The Many Challenges to Ethnic Minority Entrepreneurship: Navigating the Role of Trust in Scottish-Based Ethnic Minority Entrepreneurs

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Objectives:
The purpose of this study is to investigate the importance of trust in ethnic minority entrepreneurship. Trust, an abstract concept like happiness, is a shared expectation between two or more people in a relationship, has received growing attention in recent years. Yet, existing research has continued to neglect the role of trust across lesser-known groups, in favour of more popular research areas. This paper presents an opportunity to address this research gap. Against this background, this study attempts two particularly demanding achievements of academic research: the task of investigating what is now an overlooked aspect of literature—namely, the types of trust used by ethnic minority entrepreneurs—and the challenge of exploring how trust is useful in navigating the challenges and barriers limiting ethnic minority entrepreneurship in Scotland. The study is underpinned by the following objectives: 1. To examine how ethnic entrepreneurs perceive trust in formal institutions in Scotland, 2. To identify the types of trust influencing ethnic minority entrepreneurship in Scotland. 3. To analyse the processes of trust repair and rebuilding in ethnic minority entrepreneurs trust relationships.

Theoretical framework:
To achieve the purpose, a holistic approach that relies on the complementary perspectives of mixed embeddedness (Kloosterman, 2010) and institutional logics (Thornton and Ocasio, 1999; Omeihe, 2023) will be applied to empirically interrogate the contexts in which ethnic minority entrepreneurs are situated. The theoretical lens, developed by Kloosterman et al. (1999), acknowledges the specific resources and market access available to EMBs due to their dual embeddedness in their ethnic communities and the broader societal context. The mixed embeddedness theory investigates how entrepreneurs are shaped by their socio-economic and political-institutional contexts, affecting their business opportunities (Dana, 2007). The application of the mixed embeddedness perspective is unique in locating the structural disadvantage of ethnic minorities within their structural context. This allowed us to pursue the often neglected economic and social issues facing ethnic minority entrepreneurs. I will illustrate this with findings from
interviews to be conducted with 52 ethnic minority entrepreneurs based in Glasgow, Edinburgh, and Aberdeen. The choice of these locations is grounded in the fact that together they harbor a great percentage of ethnic minority entrepreneurs in Scotland, based on these locations being economic centres. Following Eisenhardt and Graebner (2007) and Omeihe and Omeihe (2024), I aim to select my sample purposively rather than randomly, to advance existing theories (Lincoln and Guba, 1985; Marshall and Rossman, 1999). In this case, I will ensure diversity in the origin of the selected participants, keeping faith with Vertovec’s (2007) notion of super-diversity.

Methodological Considerations:

This section provides the rationale behind the choice of methodology used in this research. The study would adopt an interpretivist approach, which is based on how paradigm underpins the necessity of the researcher to understand the differences between humans as social actors. Data will be collected through semi-structured interviews and observations of owners/managers of ethnic minority entrepreneurs in Scotland. A case study strategy choice to address this study’s research questions, the approach is to retain the holistic and meaningful characteristics of real-life events (Yin, 2014; Omeihe, 2019; 2023), especially as it relates to the local interpretations of the issues and challenges facing the actors will be selected for this study. The use of qualitative methods and the abductive approach will be adopted in this study. For this research, the sampling technique enabling the collection of data will be a purposive sampling.

Data analysis will be thematic analysis, to identify relevant themes, organize data to fully understand the decision-making processes of the owners/managers (Braun and Clarke, 2006). I will justify my choice of data analysis by adopting Omeihe and Harrison’s (2024) ADEPT Method of data analysis (Analysis, Data Exploration, Pattern Identification, and Theme Development). This choice of approach will be useful in effectively uncovering, analysing, and interpreting the embedded themes and patterns in the data. This will be critical as it will allow for a thorough evaluation of many parts of the data. Ethical considerations in this study will demonstrate high-level appropriate conduct of behaviour, it will adopt a set of criteria established for ensuring methodological rigour which will include credibility, dependability, transferability, and confirmability Omeihe (2019).

Result/Findings:

As a developmental paper, it is expected that the findings of the study will highlight the significance of trust in challenging contexts. The findings will take the form of a series of close encounters that reveal how Scottish-based ethnic minority entrepreneurs can benefit from their trust in a range of alternative network forms, such as family, trade associations, religion, and cultural institutions. The
anticipated outcome is to adopt a contextual approach to uncovering the importance of trust and to support the growing emphasis on Scottish research targeted at ethnic minority relationships.

**Research Implications:**

This research paper aims to prompt practical implications drawn from the experiences of Scottish ethnic minority entrepreneurs. A related implication may be that the study will highlight the significance of trust-based ethnic minority relationships, thereby providing valuable insights for future research, which is believe has received insufficient coverage. This includes acknowledging the positive and negative aspects of trust, exploring the interdependencies between different forms of trust, and gaining a better understanding of the complexities of trust and its contextual interactions in entrepreneurial activities. Future research to be undertaken for this study would seek to examine to what extent access to finance is a significant barrier, with studies showing that Scottish ethnic minority entrepreneurs are more likely to face credit application denials compared to their white counterparts. And more broadly, how perceived discrimination can lead to discouragement, emphasizing the need for better engagement and information flow between banks and ethnic minority entrepreneurs. Finally, political interventions must also be careful not to exacerbate market failures or choose to ignore the varying barriers faced by ethnic minorities. Investigating these barriers can pave the way for the growth and development of ethnic minority businesses, contributing positively to the economy.