

This causal behavior can be reflected with Katz & Gartner (1998) intentionality which is seeking information in order to reach the goal of new venture creation. In general this is an element of “planning school” in strategic management science which was discussed and developed by several scholars. Two widely read works are Ansoff (2007) and Porter (2004) who suggest that systematic analysis and integrative planning is crucial in management.

Despite that all entrepreneurs employed causal strategic behavior, three of them mentioned to have had building strategic relationships which can be reflected on effectual strategic behavior which Sarasvathy (2001a) describes as strategic alliances with stakeholders to reduce or eliminate uncertainty. Two of them had the strategic relationships with customers while one had it with suppliers. Interestingly, entrepreneur A built strategic relationships with customers by listening to their needs and desires and adapted the services according to them, while C gave out a restaurant customer card with some discounts to get them frequently. Entrepreneur B established strategic relationships with suppliers to have their services in reasonable prices and
marketing them in return. Moreover, B mentioned having strategic relationships competitors, by not competing however cooperating with them. This effectual strategy can be reflected on Sarasvathy’s (2001a) effectual principle of urn metaphor:

“I do not care what color the balls are in the urn or what their underlying distribution is. If I am playing a game where drawing a red ball wins $50, I will go acquire red balls and put them in the urn. I will also look for other people who have red balls and induce them to put them in the urn and play as my partners. As time goes by, there will be so many red balls in the distribution as to make almost every draw a red ball. Furthermore, if neither I nor my acquaintances have red balls, but only green ones, we will put enough of them in the urn so as to make the original game obsolete and create a new game where green balls win” (p.252).

An important element which is mentioned by three case entrepreneurs is the bricolage “stretching norms and regulations”. Baker & Nelson (2005:345) define it as “Engaging in activities that other firms, including some in our study, would reject as impermissible, firms engaged in parallel bricolage explored the extent to which external rules and standards represented real constraints for them”. Entrepreneurs A and D tried to bend the norms and regulations to be able to innovate and offer new services for the clients. Entrepreneur B on the other hand stretched out some regulations to avoid the local long-process formalities. None of them however, broke the law or any official rule and the context country (Finland) was reported to have strict and clear rules and controls. They rather, tried to come up with various options to be able to get their idea “accepted” by law, instead of just giving-up after knowing that the idea in mind is not permitted by law.

This chapter discussed the empirical findings with the theoretical framework of firm creation reasoning and behavior models: causation, effectuation and bricolage. It can be concluded that case immigrant entrepreneurs were rich in behavior and reasoning using causal, effectual and bricolage behaviors at different stages of start-up process. The only exception was Entrepreneur C couple who heavily relied on causal and effectual behavior, however no bricolage behavior was mentioned in their quotations. Altogether, what is observed from the informants is that the managerial, innovation, negotiation, communication and customer relationships skills are their success factors which are consistent with Nijkamp et al.’s (2010) study. The next chapter presents the conclusions driven from this study.
7 CONCLUSION

The aim of this study is to analyze firm creation behavior and reasoning of immigrant entrepreneurs and reflect them on the theoretical models of causation, effectuation and bricolage. For this aim, firstly research on immigrant entrepreneurs as well as the context country, Finland is presented and discussed with earlier findings and suggestions. Then, causation, effectuation and bricolage theoretical models are introduced and each of them is discussed and summarized for the empirical study. Four informants were interviewed and each of their related quotations has been reflected on the causation, effectuation and bricolage models with the qualitative content analysis method. Finally, empirical findings are discussed with the earlier theoretical framework. In this chapter concluding remarks of this study and further implications and suggestions are presented.

The model of effectuation, introduced and developed by Sarasvathy, was again proven to be a vital contribution in start-ups. At different stages of their start-up process, all the informants in this study were observed to have employed effectual reasoning. Starting with “what is at hand” especially “What do I know” and then “Who do I know” principles were the dominant reasoning.

The classical entrepreneurship, or causation referred by Sarasvathy (2001a, b), was also observed to be one of the key reasoning and behavior set among the informants. The most widely used causal behavior is the causal strategy; competitor analysis and planning ahead. This again proves that the elements of “planning school” developed by strategic management scholars, such as Ansoff (2007) and Porter (2004), play a vital role in the start-up process.

In spite of being a relatively younger developed model in entrepreneurship science, entrepreneurial bricolage created a rich understanding of start-up behavior of the informants of this study. Three out of four informants were observed to have engaged in “make-do” activities as introduced by Le’vy-Strauss (1966) and developed by Baker & Nelson (2005) in entrepreneurship literature. However, this behavior was not observed to be rooting from penurious environment or scarce resources around; the bricolage informants in this study reported to have done it for innovation and being
different than the other competitors. Therefore, bricolage “make-do” observed empirically in this study can be reflected as Schumpeterian (1934) “new combinations” which is considered to be the employment of existing things in new purposes which might create new markets, methods, processes and products.

7.1 Limitations and further suggestions for research

The theoretical models of causation, effectuation and bricolage have been reflected on four immigrant entrepreneurs in Finland; however this study does not quantitatively summarize which of the reasoning and behavior models were more dominant. For this aim, more sampling and in-depth analysis was needed, so that generalizations could be made. Therefore, a limitation in this study is that the start-up behaviors and reasoning of informants are not generalized based on the dominant theoretical model(s).

The reflection itself was a challenging process as the interview transcripts were carefully analyzed and reflected on the theoretical models depending on the content or the meaning. Although, theoretical framework has been the main facilitator in order to assign informants’ behaviors and reasoning and content analysis method is employed to successfully conduct the study, the researcher as a human-being is not guaranteed from mistakes. However the process is clearly shown in the empirical part with quotations and explanations in order to make the study credible and clear to the readers and critics.

A suggestion for the future research is to study whether or not there are differences depending on the cultural background and/or gender of entrepreneurs to employ these models. This would answer 1) whether cultural background 2) gender influence(s) immigrant entrepreneurs on the employment of these behavior models. Furthermore, another similar suggestion to study whether there are differences between immigrants and locals in the employment of these models. This initiative has not been studied by the causation, effectuation and bricolage scholars, however previous research on immigrant entrepreneurs studied entrepreneurship and found differences depending on 1) cultural background (such as Ando, 1988; Bates, 1997; Chaganti and Greene, 2002; Constant et al., 2007; Downs et al., 2012; Katila and Wahlbeck, 2012; Van Tubergen, 2005; Waldinger and Der-Martirosian, 2001), 2) gender (such as Dallalfar, 1994; Low, 2010; Pio, 2007; Robles, 2004; Vries, 2012) and 3) the differences between locals and immigrant entrepreneurs (such as Light and Sanchez, 1987; Mata and Pendakur 1999, Zhou 2004).

Finally, studying bricolage in the context country of Finland has been challenging with the bricolage “penurious environment”, “scarce resources” and “resources others do not need” perspectives as discussed by Baker & Nelson (2005). Finland is a welfare state and supports all the start-ups as well as has the strict laws and regulations which are described by case entrepreneur A.
as “the country even has rules and regulations for making toasts”. However bricolage model has been observed in the three informants’ start-up behaviors which indicate that it is a promising model also in affluent environments and available resources. Therefore, further research directive can be an in-depth study and development of this model in this concept.

### 7.2 Managerial Implications

Being an immigrant in a country is a hint for an entrepreneur that s/he has the big potential to succeed. It starts from the issue of how to design the start-up process carefully and successfully. Our theoretical framework as well empirical part found several significant managerial implications for immigrant and local entrepreneurs:

1. Knowledge and expertise play a great role before start-up. It is worth thinking carefully and ask oneself “What do I know”, “What can I do with my knowledge” questions repeatedly and go through the answers.
2. Network is another vital driver before start-up. “Who do I know” and “What can I do with my network” should be inevitable questions during the start-up phase. An entrepreneur should not only think of only his/her network however in addition how to utilize the network of own network. The more networks utilized at the start-up, the better chances of succeeding upon start-up.
3. Competitor analysis and advance planning of the services/products which would make the entrepreneur different/unique is also a must-take step before start-up. Surely, the type and quality of analysis and prediction may vary at an individual level, but “Who are my current and future competitors”, “Why and how could I be different from them” and several other analytic questions are must-think before start-up.
4. Sometimes, instead of competing building strategic alliances would help to grow. This applies both to the possible rivals and clients. Certainly, this is not possible all the time as it may vary depending on the business type and environment, however, it is worthy to think and carry it out to the extent that it could be done. Therefore, cooperation over competition strategy should not always be avoided for start-ups.
5. Laws are laws for everyone, but that does not necessarily mean that an entrepreneur cannot bend them. By bending it is meant that an entrepreneur should think of many different options before just accepting that his/her idea is not possible because the laws do not permit. There are always gaps in laws, therefore new possibilities behind
each “No”, so it is a matter of finding it and making it competitive advantage for oneself. Certainly, breaking and violating any norms, regulations and laws are not meant at any means by implicating this.

6. “Trial and error” principle is one of the success factors for start-ups. An entrepreneur should discover and try new combinations before dismissing it. Certainly, continuous client feedback on this principle is vital in order to foresee that if the new “discovery” is promising success or not.

7. Upon deciding the financial investment of the start-up it is worth to consider both how much an entrepreneur is willing to lose as well as how much investment is needed for the desirable returns. None of them can prove the truth as it varies from case to case; however always sticking to either one of them without considering the other one could deprive the entrepreneur from success upon start-up.

As a final remark it is worthwhile for entrepreneurs to consider all possible and “impossible” options and different perspectives before dismissing them. I’ll finalize this study by quoting a famous philosopher which best explains this remark from a philosophical scope:

“...let us be on guard against the dangerous old conceptual fiction that posited a "pure, will-less, painless, timeless knowing subject"; let us guard against the snares of such contradictory concepts as "pure reason," absolute spirituality," "knowledge in itself": these always demand that we should think of an eye that is completely unthinkable, an eye turned in no particular direction, in which the active and interpreting forces, through which alone seeing becomes seeing something, are supposed to be lacking; these always demand of the eye an absurdity and a nonsense. There is only a perspective seeing, only a perspective "knowing"; and the more affects we allow to speak about one thing, the more eyes, different eyes, we can use to observe one thing, the more complete will our "concept" of this thing, our "objectivity," be. But to eliminate the will altogether, to suspend each and every affect, supposing we were capable of this -- what would that mean but to castrate the intellect?” (Nietzsche, 1887: III, 13. Adapted from Ansell-Pearson edition, 2006:87)
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APPENDIX

Appendix 1  Semi-structured interview questions used in empirical study

- What made you decide on opening a restaurant? How did the opportunity emerge and how did you react to this opportunity? What do you think the restaurant business environment is like for a foreigner when you were thinking of opening a business?
- How did your network strengthen the founding of the business?
- How did you plan the finance of your venture? Did you focus on how much you would afford to lose or the investment and its returns that you would get?
- What were the first resources and why you grasped at the very beginning? How did the initial resources help you? How did you obtain first resources to exploit the opportunity? Did you ever use resources different that its purpose and create something totally new in this business environment? If so please tell me a bit about it.
- Did you at any time (before or after founding) have to stretch the rules and norms of the society to “make do” something? E.g. how did you recruit people to work in your company? How did you get extra services (e.g. home delivery driving, cleaning etc.)? Did you ask friends or family members’ help to reduce costs? If so please describe it, and tell how you changed them over-time and organized them according to the norms.
- Did you think of services/products which would make you unique or different than others? Did you make competitor analysis and did you follow statistics and other data on market? If so what makes your services different than the others and has it changed over time?
- Finally, which one(s) of those three reasoning describes you more while founding this business and how?
  1. What I have in my hands and what and who I know and what can I do with those.
  2. I need to open this kind of cafe and focusing on what I need for that cafe.
  3. I will use trial and error principle to make do something.

(Note: This is the English version of the questions, and they were asked in Turkish from two informants. As semi-structured interview was conducted, not all of these questions were asked, however depending on the answers.)