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Women business owners' start-up motivations and network content

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ABSTRACT

This research responds to calls for studies aimed at developing a more nuanced understanding of women small business owners' networking behaviours and structures. The study examined whether business start-up motivations and phase of the business (prestart-up, start-up and established) influenced women's networking behaviours and structures. Semi-structured interviews were conducted with 28 women. Interview data were used to categorise participants into classic, forced, and work-family owners. Analysis of the interviews found no marked differences in networking behaviours and network structures of participants during prestart-up phase. During start-up and established phases differences began to emerge. Given that classic and forced owners had established their businesses for financial reasons, a diverse network was more relevant for them. However, work-family participants established the business for family/work balance, thus a small network of close ties was sufficient to achieve their business goals. Theoretical, practical and research implications of the findings are outlined.

Keywords – Business start-up motivations, Network, Network structure, Small business, Women small business owners.

Paper type – Research paper.

INTRODUCTION

Around the world, both the number of women small business owners (SBOs) and their importance as a source of economic growth are increasing (Ramadani, Gerguri & Dana, & Tasaminova, 2013). Women business ownership is often seen as an option for integrating women into the labour force and it provides employment, reduces poverty, and promotes job creation and social inclusion (Bardasi, Shwetlena, & Terrell, 2011; Kirton & Greene, 2010). However, women are often disadvantaged when compared to their male counterparts, as women frequently have unequal access to financial resources and opportunities needed to

start a business (Stevenson, 2011). Women often do not have high-profile actors in their social networks, so they are less likely to have access to those in power (Gremmen, Akkerman, & Benschop, 2013). Generally, women-owned businesses perform at lower levels than businesses owned by men in relation to criteria such as sales, profit, employment and survival rates (Klapper & Parker, 2010; Krasniqi, 2010). Many researchers have identified women business owners' network structures and usage patterns as major causes of their weaker business performance (Sorenson, Folker, & Brigham, 2008; Tonge, 2008).

Research into aspects of women business ownership, their motivations and networks continues to develop. However, little attention, if any, has been devoted to integrating studies of women business owners and their business start-up motivations with the development and structure of their networks. Motivation influences behaviour (Idris, Salleh & Endut, 2014), and motivation for starting a business can influence SBOs' business strategies and operational activities, including networking. Furthermore, many small business researchers have called for more qualitative network studies aimed at developing a more nuanced understanding of networking behaviours (Jack, 2010; Wilson, Wright & Altanlar, 2013). To address this weakness in the literature, this research employed an exploratory, qualitative approach to examine similarities and differences between network structures of women SBOs with different start-up motivations at various stages of business development.

Given the economic significance of small business and importance of networking to SBOs and women SBOs in particular; the potential link between motivation and networking behaviour; and the need for more qualitative research in this field; this study was undertaken to introduce an added dimension to women SBOs and their networks, not previously available in the literature. This research was guided by social network theory (SNT) which explains the interpersonal mechanism and social structures that exist among interacting individuals (Flaherty, Lam, Lee, Mulki, & Dixon, 2012; Hatala & Fleming, 2007), and the

theory is often used to determine the social structure and environment within which individuals function (Hatala, 2006). The study was driven by the following research questions:

How do women's motivations for starting a small business influence network structure?

Is the influence of motivations on network structures affected by phases of the business, and if this is so, how?

While the influence of other factors, such as industry, industry experience, education and culture on SBO networks is acknowledged, the focus of this research is women SBOs with different business start-up motivations and their network structure during each phase of business (i.e. prestart-up, start-up and established).

THEORETICAL BACKGROUND

Start-up motivation

Hughes (2006) identified three broad groups of business owners based on their motivation for starting a business: classic, forced and work-family. Classic women SBOs are those who are drawn to business ownership for many of the same 'classic' reasons as men. These business owners often cite challenge, self-fulfilment, financial independence and being their own boss as motivational factors (Kirkwood, 2009 and 2009b). Forced business owners are those that are pushed into business ownership, mainly due to unemployment, job loss and lack of work opportunities (Hughes, 2006; Murray & Syed, 2010). The attraction of the flexibility that business ownership permits for balancing family and work and the importance of family-based start-up motivations are not new concepts (Hundley, 2000; Loscocco & Bird, 2012). Early studies have shown that many women start their own business in response to the demands of parenthood and spouse/partner roles (Breen & Karanasios, 2010; Hilbrecht, 2015; Kirkwood, 2009).

Although literature highlights the effects of various motivations on business success and business activities of women SBOs (e.g., Humbert & Drew, 2010), it does not specifically explain the influence of these motivations on networking behaviour of business women. This area of neglect is the focus of the current study. Classifying women SBOs according to their motivations (classic, forced and work-family) facilitates a comparison of the network structures of different types of business women, in order to better understand how each group pursues, builds and maintains their networks.

Social network theory (SNT)

As noted previously, this study is underpinned by SNT, which entails describing, accounting for and even predicting interactions between social units of varying sizes, such as individuals, groups or organisations (Daly, 2010; Kadushin, 2012). As such, SNT is widely used to explain the interpersonal aspects of human relationships and the ways individuals or groups seek, use and exchange information and choose each other for different tasks and in different situations (Borgatti & Halgin, 2011; Ghannad, 2013; Grano, 2013; Schultz-Jones, 2009).

SNT views social relationships in terms of nodes and ties (Neergaard, Shaw, & Carter, 2005). Nodes are individual actors within networks, and ties are relationships between these actors. The term 'ties' is used to describe the quality of within-group peer relationships and can be grouped into strong or weak ties (Granovetter, 1973). Strong ties often include family members and close friends. They are based on trust and involve a considerable amount of time and emotional investment. Weak ties are more superficial and involve much less emotional investment for both parties. Strong and weak ties can occur within both personal and business networks of business owners (Söderqvist, 2011). The strength of a tie is a function of factors such as frequency of contact, reciprocity, social relations, interactions and flows. The network structure is determined by interaction of actors within the network (Schultz-Jones, 2009). In its simplest form, a social network is a map of all relevant ties

between nodes. Network structure can also be used to represent the social capital of individual actors and to help understand the complexity of relational influences impacting on small businesses.

In order to understand how motivation affects network structure, this study examines women SBOs' network structure in terms of nodes and ties. SNT stresses the erratic nature of networks, where their structures and boundaries between strong and weak ties continue to fluctuate (Shaw, 2006). Generally, network change is seen as a response to changing business requirements and resources. For example, establishing and developing a business requires different contacts and different resources over time (Johannisson, 1988). Social network ties are activated according to need and are hence not fixed (Granovetter, 1985). A consequence of this view is that networks, as entities, can perhaps best be described as a bundle of dynamic relationships, comprising many individuals that transforms and changes over time according to business needs (Chell & Baines, 2000). This suggests potential changes in women SBOs' network structure as the need for types of resources and contacts change at various stages of business development. Thus, how SBOs use their networks is likely to change as the business transitions from one phase to another.

Networks and networking

SBOs need social and business networks to support the establishment and growth of their businesses (Robert, Blackburn & Wainwright, 2013; Zhao, Frese, & Giardini, 2010). These business owners build networks that systematically change and vary with development of their business and are initially based on social and business relationships with core groups such as family, friends as well as customers, suppliers and creditors. Progressively, business owners expand their networks to include people and entities with whom a business relationship will be mutually beneficial, such as bankers, accountants, lawyers, government agencies and consultants (Robert et al., 2013; Zhao et al., 2010).

There are two broad types of networks, namely business or formal networks and social or informal networks. Business or formal networks include formal arrangements with other organisations such as banks, government agencies and professional entities such as lawyers and accountants (Söderqvist, 2011). Social or informal networks include informal sources and personal contacts within business owners' networks and are based on an informal arrangement and code of conduct. These networks often include family, friends, previous colleagues and employers (Klyver, 2011; Casson & Giusta, 2007; Surin & Wahab, 2013). Both formal and informal networks of business owners can affect their ability to establish, maintain and grow their business.

Many SBOs utilise their networks to gain access to information and resources they need for their business and recognise the value of links with others (Jenssen & Greve, 2002; van Staveren & Knorringa, 2007). Furthermore, recent advancements in technology and the internet have provided additional channels for network communication. However, some scholars argue that internet networking cannot replace face-to-face communication because social relations must be developed first through face-to-face encounters, so that trust and rapport can be established and tacit knowledge can be exchanged (Doug & Anderson, 2012).

Network structure

The key principle underlying SNT is that actors are embedded within networks of interconnected relationships that provide opportunities and constraints for actors (Burt, 1997). Rather than examining individual actors in isolation, SNT focuses on relationships between them. Both structure and composition of networks are seen as potential sources of social capital (Nonino, 2013). Social capital is described as "the goodwill available to individuals or groups. Its source lies in the structure and content of the actor's social relations. Its effects flow from the information, influence, and solidarity it makes available to the actor" (Adler &

Kwon, 2002, p. 23). Social capital is associated with innovation, performance, and survival of individuals, groups and organisations (Brass, Galaskiewicz, Greve, & Tsai, 2004).

SNT identifies network structure as a key element of social networks (Brass et al., 2004; Granovetter, 1973). Network structures are patterns that are formed from the information collected about the network (McAllister, Cheers, Darbas, Davies, Richards, Robinson, Ashley, Fernando, & Maru, 2008). Furthermore, SNT asserts that the structure of an individual's network and the position that the individual holds within the network can impact network interactions, including exchange of contents between actors (Mitchell, 1969).

The first important element of network structure is network size, or the total number of actors to whom an individual is tied (Seibert, Kraimer, & Liden, 2001). Network size is positively associated with time spent networking (Van Hoye, van Hooft, & Lievens, 2009). A second key component of network structure is strength of ties, or closeness of social relationships between the individual and actors within their network (Granovetter, 1973). Strong ties, such as family and close friends, are typically more readily available than weak ties, and result in more frequent interactions. Overall, individuals are more likely to network with people with whom they have strong ties to gather information and support, particularly when a protected environment is required, such as when discussing aspects of establishing a business (Greve & Salaf, 2003).

However, a business owner who has a more open network with diverse connections (i.e. many weak ties and social connections) will have greater opportunities to develop a successful business than an individual with many connections within a single or closed network (Miller, Besser, & Malshe, 2007). A closed network will have virtually no structural holes, where one person links two separate networks. A structural hole is an opportunity for a 'networking broker' who plays a significant role by linking different networks together through transferring information or resources and generally facilitating the interests of people

not otherwise directly related to one another (Teten & Allen, 2005). Weaker ties therefore can imply more openness and flexibility for SBOs (Harris, Rae, & Misner, 2012).

On the other hand, strong ties can lead to operational advantages for SBOs because membership of a closed network has benefits of stronger accountability through the need to 'keep a clean slate', which makes it less risky to trust other members (Shaw, 2006). Regardless of supporting arguments for both open and closed networks, it is evident from the literature that network structure is a key element of an owner/manager's network.

NETWORKING BY WOMEN SMALL BUSINESS OWNERS

While the benefits of networking are not just specific to small business, networking is often more crucial to the economic viability and competitive advantage of small businesses. SBOs rarely possess all the knowledge and skills needed to develop their business, consequently finding people who possess the required knowledge and skills and persuading them to contribute are critical aspects of their networking. Furthermore, for many small businesses the nature of their personal contact with customers represents their unique selling point (Bohner & Seta, 2014; Harris et al., 2012).

Women business owners often have unequal access to business networks. They generally lack sufficient support networks in the form of professional associations (Watson, 21012) and government agencies, as well as third-party support networks to advocate for them (Davis & Abdiyeva, 2012). Only a small portion of business women join formal networks in search of business opportunities, because such formal networks are often perceived as not being based on trusting relationships formed over a period of time (Farr-Wharton & Brunetto, 2007). Furthermore, some women may conclude that they are unable to participate in male-dominated networks and hence impose self-restriction on their networks due to their own views, beliefs and decisions to network (Dawson, Fuller-Love, Sinnott, & O'Gorman, 2011; Gamna & Kleiner, 2001). This may be because they feel uncomfortable in male-dominated

networks, or it may be the result of a sense of exclusion from these networks (Dawson et al., 2011). In addition, women SBOs tend to exchange information with mostly other women during initial stages of their businesses (Klyver, 2011; Hanson & Blake, 2009). This can significantly inhibit the growth and development potential of women-owned businesses and isolate them from helpful knowledge and advice that could potentially save them time and money (Brady, Isaacs, Reeves, Burroway & Reynolds, 2011; Hanson & Blake, 2009; Klyver & Grant, 2010).

Finally, marriage/living in partnership and parenthood are life events that can affect business ownership and networking (Dhaliwal, Scott, & Hussain, 2009; Lee, 2015; Rouse and Kitching, 2006). Life events tend to impact men and women differently (Lee, 2015; Renzulli, Aldrich, & Moody, 2000). For many women SBOs, overall personal income decreases with marriage/living in partnership and growth in family size and hours of housework (Dhaliwal et al., 2009; Hundley, 2000; Renzulli, Aldrich, & Moody, 2000). Given the negative impact of partnership and family on women SBOs' businesses, it stands to reason that partnership and family will also impact women SBOs' networking behaviour.

METHODS

This research was an exploratory, qualitative study with interviews as the source of data for answering the research questions. Interviews are one of the most common methods for collecting data in social network studies (Denzin & Lincoln, 2005). Twenty eight semi-structured, face-to-face in-depth interviews were conducted with women SBOs who were recruited through purposeful sampling methods (i.e. Australian women SBOs who owned and managed their own business).

Data collection commenced with an identification of participants' motivations for starting their own business. Using a Likert-type scale, participants were asked to choose from a list of predetermined motivation options and indicate the main reason for starting their business.

Participants' business start-up motivation was used to classify them into classic, forced or work-family SBOs. Thirteen participants stated 'achieving financial security', or 'to make lots of money', or 'to build an asset for my future', or 'identifying an opportunity in the market' as their main reason for starting a business. These women were classified as classic SBOs. Eight participants had dependents or wanted to start a family. For these participants, owning their business provided them with the flexibility they needed to look after their children. These participants were classified as work-family SBOs. Seven participants referred to 'being unhappy with their previous employment', or 'being made redundant', or 'not being able to find suitable employment' as their main reason for going into business. These participants were classified as forced SBOs. This reductionist approach simplified multi-dimensional motivations issues where mixed motivations are articulated by participants (Hughes, 2003).

The interviews also explored the network structure of participants. During interviews participants were questioned about number and type of actors within their networks, and their relationships with different actors within their networks, during prestart-up, start-up and established phases of the business. For the current study, the duration of the start-up phase was deemed to be a period of one year, with the established phase commencing in the second year of business operations.

Interviews were audio-taped with the permission of participants and transcribed verbatim. Hand-written notes were also taken by the interviewer. As soon as the transcript of an interview was available for review, it was checked for accuracy and carefully examined repeatedly by the researchers. Reflective remarks were recorded in the margins (Miles & Huberman, 1994; Patton, 1990). Content analysis (Weber, 1990) was employed to aid in classification of the textual interview data and codes were developed for each network content type. All phrases, sentences and paragraphs in the textual interview data were

reviewed in relation to relevant data segments and then classified into the most appropriate network content type by writing codes directly on relevant data segments. One researcher assessed the reliability of text classification through coding and then later recoding the same text.

A matrix was used to display and analyse the data (Miles & Huberman, 1994). Rows were devoted to the numbers assigned to interview participants (1-28) and columns to components of network structure, such as number and type of actors, and relationships between participants and the actors. Cell entries in the matrices consisted of direct quotes taken from interview transcripts. Themes and disparities in the data were used to draw meaning from data related to network structure (Patton, 1990). This involved looking for both recurring phrases of participants and threads that tied together the data.

Validity of the research was enhanced through purposeful sampling, using intensive interviews to collect 'rich data', soliciting feedback about the findings and conclusions from research participants and providing transparency in the research process (e.g., using audit trails and a code-book) so that other researchers could potentially arrive at similar findings and conclusions.

PROFILES OF PARTICIPANTS

Participants were representative of a wide range of industries and backgrounds. Using pseudonyms to protect their anonymity, a profile of participants is presented in Table 1.

INSERT TABLE 1 HERE

The businesses in this study were located in and around urban Western Australia and were made up of a mix of employers and non-employers, although the majority (18 of 28) did not have employees. Over half of the businesses (16 of 28) were home-based and the businesses in our sample operated in both manufacturing and service industries. The sample participants

had attained high levels of education, more than half had a tertiary qualification and a quarter had a postgraduate qualification. The majority of respondents (19 of 28) were between 31 to 50 years of age and just over half had dependents. The profile of the study participants is similar to the national profile in many respects. For example, congruent with the sample in this study, the 'average' Australian female business owner is between 34 to 55 years of age (55%), with approximately half (49.7%) having dependents, and only about one third (33.9%) having employees (Australian Bureau of Statistics, 2012).

Table 2 provides profiles of each category of women SBO in terms of age, dependents, education, work experience, industry, working hours, and number of employees. Major similarities were noted between classic and forced SBOs. Participants in both groups were more likely to be working in business partnerships and less likely to work in home-based businesses than their work-family counterparts. All classic and forced SBOs worked full-time. Ten out of thirteen classic and five out of seven forced SBOs' businesses were upper-tier. That is, businesses which require specialised skills and knowledge, such as project management, management consultancy, information technology and telecommunications. By contrast, work-family SBOs were more likely than classic and forced SBOs to have young dependents and work in lower-tier businesses. These are businesses that do not require specialised skills and knowledge, such as personal services, accommodation and retail sales. All work-family SBOs were solo workers, working part-time in home-based businesses.

INSERT TABLE 2 HERE

FINDINGS OF THE INTERVIEWS

Network structure

The size or structure of the network refers to all first-order contacts, regardless of type of interaction or the strength of their relationships (Greve & Salaff, 2003). Participants were

asked to talk about their different contacts during the prestart-up, start-up and established phases of their business. A majority of contacts were the kind that one expects, such as family and friends, clients and suppliers. There were three different types of clients identified by participants: past clients, current clients and future prospects. Most of the participants stated that they would keep contact with some of their past clients, either because they had the potential to become future clients; and/or were used as a referral for new clients; and/or because of friendship bonds that had been formed between the SBO and the client over time. Contractors were often individuals that provided a service to the business, such as accountants and IT specialists. Complementary businesses were often banks or financial institutions. Surprisingly, employees (full-time or part-time) were not identified as a contact by the majority of participants.

All three categories of SBOs talked about importance of "trust" in their relationships. The main reason for this is that most of the businesses in this research operated in highly competitive, low-trust environments. The business owners were reluctant to share business information, particularly with contacts they did not trust, for fear of losing their competitive advantage. Classic and forced SBOs in particular emphasised the importance of trust with business focused contacts, such as accountants and suppliers. Comments by participants 6(Classic) and 21(Forced) illustrate the importance of trust:

> *We use our network of people to identify various people that have the skills we need in a particular project, people who are of a similar mind set and have a similar set of values and business ethics to us and we would feel comfortable and happy working with. The ability to pull in other people on a project-by-project basis gives us the capacity to grow the business.*

We are still doing business with people that we started doing business with 22 years ago, the people we trust. We know they can deliver. We trust their word and even though sometimes it might cost us a bit more we know that they are going to do what they say they are going to do.

The importance of employees and their personal networks to the business is widely acknowledged in the literature (Gilmore, Carson, & O'Donnell, 2004; Miller, Lee, Chang, & LeBreton-Miller, 2009). In this research many of participants were sole traders and hence internal networking did not apply to them. Nevertheless, employees failed to emerge as a meaningful part of participants' networks for those SBOs that did have employees. This is illustrated in a comment made by participant 5(Classic):

I never ask my employees if they know a customer or know someone who can or might be able to help me with another aspect of the business. I never thought about it.

Some of the participants, who employed full-time staff, did not share business information with their employees out of concern that they would use the information to set up their own businesses. This is a reasonable concern for participants because for many small business employees starting a business is an important potential route to career advancement. Another possible explanation for this finding is that participants failed to appreciate the importance of employee contacts because the SBOs lacked basic business and management skills.

Network structure – Prestart-up phase

Prestart-up phase is when many would-be business owners ponder about the possible marketability of their business idea, assess availability of resources, opportunities and requirements and make a decision to go ahead or not (Papulová & Mokroš, 2007). There were no apparent differences in network structure of the three types of participants in the prestart-up stage of business when the business owner was contemplating launching a small business. In early stages of the business, all participants relied heavily on their support

networks and had the smallest networks of discussion partners. They carefully selected people to discuss their ideas with and limited their network to close friends, family and trusted work colleagues. Participants spent most of their time engaging with these close contacts to test their business ideas and to obtain personal and emotional support. As stated by participants 18(Work-family) and 20(Classic) respectively:

> *I spoke to few people (friends), with my own family and my husband at the time, and after that I had made the decision.*

> *I have a group of friends I regularly speak to about what I am going to do, they helped me and I still use them as a kind of informal source.*

As the relationship between participants and their actors in this phase of the business was close, participants did not need to establish and develop social relations to provide them with a protected environment for discussing various aspects of establishing a business.

Network structure – Start-up phase

The phase after prestart-up is typically the actual start-up (Papulová & Mokroš, 2007) when SBOs build up their customer base and legitimacy in their industry and work through barriers in order to establish their business (De Hoyos-Ruperto; Romaguera; Carlsson, & Perelli, 2012). During the start-up phase, major differences began to emerge between the three categories of women SBOs. Classic and forced SBOs increased their networks by actively engaging in external networking activities, both formal and informal. This finding is illustrated by Participants 11(Classic), 7(Forced) and 19(Forced) respectively:

> *During the start-up phase I did a lot of research and contacted different organisations and talked to various professional contacts within and outside my community*

We travelled to the Eastern States. Had a look to see what was happening over there. When we finally decided that 'yes, this is where we are going to go', we started talking to local suppliers over here, and talking to Small Business Corporation and a few other places to get advice.

I consulted people in the networks that I belong to before starting my business. People that I knew in registered training organisations. I now do informal networking like having coffee with people that are useful, but I also belong to formal groups. It helps getting my name out there which is a way of marketing my business. I also volunteer on a committee to do with training. I haven't got any work from them, but it gives me an indication of what's happening in the industry. So it's not always about getting the sale; it's about increasing my knowledge and awareness.

Figure 1 shows that size of the network structure for classic and forced participants expanded during the start-up phase of their business. During prestart-up stage of the business the focus was primarily on contacts that provided SBOs with non-tangible resources, such as advice and emotional support. However, during start-up phase the focus changed to include contacts that could provide tangible resources for the business, such as goods and services (suppliers), sales (customers), finances (banks and financial institutions), or business opportunities (network functions, business contacts). For example, participant 13(Classic) stated that she had contacted her previous clients and colleagues as well as her accountant to help her establish her business.

INSERT FIGURE 1 HERE

Work-family SBOs, on the other hand, continued to limit their networking to close ties only. They contacted friends and family to help them establish their business, sourced resources such as capital loans for business growth and establishment from informal sources, and conducted their own online research. For example, participants 15(Work-family) and 23(Work-family) stated:

> *My friend has the same business so I rang her up and she gave me lots of advice. It's not a huge venture where I had to go to a bank and get a loan we just used what capital we had to set it up and took it from there, letting my friends know, school mums, through word of mouth.*

> *We did our own research on the internet and followed our instincts and gave it a try.*

During the start-up phase, work-family SBOs relied on contacts within a small, close network, mainly comprising the owners' family and friends who may not have had the necessary expertise and knowledge to help them plan and establish their business. Furthermore, work-family SBOs used word-of-mouth to find potential customers and establish their business. As participant 16(work-family) noted:

> *Most of my business comes from informal networking or word of mouth, there is no need for me to attend business functions, it is a small business and most of my work comes from school mums.*

Networking studies have shown that the most useful network member to a business owner is rarely a close friend or even a friend at all, and is more likely to be the acquaintance of a friend, or the friend of an acquaintance (Harris et al., 2012). Weaker ties imply more openness and flexibility. A business owner with many weak ties and social connections will

have greater opportunities to develop a successful business than an individual with many connections within a single or closed network (Harris et al., 2012; Granovetter, 1973, 1985; Renzulli, Aldrich, & Moody, 2000). A closed network does not provide many opportunities for 'networking brokers' (Teten & Allen, 2005). For example, some of the actors with whom classic and forced participants had formed close ties, such as accountants and suppliers, served as network brokers and thus created indirect links between SBOs and resources and information available in other networks. This idea is encapsulated in a statement by participant 28(Forced):

> *My accountant goes to few seminars and tells me of any regulation or law that has changed or affects my business. So I don't need to keep up, he gets the information for me.*

Network structure – Established phase

Established phase is when the business enters maturity, customers and other relevant stakeholders know it exists and SBOs communicate on various levels with these stakeholders. During this phase motivations continued to influence the networking behaviour of participants. As shown in Figure 2, for classic and forced participants networking became focused, targeting specific networks, businesses and individual contacts. Their networks grew at a much slower rate than during start-up.

INSERT FIGURE 2 HERE

During this stage, classic and forced participants became more selective and they concentrated their networking efforts on those who continued to provide them with business opportunities or the required support and resources. For example, they only attended networking functions that might provide them with business opportunities or assist with marketing their business. For example, participants 17(Classic) and 21(Forced) stated:

We certainly put in the effort when we first started, attending a lot of network functions, and trying to get to know the people, getting our name out there. But not as much now, the business is more established and we don't need it as much, unless there is some great opportunity somewhere. Something you find is really working for you or could benefit the business.

Networking is not just about handing out business cards or collecting them, and you cannot follow up with everyone you meet at these functions, there is no time, and there is no point. So you become selective, you contact those you think would be good to keep in touch with.

Classic and forced SBOs focused on building close ties and invested heavily in building long-term relationships with key business stakeholders. Generally, SBOs can never have too many contacts, but networking is not just about attending functions and exchanging business cards. Good SBO networkers follow up and pursue those who can provide new business opportunities and facilitate the growth of their business. In this research, classic and forced SBOs followed up with contacts they had met and who they deemed important with an invitation to meet informally, perhaps over a cup of coffee. These participants invested considerable time and effort in building closer ties with these contacts.

By contrast, work-family SBOs continued to surround themselves with a small close network of strong relationships and limited their contacts to family, friends and few key stakeholders such as key customers. They were reluctant to expand their networks, restricting themselves to those relationships which they trusted. For work-family participants, their network size remained relatively constant, whereas for classic and forced participants, networking became

more focused and they grew their business networks at a slower rate than during start-up phase of their business.

For many women SBOs in this research the nature of their personal contact with key actors, in particular customers, represented their unique selling point and they stressed the importance of personal relationships in developing a customer base. During established phase of the business, all participants engaged in relationship marketing with key clients. Relationship marketing is defined here as marketing activities directed toward establishing, developing, and maintaining successful relational exchanges (Morgan & Hunt, 1999). However, the criteria used by participants to identify major customers depended upon their SBO type. Classic and forced SBOs used two criteria: a) the size of the account and contribution to turnover; and b) whether the client enhanced the prestige and reputation of the business. Work-family participants, on the other hand, used clients' direct economic contribution as the sole criterion to identify key clients. Rather than seeking to personalise relationships with all clients, all participants networked actively only with those identified as being able to contribute directly or indirectly to the success of their business. Participants believed it made economic sense for them to maximise and focus their networking efforts on those clients most likely to generate repeat and referral business. In this way they used their limited resources most effectively.

DISCUSSION

This study responds to calls for research that develops a more nuanced understanding of SBOs networking behaviours. Specifically, it addressed the questions:

> *How do women's motivations for starting a small business influence their network structure?*
>
> *Is the influence of motivations on network structures affected by phases of the business, and if this is so, how?*

The study found there were no differences in network structure of participants in the prestart-up phase of their businesses. This illustrates women SBOs' preference for close ties as they 'test the water'. These findings are in line with those of earlier research which showed that individuals are more likely to network with people with whom they haves strong ties when contemplating launching a small business (Davidson, Fielden, Omar, 2010; Greve & Salaf, 2003). The major role of the contacts during this phase of business tended to be provision of support for the participant with regard to launching and developing a new business.

All participants valued the open, honest and direct discussions they had with these close contacts in the prestart-up phase of their business and trusted the information given to them. Given the competitive nature of some of the businesses, these women deliberately used their close and trusted relationships to seek advice and to evaluate the opportunities identified. Engaging in this strategy provided a sheltered space within which SBOs avoided opportunism and the uncertainty that lurks in a wider network environment. Furthermore, during this initial phase, while SBOs were still unsure about the viability of their business, they were not committed to investing too much time and resources. Consulting close actors within their network was therefore a rational strategy. These strong ties provided SBOs with hard-to-find resources at minimum or no cost in the early development of new ventures, despite the limited scope of those resources and the fact that not all contacts within the networks had the necessary knowledge or expertise.

During start-up phase differences began to emerge between participants. While classic and forced SBOs increased their networking activities and expanded their networks, work-family SBOs continued to limit their networks. Classic and forced SBOs relied on strategies of network building, involving both strong and weak ties, to gain the resources and support they needed to grow and expand their business. Over time and with increasing success, contacts such as major customers and accountants became increasingly influential amongst these two

types of SBOs. Some of the more business-focused contacts, such as accountants and suppliers, constituted strong ties. As the business grew and developed it appears that the contribution of contacts continued to increase for classic and forced participants, including more business-focused contacts. This finding concurs with Watson's (2012) finding that external accountants and industry associates are significant sources of support related to business survival and growth for SMEs.

During start-up phase work-family participants in this research continued to surround themselves with a small close network of strong relationships which at first glance appeared to indicate that they were not utilising their networking efforts effectively. However, given that for work-family participants in this study the business was nothing more than a self-employment opportunity, a small, trusted network of people was sufficient to sustain their business. This finding suggests that the relevant merits of strong and weak ties is dependent on type of SBO and their motivations for starting the business.

Once the business was established, classic and forced SBOs networking became more targeted, whereas work-family SBOs remained within small, close networks of strong ties. All participants engaged in relationship marketing which reinforces the importance of close-tie relationships to small businesses. As identified by all participants, long-term relationships and trust enhanced the benefits of strong ties and increased the likelihood of further interaction. Furthermore, all economic transactions with key stakeholders were embedded in networks of trusted relationships. For these SBOs, increased frequency of contact in turn carried additional benefits. Through frequent contact, friendships and strong bonds developed, which then led to tangible and intangible rewards such as financial transactions and valuable business advice.

Furthermore, these findings provide evidence of an 'entrepreneurial networking culture' among classic and forced SBOs, where networking is entirely driven by resource acquisition

and an ability to change and respond to the environment and business development needs. These two categories of SBOs continued to focus their resources and searched for contacts that could provide them with business opportunities. Like all entrepreneurs, classic and forced SBOs used networking to deliver services and/or products, often resulting in financial rewards or wealth creation. These women actively sought contacts that could help them achieve this primary goal.

By contrast, work-family SBOs had a 'non-entrepreneurial networking culture'. Their primary motivation for starting their business was 'to balance home and work responsibilities'. These women viewed their business as nothing more than part-time self-employment. Work-family SBOs had no intention of growing their business, wanting simply to earn an income while they raised their children. Furthermore, since the primary reason for starting their business was to 'balance work/family', they were reluctant to invest time in networking. As these participants were not strongly interested in business growth or financial gain, they networked for social reasons rather than business purposes.

Research has produced conflicting findings about whether strong ties are more beneficial than weak ties. Some studies support the importance of weak ties (Renzulli, Aldrich, & Moody, 2000; Watson, 2012; Wiklund, Patzelt, & Shepherd, 2009), while others suggest that strong ties are more important than weak ties (Shaw, 2006). The findings here show that motivation for starting a business does indeed influence women SBOs' network structure during start-up and established phases of the business. If the business is established for financial reasons, then having a diverse network is important, however if the business is established for family/work balance, then a small network of close ties may be sufficient to achieve the business goals. This finding is contrary to the observation that female owners appear to make significantly more use of family and friends (Watson, 2012). However, this finding supports

Watson's (2012) and Nelson's (1989) arguments that owners who want to grow their business need a diverse network to provide them with the specific expertise that they require.

Theoretical and practical implications

The findings make two contributions to knowledge and the extant literature. First, the findings provide preliminary empirical evidence that start-up motivations do shape networking behaviours and network structures. Second, the findings also suggest that business start-up motivations influence SBO's network structures only during the start-up and established phase of the business.

The findings of this study serve to provide guidance for practice and offer insights that should be of interest to stakeholders in the small business sector. For example, the findings can be used by businesswomen's network organisations in their mentoring and training interventions and for developing small business resources for nascent and current SBOs. Studies have shown that many women who take time off from work due to child care/family responsibilities face difficulties when trying to re-enter the workforce (Corby & Stanworth, 2009). Findings of the present study can be used in developmental interventions to assist work-family SBOs to transition to classic SBOs once their young children are no longer fully dependent on them, so that they can grow their small business into a larger, employing business. Furthermore, understanding the network structure and types of contacts used and the reasons women SBOs use them can assist in developing programs aimed at fostering networking.

The findings provide useful information to professional organisations on how they can best serve their members. The study found marked differences in the network structures of the three types of women SBOs. For example, work-family SBOs prefer strong ties mainly for social and personal support, while classic and forced SBOs use a diverse network to aid their

businesses and provide them with personal support. These insights can be used by government and private support organisations to develop the right type of training programs and networking functions for specific types of women SBOs.

Limitations and opportunities for future research

This study has limitations that tend to be commonly found in exploratory studies, such as a small sample size. The unequal number of SBOs in each of the three categories and the small numbers of young (< 30) and older (61+) women were further limitations of the sample. Women in these two age categories may employ distinctive networking behaviours. Furthermore, due to restrictions on time and resources the research was cross-sectional rather than longitudinal (Remenyi, Williams, Money, & Swartz, 1998) and accordingly presented a snapshot of participants' network structures based on their recollections, but did not examine how their network structures may have actually varied over time. Despite these limitations, this study has expanded on previous research by contributing new insights into the network structures of women SBOs.

The findings presented here can form the groundwork for longitudinal and large-scale quantitative studies that examine associations between SBOs' motivations for starting a business and patterns in their network structure. The present study can also serve as a first step for future studies that examine the potential influence of other factors, such as gender, ethnicity, and participants' age on SBO network structure. For example, future studies could use the three categories of SBOs to investigate whether there are differences between women SBOs' social network structure and those of men. Start-up motivations and network structure of ethnic minority/immigrant women SBOs could also be studied. We hope the findings presented here serve as a stimulus for such studies.

CONCLUSION

This research responds to calls for studies aimed at developing a more nuanced understanding of SBOs' networking and network structure. Findings of the current study contribute to an understanding of women SBOs' network structure by examining the influence of business start-up motivations on network structure during different phases of the business. The study provides preliminary evidence of a relationship between the motivations for starting a business and the network structure of women SBOs. The findings can be used by government and private business support organisations within their networking programs targeted at women SBOs. Furthermore, the study raises a series of new research questions and lays the groundwork for such research.

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Table 1

Participant profiles

Participant	Age	Industry	Tertiary education	Home-based	Have employees	Dependents	Relevant work experience
1WFSBO	51-60	Mortgage broker	Certificate	Yes	No	2	Yes
2WFSBO	41-50	Services – admin	Nil	Yes	No	2	Yes
3FSBO	41-50	Project management	Bachelor	Yes	No	1	Yes
4CSBO	60 +	Health services	Nil	No	No	1	Yes
5CSBO	41-50	Telecommunication	Bachelor	No	Yes	0	Yes
6CSBO	51-60	Management	Bachelor	Yes	No	1	Yes
7FSBO	60 +	Manufacture – food	Nil	No	Yes	0	Nil
8CSBO	31-40	Health services	Bachelor	No	No	1	Yes
9CSBO	31-40	IT solutions	Bachelor	No	Yes	0	Yes
10FSBO	41-50	Beauty consultant	Bachelor	No	No	0	Yes
11CSBO	41-50	Retail	Certificate	Yes	No	0	Nil
12CSBO	31-40	IT sales	Masters	No	Yes	0	Yes
13CSBO	51-60	Management	PhD	Yes	Yes	2	Yes
14WFSBO	< 30	Photography services	Bachelor	Yes	No	0	Yes
15WFSBO	41-50	Retailer	Bachelor	Yes	No	2	Nil
16WFSBO	41-50	Children parties	Nil	Yes	No	2	Nil
17CSBO	60 +	Training	Certificate	No	Yes	0	Nil
18WFSBO	41-50	Retail travel agent	Diploma	Yes	No	2	Yes
19FSBO	41-50	Education & training	Diploma	Yes	No	1	Yes
20CSBO	41-50	Business consultant	Bachelor	Yes	No	0	Yes
21FSBO	60 +	Health services	Bachelor	No	Yes	0	Yes
22CSBO	31-40	Retail home services	Diploma	No	Yes	2	Nil
23WFSBO	51-60	Holiday	Nil	Yes	No	2	Nil
24CSBO	41-50	Business consultant	Bachelor	Yes	No	0	Yes
25CSBO	31-40	Graphic design	Certificate	Yes	No	0	Yes
26FSBO	31-40	Children sports	Bachelor	No	Yes	2	Yes
27WFSBO	31-40	Promotional	Nil	Yes	No	2	Nil
28FSBO	41-50	Retailer – tiles furniture	Bachelor	No	Yes	1	Nil

CSBO = Classic SBO. FSBO = Forced SBO. WFSBO = Work-Family SBO.

Table 2

Profiles of the types of women SBOs

	Classic	Forced	Work-family
Age category	31-40 (5 of 13) 41-50 (4 of 13) 51-60 (2 of 13) 61+ (2 of 13)	31-40 (1 of 7) 41-50 (4 of 7) 61+ (2 of 7)	< 30 (1 of 8) 31-40 (1 of 8) 41-50 (4 of 8) 51-60 (2 of 8)
Dependents	5 of 13	4 of 7	7 of 8
Business-related qualifications	10 of 13	4 of 7	2 of 8
Business partner	4 of 13	2 of 7	0 of 8
Relevant industry experience	10 of 13	5 of 7	4 of 8
Level of business sophistication	10 of 13 *upper-tier	5 of 7 upper-tier	1 of 8 upper-tier
Home-based business	6 of 13	3 of 7	8 of 8
Working hours	13 of 13 **fulltime	7 of 7 fulltime	0 of 8 fulltime
Have full-time employees	6 of 13	4 of 7	0 of 8

* Upper-tier – businesses that require specialised skills and knowledge
** Full-time refers to working more than 31 hours a week.

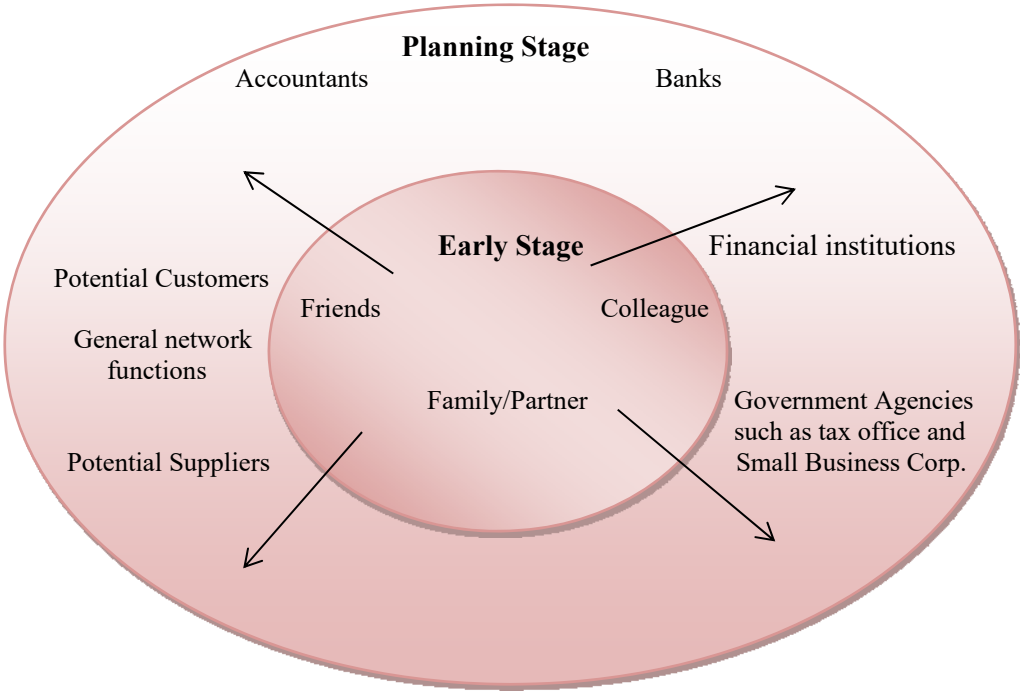

Figure 1.Networking pattern during the planning phase of the business.

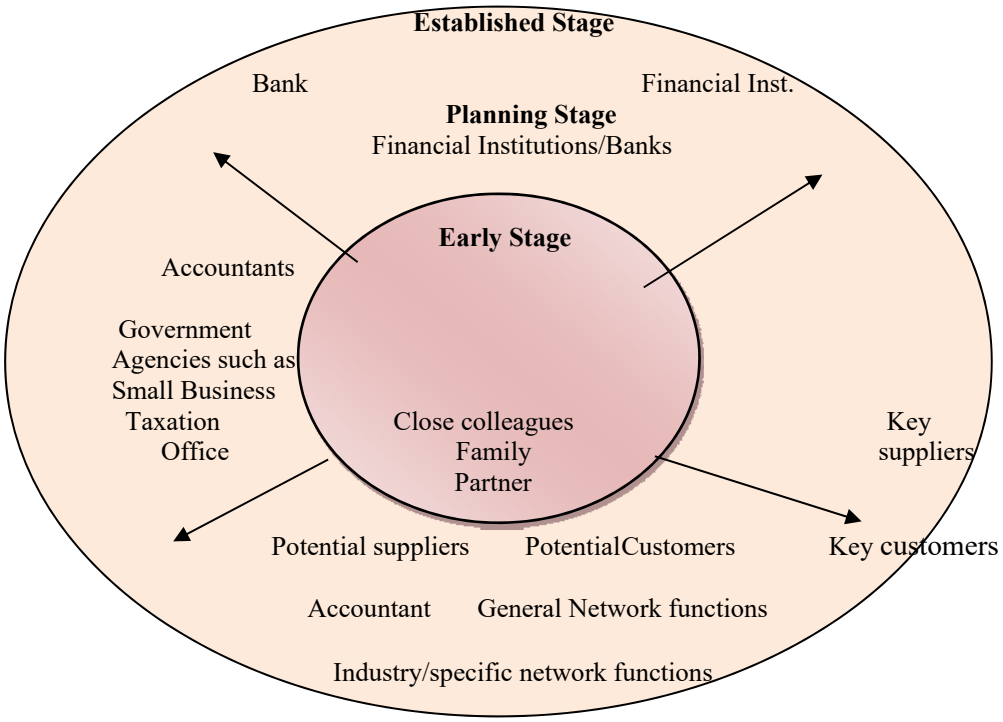

Figure 2.CSBO and FSBO networking pattern during the established phase of the business.