

***How to Support Immigrant Entrepreneurs to Succeed in a Foreign Culture?  
-A Multiple-Case Study from a Norwegian Context-***

May Olaug Horverak, Birkenes Learning Centre, Norway

The IAFOR International Conference on Sustainability, Energy & the Environment  
Hawaii 2020  
Official Conference Proceedings

**Abstract**

When being an immigrant and starting as an entrepreneur, one may face many challenges in a foreign culture, for example difficulties with the language, understanding taxation rules and other regulations and understanding the potential customers. Of the many businesses that are registered in general, only a small percentage survives. To support immigrants in a tough market, we have carried out motivation courses called idealabs in the southern region of Norway for immigrants who have recently started or are about to start a business. This study is a pilot study presenting data from these courses which aimed at building resilience in the process of starting and running a business, by identifying and discussing goals, success factors and obstacles, and deciding on focus and necessary action to succeed. The participants generally reported that they appreciated both learning the method and meeting with other immigrant entrepreneurs, as they received useful advice and motivation to continue working with improving their business concepts.

Keywords: immigrants, entrepreneurship, motivation, resilience

**iafor**

The International Academic Forum  
[www.iafor.org](http://www.iafor.org)

## Introduction

With increased globalisation and immigration, multiculturalism is the status quo for many western societies, and with this, challenges concerning integration and equality arise. In Norway, we generally have a low unemployment rate, as low as 2,7% in 2018, but the situation is somewhat different for one group: immigrants. For this group, the unemployment rate was 6,4% the same year (Statistics Norway, updated 14. Nov, 2018). This shows that people with an immigrant background have challenges succeeding with getting a job, and as a result, many of them turn to entrepreneurship. When developing businesses and new business concepts, immigrants become a source of economic revitalisation and social renewal (Aliaga-Isla & Rialp, 2013). In line with this thinking, a programme called «Multicultural value creation» has been run in the southern region of Norway, and the current study is part of this project.

Succeeding with entrepreneurship is not easy in a society where all needs are generally met, and with a cultural background very different from the majority of available customers. According to statistics, 75% of all startups fail (Blank, 2013), so it takes hard work and the ability to adjust to succeed with a business. The main reasons startups fail are that there is no market need (42%), they run out of cash (29%), or they do not have the right team (23%) (CBInsights, 2019, p. 4). For immigrants, it is likely to be particularly challenging to succeed with a business as they are dealing with a foreign culture and perhaps a language that is difficult to master for them. Acknowledging the challenging situation for immigrant entrepreneurs has led to the current pilot study, investigating the following research question; *How may a systematic approach to working with motivation support immigrant entrepreneurs to succeed with running a business in a foreign culture?* The target group of the study was entrepreneurs in the starting phase of establishing a business, and various nationalities were included. The data was collected from two-day courses called idealabs, where the participants learnt a five-step method for taking control of their own development, and discussed relevant issues, which again were to lead to increased motivation.

The method applied in this study builds on self-determination theory (Deci & Ryan, 1985; Ryan & Deci, 2000; Deci & Ryan, 2000), stating that in order to experience intrinsic motivation, the basic needs of autonomy, competence and relatedness must be met<sup>1</sup>. Intrinsic motivation means that behaviours are «performed out of interest and for which the primary ‘reward’ is the spontaneous feelings of effectance and enjoyment» (Ryan & Deci, 2017, p. 14). On the opposite end of the motivation scale, we find extrinsic motivation, which means that behaviours are «instrumental for some separable consequence such as an external reward or social approval, avoidance of punishment, or the attainment of a valued outcome» (Ryan & Deci, 2017, p. 14). The aim of applying the five-step method described in this study was to facilitate for the development of intrinsic motivation.

---

<sup>1</sup> The five-step method applied in this study was originally developed in the project «A Systematic Approach to Mastering life – the five-step Motivation method» (SAMM). This project has been carried out in an educational context (Horverak, Aanensen, Olsbu, Påløw & Langeland, in process; Horverak, Aanensen & Langeland, 2019; Horverak & Aanensen, 2019; Langeland, Horverak & Fagerhaug, 2018), and the method has been adjusted for the context of the current study. For more information about SAMM, see <https://samm.uia.no/en/frontpage/>

Several studies on immigrant entrepreneurship have focused on characteristics of immigrants and what determines whether they become self-employed (Aliaga-Isla & Rialp, 2013; Vinograd & Kolvereid, 2007, Kanas, van Tubergen & van der Lippe, 2009). In their systematic review on immigrant entrepreneurship, Aliaga-Isla & Rialp suggest that future research should focus on how immigrants recognize entrepreneurial opportunities in the country they have immigrated to, and what role “prior knowledge plays in the process of opportunity recognition” (2013, p. 18). In the idealab-courses, this was an aspect that was included in the introduction, how immigrants perhaps see opportunities that native Norwegians do not see, and how their prior knowledge from a different culture may be an advantage. Applying the five-step approach outlined in this study includes identifying motivating factors for starting a business and identifying success factors, such as prior knowledge from a different culture, that may help them succeed. The following analyses reveal how this approach affected what immigrant entrepreneurs thought about their own motivation and ability to set goals and solve problems when running a business.

## Methodology

The purpose of this pilot study was to investigate whether a systematic approach to working with motivation could support immigrants to succeed with running a business in a foreign culture. To investigate this, I have analysed data collected from courses where a five-step method was applied. The study applies a mixed method approach (Teddlie & Tashakkori) presenting qualitative data in the form of participant reflections from the idealab-courses and quantitative data based on the participants’ evaluations of the courses.

## Intervention: Idealab

The idealab from which the data is collected consisted of a course covering two evenings with a week in between. The five-step approach applied in the course is presented in figure 1 below.

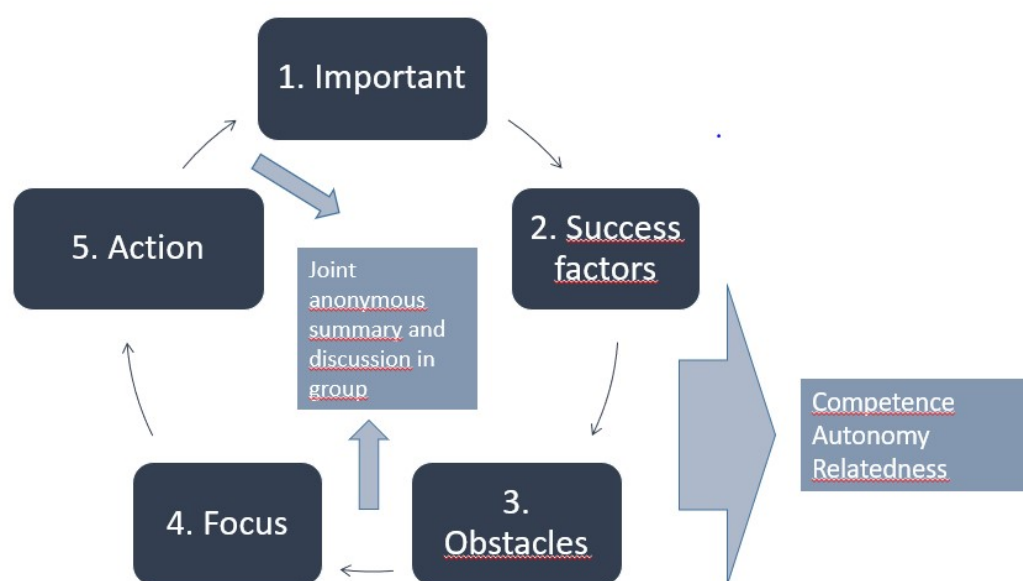


Figure 1. The five-step motivation method.

In the first session, after an introduction about the struggle to survive as a business, the participants discussed and wrote answers to the first three questions in the fivestep method: 1) What is the goal of your business? What is important in the near future? 2) What is good about your business right now, what do you already do well? 3) Is there something in yourself or your situation that stops you from reaching your business goals? We compared working with this method with walking up stairs, and emphasised that it is the entrepreneur's job to walk up the stairs and do the job of progressing with their business. The participants' notes were copied, so that these could be used to prepare for session two.

In the second session, Deci and Ryan's theory about intrinsic motivation and self-determination was presented, how this relates to the method applied in the idealab, and how some things are important and some are urgent and needs to be dealt with. Following this, the participants reflections from the first session were summed up, and there was a more thorough discussion on what is important to succeed with a business, and how the different obstacles listed could be overcome. The participants came up with suggestions of solutions to each other. Then they answered the following questions in writing: 4) What do you choose to focus on the next weeks to reach your business goals? and 5) What will you do to manage to carry this out?

### **Data material and analyses**

The participants' answers to the five questions in the fivestep method form part of the data in this study. Tendencies and examples of the answers are presented in the analyses. In addition, the participants gave oral feedback to how they experienced the course at the end of each course night, and their answers are summed up. A questionnaire was also distributed after the course with the following closed questions included in the analysis: A) how motivated were you to run your own business BEFORE the course? B) Has the course prepared you to solve problems that stop you from succeeding with your business, C) Has the course made it clearer for you what stops you from succeeding with your own business, D) Has the course contributed to make the goals for your business clearer for you? E) How motivated are you to run your own business AFTER the course? After the first two courses, the questionnaire was distributed through emails, but there was no response, so the three following courses, the questionnaire was distributed at the end of the second course day.

### **Sample**

In total, there were five courses of two days, and when adding the numbers of participants, 41 participated on the first day of the course and 26 completed both days of the course (see table 1 below). The number dropped somewhat from the first to the second day in all courses due to own illness or children who were ill.

Table 1 *Participants in course day 1 and 2*

<b>Course</b>	<b>Location</b>	<b>Day 1</b>	<b>Day 2</b>
Course 1	1 (city)	7	6
Course 2	2 (small city)	7	3
Course 3	3 (small town)	15	8
Course 4	1 (city)	7	6
Course 5	2 (small city)	5	3
<b>Total</b>	<b>3 locations</b>	<b>41</b>	<b>26</b>

The gender distribution on day 2 was 17 women and 9 men. Some of the participants were running businesses in cities, others in small towns. The nationality and background of the participants differed. There were refugees from the Middle East and African countries and other immigrants from European countries, Asian countries and the USA.

Most of the participants had already started a business, and the business concepts varied a great deal. The following business concepts were represented: restaurants, catering, leisure centre, massage, other alternative treatments or beauty salons, shops or online shops and other types of sales such as designs or video productions, technological innovation, transport and automobile repair shops. Details about nationalities and business concepts are not included in this study as this would easily reveal the identity of the participants.

### **Reliability and validity of findings**

This study is based on self-reported data from course participants, and there is a chance that the evaluations are somewhat positively biased. The fact that these immigrant entrepreneurs were given the opportunity to get extra guidance and free courses could result in a positive evaluation, regardless of what approach had been applied. They expressed gratitude towards us for taking the time to help them, and that they were given this opportunity to come together, and this is something that may have resulted in unreliable results with a positive bias when they evaluated the course. To meet this challenge we encouraged the participants to reflect on what they had appreciated when they expressed a positive attitude, and what could have been improved.

This study only investigates how the participants of the idealabs perceived the five-step approach, and not how this work affected their businesses, so it might be difficult to generalise findings and say that the approach supports immigrants to succeed with their businesses based on the findings here. To know more about the effect of the approach in the context of entrepreneurship, more extensive studies are needed. This is a small-scale pilot-study from the southern region of Norway with a limited sample. Nevertheless, this study may give some insights into a method that may help immigrant entrepreneurs develop resilience and not give up in a tough business market.

## **Results**

This study investigates how a systematic approach to working with motivation can support immigrant entrepreneurs to succeed in a foreign culture. The elements mentioned by the participants on each question from the five-step method are presented to illustrate how this approach worked to help them identify goals, success factors and obstacles, and to decide on focus area and action to be carried out. Following this, the participants' evaluations are presented through bar diagrams, and their reflections about the course are presented to give a more detailed picture of what they thought about the idealab.

## **Goals**

Many of the participants wrote that their goal was to have happy or satisfied customers. A couple of them were also concerned about finding new and more permanent customers to expand their business. This was related to another goal mentioned, which is the goal of any business, namely to increase their income. Some wrote that they ran a business to earn money to support their family. Others wrote that their main concern was to enjoy work and to be independent. One of the participants wrote: «To work with what I like and be able to support myself from this. To be independent and help others or inspire others. My goal the first year is to earn 10 000 NOK.» Here we see many motivations for running a business, and we see a very specific and realistic goal in terms of income for the near future.

Those who worked with health and wellness businesses or with integration were also concerned with helping people or creating a better society. One of the participants wrote that «Most important for me is to engage and motivate young people from different religions or with different views on life to come to gatherings». Several of the participants also mentioned that they wanted to give back to society as they felt that society had given them a great deal.

## **Success factors**

Several of the participants wrote that they already had competence within their business field, or the knowledge they needed. Many had started with preparations, and some mentioned that they had passed tests obligatory for certain types of businesses. A couple of the participants mentioned that they had relations with relevant collaborators which they could make more out of. Many of the participants wrote that they had satisfied customers and that their services had high quality. Others reported that they had clear business concepts and something new to offer, either new designs or new business concepts that did not exist in Norway yet.

## **Obstacles**

When answering the question about what stops them from reaching their goals, language was a clear answer from most of the participants. Many of the participants could communicate in Norwegian, but some of the participants were more in the starting process of learning the language. In general, becoming sufficiently proficient in the language was defined a challenge. This also relates to another issue mentioned by several participants, that understanding forms and rules was an obstacle. In

addition to struggling with the language when reading about what is required to run a business in Norway, quite many expressed that the rules and regulations are really complex, and it is difficult to know where to go to find an answer. Low confidence was mentioned by one participant, and this could relate to both language challenges and the difficulties of understanding the system.

A major challenge expressed by several participants was also the high expenses in Norway. There are high taxations, including value-added tax. Finances was a challenge for many of the participants. Another related issue mentioned was low pricing in the market, that competitors offered the same service for lower prices, and in order to survive when running a business with sole proprietorship, the prices cannot be too low. The unpredictability of running a business was another obstacle mentioned - that some months, there are several customers, and another month, there are none - and this again leads to a challenge financially. Having the right location was also mentioned by a couple of the participants. For example, it could be difficult to get customers if the business was not on the first floor and potential customers did not see it. Another issue was whether to prioritise a central more expensive location or a cheaper less central location, which again is related to the worry that there will not be enough customers for the business to be viable.

### **Focus and action**

The participants answered very differently to the questions on what they were to focus on and how they were to carry it out to reach their business goals. Some answers were vague, while others were more specific. Some participants chose to focus on new products, and one of them wrote that in order to do so, he would «sit at least one hour a day producing new designs». One of the participants was in the process of changing his business concept to making wedding videos, and he decided to focus on editing videos and building up a portfolio. To achieve this, he would spend three hours at least on editing every day.

Several of the participants wanted to focus on getting more customers, for example through marketing or social media. One participant wrote that she would make one or two posts on social media every day, and a couple of the participants decided that they would create a website. One of the participants wrote that she would arrange special evenings with cultural focus in her restaurant and others would contact potential customers. One mentioned that she would make flyers for her beauty salon and collaborate with a local restaurant. Guests at the restaurant would then receive a discount at the beauty salon, an arrangement that could be beneficial for both businesses. How to attract new customers was a topic that was discussed in every course.

A third focus area mentioned by several of the participants was to learn more Norwegian, another issue discussed in every course. One participant wrote that she would talk to people at open kindergarten-meetings. Another participant wrote that he would take more courses to become better in Norwegian. Another wrote that she would watch Norwegian television or listen to radio.

## Evaluations

The intention of having the participants fill in evaluations was to find out whether they experienced an increased motivation to run businesses, and whether they felt that the idealabs helped them identify goals and obstacles, and finding solutions to these. When answering the questions on how motivated they were to run a business before and after the course, we see a clear increase in motivation (see figure 2).

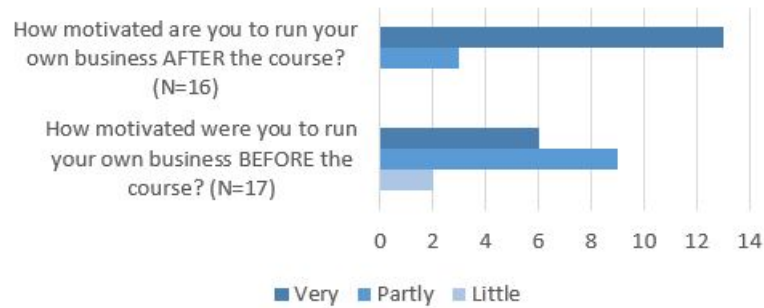


Figure 2. Motivation to run a business before and after the course.

Of the participants that completed the three final courses, we see that 13 of 16 report that they were very motivated after the course, whereas 6 of 17 report that they were very motivated before the course. Three of the participants were partly motivated after the course, whereas 11 were partly motivated before the course. After the course, none of the participants were a little motivated, while 2 were a little motivated before the course.

The participants were also asked whether the course prepared them to make goals for the future, identify what stopped them from succeeding and to solve these problems (see figure 3 below).

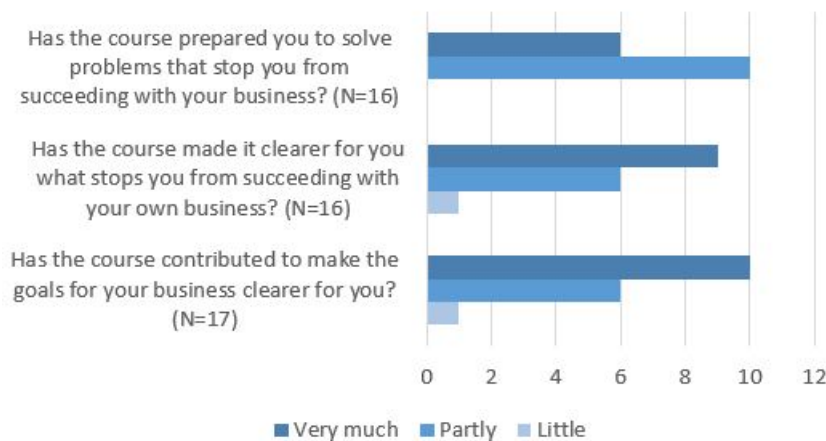


Figure 3: Outcome of the course

Of 16 participants, 6 agreed very much that the course had prepared them to solve problems that stopped them from succeeding with their businesses, and 10 agreed partly. Nine participants agreed very much that the course had made it clearer for them what stopped them from succeeding with their own business, 6 agreed partly and 1 agreed to a little degree. When asked whether the course had contributed to make



the goals for the business clearer, 10 agreed very much, 6 agreed partly and 1 agreed to a little degree.

When asked about how they experienced the idealab course, and what they found most useful, one of the dominant answers was that it was positive to exchange experience. They reported that it was encouraging and inspiring to listen to different perspectives and get new ideas from each others. As one of the participants said: «Even though we have very different businesses, there are ideas that I can use».

A second theme in the responses was that they felt support by being there with others that are in the same situation and have similar challenges. As one of them expressed: «We have a feeling that we are in the same boat». Language challenges was mentioned particularly, that is was good to meet with other entrepreneurs and discuss without being afraid that the others would judge them for not speaking good enough Norwegian. Another issue mentioned in relation to this was that the timing of the course was good, that having this type of support is useful in the starting phase: «It is important to be with others in the starting phase, it feels better not being the only one that can meet resistance. It is not easy to start a business. Many people think – now I have started the business, and this will be easy, but this is when it starts, many don't succeed, this is when the hard work begins.»

Another element of the course mentioned by several participants was that it was useful to reflect and make plans, especially to write things down. One of the participants stated: «I have identified my obstacles, and know now what I need to do next week». This is what several of the participants mentioned, that they were in a way pushed to decide on what to do now. Writing things down may be one way of committing oneself to do something, and to make a plan specific: «For me, it was good that I could sit here and write and think about what I wanted. It is often just talk and talk, now it is written here».

## **Discussion**

This study investigates how a systematic approach to working with motivation may support immigrant entrepreneurs to succeed with running a business in a foreign culture. The results show that the participants felt increased motivation after the course, and that the fivestep method applied helped them identify goals and obstacles, and find solutions to obstacles. In the more open reflections, we see that an additional aspect the participants appreciated much was to meet with others in similar situations, both for getting useful advice and new ideas and for feeling support by seeing that they struggle with the same issues.

It seems from the results here that it is not only the systematic work with identifying key elements as goals, success factors and obstacles and deciding on focus and action that led to increased motivation, but also the fact that they came together and felt part of a community consisting of their peers. These findings relate to the theory on which the fivestep approach is based, self-determination theory (Deci & Ryan, 1985), stating that human beings need three basic needs to be met: autonomy, competence and relatedness. It is not sufficient to feel competent and autonomous, relatedness is another important aspect. Human beings need to relate to others to feel intrinsically

motivated, and by organising opportunities for immigrant entrepreneurs to meet instead of giving only individual advice, we facilitate for this need to be met.

In the participants' goals, we see different motivations. Some of the participants run a business because they need employment. This finding corresponds to previous studies showing self-employment as an important factor for becoming an entrepreneur (Aliaga-Isla & Rialp, 2013). In their research on entrepreneurs in Germany, Constant and Zimmerman points out that immigrants may be pushed into self-employment because they feel that they are being discriminated (2006). The other responses differ from being on more idealistic ideas to being very specific on how much they aim to earn during a year. There is a tension revealed through these different answers that can be related to the tension between intrinsic and extrinsic motivation. What is most important to focus on when running a business, to have an extrinsically motivated goal of a monthly income, or to have an intrinsically motivated goal, such as enjoying what one is doing, helping people or giving something back to society? The answer to this question is probably that you need both types of motivation in this context. It is important to have a goal related to turnover in the business, but the idea behind the fivestep approach is that one should also remember what is important, or what one appreciates, and keep this in mind when moving on to planning more in detail what needs focus now, and what the goal in the near future is. Both idealism and realism is perhaps needed to succeed and endure when running a business.

## **Conclusion**

This study has contributed to find out how a systematic approach carried out in groups can support immigrant entrepreneurs. It may help them identify goals and obstacles, and find solutions. The study also shows that feeling related to others is an important aspect of becoming motivated. As this is only a short-term pilot study reporting on participants' experience of a two-days' course, further research is needed to investigate the potential of the concept of idealab, and how entrepreneurs of different origins experience this type of approach. There is a need to investigate whether this actually helps them succeed with their business, what the cause of a possible success is, whether it is related to participating in idealabs. Perhaps there is a need for a longer course as some of the participants reported, since two days are not much. Still, based on the findings in this pilot-study, my conclusion is that giving courses applying the fivestep motivation-method presented here through idealabs may be one way of supporting immigrant entrepreneurs to succeed with running a business in a foreign culture.

## **Acknowledgements**

Thanks to the Agder-counties in Norway and the Norwegian Directorate of Integration and Diversity for funding the project, and to the EVA-centre (Etablerertjenesten i Vest-Agder, a centre for giving guidance to entrepreneurs), and particularly Jens Anders Risvand, for good collaboration.

## References

- Aliaga-Isla, R., & Rialp, A. (2013). Systematic review of immigrant entrepreneurship literature: previous findings and ways forward. *Entrepreneurship & Regional Development*, 25(9-10), 819-844.
- Blank, S. (2013). *Why the Lean Start-Up Changes Everything*. Retrieved from <https://hbr.org/2013/05/why-the-lean-start-up-changes-everything>
- CBInsights. (2019). *The Top 20 Reasons Startups Fail*. Retrieved from <https://www.cbinsights.com/research/startup-failure-reasons-top/>
- Constant, A., & Zimmermann, K. F. (2006). The making of entrepreneurs in Germany: Are native men and immigrants alike?. *Small business economics*, 26(3), 279-300.
- Deci, E.L. & Ryan, R. M. (1985). *Intrinsic Motivation and Self-Determination in Human Behaviour*. New York: Plenum Press.
- Deci, E.L. & Ryan, R. M. (2000). The 'what' and 'why' of goal pursuits: Human needs and the self-determination of behaviour. *Psychological Inquiry*. 11, 227-268.
- Horverak, M. O., Aanensen, M., Olsbu, I. Pålplow, T. M. & Langeland, G. M. (forthcoming 2020). Systematic motivation work in the language classroom – an action research study from southern Norway. *Nordic Journal of Modern Language Methodology*.
- Horverak, M. O., Aanensen, M. & Langeland, G. M. (2019). «Norsk er så kjedelig»...»Ja, og hva vil du gjøre med det?», spør vi. *Norsklæreren*, 4, 46-54.
- Horverak, M. O. & Aanensen, M. (2019). Decreased motivation and increased mental illness among young people – a need for teaching life mastery skills in school. *The 7th European Conference on Education, Independence & Interdependence, official conference proceedings*, s. 239-251. London, EN.
- Kanas, A., Van Tubergen, F., & Van der Lippe, T. (2009). Immigrant self-employment: Testing hypotheses about the role of origin-and host-country human capital and bonding and bridging social capital. *Work and Occupations*, 36(3), 181-208.
- Langeland, G.M., Horverak, M.O. and Fagerhaug, J.P. (2018) Motivasjon – elevens eller lærerens ansvar? En case-studie om motivasjonsarbeid i en norskklasse i videregående skole. *Norsklæreren*, 2, 36-41.
- Ryan, R. M., & Deci, E. L. (2000). Self-determination theory and the facilitation of intrinsic motivation, social development, and well-being. *American Psychologist*, 55(1), 68.

Ryan, R. M. & Deci, E. L. (2017) *Self-determination theory: Basic psychological needs in motivation, development, and wellness*. New York/London: The Guilford Press.

Statistics Norway (Updated 14.Nov. 2018). Registrerte arbeidsledige blant innvandrere. Tabell 2. Retrieved from <https://www.ssb.no/arbeid-og-lonn/statistikker/innvarbl>

Teddlie, C., & Tashakkori, A. (2009). *Foundations of mixed methods research: integrating quantitative and qualitative approaches in the social and behavioral sciences*. Los Angeles: SAGE.

Vinogradov, E., & Kolvereid, L. (2007). Cultural background, human capital and self-employment rates among immigrants in Norway. *Entrepreneurship and Regional Development*, 19(4), 359-376.

**Contact email:** [may.olaug.horverak@birkenes.kommune.no](mailto:may.olaug.horverak@birkenes.kommune.no)