

Agency through Informality: How Bangladeshi Restaurant Owners Navigate Structural Constraints in Times of Crisis

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Abstract

How do Bangladeshi restaurant owners exercise agency during periods of extreme uncertainty? This question matters most when resource-constrained businesses face existential threats. This longitudinal study examines Bangladeshi-owned restaurants across multiple crises, identifying three agency forms operating through informal practices: navigational (contextual adaptations), relational (social network mobilisation) and innovative (entrepreneurial repositioning). Despite facing similar structural constraints, restaurants exhibited divergent trajectories reflecting their differential deployment of these agency forms. The study advances mixed embeddedness theory by providing a dynamic account of how entrepreneurs actively engage with structural contexts rather than merely responding to them. It contributes to employment relations literature by reconceptualising informality not as a compensatory response to disadvantage but as a strategic resource through which entrepreneurs exercise agency during structural constraints while maintaining operational flexibility. This perspective shows how informal employment practices

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serve as sophisticated mechanisms for balancing worker needs with business imperatives in challenging conditions.

Keywords

agency, Bangladeshi restaurants, crisis adaptation, ethnic minority entrepreneurship, informality, mixed embeddedness

Introduction

The COVID-19 pandemic and subsequent cost-of-living crisis exposed structural vulnerabilities in Bangladeshi restaurant entrepreneurship, creating conditions where survival required extraordinary adaptability. For Bangladeshi restaurant owners in the UK, these crises intensified longstanding challenges – labour shortages, changing consumer preferences and market saturation – pushing many beyond their adaptive capacities (Arslan et al., 2022; Razzak et al., 2023). Their responses reveal critical insights into how entrepreneurs exercise agency within structural constraints during periods of extreme uncertainty.

Research on Bangladeshi restaurant entrepreneurship has produced valuable insights into structural contexts while neglecting entrepreneurial agency. Mixed embeddedness theory (Kloosterman, 2010) effectively captures how opportunity structures, spatial contexts and social networks shape entrepreneurial possibilities, yet frequently portrays entrepreneurs as passive responders to structural conditions rather than active shapers of their environments (Jones and Ram, 2007; Vincent et al., 2014). This limitation becomes apparent when businesses in the same sector follow completely different paths. Despite facing common structural challenges, individual businesses frequently demonstrate remarkably different outcomes, from closure to survival to innovation (Ram et al., 2020). Mixed embeddedness explains the shared constraints these businesses face but provides limited insight into why some entrepreneurs work through these constraints more successfully than others.

Small firm employment relations literature shows how informality serves as an adaptive response to resource limitations (Edwards et al., 2006; Kroon and Paauwe, 2021; Ram et al., 2001), but rarely examines purposeful deployment of informal practices during crises. Recent contributions to this journal demonstrate how informality functions beyond mere survival. Buckley et al. (2024) reveal how entrepreneurs establish shared understandings with stakeholders that normalise informal practices, while Dagdelen (2024) shows how migrant workers develop evolving capacities that transform their environments over time. Despite these advances, we still need to understand how different temporal manifestations of agency enable Bangladeshi restaurant owners to work through constraints and reshape their business environments during crisis periods.

Emirbayer and Mische's (1998) temporal framework offers analytical tools for addressing these limitations by conceptualising agency as a temporally embedded process operating through three dimensions: iterational (drawing on past experiences), practical-evaluative (making contextual judgements) and projective (imagining alternative futures). This framework reveals how entrepreneurs engage with structural contexts

while actively reshaping them, providing precision that moves beyond simplistic structure–agency dualisms.

How do Bangladeshi restaurant owners deploy different forms of agency through informal practices to work through structural constraints during periods of crisis, and how do these forms of agency evolve across disruption and recovery phases? This question becomes critical when resource-constrained businesses face existential threats requiring rapid adaptation across pre-pandemic, pandemic and post-pandemic/cost-of-living crisis periods.

Our longitudinal analysis reveals three distinct forms of agency operating through informal practices: navigational (contextual adaptations to immediate challenges), relational (purposeful mobilisation of social networks) and innovative (implementation of alternative business futures). These forms resonate with Emirbayer and Mische's temporal dimensions while showing how informal practices serve as purposeful resources rather than mere survival tactics. The analysis reveals three distinct trajectories: Failed Firms demonstrating limited agency; Resilient Survivors successfully deploying navigational and relational agency; and Innovating Enterprises exhibiting all three forms in complementary combinations. These divergent paths emerged despite similar structural challenges, highlighting entrepreneurial agency's critical role in shaping outcomes beyond structural predictions.

The article makes two interconnected theoretical contributions. First, it advances mixed embeddedness theory by providing a dynamic account of agency in Bangladeshi restaurant businesses (Ram et al., 2017; Vershinina et al., 2011). The conceptualisation of navigational, relational and innovative agency offers analytical tools for understanding how entrepreneurs actively engage with constraints rather than merely responding to them. This addresses Vincent et al.'s (2014) critique of mixed embeddedness' emphasis on structural constraints rather than variations in specific agential capacities. Second, the article contributes to small firm employment relations literature by reconceptualising informality as a purposeful resource through which entrepreneurs exercise agency during periods of extreme uncertainty. Building on Ram et al.'s (2020) examination of how small business owners interpret and selectively comply with regulatory frameworks, this study demonstrates how informal practices function as mechanisms for addressing constraints and reshaping business environments, challenging deficit-based interpretations of informality in ethnic minority firms.

We begin with the theoretical framework, then describe our method. We draw on a longitudinal qualitative study of eight Bangladeshi-owned restaurants. The Findings show how agency emerges through informal practices in firms that failed, survived resiliently, or sought innovation. Finally, we discuss what this tells us about agency, informality and employment relations in Bangladeshi restaurants under extreme uncertainty.

Theoretical foundations: Agency through informality

Mixed embeddedness and its limitations

Mixed embeddedness provides an integrative framework for understanding ethnic minority entrepreneurship. Developed by Kloosterman and colleagues (Kloosterman,

2010; Kloosterman et al., 1999), this approach situates ethnic minority businesses at the intersection of socio-economic and political-institutional contexts, moving beyond perspectives that either privilege ethnocultural resources (Light, 1972) or focus primarily on discriminatory barriers (Aldrich and Waldinger, 1990). Three interconnected dimensions characterise mixed embeddedness. The *opportunity structure* encompasses market configurations including entry barriers, saturation and competitive pressures across different sectors (Kloosterman, 2010). The *spatial context* recognises businesses' embeddedness in specific geographical locations with distinctive socio-economic characteristics where phenomena like urban regeneration or changing neighbourhood demographics significantly impact small ethnic minority firms (Hall, 2021). *Social networks* comprise the co-ethnic connections providing resources, information and support, which evolve as subsequent generations pursue different career paths (Razzak et al., 2023).

The framework's value lies in its systematic integration of macro-level (political-economic), meso-level (market structure) and micro-level (social networks) factors. This integration acknowledges structural constraints while creating space for entrepreneurial action, though in practice the framework tends to prioritise structure over agency (Jones and Ram, 2007; Ram et al., 2017; Vincent et al., 2014). Cederberg and Villares-Varela (2019) similarly question the framework's inadequate theoretical capacity to analyse how ethnic minority entrepreneurs actively engage with opportunity structures. The gap becomes most obvious when examining diverse trajectories within similar contexts. Mixed embeddedness explains the shared constraints businesses face such as labour shortages, changing customer preferences and intense competition. It offers limited insight into why some entrepreneurs respond better to those pressures than others (Ram et al., 2020).

Crisis periods intensify this limitation by making agency processes more visible and urgent. As Emirbayer and Mische (1998: 1006) note, when actors encounter problems or face crises, they may distance themselves from habits and locate possible future alternatives. The temporal disruption created by events like the COVID-19 pandemic provides analytical leverage for examining how entrepreneurs actively engage with structural constraints.

Temporal dimensions of agency

Addressing mixed embeddedness' limitations requires a more developed conceptualisation of agency that recognises both structural contexts and entrepreneurial capacity for purposeful action. Emirbayer and Mische's (1998) temporal understanding of agency provides this conceptual foundation, offering analytical precision that overcomes simplistic structure-agency dualisms. They conceptualise agency as 'the temporally constructed engagement by actors of different structural environments . . . which, through the interplay of habit, imagination and judgment, both reproduces and transforms those structures in interactive response to the problems posed by changing historical situations' (Emirbayer and Mische, 1998: 970). This approach recognises that entrepreneurs simultaneously influence and are influenced by their structural contexts.

The temporal dimensions of agency reveal its multifaceted nature. The *iterational* element involves 'the selective reactivation by actors of past patterns of thought and

action' (Emirbayer and Mische, 1998: 971). In ethnic minority entrepreneurship, this occurs when business owners draw upon established cultural practices, family traditions and community networks to create stability amid changing circumstances (Simarasal et al., 2022). For example, Ram et al. (2008) document how Somali entrepreneurs in Leicester selectively activate cultural traditions, such as mobilising clan-based trust relationships to secure informal credit and family labour during periods of financial strain.

The *practical-evaluative* element encompasses 'the capacity of actors to make practical and normative judgments among alternative possible trajectories of action, in response to emerging demands, dilemmas and ambiguities' (Emirbayer and Mische, 1998: 971). This dimension involves contextual judgement and tactical adaptation to immediate challenges. Ram et al. (2001) illustrate how small clothing firms adapted pricing strategies and shifted production methods in response to regulatory changes like the National Minimum Wage, demonstrating tactical adjustments to immediate constraints.

The *projective* element involves 'the imaginative generation by actors of possible future trajectories of action' (Emirbayer and Mische, 1998: 971). In the context of ethnic minority entrepreneurship, this occurs through business model innovation, market repositioning and diversification. Edwards et al. (2016) describe how some migrant business owners reimaged their enterprises by moving beyond co-ethnic markets to target broader customer bases, developing new products and services that transformed their market positioning.

These temporal dimensions form what Emirbayer and Mische (1998: 972) call a 'chordal triad' of agency, in which the iterational, projective and practical-evaluative elements become more or less prominent depending on structural and temporal circumstances. In periods of crisis, or when situations become problematic, actors may step away from habitual patterns and imagine alternative trajectories for the future. Such disruptions bring into view agency processes that ordinary business-as-usual tends to conceal.

Informality as a strategic resource

Research on small firm employment relations demonstrates that informality functions as a purposeful resource rather than merely a deficit or developmental stage (Ram et al., 2001, 2020; Williams and Nadin, 2012). Informality involves 'a process of workforce engagement, collective and/or individual, based mainly on unwritten customs and the tacit understandings that arise out of the interaction of the parties at work' (Ram et al., 2001: 846). Rather than indicating a lack of sophistication, informality creates negotiation spaces where entrepreneurs balance worker needs with business imperatives during constrained periods.

This perspective challenges conventional frameworks that characterise informality in ethnic minority entrepreneurship either as compensation for exclusion from mainstream markets or as a transitional stage towards formalisation. The purposeful deployment of informality often indicates entrepreneurs' clear market understanding rather than simple regulatory circumvention (Ram et al., 2007, 2020).

Research identifies several key informal practices through which ethnic minority entrepreneurs exercise agency. These include 'patch-working' – assembling supplementary

resources and support to bolster main business activities (Villares-Varela et al., 2018), family and ethnic networks providing flexible labour and resources during challenging periods (Vershina et al., 2011) and informal employment arrangements that balance operational flexibility with worker needs (Ram et al., 2001).

Employment relations scholarship distinguishes between distinct approaches to informality. Edwards et al. (2006) analyse how informal practices emerge from the interplay of market pressures and workplace negotiations, particularly through tacit adjustments to labour control and familial obligations. Vershinina et al. (2011) explore how different capital forms, comprising social, cultural and financial, interact to shape informal practices. These variations illuminate informality's complexity as a mechanism for navigating structural constraints while maintaining operational flexibility.

Recent contributions reinforce this perspective. Buckley et al. (2024) identify subtle legitimisation processes where entrepreneurs establish shared understandings with stakeholders, normalising informal practices within specific business contexts. Their concept of 'gaining legitimisation through nudging' reveals how entrepreneurs position informal practices as legitimate responses to market pressures. Similarly, Dagdelen (2024) demonstrates how migrant entrepreneurs develop evolving capacities that transform their ability to act over time. These purposeful decisions reflect careful assessment of which formal requirements to adopt, adapt or reconfigure based on business priorities.

Crisis periods particularly highlight informality's value (Hall, 2021). Research on ethnic minority entrepreneurship reveals innovative approaches during challenging periods, including revenue diversification, flexible family labour deployment and adaptive supplier relationships. These practices enable entrepreneurs to address immediate challenges while building foundations for longer-term sustainability.

Integrated conceptual framework

Drawing on these established theoretical foundations, we propose an integrated conceptual framework that positions informality as the mechanism through which ethnic minority entrepreneurs exercise agency within mixed embeddedness contexts. This framework addresses the theoretical limitations identified in our review while providing analytical tools for understanding how entrepreneurs navigate challenging environments.

Our framework synthesises three theoretical strands: (1) mixed embeddedness theory (Kloosterman, 2010), which identifies the multi-layered structural contexts shaping ethnic minority entrepreneurship; (2) temporal understandings of agency (Emirbayer and Mische, 1998), which conceptualise how entrepreneurs engage with and transform these contexts over time; and (3) reconceptualisation of informality as a purposeful resource (Ram et al., 2007, 2020), which reveals how informal practices function as mechanisms for exercising agency.

Mixed embeddedness provides the structural framework but struggles to explain varying entrepreneurial trajectories within similar contexts. Temporal agency theory addresses this gap by showing how entrepreneurs actively engage with constraints across past, present and future orientations. Rather than treating structure and agency as opposing forces, this perspective recognises their mutually constitutive relationship. Informality provides the empirical mechanism through which this engagement occurs; entrepreneurs

use informal practices to activate networks, adapt operations and experiment with alternatives in ways formal systems cannot accommodate.

This synthesis positions informality not as a response to exclusion but as a strategic resource that enables different forms of agency. Crisis periods intensify this dynamic by disrupting established patterns and making agency processes more visible for analysis. When formal structures become inadequate or inaccessible, informal practices provide the flexibility needed for entrepreneurial adaptation and innovation. To examine how this framework operates empirically, we conducted a longitudinal study of Bangladeshi restaurants across three critical time periods, tracing how entrepreneurs deploy agency through informal practices during periods of extreme uncertainty.

Research design and methods

Research approach

This study employs qualitative longitudinal research (Neale, 2021) to examine how Bangladeshi restaurant owners deploy different forms of agency through informal practices to work through structural constraints. A case study methodology enables the investigation of complex relationships and processes as they evolve over time (Langley et al., 2013), tracing the ‘how’ and ‘why’ of entrepreneurial agency across changing contexts (Gehman et al., 2018).

The sample of eight restaurants facilitated sustained, in-depth exploration of evolving business practices across multiple time periods. As Langley (2007: 273) argues, longitudinal qualitative studies enable researchers to track changes in processes at a fine-grained level, offering insights that elude larger cross-sectional studies. This approach follows an established tradition of intensive qualitative inquiry into employment relations in small (Moule, 1998; Ram et al., 2001) and ethnic minority firms (Ahmad, 2008; Ram et al., 2007). These studies prioritise analytical over statistical generalisation (Ram and Edwards, 2003; Wapshott and Mallett, 2017), tracing subtle shifts in agency invisible in larger samples. This methodological lineage facilitates contextually attuned explanation (Ram and Edwards, 2003) – particularly important when analysing ethnic minority firms where structural constraints and agential responses intertwine inseparably.

The longitudinal design showed its value for examining entrepreneurial responses during crisis periods. As Howard-Grenville et al. (2021) note, this approach allows researchers to trace how actors’ strategies evolve while maintaining sensitivity to contextual developments. Such temporal sensitivity is essential for studying entrepreneurial responses to crisis: strategies deployed during crisis often differ markedly from those employed during stable periods, while their consequences may only become apparent over extended timeframes.

Sample and data collection

Eight Bangladeshi-owned restaurants in the West Midlands region of England participated in the study. These businesses were selected through ‘chain referral

Table 1. Respondent characteristics.

Restaurant	Owner interviews	Worker interviews	Status at study end	Intermediary type
Restaurant 1	Waves 1, 2, 3	None	Surviving	Community leader
Restaurant 2	Waves 1, 2, 3	Wave 3 (1)	Surviving	Business association
Restaurant 3	Waves 1, 2, 3	Wave 3 (2)	Surviving	Community leader
Restaurant 4	Waves 1, 2, 3	Wave 3 (1)	Surviving	Business network
Restaurant 5	Waves 1, 2, 3	Wave 3 (2)	Surviving	Community leader
Restaurant 6	Waves 1, 2, closure follow-up	None	Closed (Wave 3)	Business association
Restaurant 7	Waves 1, 2, 3	Wave 3 (2)	Surviving	Community leader
Restaurant 8	Waves 1, 2, closure follow-up	None	Closed (Wave 3)	Business network

Note: Total interviews: 22 owner interviews, eight worker interviews.

sampling’ (Penrod et al., 2003), comprising multiple interconnected networks to access potential participants. This method is valuable for researching relatively closed communities or sensitive topics, as it builds on established trust relationships (Biernacki and Waldorf, 1981).

The study engaged an intermediary network of community leaders who played a crucial role throughout the research process. As trusted and embedded figures within the community, these intermediaries helped initiate contact with participants, ensuring access to businesses that might otherwise have been difficult to reach. The community intermediaries enhanced research validity by building trust with owners, encouraging candid discussion of informal practices and ensuring culturally appropriate interview approaches. Potential bias was mitigated through triangulation across multiple informants and member checking with participants.

Table 1 details the longitudinal engagement with each restaurant, showing interview completion across the three waves and the intermediary connections that facilitated access. The inclusion of closure cases in Waves 1 and 2, with follow-up interviews, helped avoid survivorship bias in the analysis.

Restaurants were selected purposively to capture variation across key dimensions: geographic location (urban centres and smaller towns), business longevity (ranging from recently established to multi-generational) and market positioning (from fine dining establishments to informal, takeaway-oriented operations). This sampling strategy follows what Gehman et al. (2018: 291) term ‘theoretical sampling’, where cases are chosen to illuminate different manifestations of the phenomenon under study. Table 2 shows the diversity achieved, enabling examination of agency manifestations across different structural positions within the opportunity structure.

Data collection occurred across three distinct waves, each capturing a critical period in the sector’s recent history: Wave 1 (January to March 2019): established baseline data on pre-pandemic operations and traditional sector challenges. Wave 2 (May to July 2020): documented real-time pandemic responses including business model changes and

Table 2. Restaurant characteristics and sampling diversity.

Restaurant	Location	Years in operation	Employees	Primary offering	Market positioning
Restaurant 1	Urban	25+	8	Traditional dining	Established local
Restaurant 2	Small town	15	5	Mixed dining/ takeaway	Family-oriented
Restaurant 3	Urban	30+	13	Fine dining	Premium market
Restaurant 4	Urban	12	5	Contemporary dining	Upmarket modern
Restaurant 5	Urban	10	9	Mixed dining/ takeaway	Mixed clientele
Restaurant 6	Small town	8	5	Traditional dining	Local community
Restaurant 7	Rural	4	6	Traditional dining	Village-based
Restaurant 8	Small town	2	3	Takeaway-focused	Budget convenience

operational adaptations. Wave 3 (September to December 2022): examined post-pandemic recovery and cost-of-living crisis responses.

Worker interviews were conducted with five restaurants during Wave 3, providing eight worker perspectives in total (Restaurants 2, 3, 4, 5 and 7 each contributed between one and two workers). These interviews explored workers’ experiences, perceptions of changes over time and responses to management practices. This inclusion of multiple perspectives added analytical richness through triangulation. In some cases, workers affirmed the strategic decisions described by owners; in others, they highlighted tensions or unintended consequences. Their perspectives contributed to a more complete understanding of firm dynamics, highlighting the relational dimensions of agency and the contested nature of adaptation. This approach responds to calls for research that captures both employer and employee perspectives in small firms (Edwards et al., 2006).

The study began with a focus group involving all eight owners to build trust and develop contextual understanding of the sector. This was followed by semi-structured interviews with each owner across the three waves, each lasting 45–60 minutes. Interviews focused on business challenges and responses; employment practices and workforce management; strategic adaptations to market changes; the use of formal and informal practices; and community relationships and resource mobilisation.

Regular meetings with the intermediaries throughout the study provided opportunities for reflection and co-interpretation. This form of member checking (Lincoln and Guba, 1985) helped validate emerging findings and refine interpretation of the data. The study concluded with two focus groups: one involving the restaurant owners to discuss preliminary findings and another bringing together other business owners and stakeholders to situate the findings within wider industry dynamics.

Data analysis

The analytical approach followed a systematic process drawing on established qualitative methods (Gioia et al., 2013; Miles et al., 2018). Analysis began with open coding of

all interview transcripts to identify first-order concepts expressed in participants' own terms. These generated codes related to business practices, challenges and responses across the three time periods. The codes were then organised into second-order themes representing more abstract analytical categories, such as different forms of agency and informal practices. Finally, the themes were aggregated into the core theoretical dimensions that structure the findings (Gioia et al., 2013).

The coding used temporal agency theory as a sensitising framework while allowing specific agency forms to emerge from data patterns. The three forms (navigational, relational, innovative) were empirical discoveries, not predetermined categories. Agency form boundaries were sharpened through clear decision rules:

Navigational agency: immediate operational adaptations to constraints (excludes strategic repositioning as the primary purpose). Example: flexible scheduling in response to staff shortages. Excludes: menu changes designed primarily for market repositioning.

Relational agency: social network activation as primary mechanism (excludes incidental relationship use). Example: mobilising family labour during crisis. Excludes: casual conversations with suppliers that do not result in resource mobilisation.

Innovative agency: business model reimaging with implementation beyond trials (excludes minor operational tweaks). Example: developing a custom delivery app. Excludes: small menu adjustments that do not alter value proposition.

Table 3 outlines the coding framework, showing the progression from raw data to theoretical concepts. For example, first-order codes like 'flexible scheduling practices' and 'adaptive pricing strategies' were grouped under the second-order theme of 'Navigational agency'.

The two closure cases proved valuable for sharpening conceptual boundaries and avoiding survivorship bias by revealing what happens when agency forms remain limited despite similar structural constraints. These cases showed that structural pressures alone do not determine outcomes – the differential deployment of agency through informal practices matters critically for business survival and adaptation.

A key analytical strategy was 'temporal bracketing' (Langley, 1999), which involved comparing patterns across the three data collection waves to identify how different forms of agency evolved over time. This approach helped reveal how restaurant owners' responses changed as they moved from pre-pandemic operations through crisis management to post-pandemic adaptation. By tracking these changes systematically, the analysis could identify not only what forms of agency were deployed but also how they shifted in response to changing structural constraints.

To enhance trustworthiness, several validation strategies were employed: member checks with restaurant owners during each wave; regular dialogue with sector intermediaries; coding consistency through team discussions and iterative cross-case comparison; and data triangulation across sources (owners, workers) and time periods.

The comparative analysis revealed three distinct business trajectories: failed firms, resilient survivors and innovating enterprises. Each was associated with different patterns of agency. These groupings emerged inductively from the data but corresponded conceptually with theoretical expectations about agency forms.

Table 3. Coding framework.

Conceptual domain	Second-order themes	First-order codes (examples)	Analytical category
Agency Forms	Navigational agency	<ul style="list-style-type: none">• Flexible scheduling practices• Adaptive pricing strategies• Service delivery adjustments• Menu modifications	Entrepreneurial responses to immediate challenges
	Relational agency	<ul style="list-style-type: none">• Family labour mobilisation• Supplier relationship management• Community support activation• Knowledge sharing with peers	Strategic use of social relationships
	Innovative agency	<ul style="list-style-type: none">• Business model reconfiguration• Digital transformation initiatives• Menu/product innovation• Market repositioning	Forward-looking strategic changes
	Employment informality	<ul style="list-style-type: none">• Flexible working hours• Multi-tasking roles• Family help arrangements• Verbal work agreements	Adaptive work organisation
Structural Constraints	Operational informality	<ul style="list-style-type: none">• Knowledge sharing with competitors• Community collaborations	Non-contractual business practices
	Market pressures	<ul style="list-style-type: none">• Competition intensification• Changing customer preferences• Supply chain disruptions• Rising costs	External market factors
	Labour challenges	<ul style="list-style-type: none">• Staff shortages• Skill gaps• Retention difficulties• Worker migration to gig economy	Human resource issues
	Regulatory environment	<ul style="list-style-type: none">• COVID-19 restrictions• Health & safety requirements• Post-Brexit immigration changes	Policy and regulatory factors

Ethical considerations

Ethical approval was obtained from the institution's ethics committee. Given the longitudinal nature of the research, informed consent was treated as an ongoing process rather than a one-off event, with participants re-consenting at each wave of data collection. Clear protocols were established to protect participants' confidentiality, using pseudonyms for both individuals and businesses in all research outputs. When discussing potentially sensitive topics such as informal employment arrangements, the researchers emphasised that their interest lay in understanding practices rather than regulatory compliance. This approach enabled candid discussions about informal practices while ensuring participants were protected from potential risks.

Findings

The analysis revealed three distinct forms of agency operating through informal practices: *navigational* (immediate adaptations to constraints), *relational* (social network mobilisation) and *innovative* (business model transformation). These forms emerged from the coding process and corresponded to Emirbayer and Mische's (1998) temporal dimensions of agency. Navigational agency corresponds to practical-evaluative responses to immediate challenges, relational agency draws on iterational activation of established networks and innovative agency involves projective reimagining of business futures.

Figure 1 shows how different combinations of agency forms produced divergent trajectories across the three crisis phases. Failed firms demonstrated limited agency deployment throughout, unable to progress beyond reactive navigational responses. Resilient survivors combined navigational and relational agency effectively during the pandemic, mobilising family networks and supplier relationships to weather the crisis. Innovating enterprises integrated all three forms, with innovative agency emerging after navigational and relational foundations were established during the early crisis period.

The three forms operate through specific informal practices that bridge structural constraints and entrepreneurial outcomes. Navigational agency manifests through flexible scheduling, experience-based pricing and operational adjustments that create immediate adaptability. Relational agency operates through family labour mobilisation, informal supplier arrangements and community resource activation. Innovative agency emerges through business model reconfiguration, digital transformation initiatives and strategic market repositioning. Restaurant owners deployed these forms in different combinations, producing three distinct business trajectories across the crisis period.

These varying deployments of agency occurred within a sector experiencing profound structural pressures that intensified throughout our study period, creating the challenging context within which entrepreneurial responses unfolded.

Common challenges across the sector

The Bangladeshi restaurant sector faced intensifying challenges throughout the study. These created a context of constraint revealing how structural conditions both limit

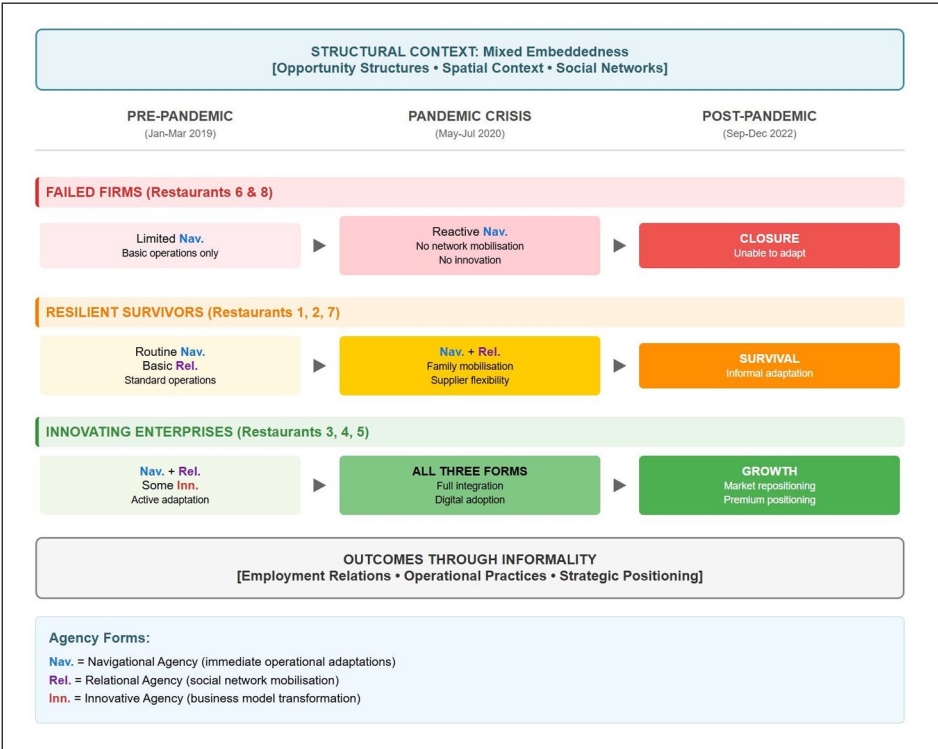


Figure 1. Agency trajectories across crisis phases.

possibilities and create spaces for strategic response. Our longitudinal analysis traces how labour shortages, competition and regulation shaped responses across the three phases. *Labour market dynamics*

Labour shortages persisted across all three waves and evolved significantly over time. All restaurants struggled to recruit and retain skilled workers, especially chefs – a problem worsened by immigration policy changes and younger generations’ lack of interest in the trade. While the pandemic temporarily masked these pressures through furlough schemes, by 2022 staffing difficulties reached unprecedented levels.

A key development was workers’ exodus to gig economy delivery jobs. The owner of Restaurant 1 explained: ‘Since these platforms have come along, restaurants have lost staff. They can work two nights and make the same money as in the restaurant trade and take it easy on weekdays’ (Restaurant 1, urban traditional dining). This led to differential management approaches based on staff replaceability. Chefs received preferential treatment: ‘Take the Tandoori Chef – if he starts showing attitude, what can I say? There are 10 restaurants waiting to take him. The kitchen staff control us.’ This treatment varied along ethnic lines. Bangladeshi staff took on varied informal roles: ‘With Bangladeshis there is no job description. You just get in and do it.’ Non-Bangladeshi front-of-house staff were managed formally: ‘They only do serving jobs. That’s what they do and nothing else.’

Competitive landscape evolution. Competition intensified throughout the study, pressuring pricing strategies and customer retention. Changing consumer preferences, especially among younger patrons seeking diverse culinary experiences, added further challenges. Restaurant 8's owner noted: 'Everybody is targeting youngsters. Those between 19 to 25 have the most money. They don't go for traditional. They want something fancy' (Restaurant 8, small-town takeaway-focused).

Third-party delivery platforms proved double-edged. While attracting new customers, they increased competition and reduced profits through high commission fees. Restaurant 6's owner explained: 'The platforms bring business, but also huge competition. Before, your competition was just local restaurants. Now customers see thousands of places on their phones. The commission fee is almost 20% of our profit' (Restaurant 6, small-town traditional dining). The pandemic disrupted this competitive dynamic through closures, capacity restrictions and an accelerated shift to delivery models. Some restaurants developed digital strategies to reduce platform dependence, though this required significant technological investment.

Regulatory and policy environment. Regulatory requirements shaped business practices, particularly employment and food safety standards. COVID-19 introduced additional demands through social distancing requirements and capacity limits, forcing many restaurants to pivot towards takeaway models. Regulatory pressures, together with the cost-of-living crisis, placed additional strain on restaurants already grappling with higher costs and changing customer habits.

This evolving context shaped how entrepreneurial agency operated through informal practices. Despite facing common challenges, restaurants developed markedly different responses that ranged from closure to resilience to innovation. This reflected distinctive manifestations of agency that cannot be explained through structural conditions alone.

Failed firms: Limited agency responses

Two of the eight case study firms (Restaurants 6 and 8) ceased operations by the final wave of data collection in late 2022. These restaurants demonstrated limited expression of all three forms of agency, with particular weaknesses in their relational and innovative capacities. Their experiences illustrate how structural constraints can overwhelm entrepreneurial agency when sufficient resources and capabilities are lacking.

Restaurant 6 exemplifies the challenges faced by these 'failed firms'. In the first wave of interviews (2019), the owner demonstrated some attempt at navigational agency, particularly in menu innovation: 'We had to adapt with the new times . . . We're joining all the online platforms and changing our menus every other month' (Restaurant 6, small-town traditional dining). However, this approach to product diversification remained reactive rather than proactive, highlighting the limitations of this strategy when faced with overwhelming structural challenges.

Persistent labour shortages, especially in recruiting skilled chefs, further restricted the restaurant's ability to adapt. The owner explained during the 2020 interview:

In terms of expanding the business, it's not the right time. There's a shortage of chefs. So I don't know how long the industry can survive without a streamline of chefs that either we bring in from overseas or do something about to create more chefs here. But we're finding it very, very difficult. (Restaurant 6, small-town traditional dining)

This comment highlights how structural constraints facing Bangladeshi restaurants, particularly the impact of immigration policies on labour supply, constrained adaptive possibilities. The owner's reliance on traditional ethnic networks for recruitment, a form of relational agency, proved insufficient to address the structural labour shortage: 'It's difficult to get agencies to provide kitchen staff. There are not many available, so we have to resource that through our connections, but there's still a shortage.' The tension between formal recruitment channels and informal ethnic networks revealed the limitations of relational agency in overcoming systemic labour market challenges.

Restaurant 8, established shortly before the pandemic, faced even greater challenges. The owner's attempt to pivot to takeaway during the pandemic proved financially unviable: 'I opened briefly as a takeaway . . . [but I was] only taking one or two orders. It wasn't feasible for me . . . I tried the online orders for a bit, but for example on one day in November [we] only made £25. It wasn't worth staying open' (Restaurant 8, small-town takeaway-focused). The financial calculations were stark: 'I need to make a minimum of £2000 to run the business every week and I was only doing £1600 . . . it would have cost me more money to keep the staff employed and the restaurant open'.

What distinguishes these failed firms from survivors was not just the severity of external challenges, but their limited capacity to exercise agency through informal practices. Both restaurants demonstrated reactive rather than proactive approaches to navigational agency, with minimal evidence of innovative thinking. Their relational agency was constrained by limited networks and resources, preventing effective mobilisation of family or community support. Most critically, they showed little evidence of innovative agency; that is, the capacity to imagine and implement alternative futures through business model reconfiguration or digital transformation.

Resilient survivors: Navigational and relational agency

Three restaurants in the sample (1, 2 and 7) adapted to challenging market conditions while maintaining core business practices. These 'resilient survivors' balanced formal and informal practices, deploying both navigational and relational agency to survive despite myriad external pressures. They exhibited shared approaches to tackling challenges, with both owners and staff contributing to adaptive strategies.

Navigational agency in practice. Restaurant 1 demonstrates a developed form of navigational agency through its experience-based approach to pricing that balances market pressures with operational needs. As the owner explained in the 2022 interview:

If I'm going to make a chicken dish, I'll first calculate the cost of the chicken. Then, I'll add expenses like utility bills and wages. From there, I'll work out the total cost of making the dish and I'll also determine how to make a profit from it. That's how I plan before finalising the menu – I assess how much the dish will cost and how much I need to earn to cover it. (Restaurant 1, urban traditional dining)

This experience-based pricing strategy, while lacking formal cost analysis (spreadsheet models, standard margins), enables flexibility in responding to market fluctuations. It reflects a form of practical-evaluative agency based on personal experience rather than formal analysis. However, this approach also highlights the precarious nature of financial management in many small ethnic minority firms.

Workers understood and supported the need for such adaptive pricing. A server at Restaurant 1 explained: 'We had to increase the menu prices . . . we used to buy chicken for £27, now it's almost £44 . . . everything is going up and nothing is coming down at the moment'. This shared recognition of market pressures extended to operational practices, with workers actively implementing cost-saving measures and showing initiative in portion control and waste reduction.

Restaurant 2's owner demonstrated navigational agency through measured adaptation, explaining in 2022: 'You have to think about how many items you have on the menu, concentrate on what you're good at and what's popular in terms of dishes and what you sell' (Restaurant 2, small-town mixed dining/takeaway). This practical blend of tradition and adaptation characterised the navigational agency exhibited by resilient survivors.

Relational agency as a survival mechanism. Resilient survivors distinguished themselves through effective mobilisation of relational agency – the capacity to activate and reconfigure social relationships through informal practices. Restaurant 7, located in a rural area with limited labour supply, demonstrates how family and community relationships provide crucial resources during crisis periods. The owner explained in the 2020 interview: 'When lockdown started, we had to let casual staff go, but my brother and two cousins stayed on. We all worked double shifts to keep the takeaway running. Without family, we couldn't have managed' (Restaurant 7, rural traditional dining). By Wave 3 (2022), this familial support had evolved into a more structured arrangement, with relatives taking defined roles in the business.

This relational agency extended beyond family to include supplier relationships. Restaurant 2's owner described how informal credit arrangements with suppliers provided essential flexibility during cash flow difficulties: 'Our meat supplier has known us for 15 years. During COVID, he said "pay when you can". That breathing space made all the difference' (Restaurant 2, small-town mixed dining/takeaway). This example illustrates how long-term relationships within the business community can be mobilised as strategic resources during crisis periods.

Workers' perspectives revealed the benefits of this relational approach. A staff member at Restaurant 7 explained: 'Our boss is good at listening to everyone's ideas. We had to change a lot during COVID, but he didn't just throw everything out. He kept what was

working and changed what wasn't. That's why we're still here when others have closed' (Restaurant 7, rural traditional dining). Workers experienced relational agency as both supportive and demanding. For instance, a Restaurant 2 employee reflected on the adaptations required during the COVID-19 crisis: 'We didn't exactly know what was happening . . . [COVID-19] impacted us quite a lot because we used to have a lot of people . . . [and they] enjoyed the aspect of us talking to them . . . so they had to miss out on that'. Despite losing valued customer interactions, workers at Restaurant 7 demonstrated loyalty: 'At the beginning when everything was in shut down . . . we went back [to offer takeaway] . . . It was quick and efficient.' This reveals how relational agency required worker sacrifices – accepting uncertainty and role changes – while providing mutual support through family-like commitment.

While resilient survivors demonstrated some degree of innovation, it was less extensive than innovating firms. Restaurant 1 invested in digital technology to reduce reliance on expensive third-party food delivery platforms: 'We created our own apps, because the third-party food delivery platforms charge you a lot, 14% on an order' (Restaurant 1, urban traditional dining). However, resource constraints limited more substantial marketing innovations. These examples illustrate that while resilient survivors engaged in some innovative practices, their survival was largely due to effective navigational and relational agency. Their balanced approach to tradition and innovation, combined with strong relational foundations, enabled them to weather the crisis without transforming their core identity.

Innovating firms: Integrating innovative agency

Three restaurants in the sample (3, 4 and 5) not only survived but thrived during the challenging period by introducing significant innovations to their business models and operational practices. These 'innovating firms' demonstrated a proactive approach to addressing challenges and seized the opportunities presented by the changing business environment. They combined sophisticated navigational agency, strategic relational agency and distinctive innovative agency to transform their operations.

Strategic repositioning through innovative agency. Restaurant 4 exemplifies this integrated approach through its distinctive market strategy that challenges prevailing norms in the sector. The owner explained in 2022:

I make sure my customers know the amount of effort I put in, as well as the effort the chefs put in. For instance, I've been at [restaurant name] for nearly two years and during that time, I've increased the menu prices four times. (Restaurant 4, urban contemporary dining)

This pricing strategy represents a form of navigational agency that challenges the prevailing low-price model in the sector. By focusing on quality and effort, the owner actively reshapes customer perceptions and expectations. The owner's critique of the sector's pricing practices illustrates this innovative approach:

Why can an Italian restaurant charge £40 per head and the customer doesn't think twice? Why can a French restaurant charge £50 or £60 per head and the customer accepts it without question? Go to a pizza chain – why can a pizza place charge £20 per head and no one minds paying? Yet, when they come to a South Asian restaurant, they hesitate to pay £12 per head. Why?

This challenging of established norms accords with the concept of 'projective agency', where the owner envisions alternative futures for the sector. It also reflects a clear understanding of the mixed embeddedness of Bangladeshi restaurants, acknowledging how cultural perceptions and market positioning intersect to shape business opportunities.

Digital transformation and worker engagement. The use of technology was a key factor in the innovating restaurants' approach. Restaurant 4's owner's proactive engagement with digital marketing demonstrates an innovative form of navigational agency:

I needed to focus on social media for the restaurant, so I had to learn that side of things. The restaurant had to be Instagrammable because people want to visit visually appealing places – they don't want to go to boring, bland, white-walled restaurants like we had at first. A lot of my fellow Bangladeshi restaurants, both in the area and across the country, are struggling, but they're not adopting these new changes. (Restaurant 4, urban contemporary dining)

Restaurant 5 similarly embraced digital innovation, though with greater staff involvement. A worker explained: 'We're moving with the modern times [and getting into] Instagram and Snapchat. It's about branding, status and what's trendy' (Restaurant 5, urban mixed dining/takeaway). This comment illustrates how innovative agency can create opportunities for skill development and role expansion among workers.

The owner's critique of third-party food delivery platforms reveals a more complex engagement with technology:

I will not use third-party food delivery platforms to run my business. It's something that I am fervently against because these companies, they're in it for themselves. All the promotion, the way they run everything, it's all about promoting their name. And as far as I'm concerned, they're like leaches on us little restaurants, taking a large percentage of our profits. (Restaurant 5, urban mixed dining/takeaway)

Here the owner actively challenges dominant market structures that he perceives as exploitative. His stance reflects a sophisticated understanding of the mixed embeddedness of Bangladeshi restaurants, recognising how technological platforms intersect with market conditions to shape business opportunities and constraints.

Creative management and collaborative innovation. Restaurant 4 focused on encouraging creativity and collaboration in the kitchen, moving away from the traditional top-down approach common in the sector. Rather than relying on rigid instructions, the owner encouraged a more open, experimental environment:

In the old-school way, chefs were just given orders – ‘do this, do that’ – but that’s not how we work here. Instead, we experiment. I’ll bring in new spices and say, ‘Should we try this today?’. Over time, this has reignited their passion. Now they bring in ingredients themselves and say, ‘Let’s try this today’. When something turns out great, it becomes a unique dish on our menu. (Restaurant 4, urban contemporary dining)

This shift from a command-driven kitchen to a collaborative one highlights how Restaurant 4 reshapes its approach to both food innovation and team dynamics. The owner’s strategic repositioning was actively supported by experienced staff who legitimise these changes. A senior staff member explained: ‘Part of my role is to help the owner, who’s the boss, obviously, my manager, but I help run the restaurant, especially in his absence’ (Restaurant 4, urban contemporary dining). This delegation of responsibility enabled the owner to concentrate on strategic initiatives while maintaining operational efficiency.

Staff also played an important role in explaining and justifying price increases to customers: ‘We explained to the customers very well that all the prices are increased due to taxes and the cost of ingredients. The customers say that it’s okay, they are willing to pay for good quality food.’ However, this strategic elevation created tensions around recruitment and training: ‘It’s very hard to find experienced staff, especially nice and trustworthy ones . . . It’s very hard to try and train them, especially the younger lads who don’t have that work ethic or that experience.’ The commitment to presentation and service quality supported the restaurant’s high-end positioning but also highlights the ongoing challenge of maintaining high standards with an evolving workforce.

What distinguishes innovating firms from resilient survivors is their comprehensive integration of all three forms of agency. While survivors primarily relied on navigational and relational agency, innovators deployed these while also exercising distinctive innovative agency, which is the capacity to imagine and implement alternative business models. Through business model reconfiguration, digital transformation and strategic repositioning, these restaurants did not merely adapt to structural constraints but actively reshaped their market positioning and customer expectations.

Discussion

The longitudinal analysis reveals how different forms of agency operate through informal practices to produce divergent business trajectories despite similar structural constraints. Three theoretical insights emerge from this examination of Bangladeshi restaurants across crisis phases.

First, the findings advance mixed embeddedness theory beyond its emphasis on structural constraints towards understanding dynamic agency–structure interactions. Where traditional mixed embeddedness accounts struggle to explain varying trajectories within similar contexts, the three agency forms (navigational, relational and innovative) reveal entrepreneurs as active shapers rather than passive responders to their environments.

Second, the temporal analysis shows when each agency form dominates and how they combine across crisis phases. Failed firms demonstrated limited deployment throughout.

Resilient survivors combined navigational and relational agency effectively during the pandemic. Innovating enterprises integrated all three forms, with innovative agency emerging after navigational and relational foundations were established. This temporal sequencing, elusive in cross-sectional studies, reveals agency development pathways.

Third, the analysis demonstrates how informality functions as the mechanism linking agency to outcomes. Rather than mere survival tactics or regulatory avoidance, informal practices – from experience-based pricing to family labour mobilisation to collaborative innovation – enable entrepreneurs to exercise different forms of agency within structural constraints.

Advancing mixed embeddedness through dynamic agency

Mixed embeddedness theory provides valuable insights into the multi-layered contexts shaping ethnic minority entrepreneurship but has been critiqued for emphasising structural constraints over entrepreneurial agency (Vincent et al., 2014). The findings address this limitation by demonstrating how entrepreneurs actively engage with opportunity structures rather than merely responding to them. The three distinct agency forms identified reveal entrepreneurs as purposeful actors who simultaneously work through, reconfigure and sometimes transform their structural contexts.

Failed firms illustrated the constraining power of structure when agency is limited. Despite facing similar external conditions to other restaurants, these businesses demonstrated predominantly reactive navigational agency, limited relational mobilisation and minimal innovative capacity. Their experiences confirm that structural constraints identified in mixed embeddedness theory (competitive pressures, labour shortages, regulatory burdens) significantly shape possibilities. However, these constraints are not deterministic, as the varying trajectories of the other cases demonstrate.

Resilient survivors showed how effective deployment of navigational and relational agency creates operational flexibility within structural constraints. Their experience-based pricing strategies, flexible scheduling practices and strategic mobilisation of family and community resources exemplify what Coe and Jordhus-Lier (2010: 216) call ‘reworking’ – materially improving conditions of existence without transforming structural contexts. These firms did not transcend their mixed embeddedness but created space within it through purposeful agency.

Innovating firms provide the clearest evidence of entrepreneurs actively reshaping opportunity structures. Through comprehensive integration of all three agency forms, these restaurants did not merely adapt to structural constraints but reconfigured their market positioning, customer expectations and operational models. Restaurant 4’s strategic pricing challenges, for instance, directly contested established norms about South Asian cuisine’s market value. This finding extends Kloosterman’s (2010) mixed embeddedness framework by illustrating how entrepreneurs can actively reshape, not just respond to, opportunity structures.

The longitudinal design reveals how agency forms evolve and combine. Failed firms showed limited deployment of all forms. Resilient survivors combined navigational and relational agency effectively. Innovating enterprises integrated all three forms, with innovative agency emerging after navigational and relational foundations were

established. This temporal sequencing suggests agency development pathways invisible in cross-sectional studies.

These empirical findings demonstrate how the three agency forms operate through informal practices within mixed embeddedness contexts, as illustrated in Figure 1. The framework reveals the ongoing, recursive relationship between entrepreneurial action and opportunity structures. This advances theory beyond the common portrayal of ethnic minority entrepreneurs as passive responders to structural conditions towards a recognition of their role as active shapers of business environments, even under severe constraint.

Reconceptualising informality as a strategic resource

The findings contribute to employment relations literature by reconceptualising informality not as a compensatory response to disadvantage but as a purposeful resource through which entrepreneurs exercise agency during periods of extreme uncertainty. This perspective challenges deficit-based interpretations of informal practices in ethnic minority firms, illustrating how they function as mechanisms for balancing worker needs with business imperatives during crisis periods.

Traditional interpretations often position informality as either a stage towards formalisation or compensation for exclusion from mainstream markets (Jones et al., 2006). The findings suggest a more complete understanding: informality operates as a strategic resource that enables entrepreneurs to exercise agency in working through structural constraints. For navigational agency, informal practices like experience-based pricing and flexible scheduling created operational adaptability when formal planning was difficult during rapidly changing conditions. For relational agency, informal family labour deployment and supplier credit arrangements provided resources unattainable through formal channels. For innovative agency, informal experimentation and knowledge exchange enabled business model transformations without formal research and development budgets.

Building on Buckley et al.'s (2024) concept of 'gaining legitimation through nudging', the study reveals how entrepreneurs normalise informal practices through shared understandings with workers, suppliers and customers. Restaurant 2's informal credit arrangement with suppliers during the pandemic exemplifies this process, where longstanding relationships enabled flexibility beyond formal contractual terms. Similarly, Dagdelen's (2024) observation of evolving agentic capacities among migrant workers finds parallel expression in the restaurateurs, who developed new capabilities (digital marketing, collaborative innovation) that transformed their ability to act over time.

The findings also reveal the double-edged nature of informality. While informal practices provided crucial flexibility during crisis periods, they sometimes created vulnerabilities. For failed firms, over-reliance on informal recruitment networks could not overcome structural labour shortages. Meanwhile, innovating firms balanced formality and informality strategically: they formalised aspects that supported their premium positioning (service standards, digital systems) while maintaining informal practices that enabled adaptation (collaborative creativity, flexible supplier relationships).

This purposeful deployment of informality was particularly evident in employment relations. Restaurant 4's collaborative approach to menu development, which encouraged chefs to experiment with ingredients and techniques outside formal job descriptions, represents a strategically informal practice that promoted innovation and staff engagement simultaneously. Similarly, Restaurant 7's flexible work arrangements during the pandemic enabled family members to cover multiple roles, allowing the business to maintain operations despite staff shortages. These examples illustrate how informal employment practices serve as mechanisms for addressing structural constraints while maintaining operational flexibility.

Implications for policy and practice

The findings suggest three approaches for supporting ethnic minority businesses during periods of crisis. First, policymakers should recognise informal practices as purposeful resources rather than merely regulatory non-compliance. Support programmes that work with, rather than against, established informal practices may prove more effective than those imposing standardised formal solutions. For example, community-based business networks could be used as channels for distributing resources and knowledge, building on the relational agency already evident in many ethnic minority firms.

Second, interventions should be tailored to different agency profiles. Failed firms might benefit from basic support and assistance, building relational resources through community networks. Resilient survivors could use support formalising successful adaptations and developing innovative capacity. Innovating enterprises would benefit from scaling opportunities and platforms to share their transformative practices with others in the sector. This approach accords with Ram et al.'s (2015) emphasis on context-sensitive interventions that address specific barriers faced by different types of ethnic minority businesses.

Third, policymakers should facilitate knowledge exchange between ethnic minority businesses. Innovating firms in the study developed sophisticated responses to crisis conditions that could benefit others if systematically shared. Creating platforms for peer learning, like the temporary WhatsApp group that spontaneously emerged in the creative sector during lockdown, could spread effective agency practices throughout ethnic minority business communities.

Conclusion

This study examined how Bangladeshi restaurant owners deploy different forms of agency through informal practices to work through structural constraints during periods of crisis, and how these agency forms evolve across disruption and recovery phases. The longitudinal analysis across pre-pandemic, pandemic and post-pandemic/cost-of-living crisis periods revealed three distinct agency forms (navigational, relational and innovative) that produced divergent business trajectories despite similar structural challenges.

The three agency forms identified represent entrepreneurial capacities that operate across varied contexts. Crisis periods rendered these forms more visible and urgent, providing an analytical window into processes that continue during less turbulent times. These findings align with scholarly calls for more dynamic approaches to understanding ethnic minority entrepreneurship that explicitly consider agency (Ram et al., 2017; Vincent et al., 2014).

The research has limitations that suggest directions for future inquiry. The focus on eight Bangladeshi restaurants in one UK region limits generalisability to other ethnic minority groups or sectors. Comparative studies across different ethnic groups and business types would enhance understanding of how agency manifestations vary across contexts. The longitudinal approach captured change over a three-year period, but longer timeframes would reveal how agency evolves across business lifecycles and through multiple crisis episodes.

The sample included predominantly male owners, limiting insight into how gender shapes agency manifestations. Future research could examine female ethnic minority entrepreneurs, whose experiences may reveal different agency patterns given their distinct structural positioning. Cross-generational studies could illuminate how agency forms evolve as businesses transition between generations with different educational backgrounds and cultural orientations.

By revealing how different forms of agency operate through informal practices, this study shows how ethnic minority entrepreneurs work through challenging environments. It demonstrates that entrepreneurial agency, while constrained by structural conditions, remains a powerful force in reshaping business possibilities even during periods of exceptional uncertainty. This dynamic understanding of agency through informality offers insights into structure–agency relationships that extend beyond ethnic minority entrepreneurship to broader questions of how marginalised actors work through and transform constraints across various social and economic domains.

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