



“Freedom! It’s a lot of freedom”: The lived experience of foreign women entrepreneurs in Iceland

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Abstract

This study focuses on foreign women who decided to establish a business in Iceland. Five interviews were conducted with women from Canada, United States, Brazil, Lithuania and Poland. The diverse background of the participants provided different perspectives towards entrepreneurship and how women dealt with various challenges. Seven main themes emerged during the analyzation of the interviews: “I’ve been very fortunate that I’ve known what I wanted to do”, “Freedom! It’s a lot of freedom”, “...slowly fill in those gaps”, “...the biggest challenge is making sure you have fish for next day”, “Support means the world to an entrepreneur”, “I feel like they don’t really like new things”, “I changed direction” /consequences of the pandemic. All women described the process of becoming self-employed as stressful and overwhelming at times. Most of them struggled with difficulties caused by the language barrier. Despite the challenges they all declared being self-employed as exciting and rewarding experience that enhanced their self-confidence, allowed them to gain valuable knowledge and improved their skills.

Útdráttur

Þessi rannsókn vekur athygli á upplifun kvenna að erlendum uppruna sem ákváðu að stofna sitt eigin fyrirtæki á Íslandi. Tekin voru fimm viðtöl við konur frá Kanada, Bandaríkjunum, Brasilíu, Litháen og Póllandi. Fjölbreyttur bakgrunnur kvenna veitti mismunandi sjónarhorn í átt til frumkvöðlastarfs og hvernig konur tókust á við ýmsar áskoranir. Sjö meginþemur komu fram við greiningu viðtala: Ég var mjög hepin til að vita hvað ég vildi gera, Frelsi! Það er svo mikið frelsi, hægt og rólega uppfylla vantani, stærsta áskorun er að sjá til að hafa nóg verkefni fyrir næsta dag, stuðningur er einstaklega mikilvægur fyrir frumkvöðla, mér liður eins og þeir vilja ekki prófa nýja hluti og ég breytti um stefnu/ afleiðingar heimsfaraldursins. Allar konur lýstu ferlinu við að verða sjálfstætt starfandi sem streituveldandi og yfirþyrmandi stundum. Flestar glímdu við erfiðleika af völdum tungumálahindrunar. Samt allar konur lýsti því yfir að vera sjálfstætt starfandi sem spennandi og gefandi reynslu sem eflir sjálfstraust þeirra, gerði þeim kleift að öðlast dýrmæta þekkingu og bæta færni sína.

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1 Introduction

Entrepreneurs are innovators who find ways to fill in the gaps of various markets and participate in the economic growth of a country by creating something new and uncommon for the public (Carbonell et al., 2014). Engagement with something new provides people with the desired self-satisfaction (Bandura, 2011). Investment towards personal growth and the promise of an appealing future helps individuals to put up with challenges and motivates them to keep moving forward and achieve their desired results (Bandura, 2011, 2018).

Due to cultural dissimilarities, foreign entrepreneurs tend to seek for accomplishments differently and may encounter more challenges along the way (Carbonell et al., 2014; González-González et al., 2011; Munkejord, 2017). The language barrier, that causes ineffective communication and different laws and regulations regarding business are a few of the most mentioned difficulties that foreign entrepreneurs face (Chen et al., 2015; Munkejord, 2017). Moreover, research comparing male and female entrepreneurship states that women are less likely to take on high risks and usually look for safer ways to develop their businesses, that they are more dependent on social relations and have more diverse motives to become self-employed (Chen et al., 2015).

Iceland is a small country with only 368,590 inhabitants (Statistics Iceland, 2021). Although it is undeniably becoming a more culturally diverse nation. According to the newest statistics there are 51.580 foreign nationals living in Iceland, from 153 different countries. The largest migrant groups are 20.649 Polish nationals and 4.628 Lithuanian nationals. Latvian migrants have increased and now consists of 2.076 individuals. Migrants from Romania have also increased substantially and now are 2.061 and Portuguese nationals living in Iceland are already 1.045. Migrants from Philippines are 988 in total and they make up the largest group of nationals from Asian countries (Statistics Iceland, 2021).

This research will focus on female entrepreneurs willing to achieve business success in a foreign country. The main purpose of this study is to understand why migrant women become entrepreneurs and what it is like for them to be self-employed in a foreign country. Additionally, their understanding of social networks will be examined to determine the effects they have on individual commitment, efficiency and ability to build a successful business. The following research question will be attempted to answer with this study: *What is it like for migrant women to become entrepreneurs and establish their own business in Iceland?*

The literature review supporting this study will discuss the push and pull factors to becoming self-employed (Carbonell et al., 2014). As well as, Bandura's (2018), social cognitive theory about human behavior towards change and the factors that have an effect on individual self-efficacy will be used to help understand why women go through the process of creating a business. Additionally, research on entrepreneurship related to social networks (Bagwell, 2008; Collins & Low, 2010; Munkejord, 2017) will also be analyzed to highlight the connection of family relations and entrepreneurial business, as strong ties with the locals can provide the entrepreneurs with more diverse ways to accomplish their goals and set up their business (Bagwell, 2008; Shaw, 2006).

After the literature review, methodology for the research will be discussed and women who participated in the interviews will be presented. The findings will include the seven themes that emerged from the interviews. In the discussion chapter findings and articles from

the literature review will be compared and then conclusion drawn and research questions regarding foreign women entrepreneurs will be answered.

2 Literature Review

An entrepreneur is someone who makes innovations, makes decisions, and continues to build and develop his or her business in an uncertain and ever evolving environment (Carbonell et al., 2014). “Entrepreneurship is also a source of self-esteem and personal identity, gender empowerment and social mobility ... entrepreneurship is often seen as a route to greater autonomy and professional independence, heightened personal value, social prestige and consequently, increased gender parity” (González-González et al., 2011, p. 369).

Bandura’s Social Cognitive Theory (2018) suggests that individuals can pursue change in three different ways. These modes are defined as individual, proxy or collective. If people have some control over certain conditions they can choose to act individually. On the other hand, if they don’t have the overall control, they tend to try and influence others who have the needed resources, skills or knowledge to assist them in certain situations. Although most of the time achievements that people seek to attain require group effort. Therefore, they put together their knowledge, resources and try to achieve the best possible results through collective actions (Bandura, 2011, 2018).

Four main factors could affect individuals belief in their self-efficacy (Bandura, 2011). First of all, mastering various skills or for example, getting a graduate degree, provides self-confidence. Overcoming some obstacles or achieving goals with hard work raises people’s belief in their self-efficacy. Another quite common way to build self-efficacy is through social modelling. Models work as sources of inspiration, motivation and commitment to achieve desired goals. Seeing someone similar in age, education or appearance become successful, raises people’s belief in themselves and their capabilities. Therefore, attainments of others can be related to self-efficacy and determination to become self-employed. Nowadays social media is the biggest source of social modelling. The third mode that influences self-efficacy is social persuasion. Encouragement from family, friends or colleagues can persuade individuals to put in more effort and therefore allow them to achieve greater results. The last factor identified by Bandura (2011), is the emotional and psychological state of the individual. Stress or anxiety caused by personal issues or while facing some difficulties while trying to attain results can have a great impact on individuals’ belief on his or her self-efficacy (Bandura, 2011, 2018).

Pull and push factors play a big part in development of incentives to start an entrepreneurial business (Carbonell et al., 2014). Pull factors are those that attract individuals to become self-employed due to opportunities that it offers (Carbonell et al., 2014). González-González et al. (2011) suggests that many women become entrepreneurs due to the opportunity to balance out the personal and professional life, since they are generally perceived as mothers and care-providers they usually tend to look for more flexible ways to earn a living. Other pull factors could be such as willingness to advance professionally, to become independent, to establish goals or dreams (Carbonell et al., 2014; Munkejord, 2017). On the other hand, push factors are those that pushes individuals to self-employment due to

e.g., frustration of unemployment, underemployment or discrimination. In these cases entrepreneurship is viewed as more of a way towards earning a living or escaping from an unhealthy labor environment (González-González et al., 2011).

Social networks in an entrepreneurial perspective, represent relationships between self-employed individuals and their closest family members, friends or old colleagues, who are willing to support them during this process and even in some cases provide them with resources or lead them to other valuable contacts (Bagwell, 2008; Shaw, 2006). Social networks can provide entrepreneurs with helpful information, recommendations for potential employees or simply act as inspiration and source of needed encouragement to move forward (Collins & Low, 2010; Welter, 2011). Some individuals seeking to become self-employed are fortunate enough to have exceptional support and even business advice from close family or friends and some have to make connections to get a grasp on certain information or resources that are needed during the business development process (Achidi Ndofo & Priem, 2009; Welter, 2011).

Various research shows that close relations with family members and friends is an advantage both in the start-up phase as well as during further development of entrepreneurial business (Bagwell, 2008; Collins & Low, 2010; Munkejord, 2017; Welter, 2011). Munkejord (2017), after conducting her research on female immigrant entrepreneurs in a small town in Norway, suggests that strong ties with family and in particular a male spouse, can alleviate the immigrant's disadvantage to create a successful business, such as help with difficulties caused by the language barrier. Male spouses from the host country can be especially valuable during the start-up phase of a business, in terms of finding premises, helping to get a business loan and with providing all kinds of practical support (Katila & Wahlbeck, 2011; Munkejord, 2017).

Many entrepreneurs often have difficulty prioritizing tasks and staying organized since they tend to get overwhelmed with all the business activities, they are responsible for (Achtenhagen et al., 2017). Properly identifying the right market group for the particular business and effectively market the product or service, takes up a lot of entrepreneur's time and therefore many self-employed individuals declare the advertisement and marketing as a huge challenge (Achtenhagen et al., 2017). Foreign entrepreneurs also have the disadvantage of language barrier and usually lack of social connections to advise them with the development of the business (Munkejord, 2017). Especially first generation migrants who are not aware of the rules, regulations and the tax office matters can struggle to gain financial results for the first couple years and start to doubt their business idea and long-term survival of the business (Chrysostome & Arcand, 2009).

Having a sustainable client base is of course essential in order to keep the business successful and attain potential growth. Although establishing a client base in an uncommon environment can be a challenging task (Chrysostome & Arcand, 2009; Munkejord, 2017). Products or services provided by the entrepreneur have to suit the needs and fulfil the expectations of the locals (Chrysostome & Arcand, 2009).

The worldwide pandemic that started in 2020 had a huge effect on all business owners everywhere in the world. During the pandemic many small businesses had to close down due to reduced number of customers (Altynova, 2021). Now people are more likely to only buy essentials to limit their visits to shops and various activities because of the restrictions set by the government (Altynova, 2021). Many business owners had to alter their business strategy and, in some cases, completely change direction in order to keep their businesses running, e.g., almost all restaurants now have a take-away option and improved ordering systems online (Altynova, 2021). For the same reasons the unemployment rate also increased substantially. By the end of 2020 the unemployment rate in Iceland was 12,1% compared to 4,8% in the beginning of the 2020, before the worldwide pandemic started (Directorate of labor, 2021).

In the following chapter of the thesis, the methodology for further research will be discussed. The phenomenology approach for the interviews will give an insight on the whole process that participants went through and therefore provide more information on various reasons and incentives for immigrant women to become entrepreneurs (Lanigan, 1982). Additionally, help to understand how social networks affect the entrepreneur's willingness to become self-employed and their commitment to build a successful business.

3 Research Methodology

A phenomenological approach is appropriate for this study because it enables the researcher to gain a deeper understanding of essence of the entrepreneurial lived experience of the women who all have different ethnical backgrounds (Lanigan, 1982; Neubauer et al., 2019). The aim of using phenomenological approach is to describe the meaning of individuals experience (Neubauer et al., 2019).

Five interviews were conducted with first generation female migrant entrepreneurs, who live and own a business in Iceland. The interviews were semi-structured but performed in a way of conversation and lasted from 40-60 minutes. The researcher used personal contacts and social media to identify potential participants from different countries to be able to compare the incentives and approaches towards becoming an entrepreneur from a cultural perspective. Four interviews were conducted in English and one in Lithuanian and was then translated into English. Two interviews were conducted online via communication program Zoom, and other three in person and all interviews were recorded with participants' consent, for further evaluation.

Women received a series of simple questions. They were firstly asked about their background, marital status, previous employment, education and any skills or knowledge obtained that was useful during the process of creating their businesses. Secondly, all participants were asked about the story of their business, or simply how and why they decided to become self-employed and the incentives that had the biggest effect on their choice of creating a business. The fact that all women have different cultural backgrounds, provided the researcher with different perspectives towards entrepreneurship and very diverse incentives to become self-employed. Social networks seem to play a vital role in migrant entrepreneurship, therefore each participant's experience with social ties was compared and discussed from this perspective as well to support the research. The rest of the questions were aimed to get a better insight on how women run their businesses, their methods of employment, marketing, the biggest challenges they faced and are regularly undertaking, along with the consequences that the pandemic had on their work.

All women were very interactive and provided very interesting and detailed answers, along with stories of their entrepreneurial journey. The questions focusing on the start-up phase and further development of the business helped to identify factors that pushed the interviewees to become self-employed. The women also talked openly about the challenges they faced and how they handled them, along with regular difficulties they encounter and their approaches to deal with them.

The phenomenological approach contains three main steps of analyzation; describing, reducing and interpreting the data from the interviews (Lanigan, 1982). Firstly, all interviews were transcribed to be able to underline certain parts of the interviews that seemed more important to the women. These parts were then compared between all interviews and certain themes emerged. These themes were then reduced to seven which reflected the essence of entrepreneurial experience of these women. They were then interpreted by the researcher and will be discussed separately in the findings chapter. These findings will then be compared with the literature review and discussed further in the discussion chapter.

3.1 Presentation of the participants

Women chosen for this research were very diverse. All five women were from five different countries, Canada, United States, Brazil, Lithuania and Poland. Most of them have lived here in Iceland for about three years, although one has already lived here for more than 18 years. The age of the women varied from 25 to 41. Four of them had graduate degrees, of which three also had postgraduate degrees and one never finished her university studies but has attended many courses in the business school at her previous workplace. Four women were single and one in a relationship with a man from the same country as her. One woman has a 15-year-old daughter.

All women became self-employed here in Iceland and the entrepreneurial experience varied from three months to seven years and one of them was taking the last steps to officially register her company at the time of the interview. Four women live and own a business in the capital area of Iceland and one in a small town Hólar, which is in the North of the country. Two women declared that they have never worked in the industry before, in which they created their businesses. Another two connect their entrepreneurial experience with their educational background and one has about 20 years' experience in that industry in which she created her business. The table below provides more information about each woman and the type of business they created.

Table 3.1 Overview of the participants 1

Name	Country of birth	Age	Marital status and children	Education	Length of entrepreneurial experience	Type of business
Robyn	Canada	41	Single, has one 15-year-old daughter	No graduate degree	7 years	Consultant firm in tourism industry
Anna	Brazil	34	Single, no children	Graduate and post graduate degrees	3 years	Reykjavík Tool Library
Monika	Lithuania	25	In a relationship, no children	Graduate degree	5 months	Florist, has a flower and gift shop
Barbara	Poland	32	Single, no children	Graduate and post graduate degrees	3 months	Cake baker and decorator
Amber	United States	28	Single, no children	Graduate and finishing her post graduate degree	Still needed to register her company	Vertical indoor farm

4 Findings

The research revealed that all women were pleased with their choice to become self-employed, and they described the experience as exciting and rewarding. Although women also declared that self-employment in a foreign country can sometimes be very challenging, due to uncommon environment and miscommunication caused by the language barrier.

Seven themes, representing the entrepreneurial experience emerged after analyzing the interviews: “I’ve been very fortunate that I’ve known what I wanted to do”, Freedom! It’s a lot of freedom, “...slowly fill in those gaps”, “...the biggest challenge is making sure you have fish for next day”, “Support means the world to an entrepreneur”, “I feel like they don’t really like new things...”, and “I changed direction/ consequences of the pandemic”.

4.1 “I’ve been very fortunate that I’ve known what I wanted to do”

Reasons to start the entrepreneurial journey were quite diverse, but it was clear that all women chose to do something that they enjoy, and some have been dreaming of pursuing the idea for quite a while. Amber felt like she needed to gain all the necessary knowledge to ensure a successful path for her business. She states:

I’ve known since I was a teenager, this is something that I’ve wanted to do. I’ve been very fortunate that I’ve know what I wanted to do. So, all of the career decisions and education have been kind of fixed around that.

One of the women asserted a couple reasons that pushed her to become self-employed. She was very fortunate to be provided with an opportunity to take on various management positions in her previous workplace and “climb the ladder”. On the other hand, she started feeling like there was nothing more left to learn and that she wanted to share her knowledge with others and help others to achieve great results with their businesses. Robyn explains:

...I had really outgrown working for one company and outgrown the bureaucracy of working for one company... I was getting frustrated, and I wasn’t going anywhere... So, it was the frustration mixed with seeing so much tourism explode over the years from 2010 onwards... So, I decided to open a business that wasn’t going to compete in this zone, but was going to work in the backstage of pushing them up through infrastructure or developing the revenue management...

Barbara discovered her passion for baking when she started working for a small bakery here in Iceland. There she was given freedom to be as creative as she wanted, there were no boundaries set by the management on cake decoration. She finally felt like work was meant for more than just to make a living. Due to the pandemic, she lost the job, but she finally knew what she wanted to do and went forward with becoming self-employed. Barbara explains:

It was actually spontaneous, because I found this job in the bakery and it was the first job I really liked. But then the pandemic came, and I lost it. So, I was trying to find something similar ... and everything that I found was different than I wanted. So, I decided that maybe I can try, step by step, not so big at once do it by myself and differently than how it was done here.

Monika on the other hand was pleased with her choice of education and was very happy when she was offered a position in a small building company and was able to use her knowledge and expertise to make a living. However, she also became unemployed during the pandemic and finding another job at the times was very challenging. She didn't give up and used her passion for flowers as an inspiration to create something of her own. Monika says:

I love flowers, but I always thought of it as a hobby. I had a full-time job doing sketches in a small building company, but due to the pandemic I lost that job and had to figure out what to do to make money.

4.2 “Freedom! It’s a lot of freedom”

All women described being self-employed as certainly a positive experience. Although it can be stressful and overwhelming at times, it gives them the possibility to set their priorities straight and work on any desired time and speed. Robyn describes entrepreneurship:

Freedom! It’s a lot of freedom. I can choose when I work... So, it’s very freeing, but at the same time it’s like you’re on trapeze and there is not net below you. So, you have to be incredibly conscientious of your time and what money you are bringing in, and making sure that everything is okay, because no one else is taking care of it for you.

Although few women were still not fond of calling themselves entrepreneurs. One of them declared a goal for her project to become a non-profit organization and therefore she doesn't like the term entrepreneur since in her mind it leads to a willingness to gain financial results. Other women felt like their business size was still so small, they didn't have any employees and they were only doing what they loved and didn't necessarily feel like business owners yet. Barbara states:

I’m not sure if I call myself this way. I mean, it’s still so fresh and I don’t see it that way... I feel like I’m halfway... like I am one foot here and one foot there and I’m trying to create something.

4.3 “...slowly fill in those gaps”

Some women stated that after a while of living in Iceland they saw gaps in certain markets and therefore noticed an opportunity to change their lifestyle, to influence people and be a part of creating something new and unexpected to the locals. Few of the incentives that pushed the women to become self-employed were either to have an impact on the environment or try and change individual perspective towards some things. Barbara saw that

locals were so used to doing things certain way and she believed that it could be because of the lack of options provided here and she decided to take initiative and try and change that. She explains:

So, I do more artistic cakes, like painting... everything is handcrafted and all the decorations I use are edible, like rice paper... it's a different kind of feeling that I couldn't find here... I also like to mix different flavors and textures... I'm also starting to sell cake toppers, since I know it is hard to find that there ... I want to start selling cake boxes too... so slowly fill in those gaps.

Curiosity and excitement of the business idea motivated them to take the first steps and pursue self-employment. Few of them also declared that creating something new or simply making innovations on something that existed for a long time is very rewarding.

One woman noticed the opportunity to display the talent of both family members and artists from her home country. Monika expressed her enthusiasm to show her clients the culture she knew, in a delicate and subtle way. Giving them the opportunity to purchase something that was made in her home country and being able to tell them some details about the artists. She says:

...At first, I only bought souvenirs and gifts from Lithuanian artists to sell in my shop. Then also, artists from other Baltic countries. I wanted to show off how talented Lithuanians are. Some of the decorations that I sell are made by my mom...

As mentioned above Robyn saw an opportunity to create a consulting firm in tourism industry, because she saw how many people were trying to run businesses in this highly competitive environment without the necessary knowledge. She also declared the prospect of being able to choose what services or products will be offered by the company was a huge advantage. Having the power to select and eliminate certain aspects that weren't all that exciting but had to be done because of the demands of the previous employer, motivated her to become self-employed. She states:

When you work for someone else, there are a lot of things that you have to do it's just part of the towing the line for the company. So, a lot of these lists were actually... what I don't want to do anymore, things like social media. At first, I offered it because it was trendy and all this, but then I realized that I don't really enjoy it and want to cut that away.

4.4 "...the biggest challenge is making sure you have fish for next day"

All women declared having faced challenges during the start-up phase of the business as well as regular challenges in order to keep the business successful. All of them mentioned that at some point they were struggling to make ends meet and making sure to have stable sales of products or services was a challenging task. Some women didn't see the need to conduct a precise business plan, before registering their companies, therefore things such as balancing out the costs and negotiating the prices that would satisfy both customer and producer were quite overwhelming.

Business types of the participants were very diverse. Therefore, some of the interviewees were depended on the consistent supply from abroad, others faced difficulties to produce consistent product. Although all the business owners declared that the challenge of having sustainable group of clients or projects was tough. Robyn explains:

I'd say the biggest challenge is making sure you have fish for next day. Always making sure you have your eyes on the next project, because you never want to finish and then be like, oh well what do I do now.

Therefore, advertising of their products or services was declared to be a very challenging task for some of the entrepreneurs. Most of them only used social media to advertise and that wasn't getting all the desired attention. All women mentioned that it was difficult to stay organized and prioritize all the duties they were now responsible for, therefore they felt like they didn't have enough time for the marketing side of the business. A few of them also declared feeling the need to learn more about the marketing because they felt like they didn't have the necessary knowledge to do it effectively.

Only two women spoke Icelandic at the time of the interviews. English is the second language for three women who participated in this study. Many of them mentioned that the language barrier in some situations didn't allow them to communicate effectively and sometimes they felt misunderstood or felt like they were not taken seriously. Anna states: "Explaining to people that borrowing is more important than owning things or having access to is better than buying, is very hard for a foreign person who doesn't speak Icelandic to explain that to locals".

All women also mentioned that a lot of the business information, such as the tax office or information on grants is only available in Icelandic. Therefore, they had to rely on the people around them for translations and find trustworthy accountants to assist them on tax matters. None of them expressed frustration towards this felt like it takes them longer then for local entrepreneurs to obtain certain information, to effectively advertise and achieve goals.

Nonetheless all women went on this journey by themselves and that certainly took some courage and commitment. Factors that pushed them to achieve their goals were the confidence in their knowledge, trustworthy networks that they had established and the impact that they could have on the people and surrounding environment by pursuing their ideas. Robyn states: "It was challenging for the first year to build up confidence, especially when you are a one-man show doing something that is not common. But I wouldn't say it was a long-term challenge".

4.5 "Support means the world to an entrepreneur"

All women expressed having received a lot of support from family or friends to pursue their idea as well as emotional support during the whole process. All the women declared that support from loved ones is crucial in order to start believing your own abilities and keep going after having faced some difficulties. Monika says:

My boyfriend drives me to meet suppliers, he makes deliveries as well, since I don't have driver's license. Mostly though he supports me emotionally, encourages me when I had a

difficult and challenging day. He reminds me of the good days I had and how happy I was then, and that pushes me to go forward and doesn't allow me to give up.

Making personal connections and knowing people in certain areas, did have an impact on the entrepreneurial experience of all the women who participated in this study. All women benefited from the encouragement provided by their loved ones, it had an impact on their self-confidence and willingness to pursue their ideas. It certainly helped them throughout the whole process and lifted them up during the difficult times. Most of them have established friendships with the locals and having their support was described as reassurance that the idea is great and that enhanced their confidence to keep moving forward. Robyn explains:

Support means the world to an entrepreneur. It really does pick you up. It always has a difference to have some Icelandic supporters as well, because they know their country inside out and they always tend to speak for the entire country. So, it's been great not just having my own family supporting me..., but people who genuinely believe in what I'm doing and want to see it continue.

A few women declared having received some business advice from their family who are small business owners themselves. Advice regarding communication with the clients or negotiation on potential contracts. Women also mentioned having received help from their loved ones on financial calculations.

Some women were fortunate to get help with their initial business investment from their family, and even though it was a great help, they defined it as quite overwhelming at times to keep the business successful since their relatives' savings were depended on their business success.

Nonetheless, most of the women admitted that establishing social connections is essential to gain all the necessary knowledge in order to become a successful business owner. People are willing to help and give advice on the business from their perspective or simply direct you to the right place or help you to find the relevant information. Amber states:

Just get to know people. It's good for you and down the line. It's good for your business, because they're always willing to give you advice and I think that's the biggest thing. And I think that's what helped me the most with the business, it's getting to know people.

4.6 "I feel like they don't really like new things..."

All women mentioned that their first clients were foreigners and, in some cases, only from the same country as they are. Getting attention of Icelandic locals was declared to be a difficult task. The language barrier was a common factor and the fact that they have created something uncommon in the Icelandic environment and people here seem to be quite sceptic to accept something new and unusual. Barbara states: "Mainly Polish clients, and other foreigners, but not many Icelandic customers. I feel like they don't really like new things, they're used to buying stuff that they know and have tasted so that's why it's difficult to get to them".

Other factors as to why it is more difficult to attract local clients is their need for recommendation and actually seeing the results the entrepreneurs have achieved or a confirmation from someone they trust to vouch for the certain business or products. Monika explains:

...of course, a large group of my clients are Lithuanians and Polish, but slowly I have been seeing more of Icelandic customers... At first, they would just come in to take a look, check everything I have and then just leave, but now I've been hearing some stories that they heard about me from someone they know and decided that they wanted to try my products as well.

Demographics of the area where the businesses are located, also was noticed as a factor that defines the client base. Two women are renting premises for their businesses in the downtown area and because of the diverse cultural group of people living there, the client base is certainly multicultural. Monika says: “... *Since my shop is in the downtown area, I had a many tourist come in as well and many clients from very different countries*”.

Since most of the entrepreneurs didn't speak Icelandic, the advertising on social media was mainly done in English and that didn't get all the desired attention. Some admitted that they were introduced to their clients through connections they made, and word of mouth was also mentioned as a strong tool to get new clients. Monika states: “Mostly I use social media, ... but I think word of mouth has been a powerful tool too. I try to make every client happy with my products and exceptional service and then they recommend me to more people”.

Amber believes that having a sustainable client base is a very important aspect of successful business development. Therefore, she tries to make personal connections with the people around her, gain their trust and also find out, what kind of produce her clients are most interested in, how to customize it according to their needs and simply how to keep them happy. She explains:

The way that I've actually been networking for now is just by word of mouth, just been talking to people and just things like knitting clubs or I go to chess club, I play basketball. So, it's actually making personal connections and that's really important for me, so people know where their food comes from and that would be me. That would kind of establishing a sort of trust.

4.7 “I changed direction...”/ consequences of the pandemic

Only two of the women had already developed their businesses when the global pandemic started. Others established their businesses during the pandemic. This subject seemed to be quite sensitive for all the women. Their experience and perception of it was very diverse. Two women lost their jobs because of the pandemic, which lead them to the idea of becoming self-employed. Hence if not for the pandemic they may have still be working for someone else and never have committed to entrepreneurship. Thus, they both admitted that the experience was quite painful they are both proud of themselves for taking the steps towards innovation and gaining knowledge in self-employment.

Even if this subject seemed uncomfortable and women found it difficult to express their feeling and thoughts during these strange times, some of them were pushed to seek even greater accomplishments in self-employment. Amber noticed a strong need for a local food produces after seeing how people reacted in terms of food accessibility right before the lockdown. She explains:

People were worried about the food supply chain or just the supply chain in general. And that was actually one of the reasons why my business idea kicked in at this time, because I thought this is not normal. We should not be worrying about this because there should be more local food producers.

Women who had been running their businesses for quite some time when the pandemic started, described the experience as tough and stressful. Robyn even needed to re-think the concept of the business and there is strong possibility that she will have to change the overall strategy of the business and the main activities, by offering completely different services or focusing on different industries when things get back to normal after the pandemic. Robyn explains:

It's hard to watch a lot of the businesses and a lot of my clients struggle so much... I changed direction and I was contacted about the designing project or working with a team on that, and I thought for now until the hotels are open again that's the direction I need to be in, and we'll see how it goes in the next months.

Anna described it as a very frustrating experience, since she had to completely close down her services for the period of three months. Exactly then everybody in the country was stuck at home too and willing to do some work on the interior of their homes and therefore in need of tools, so she got a lot of requests that she wasn't able to fulfil at the time. Although now she didn't hide that she was quite pleased with the outcome and the overall success of her project. Anna states:

Not all the consequences were bad, like we are open on Laugavegur now and I don't think I would have been able to afford that two years ago... If not for the pandemic, we probably wouldn't be where we are right now, which is a little bit sad, but also the pandemic accelerated something that was already waiting on the surface, at least for us, which is the green movement. People now understand that there is a huge necessity to make a change.

5 Discussion

This study focused on understanding the entrepreneurial experience of foreign women in Iceland. The findings show that despite the difficulties caused by uncommon environment and language barrier, women seemed very pleased with their choice of becoming self-employed. It empowered them, enhanced their self-confidence and raised their belief in their own abilities.

Reasons to become self-employed were very diverse among the participants. Pull and push factors towards becoming an entrepreneur certainly play a big role in assessing the market environment, spotting opportunities and evaluating the necessities of individuals (Carbonell et al., 2014). Pull factors identified amongst the women were such as establishing a long-sought dream, having an impact on the environment, changing people's perspective towards preservative measures or simply share the obtained knowledge in a way that was free of bureaucracy of a big corporate organization. González-González et al. (2011), research states that unemployment is one of the main reasons for foreigners to become self-employed and it is line with the findings of this study, since two women were pushed to establish their businesses after losing their jobs. They had to find ways to make a living and due to the worldwide pandemic, finding another job was very challenging, therefore these women evaluated their own abilities, skills and passions and decided to become self-employed.

Even though few women weren't that fond of calling themselves entrepreneurs yet, due to the size of the business, all of them described self-employment as very freeing experience. Of course, the stress of having to be responsible for the sake of the business can be quite overwhelming, but they all seemed very determined to move forward and keep building their businesses and didn't imagine themselves going back to work for somebody else.

All the women seem to have been motivated by various incentives to proceed with their business idea. Curiosity and excitement in making innovations in a foreign environment seemed to have had a vital effect on their willingness to make their plans and goals come true. Eagerness to show off the talent of artists from the home country or willingness to provide the locals with more diverse options, were also among the incentives to establish a business.

Just as Bandura (2011) indicates many factors had an effect on women's belief in their self-efficacy. Mastering skills is considered to have a great effect on individuals belief to achieve results (Bandura, 2011) Two women accordingly stated that they could only start evaluating their possibilities of self-employment after having finished their university studies and having gained the necessary knowledge in the particular field. Social modelling was mainly noticed while women were researching the existing market and therefore comparing themselves with potential competitors. All women had been encouraged by their family and friends to go forward with their idea and therefore were persuaded to believe in their self-efficacy. Entrepreneurs also declared that the process of developing a business was followed by stress and anxiety, but in difficult situations they were able to lean on their closest friends and family members for support and they helped the women to believe in their abilities yet again and that didn't allow them to give up. This is in line with the research of Collins and Low (2010), who have concluded that both migrant and local

female entrepreneurs tend to turn to their closest family members for support and encouragement.

All women faced many challenges during their entrepreneurial journey, but because of their diverse perspective and different goals they viewed these challenges very differently. Even though all the participants mentioned the language barrier as a difficulty at times, only few mentioned it as a necessity for an entrepreneur in Iceland. Women declared that most of the business information was only available in Icelandic, but that didn't hinder them to achieve great results. They made trustworthy social connections who assisted them on accessing and understanding various valuable information. Staying on top on all responsibilities also created some difficulty to find enough time for advertising (Achtenhagen et al., 2017). Some women expressed their desire to learn more about marketing, but simply didn't have enough time yet because of the load of work.

The topic about social networks was mentioned more than few times during all the interviews. All entrepreneurs wanted to underline the importance of making connections with people around (Bagwell, 2008; Shaw, 2006). They all declared that without the help that they received none of what they have achieved would have been possible. Having the advantage of being able to turn to people for advice on legal matters, the tax office and overall conception of business in Iceland was declared as a great benefit. Nonetheless, having the support from family and friends, being encouraged by both the loved ones and locals had a great impact on each and every entrepreneur (Collins & Low, 2010; Munkejord, 2017). Just as social cognitive theory (Bandura, 2018) states, people tend to achieve results and incite change in three ways, by individual, proxy or collective effort. In this case women acknowledged having used the proxy method the most and turned to the people around them for help, advice or information.

It was mentioned that Icelandic people seem to be quite sceptic about trying something that is uncommon to their surroundings or taste. They seem to value the old ways and are sensitive to change. Therefore, women stated that attracting local Icelandic clients was more difficult than foreigners. The fact that most of the participants spoke very little Icelandic at the time of the interviews may have had an effect on local's perception towards their businesses (Chrysostome & Arcand, 2009). Most of the women expressed their frustration of not being able to get more Icelandic customers interested with their products and are still looking for ways to get their attention.

The pandemic was a sensitive subject for all the participating entrepreneurs, but all women spoke openly about their experience regarding this phenomenon that affected people and their everyday activities worldwide. Just like Altynova (2021) states in her research, many small businesses failed because of the consequences caused by the pandemic and therefore especially entrepreneurs struggled the most. In her research Altynova (2021) states that many business owners struggled during the pandemic and therefore had to reduce the number of their employees, which lead to increased unemployment rate in many countries in the world. Two women became entrepreneurs because of losing their jobs due to the pandemic and even though they are glad about their accomplishment now, suddenly becoming unemployed was a shocking and undeniably painful experience. Some women had to rethink their business activities due to the pandemic and might even change direction and strategy completely. Although few women also declared that the pandemic created some opportunities as well and pulled them into self-employment and motivated them to work even harder.

6 Conclusion

All women went on their entrepreneurial journey inspired and passionate about their business idea. Most of them established their businesses to fill the gaps in certain markets by using their knowledge and were driven by passion. They put in countless hours of work and dedication to achieve their goals and dreams. Women didn't hide the fact that the process was incredibly difficult at times, and thoughts of giving up have crossed their minds several times. In these challenging moments, they received tremendous support from the people around them to lift them back up and help them to believe their own abilities. Whether it was family members from back home or the ones who have moved here with them, closest friends, old colleagues or local clients who genuinely believed in their products or services and wanted to see the business continue.

All women experienced challenges during their entrepreneurial journey, but only the ones caused by the language barrier seemed to be related to their foreign upbringing. They relentlessly looked for ways to resolve difficulties by for example, making more connections with experts in certain fields and designing their products or services to fit the needs and wishes of the locals. Most of the entrepreneurs seemed to have relied a lot on the encouragement provided by their closest friends or family for sort of reassurance that they chose the right path.

Overall, the entrepreneurial experience was described as exciting and rewarding. Women were able to make an impact in a foreign country, achieve long sought dreams or simply make the loved ones proud.

Only five women were interviewed for this study, therefore it raises limitations, and the findings cannot be assumed for all foreign women entrepreneurs in Iceland. Also, further research is needed on foreign male entrepreneurs to analyze if their experiences differ in any way, as well as research comparing foreign and Icelandic entrepreneurs in similar industries to figure out if difficulties encountered are in any way similar.

Although despite the limitations, this study shows how determined these women are and that they are willing to achieve results and become more independent even if the environment is uncommon and future is unclear due to the pandemic but giving up is simply not an option.

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Appendix A – Cover letter

Dear X,

I am a business management student at the University of Iceland. I am currently working on my bachelor's thesis, which is about female migrant entrepreneurs in Iceland.

The purpose of my thesis is to understand why migrant women become entrepreneurs and what is it like to be self-employed in a foreign environment.

I came across your business page on Facebook and I think that your business idea is very inspiring, and I am very curious to find out more about you and your experience.

I would love to invite you for an interview regarding my research on female entrepreneurship. The interview will consist of simple questions about your business and entrepreneurial experience. The interview could be conducted online or in person.

Please let me know if you would like to participate :)

Thank you in advance!

Best Regards,

Appendix B – Interview questions

Standardized background questions:

Country of birth:

Citizenship:

Age:

Marital status:

Children, (children's' age):

Education:

Religion:

Work experience:

- **Do you have any family members living here in Iceland, are you close with them?**
 1. **Why did you decide to start your own business?**
 2. **What motivated you to start your own business?**
 3. **What is it like to have your own business?**

- 1. **Can you please explain how you created your business?**
- 2. **What is it like to be an entrepreneur?**
- 3. **Can you describe your business?**
- 4. **Can you describe your main responsibilities in your company?**
- 5. **Can you describe a regular workday as an entrepreneur? What is it like?**
- 6. **What are the biggest challenges you have faced while building your business?**
- 7. **What would you say are the main challenges you regularly face to keep your business successful?**
- 8. **What kind of support, if any, did you get from your family and friends during the process of developing your business?**
- 9. **Can you describe your employees? (What is their ethnical background?)**
- 10. **How did you find your employees?**

- 11. **Can you tell me a little bit about your clients? (Are they mainly Icelandic or a multicultural group?)**

- 12. How do you find your clients?**
- 13. How did you react to the world pandemic?**
- 14. Can you explain what consequences it had on your business?**
- 15. How are your employees feeling about this situation, and how are they dealing with it?**
- 16. What are your plans/goals for the future regarding your business?**
- 17. What would be your advice for other immigrants who would like to become entrepreneurs?**