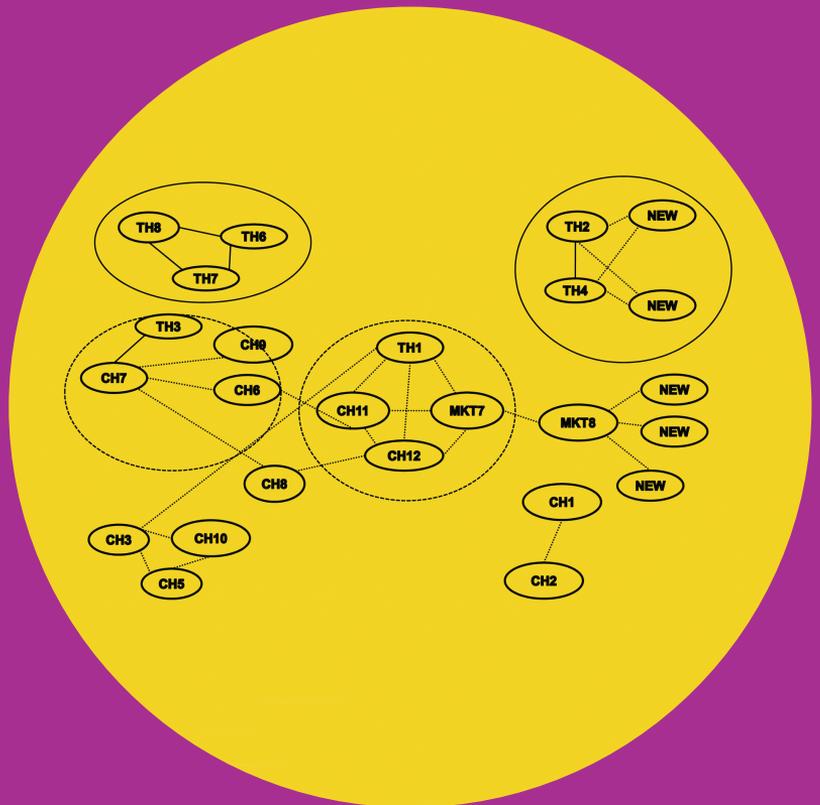


A Longitudinal Case Study of an Entrepreneurial Networking Process

Raija Leskinen



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Purpose – The aim of this research is to deepen the understanding of the entrepreneurial networking process from the individual's point of view. It explores the dynamics between individual and collective processes in the entrepreneurial networking process from the individual's point of view by outlining some important factors that enhance relationships and may affect the success or failure of the networking process. The key research question is: How does the entrepreneurial networking process evolve? It is argued that by carefully introducing the essential elements, concepts and properties our knowledge of approaches to entrepreneurship and network research expands in new directions. It enhances the vision of the need to broaden our horizons a more complex reality and the human actor as a creator of this reality in the entrepreneurial networking process. The aim is to open new doors to studying the dynamics of individual and collective processes as well as their interaction/dialogue during the entrepreneurial networking process.

Theories and methods – The overview and the three articles of the dissertation are grounded in concepts and theories related to and intertwined with academic literature: that of entrepreneurship, organization management and social sciences. All three articles are based on the same case study; an entrepreneurial networking project during the period 2006-2008 on 25 firms operating on the service market. The overview and the three articles emphasize the networking process approach from the individual's point of view.

Article summaries – The dissertation includes three articles: A) Entrepreneurs as human actors in the networking process (Leskinen, 2010); B) innovation and learning through dialogue in the entrepreneurial networking process (Leskinen, forthcoming 2011); C) success in the female entrepreneurial networking process (Leskinen, 2011).

Key contributions – The dissertation makes two main contributions bringing the human behavioural approach to the networking process research, developing and refining entrepreneurial networking process frameworks from the individual's point of view. More specifically, the key theoretical contributions of the dissertation and articles are 1) a description of the phenomenon characterizing entrepreneurial networking 2) a framework describing the entrepreneurial networking process in the interplay of entrepreneurial profiling and organizational factors (dialogue, trust and commitment), 3) a description of a new concept e.g. the entrepreneur as human actor in the networking process, 4) an investigation of the factors (dialogue, commitment, trust) of the networking process, 5) an investigation of learning and innovation through dialogue in the networking process, 6) a description of theoretical propositions and empirical results related to success in the female entrepreneurial networking process.

Keywords entrepreneurial networking, entrepreneur, entrepreneurial success, innovation, learning, networking process

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Pitkittäistapaustutkimus yrittäjien verkostoitumisprosessista

Julkaisija Aalto-yliopiston kauppakorkeakoulu**Yksikkö** Johtamisen ja kansainvälisen liiketoiminnan laitos**Sarja** Aalto University publication series DOCTORAL DISSERTATIONS 32/2011**Tutkimusala** Yrittäjyys ja pienyritysten johtaminen**Tiivistelmä**

Tarkoitus – Tämän tutkimuksen tarkoituksena on syventää ymmärrystä yrittäjien verkostoitumisprosessista yksilön näkökulmasta. Tutkimuksen kohteena ovat yksilöiden välinen dynamiikka ja kollektiiviset prosessit yrittäjien verkostoitumisprosessissa. Tutkitaan niitä tekijöitä, jotka vaikuttavat yrittäjien välisiin suhteisiin ja sitä kautta edistävät yhteistyötä tai vaikuttavat epäonnistumiseen yrittäjien verkostoitumisprosessin aikana. Päättökysymys on: Kuinka yrittäjien verkostoitumisprosessi kehittyy? Oleellisiin asioihin, käsitteisiin ja tekijöihin perehtymällä voidaan yrittäjyys- ja verkostotutkimuksessa löytää uusia suuntia. Monimutkainen todellisuus ja inhimillinen toimija tämän todellisuuden luojana yrittäjien verkostoitumisprosessissa ovat mielenkiinnon kohteina. Tavoitteena on lisätä ymmärrystä yksilöiden välisestä dynamiikasta ja kollektiivisesta prosessista, samoin kuin vuorovaikutuksesta ja dialogista verkostoitumisprosessin aikana.

Teoriat ja metodit – Väitöskirja ja sen kolme artikkelia perustuvat ja nivoutuvat tieteellisiin käsitteisiin ja teorioihin yrittäjyyden, organisaatioiden johtamisen ja yhteiskuntatieteiden kirjallisuudessa. Kaikki kolme artikkelia perustuvat samaan tapaustutkimukseen; 25 palvelumarkkinoilla toimivan yrittäjän verkostoitumisprojekti ajalla 2006–2008. Yhteenvedo-osa ja kolme artikkelia tarkastelevat verkostoitumisprosessia yksilön näkökulmasta.

Artikkelit – Väitöskirja sisältää kolme tieteellistä artikkelia: A) Yrittäjät verkostoitumisprosessin inhimillisinä toimijoina (Leskinen, 2010); B) dialogin avulla innovointia ja oppimista yrittäjien verkostoitumisprosessissa (Leskinen, hyväksytty julkaistavaksi 2011); C) menestys naisyrittäjien verkostoitumisprosessissa (Leskinen, 2011).

Kontribuutio – Väitöskirjalla on kaksi pääkontribuutiota, jotka liittyvät inhimilliseen toimijaan verkostoitumisprosessitutkimuksessa ja yrittäjien verkostoitumisprosessin viitekehyksen kehittäminen ja uudistaminen yksilön näkökulmasta. Yksityiskohtaisemmin väitöskirjalla ja kolmella artikkelilla on seuraavia teoreettisia kontribuutioita: 1) yrittäjien verkostoitumisilmiön kuvaaminen 2) yrittäjien verkostoitumisviitekehyksen kuvaaminen yrittäjäominaisuuksien ja organisaatiotekijöiden (dialogi, luottamus, sitoutuminen) vuorovaikutuksena, 3) uuden ”yrittäjät verkostoitumisprosessin inhimillisinä toimijoina” - käsitteen kuvaaminen, 4) dialogi, sitoutuminen, luottamus – tekijöiden tutkiminen verkostoitumisprosessissa, 5) dialogin avulla tapahtuvan innovoinnin ja oppimisen tutkiminen verkostoitumisprosessissa, 6) menestyksen teoreettisen tarkastelun ja empiiristen tulosten kuvaaminen naisyrittäjien verkostoitumisprosessin yhteydessä.

Avainsanat yrittäjien verkostoituminen, yrittäjä, yrittäjämäinen menestys, innovointi, oppiminen, verkostoitumisprosessi

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Helsinki, March 18, 2011

Raija Leskinen

One Mediterranean Success Story

“It is said that a visitor to a Mediterranean country, impressed by the climate and its potential, got into a discussion with a local farmer who was sitting at the side of the road enjoying the sunshine and admiring the view. ‘Why’, he asked the local, ‘are you sitting here? With a little effort this farm could be so much more successful. You could grow such a variety of crops here.’ ‘Why’, the farmer replied, ‘should I want to do that?’ ‘Because you could invest in more and, grow even more crops and soon you could afford a large house with lots of features such as a terrace and swimming pool’ ‘Why would I want that?’ ‘Because you could then relax and enjoy yourself sitting on the terrace and enjoying the sun and the view.’ ‘And what do you think I am doing now?’ (Bridge et al., 1998, p. 62)”

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Leskinen, R. (2010). Entrepreneurs as human actors in the networking process. *International Journal of Entrepreneurship and Small Business*, Vol. 11, No. 4, pp.455-471.

Article B:

Leskinen, R. (forthcoming 2011, accepted for publication). Innovation and learning through dialogue in the entrepreneurial networking process. *International Journal of Learning and Intellectual Capital*, Vol. 8.

Article C:

Leskinen, R. (2011). Success in the female entrepreneurial networking process. *Annals of Innovation and Entrepreneurship*, Vol. 2, No.1.

PART 1: OVERVIEW OF THE DISSERTATION

1 Introduction

This dissertation investigates the entrepreneurial networking process from the individual's point of view. It is composed of two parts: 1) the overview is introducing the topic area providing a framework for understanding the entrepreneurial networking process and 2) the three articles. This introductory chapter first presents the entrepreneurial networking process as the research phenomenon explaining why it is important to research entrepreneurship and networking, why entrepreneurial networking is something desirable and worth pursuing and, why, therefore, it is the subject of this dissertation. It includes the research aim, objectives, questions, key definitions, and an outline of this dissertation.

1.1 Need for research on entrepreneurship and networking

According to the recent report entrepreneurship is a key issue in society (Stenholm et al., 2009; Pukkinen et al., 2007). There is a challenge to find out new innovative and entrepreneurial ways to strengthen entrepreneurship and enhance the wellbeing and welfare of entrepreneurs in society. The environment for business in Europe is changing radically (Dana et al., 2005). The nation-state has lost its importance in proposing the rules of the economic game and in controlling them. Also, firms which stand alone have even more difficulties in getting competitive and sustainable positions. These changes in Europe lead to highlighting the role and the importance of networks of firms collaborating interdependently (Stenholm et al., 2009; Dana et al., 2005). According to Slotte-Kock and Coviello (2010) networks have been embraced as an instrument for

investigating the creation and development of new ventures improving entrepreneurial effectiveness by providing access to resources and competitive advantage, which is especially important for firms standing alone. Therefore networking phenomena have been highlighted by firms and in society.

Entrepreneurship research has followed the development in society. There has been a significant shift in the focus of entrepreneurship research into networks. However, entrepreneurship research on networks has focused mainly on the networks and relationships between organizations (e.g. Håkansson, 1982; Håkansson and Johanson, 1987; Ford et al., 1986) or network content, governance, structure and to a lesser extent on network processes (Slotte-Kock and Coviello, 2010). Hoang and Antonic (2003) showed that entrepreneurship literature emphasises 1) network content based on the nature of relationships and the resource access they provide, 2) network governance and how networks and resource flows are coordinated, and 3) network structure based on the patterns of relationships within a network. Generally network studies are categorized as either focusing; (1) on how networks impact on the entrepreneurial process; or (2) on how entrepreneurial processes impact on network development. Borgatti and Foster (2003) observed that network studies are either the causes of network structure or their consequences. The problem here is that there is a need for a better understanding of network processes.

Hoang and Antonic (2003) researched the process as general sequential activity and Van de Ven (1992b) considers it a developmental sequence of events. Therefore the research of the process from the individual's point of view is highlighted. The Nordic entrepreneurship research highlights contextualizing the description and discussion of entrepreneurship research based upon human behavioural studies from inside the system (Hjorth, 2008).

According to Hoang and Antonic (2003) there is a need to improve our understanding of networks by using longitudinal research to examine the networking process and how network relationships develop during the process. This entails researching the networking process from the individual's point of view and the entrepreneur as an actor in the process. However, entrepreneurship research on networks and network processes, especially from the entrepreneur's point of view and in the self-employed/small firm context, is still rare. Little is known about the dynamics of individual behaviour and the interactions in the entrepreneurial networking context. Many research findings indicate that there are disappointments or failures in the network process due to a lack of people-related and social issues. These include misunderstandings,

restructured responsibilities, and lack of confidence between the individuals. Also, when the entrepreneurs are seeking their own self-interest at the expense of others (Williamson 1985), a network power may fail to fulfill his or her commitments and/or might withhold or distort information.

To conclude, there is lack of research about the entrepreneurial networking process. The entrepreneur's dynamics, relationships and behaviour during the networking process from the individuals' point of view is underresearched. Because of that this research is aimed to deepen the understanding of the entrepreneurial networking process from the individual's point of view by exploring the dynamics and collective processes as well as the interaction and dialogue during the process.

1.2 Positioning of the research in the European and Nordic entrepreneurship discussion

As argued, networking is highlighted in society. Considering the networking research made at different times, it is focused differently and has different perspectives. It has mainly focused on large and medium sized companies, but it is especially important among firms standing alone. There is a tendency to emphasize entrepreneurship as focusing more on what is considered to be innovativeness (Hjorth, 2008). In accordance with Zahra (2007, p. 445) greater care and creativity in contextualising entrepreneurship research can enrich future scholarship in the field. There is a challenge to find new innovative ways by crossing several disciplinary borders in the context of networking. According to Hjorth (2008) the interdisciplinary approach is well suited and it is understood and practised by establishing a new order (conceptual, intellectual and social), demanding new forms for organizing research, knowledge creation and society (Hjorth and Steyaert, 2004; Stengers, 1997).

In Europe, and globally, different countries have contributed in different ways to entrepreneurship and networking research. Hjorth (2008) states that the recent growth and globalization of entrepreneurship research has meant standardization and homogenization. According to Welter and Lasch (2008) European entrepreneurship research (EER) is focused on assessing the achievements, progress and future trends of the field (e.g., Cooper, 2003; Davidsson et al., 2001), on discussing methodological issues (e.g., Aldrich and Baker, 1997; Chandler and Lyon, 2001), on concepts and research paradigms (Bruyat and Julien, 2001; Busenitz et al., 2003; Davidsson, 2003; Phan, 2004; Shane and Venkataram, 2000; Steyaert and Katz, 2004) or on analysing research communities (Gartner et al., 2006).

EER is also focused on the environments in which entrepreneurship takes place (Welter and Lasch, 2008).

EER differs from U.S. research in methodological openness (Aldrich, 2000; Huse and Landström, 1997; Wiklund et al., 2006) and a strong interest in the contextual dimensions of entrepreneurship (Huse and Landström, 1997; Landström et al, 1997). It is important to ground entrepreneurship research in its national context. According to Welter and Lasch (2008) the context in which EER takes place is recognized increasingly not only as a scientific phenomenon, but also identifies ways how best to study its societal dimension and facets.

Furthermore, Welter and Lasch (2008) argue that there is a need for research crossing not only thematic boundaries, but also disciplinary ones. The British approach is characterized by ontological and epistemological diversity (Blackburn and Smallbone, 2008); in Germany entrepreneurship research has multidisciplinary tendencies (Schmude et al., 2008); French researchers, not so used to quantitative methods, display an early focus on process and prefer to discuss theoretically (Lasch and Yami, 2008). The North American approach is a more quantitative research paradigm than that currently active in Europe (Wiklund et al. 2006).

Following the statement by Welter and Lasch (2008) about the need for research crossing thematic and disciplinary boundaries, this research integrates the entrepreneurship and network theories. Moreover following the EER tradition, this research is grounded in its national context, Finnish entrepreneurs developing entrepreneurial networks.

The EER tradition is further developed and specialized in the Nordic countries e.g. the Nordic Entrepreneurship Research (NER) tradition, which can be described as either influenced by an American tradition of specialization, paradigm building, and led by quantitative methodology, or as more European in the sense of being more open to the humanities, social sciences and philosophy, more explorative-experimental in study designs, and predominately qualitative methodology (see e.g., Hjorth and Steyaert, 2004). The NER approach draws on a strong qualitative research tradition (Hjorth, 2008), “playfulness” (Gartner, 2008), is focused on microprocesses, case studies, and business administration, dominated by organization studies (Hjorth, 2008).

Furthermore Hjorth (2008) NER is methodologically idiographic, nominalist, nonpositivist and qualitative. NER researchers are focused on sociological influences of knowledge (constructivism/constructionism), longitudinal field study design and focus on “cases” for generating material have been widely used. Hjorth (2008) argues that NER is precisely an appreciation for the local, particular, and contextual. By contextualizing the

description and discussion of entrepreneurship research based upon the human behavioural point of view, knowledge cultures, behaviours and practices (such as research) from a human behavioural point of view are culture-bound activities (Hjorth, 2008). Being part of the NER culture, the human behavioural view of what Nordic is and what this research is about. The human behavioural view e.g. entrepreneurs of the networking process describes what is meaningful for them self-understanding (Harris, 1976; Pike, 1967).

Consequently this dissertation integrates the EER and NER traditions. Following the EER tradition it crosses the thematic and disciplinary boundaries by integrating entrepreneurship and network theories from the field of organization management, and the entrepreneurship research tradition. It is grounded in its national context by researching Finnish entrepreneurs in the networking process. This research following by the NER tradition is focused on micro-processes, explorative longitudinal field study design, qualitatively oriented, case study-based and influenced by organization studies. Rigour is achieved by using mixed data techniques combining qualitative data with quantitative evidence. The dissertation has an individual's viewpoint describing what is meaningful for local participants based on self-understanding of the entrepreneurs and studies entrepreneurs as human actors in the networking process.

1.3 Research aim, objectives and questions

There is a problem for a better understanding of networking processes. It is approached by using explorative longitudinal case study research to examine the networking process and relationships during the process from the individual's point of view. The research is focused on the entrepreneur as an actor in the process. This research meets this challenge aiming to improve the understanding of the entrepreneurial networking process from the individual's point of view by exploring the dynamics and collective processes as well as the interaction and dialogue during the process. It is aimed to outline some important factors that enhance relationships and may affect the success or failure of the networking process. It is argued that by carefully introducing the essential elements, concepts and properties our knowledge of approaches in entrepreneurship and network research expands in a new direction. This study aims to extend our horizons towards a more complex reality and the human actor as a creator of this reality, to open new doors for studying the dynamics of individual entrepreneurs based on the entrepreneurial profiles and collective

processes as well as the interaction, dialogue, trust and commitment, which are the key elements of the networking process.

The first objective is to explore the role of entrepreneurs as human actors in the networking process. The different factors affecting the networking process will be investigated, likewise how the entrepreneurs behave as human actors in the process, how they listen to and respect each other, are trustworthy and trust, and are committed to the networking process.

The second objective is to deepen the understanding of the development of an entrepreneurial network and the innovativeness of entrepreneurs in the networking process. This provides insights into the function of the entrepreneur and the role of the networking process in the new venture creation and development.

The third objective is to investigate the success of the female entrepreneurial networking process based on entrepreneurial success profiles and experiences from the individual's point of view.

To achieve the research objectives, it is necessary to formulate a more detailed research question. The key research question is: *How does the entrepreneurial network process evolve?* The key research question will be answered through the following related subquestions examined in three articles (A, B, C).

The first Article A investigates how entrepreneurial motivation, persistence and responsibility in interplay with organizational factors - dialogue, trust and commitment - affect the networking process. It reveals the key factors, which, if not predictive, facilitate an understanding of the key areas in the process of entrepreneurial networking.

The second Article B studies how dialogue can facilitate innovativeness and learning in the entrepreneurial networking process. It focuses on entrepreneurs in the networking process and their use of dialogue to develop new services in interaction with each other. The concepts of invention, creativity and innovation are also closely associated with entrepreneurial outcomes.

The third Article C researches entrepreneurial success profiles and the individual experiences of success in the female entrepreneurial networking process. By focusing on the entrepreneurs' success profiling and individual experiences the aim is to reveal the key elements, which might also promote successful co-operation and wellbeing in the entrepreneurial networking process.

By investigating the three research subquestions the key entrepreneurial and organizational factors and experiences of entrepreneurs are explored and analysed from the individual's point of view and in the network context, the networking process frame and its implications are presented.

This research results in some improvements and proposals are developed for further research.

This dissertation investigates the entrepreneurial networking process from the individual's point of view. Three theoretical perspectives are reviewed in relation to the entrepreneurial networking process. The first perspective is individual and behavioural. In the entrepreneurial networking process the performance of the firms is dependent on what entrepreneurs are as individuals. Therefore differences in performance of the firms may be explained through differences in the personalities and characteristics of entrepreneurs – entrepreneurial profiles. Firm performance and dynamics (commitment, trust, relationships, interaction, and dialogue) during the entrepreneurial networking process come from the personality and the characteristics of entrepreneurs themselves. The second perspective is the networking framework which suits best for an organizational level understanding of entrepreneurial networks. The third perspective is the processual level. Entrepreneurs as human actors have some degree of freedom in acting during the networking process, thus the commitment, trust, relationships, interaction and dialogue have a direct influence on the entrepreneurial networking process. Using elements from these three perspectives, the research framework for explaining the entrepreneurial networking process will be elaborated.

1.4 Key definitions

The key definitions in this dissertation are entrepreneurial networking, entrepreneur, entrepreneurial success, innovation, learning, networking process

1.4.1 Entrepreneurial networking

Entrepreneurship has been defined in many different ways. Recently the domain of the entrepreneurship has been defined as the study of “how, by whom, and with what effect opportunities to create future goods and services are discovered, evaluated, and exploited” (Shane and Venkataraman, 2000). This definition highlights the opportunity, the processes of discovery, the evaluation and exploitation of opportunities as well as the individuals involved in these processes as a key to entrepreneurship. Networking can be seen as a source of opportunities through which entrepreneurs gain the access to a new market, resource, new knowledge, learning, support and wellbeing. Therefore entrepreneurial networking is understood “through those activities by which entrepreneurs organize and develop their firm” (Gartner 2001, p. 30).

Chell (2000) proclaims the importance and interplay of the entrepreneurial profile and social interaction in networking. According to Aldrich and Zimmer (1986) entrepreneurial networking is facilitated or constrained by linkages between entrepreneurs, resources and opportunities, and by the social relationships through which entrepreneurs obtain information, resources and social support. Entrepreneurial networking is based on the entrepreneurial domain focusing on the behaviours undertaken in the process of discovery and exploitation of ideas for new business ventures (Davidsson, 2003; Venkataraman, 1997; Shane and Venkataraman, 2000; Gartner, 1988) (see Chapter 4.1. and Articles A, B, C for further discussion on definitions of the networking in the entrepreneurial context).

1.4.2 Entrepreneur

Entrepreneurship has often been defined focusing on the individual entrepreneur, the function of entrepreneur. In this dissertation it is as defined by Tuttle (1927) and Schumpeter (1928). According to Tuttle (1927, p. 23) the entrepreneur is “a person who performs the distinctive function of ownership of the business viewed as an organized unit” and the function of the entrepreneur in itself involves no labour, no capital owning and no land owning (Tuttle, 1927, p. 25). Schumpeter defined the function of the entrepreneur as an act of will by a person to introduce an innovation and a source of evolution, e.g. the entrepreneur is a source of creative energy for innovation and evolution (Schumpeter, 1949, 1947, 1946, 1939, 1928).

Entrepreneurial function is to carry out innovation, e.g. new combinations in an evolutionary process, which is based on the individual and/or on human creativity (Lintunen, 2000 for Schumpeter (1934, 1912). New combinations of existing possibilities lead to the introduction of a new good or a new quality of good; a new method of production, or the opening up of a new market, a new source of raw materials, or a new organization in any industry (Lintunen, 2000).

The entrepreneur is the person who is the bearer of new things, innovations, individually, as well as in a group of entrepreneurs (Schumpeter, 1934) of the entrepreneurial network (see Chapter 4.1.1. and Articles A, B, C for further discussion on definitions of the function of the entrepreneur and entrepreneur as human actor, entrepreneurial profiling and characteristics).

Entrepreneurs are human actors in the entrepreneurial networking process, which is based on the individual behaviour of the entrepreneurs. Entrepreneurial behaviour affects the networking process through diverse entrepreneurial factors in the interplay with organizational factors;

dialogue, trust and commitment (see Chapter 4.4.1., 4.4.3. and Articles A, C for further discussion on definition of the entrepreneurs human actors and entrepreneurial profiling).

1.4.3 Entrepreneurial success

Success, which can be defined in many different ways, is in this dissertation based on entrepreneurial profiles and experiences of the network participants, entrepreneurs. Success is defined based on the entrepreneurial success profiling and as the extent to which an individual entrepreneur experiences success and benefits in the entrepreneurial networking process (see Chapter 4.4.3. and Article C for further discussion on definition of the success).

1.4.4 Innovation

The concept of innovation is closely associated with entrepreneurial outcomes during the networking process. Innovation is the development or adoption of new concepts or ideas, and/or the new or adopted ideas themselves. It is defined as the successful exploitation of new ideas (Biemans, 1992). Creativity is having the ideas, and innovation is its application. Creativity only emerges when the innovator takes the idea and does something with it. Successful exploitation of new ideas can lead to any form of increased organizational or social benefit (see Chapter 4.4.2. and Article B for further discussion on definition of the innovation).

1.4.5 Learning

In this dissertation learning is defined as focusing on what a network “learns as a collective entity” (Marquardt, 1997). Learning and the creation of new knowledge take place within the entrepreneurial network between entrepreneurs with different and complementary biases. Through learning new knowledge is created and developed and relations between the various entrepreneurs are renewed (Maillat, 1995, 1992) Learning by doing is how entrepreneurs like to learn - in action (Nonaka and Takeuchi, 1995) (see Chapter 4.4.2. and Article B for further discussion on definition of the learning).

1.4.6 Networking process

A process defines development as one where change is influenced and proceeds through a continuous cycle of variation, selection, and retention (Van de Ven and Poole, 1995). This process means that the datum or unit of observation is an event. Events are defined as incidents when actors engage in developing or changing each of the network phases. Following the

procedures suggested by Van de Ven (1992b), a chronological recording of these events as they occur can then be analysed to determine when the network phases emerged, the network of actors involved in developing each phase, and how these phases and network of entrepreneurs interacted over time to facilitate and constrain innovation development. Throughout this research, process refers to the progression of events in an organizational entity's existence over time. The entity is an individual (e.g. entrepreneur), a group (e.g. an entrepreneurial network), and the networking process (Van de Ven and Poole, 1995) (see Chapter 4.2. and Articles A, B, C for further discussion on definition of the process in the entrepreneurial networking context).

Good dialogue is at the core of the interaction and of the entrepreneurial networking process. Dialogue is a process that creates more understanding, maintains togetherness, and unites the intelligences and creativity of participants, which can lead to many good outcomes. In this dissertation it is defined according to the principles of Isaacs (1999, 1996) and Nonaka and Takeuchi (1995). According to Isaacs (1999) the key principles of good dialogue are listening, respecting, suspending and voicing. Nonaka and Takeuchi (1995) state, that dialogue is a means of transforming tacit knowledge into explicit knowledge. They also claim that the most important thing in organizations is to create new knowledge, which happens in the interaction between tacit and explicit knowledge (see Chapters 4.4.1., 4.4.2. and Articles A, B for further discussion on definition of the dialogue).

1.5 Outline of the study

This dissertation consists of two parts. Part I, *Overview of the dissertation*, introduces the research area, describes the aim, objectives, questions, key definitions and outline of the study (Figure 1). In Chapter Two the context of the research is presented and the longitudinal case of the networking process described. Next the literature and conceptual framework are presented, likewise the research methods used. The key methodological choices made in each of the articles are discussed. Then the final part of the overview presents the results from the case study included in the dissertation as three published articles and the results of the articles are evaluated against the framework of the study. Finally the contribution of the three articles and the theoretical contribution of the work, the limitations of the study and suggestions for further research are presented.

Part II, *Articles*, consists of three articles (A, B, C) presenting different research efforts to address the objectives and the subquestions of this dissertation and each constituting the empirical part of the work.

The first Article A, *Entrepreneurs as human actors in the networking process* (Leskinen, 2010) examines the entrepreneurial networking process and how entrepreneurial human factors, especially entrepreneurial motivation, persistence and responsibility, in the interplay with three organisational factors, dialogue, trust and commitment affect the entrepreneurial networking process. These key factors of the entrepreneurial networking process are explored.

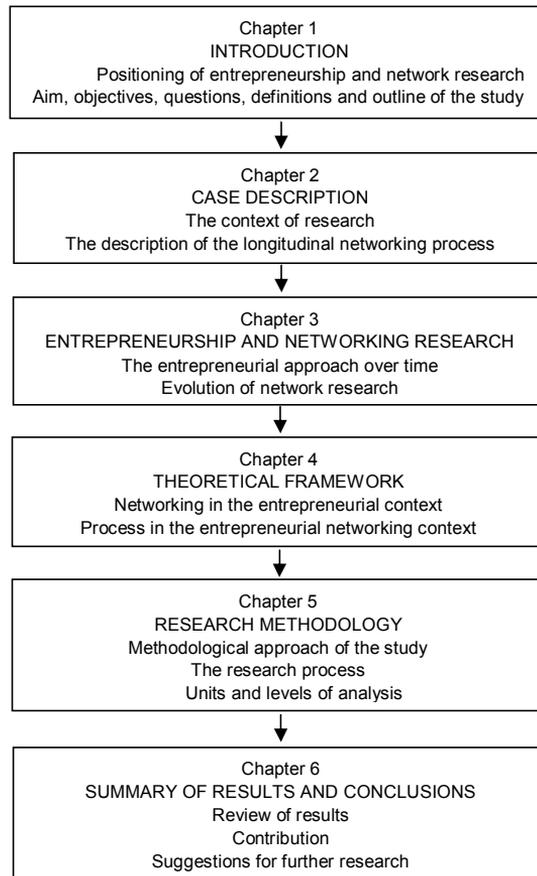


Figure 1: Outline of the overview

The second Article B, *Innovation and learning through dialogue in the entrepreneurial networking process* (Leskinen, accepted for publication 2011) considers learning and innovation through dialogue in entrepreneurial networking in general and in the dialogue of the entrepreneurial networking process in particular. It focuses on how entrepreneurs in the networking process through dialogue can develop new

services in interaction with each other. The concepts of invention, creativity and innovation are also closely associated with entrepreneurial outcomes.

The third Article C, *Success in the female entrepreneurial networking process* (Leskinen, 2011) investigates success on the basis of entrepreneurial profiles and the experiences of the network participants, entrepreneurs, during the networking process. By focusing on the entrepreneurial success profiles and individual experiences the aim is to identify the key elements, which might also enhance successful cooperation and wellbeing in the entrepreneurial networking process.

2 Case project

In this chapter the case project is presented. Firstly some statistics on entrepreneurship in Finland are provided to present the research context, secondly the case is presented, thirdly the firms with form, turnover and the year established are presented as well as development phases of the project.

2.1 Starting point of the networking project

Finland has 5.35 million inhabitants, 260,000 privately owned firms. The amount of the firms standing alone is increasing (Figure 2).

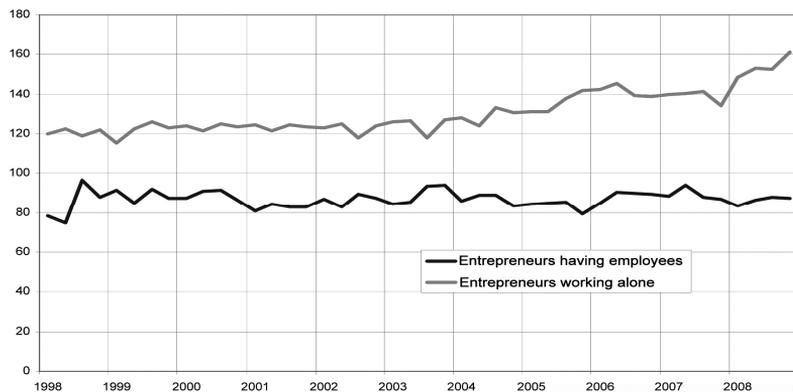


Figure 2: The amount of the entrepreneurs 1998- 2009 in Finland. Source: Eurostat

Totally 156.000 (60 %) are firms, where the entrepreneur mainly operates alone. Women are more often working alone than men. About 80,000 (30%) firms are owned by women, 70% of them are working alone and therefore they have limited resources at their disposal. It is difficult for them to grow because of shortage of resources. They have difficulties with wellbeing, too. (Stenholm et al., 2009; Ministry of Employment and Economy, 2009)

As argued, there is a need to research networking process among firms where the entrepreneurs mainly operate alone and try to find the elements which affect the success or failure of the networking process. As typical of explorative approach, instead of choosing a case, the case intervention was developed. This was because of the challenge to research networking in the entrepreneurial context where the entrepreneurs are from diverse business areas, willing to develop their firms in the networking context, and stand alone. Therefore different entrepreneurial associations were informed and entrepreneurs were asked to participate in this networking project. They were offered an opportunity to develop relationships and new services. All entrepreneurs who wanted to participate were welcome. They had to pay 50€ as a participation fee. In total 25 entrepreneurs wanted to work together and to build an entrepreneurial network. The project participants were entrepreneurs, mostly working alone, and in the service sector. The project was funded by the Finnish Workplace Development Programme (TYKES) of the Ministry of Employment and Economy, Finland.

The firms in the project were in diverse phases of the lifecycle; some of them were start-ups, some had been running for years (see Table 1). The turnover was different in firms depending on the phase and form of the firm (see Table 2-3). They were usually managed by one person, who was also the owner. Two of the firms were family firms and seven of the firms were working as a team or through a co-operative.

They came from different business areas/branches (Appendix 1); the network included, for example, business coaches, a dancer, health care professionals, and a renovator. They differed in experience, background, age and education. Business areas, products, services and the operational ways were diverse, which was richness and opportunity for the networking process. The entrepreneurs did not know each other except for a couple of people who worked together by a common marketing brand “Timotei” (Figure 4).

Table 1: Establishment year of the firms

FIRMS ESTABLISHED	
1984	1
1991	1
1993	1
1997	1
1999	1
2000	2
2001	2
2002	3
2003	1
2004	5
2005	3
2006	3
2007	1
Total	25

Table 2: Form of the firm 2006 and 2008

FORM OF THE FIRM	2006	2006	2008	2008
	%	FIRMS	%	FIRMS
Entrepreneur alone	64.0	16	44.0	11
Co-operative or team	28.0	7	48.0	12
Family firm	8.0	2	8.0	2
Total	100.0	25	100.0	25

Table 3: Turnover of the firm 2006 and 2008

TURNOVER	2006	2006	2008	2008
	%	FIRMS	%	FIRMS
0 €	12.0	3	12.0	3
Under 10,000 €	32.0	8	16.0	4
10,000-20,000 €	12.0	3	12.0	3
20,000-50,000 €	32.0	8	40.0	10
50,000-100,000 €	8.0	2	16.0	4
Over 100,000 €	4.0	1	4.0	1
Total	100.0	25	100.0	25

It was not decided beforehand who would co-operate with whom, no market research was done, no idea which market they would enter, neither which product/service they would sell or produce. Actually the main goal was to build an entrepreneurial network for innovation and learning and for future cooperation. The starting point of the networking process and trustful relationship was each individual related to the other actors in the networking process. The diversity of the entrepreneurs was a good starting point for the network relationship. The starting point for the innovative

relationship was the competencies and skills of the network participants – entrepreneurs.

2.2 Development phases of the case project

The entrepreneurial networking project started on 4 May 2006. The entrepreneurs engaged in the network to gain access to resources that they expected to utilize for the attainment of some goals pursued. Benefits from the network arose for the entrepreneurs from the utilization of the resources. This raises the issue of how resource utilization affects the characteristics of the network activities in general and of the nature of the network in particular.

All other entrepreneurs were approached at the same time on 4 May 2006, but one entrepreneur started a firm in 2007 and joined the network in summer 2007 (Figure 4). They were free to interact with all the participants; firstly regularly in the three small groups and later on in a big group including all participants. During the two-year period the entrepreneurs had meetings 1-2 times a month, in total 54 times.

The entrepreneurial networking process was developed through diverse phases (Figure 3) based on the three main phases. The first phase was “a joy of creating phase”. The entrepreneurs as creative human actors were in the dialogue and in the relationship during the network process. During this phase entrepreneurs learned to know each others competencies, strengths, skills, abilities and personality important to the network relationship. The personality and entrepreneurial characteristics affected in the entrepreneurial network, where the firm’s performance is the same as the individuals e.g. the entrepreneur. They were as innovative path breakers and during that time diverse creative methods were used for enhancing the creativity and collaboration.

The second phase was the “agreement phase”, when entrepreneurs had an opportunity to sign a consortium agreement for the future co-operation. Four entrepreneurs signed the agreement. During this phase entrepreneurs were carrying of new things and developed the co-operation and new business ideas.

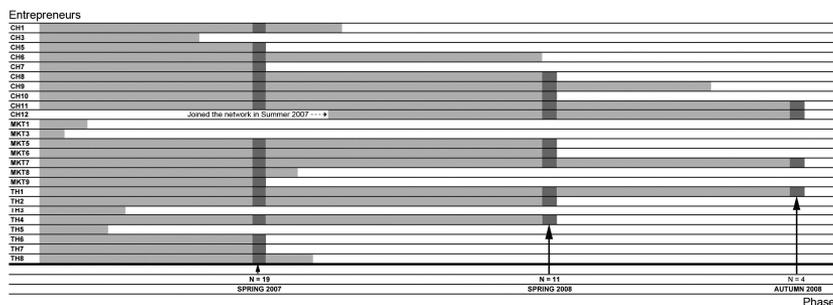


Figure 3: Diverse phases and participation activity of the network.

The third phase was the piloting phase. They introduced a new innovative service in the co-operation combining diverse competences of four entrepreneurs. This service was tested as a pilot product by a customer. During the networking process dialogue, brainstorming, creative painting, free association and future camp were the tools used for enhancing creative spirit among participants and in the group meetings. By combination and coordinating of the resources, skills and abilities the diverse advantages can be built.

During the networking process there were changes in firm size and turnover (see Table 2-3), even if this was not the research object. At the end of the project six participants left business. They returned to the salaried employment or another reason preventing them from continuing as entrepreneurs. Ten entrepreneurs had to leave the project due to illness or family situation or were overloaded with work affecting the networking process with very fluctuating activity.

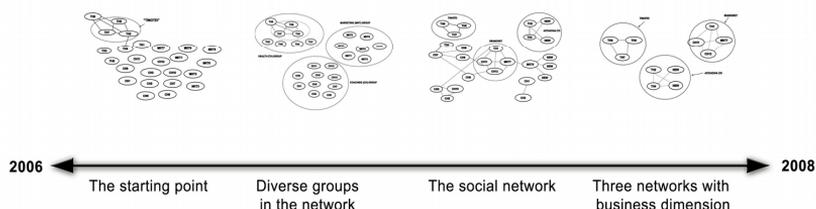


Figure 4: Development phases of the project

At the end of the project three business networks were in operation (Figure 4) as follows:

Brawonet network = four entrepreneurs signed a consortium agreement in spring 2008 for the future co-operation.

Aitohoiva network = a firm owned by two entrepreneurs of the project. This firm had one employee and one new entrepreneur.

Timotei network = common marketing brand for three entrepreneurs.

These three networks were in operation at the end of the project. These networks had many common characteristics and factors; among others commitment, trust and motivation to work together. Brawonet entrepreneurs were also very openminded and innovative. Because of the relationships and dynamic nature of the networking many entrepreneurs found their place in the network dominating social dimension. It always depends on the entrepreneur itself as human actor which dimension is dominating (cf. Birley and Cromie, 1988). During the networking process depending on the entrepreneurs and their willingness network moved from predominating social dimensions to a network where business dimension was predominating.

3 Entrepreneurship and networking research

As stated, networking has been highlighted in society (Dana et al., 2005; Stenholm et al., 2009). Networking is an opportunity to strengthen entrepreneurship. Network research has been conducted from various perspectives and it has mainly focused on large and medium sized companies. In this research entrepreneurial networking and its dynamics and relationships are integrated and combined with the networking approach and the process. The entrepreneurial networking approach is based on the social as well as on the business relationship, where the entrepreneur as a human actor is at the core. The theoretical frame and concepts of this dissertation are based and built up on these approaches.

3.1 The entrepreneurial approach over time

Over time entrepreneurial approach has been developed differently as a part in the entrepreneurship research tradition (see Table 4). During the Enlightenment the entrepreneur was at core of the entrepreneurship approach in France (Kyrö, 1997). Furthermore Kyrö (1997) the development of entrepreneurship theory suggests that at the beginning of industrialization from the 18th to the beginning of the 20th century the European contribution to theory building was dominant. Towards the end of this period the scientific base of entrepreneurship expanded to psychology (cognitive, behavioural, social, clinical), and social psychology as well as to anthropology (Landström, 1998; Fillion, 1997; Tornikoski, 1999). The focus was on the one hand on the economic process at the macro-level and on the other on the extraordinary individual producing this process. The entrepreneur and his/her role in society was the target of the entrepreneurship research, not the firm itself (Kyrö, 1997). Furthermore, in Kyrö (1997) the research was focused on the study of the relationship between the individual and the economy, process theories challenged by equilibrium theories. In this early writings Schumpeter (1883-1950) was

one of the main researchers, who focused on equilibrium theories and the individual e.g. entrepreneur breaking it. He focused especially on the entrepreneurial person as a creative and innovative character.

Table 4: The entrepreneurial approach over time (Fayolle et al., 2005; Kyrö, 1997)

Time scale	18 th - 20 th centuries	At the end of 19 th century till 1970	1970 -
Principal scientific field	Economics	(Social) psychology, Sociology, Management and Organisation Science Anthropology	Additionally Management Marketing Education
The motive for research	To create a new kind of welfare and work for and by free individuals	To identify personal traits of entrepreneurs and demographic background of an entrepreneur Understanding different functions of small businesses	From understanding different functions of small businesses towards creating new work, increase the efficiency of organisations and their renewal in order to stimulate growth
Basic hypotheses/assumptions	The entrepreneur plays / does not play an important role in the economy	Entrepreneurs are different from non-entrepreneurs Small firms and businesses are reductions from large firms.	Entrepreneurial processes are different and needed for renewal.
The target of the research	Study of the relationship between individual and economy. The role of an entrepreneur in economy. The process of generating new economic welfare	Individual and small businesses	The dynamics and processes of creating new economic activities in different contexts individual, small businesses, organisations and networks
Theories	Process theories challenged by equilibrium theories	Trait theories Functional theories of business activities	Culture and grounded theories Strategic management Social network theory Life-cycle theories of the businesses

The industrialization and liberalization processes at the end of the 19th century and until 1970 changed the target of entrepreneurship and the human being e.g. the entrepreneur as an actor in the economy was lost from the macro as well as the micro-perspective (Barreto, 1989; Bell, 1981). The dominant explanations of the economy were based on rational equilibrium (Kyrö, 1997). Large firms and organizations brought wealth and growth. According to Etzioni (1968) “society produced individuals suitable for organization”. The entrepreneurship approach was attached to individual entrepreneurs and small business practices. Identifying the characteristics, personal traits and motivations of an entrepreneur were important (McClelland, 1961; Hornaday, 1982; Timmons, 1978; Kets de Vries, 1977). The interest concerned the individual entrepreneur, an innate character or not. Attempts have been made to research and analyse the traits and

behaviours of the entrepreneur (Filion, 1997) without a common solution. Later the discussion has abandoned biological interpretations and started to support entrepreneurial behaviour (Bridge, 1998). This includes the underlying assumption that small firms and businesses are reductions of large firms (Fayolle et al., 2005; Kyrö, 1997). Schumpeter (1996) stated that the entrepreneur is one of the major forces in the economy. In this connection innovations are no longer efforts of a single person, but are based on large firms.

According to Fayolle et al. (2005) and Kyrö (1997) the entrepreneurship research was focused from the 1970s and after on the different functions of small businesses towards creating new work, increasing the efficiency of organizations and their renewal in order to stimulate growth. Kyrö's (1997) basic assumptions were that entrepreneurial processes needed renewal and the target of the research was the dynamics and processes of creating new economic activities. But it was stated by many researchers that the entrepreneur "the most vital figure of the capitalist process", exists in practice, but has been ignored in theory (Casson, 1997; Dopfer, 1994; Lahti, 2000, 1995; Schumpeter, 1946; Shionoya, 1997; Lintunen, 2000).

To conclude, according to Fayolle et al. (2005) the importance of the entrepreneur's role in the economy, understanding and indentifying the assumptions of specificities of an individual entrepreneur and the basic functions of the small firm cannot be denied, but to understand and to identify the importance of entrepreneurial practices and processes for growth and also for a more networked view of its contribution in renewing society is essential. This means a change from a relationship between entrepreneur and economy, to a relationship between individual and small business, and further to the dynamics and processes of creating new economic activities in different contexts individual, small businesses and networks.

Here following Hjorth (2008) entrepreneurship research could be more focused on human behavioural studies from inside the system (Hjorth, 2008) describing what is meaningful for the local participants based on individual experiences and studies entrepreneurs as human actors in the networking process. Leaning to Szarka (1990) especially in the entrepreneurial networking context where the entrepreneur identifies him-/herself strongly with the firm and, conversely, the firm tends to be strongly indentified with its principal, the role of the entrepreneur is essential and one of the key objects of this research.

3.2 Evolution of network research

As entrepreneurship research networking research has developed differently in the diverse research traditions and during diverse periods of time (Table 5).

Beginning from the 1950s and thereafter in sociology and in anthropology studies considered exchange as a social organization and social relationships (e.g. Levi-Strauss, 1949; Barnes, 1954, Bott, 1957). According to Levi-Strauss (1949) relationships cannot be understood and explained solely in terms of individual motives since exchange is a reflection of a social organization that exists as an entity distinct from the dispositions of individuals. Granovetter (1973) was focusing on the weak and strong ties in the network context and Cook and Emerson (1978, 1984) were investigating the exchange networks of the complex organizations. On that time networking became a common concept in the sociology.

In the management literature the “networking” approach first emerged in the early 1980s considering partnership, exchange relationships, joint venture and co-operation agreements (e.g. Ford, 1980; Håkansson, 1982; Håkansson and Johanson, 1987; Johanson and Mattson, 1987). Later on, in the 1980s and after emerged in the management literature the concept “network” regarding business relationships of the industry (Thorelli, 1986; Miles and Snow, 1986, 1992; Axelsson and Easton, 1992; Easton, 1992; Håkansson and Johanson, 1993; Halinen, 1994; Gadde and Håkansson, 1994; Vesalainen and Murto-Koivisto, 1994; Andersson et al., 1994; Håkansson and Snehota, 1995; Turnbull et al., 1996). The character of network was a consequence of the interaction strategies of the parties (Cunningham and Homse, 1982). Hägg and Johanson (1983) studied networks as relationship, which can be considered a net of mutually supplementary resources and strengths as a part of a larger network unit. In this sense, nets may tend to build up vertically and horizontally, which means that the actors do not necessarily interact.

Table 5: Evolution of the networking research

Time scale	Research	Literature
1950s – 1970s	Exchange as a social organization Social relationship Concept of social network (ties) Relationships between entrepreneurs and organizations	Levi-Strauss, 1949 Barnes, 1954; Bott, 1957 Granovetter, 1973; Cook and Emerson, 1978 Johannisson 1978
Early 1980s	Exchange relationship (buyer-seller, industrial) Strategical partnerships	Ford, 1980, 1990; Håkansson 1982; Håkansson and Johanson, 1987; Johanson and Mattson, 1987 Cunningham and Homse, 1982; Hägg and Johanson 1983
Mid 1980s	Business relationships Social networks (ties) Informal / formal networks Social networks (resources, opportunities and activities) Business relationships Entrepreneurial autonomy/independence Relationships between organizations (industrial)	Cook and Emerson, 1984 Birley 1985 Gartner, 1985 Aldrich and Zimmer 1986 Miles and Snow, 1986, 1992; Thorelli, 1986; Johanson and Mattson, 1987 Johannisson 1986, Gulati, 1998 Ford et al., 1986, Ford, 1990
Late 1980s (increase of network concept)	Entrepreneurial networking Strategic networks Growth and networks; dynamics, flexibility, resources Entrepreneur as coordinator combining resources	Melin, 1987 Jarillo 1988, 1989 Lorenzoni and Ornatì 1988 Gartner, 1989
1990s	Diverse networks Exchange networks Business networks (networking process) Industrial networks (business) Exchange (business) relationships Business relationships (network) Entrepreneurial behaviour in networking Social network (personal/entrepreneurial networks) Business relationships, networks	Szarka 1990 Snehota, 1990; Van de Ven, 1992b Axelsson and Easton, 1992; Easton, 1992; Håkansson and Johanson, 1993; Möller and Wilson, 1995; Halinen, 1994; Gadde and Håkansson, 1994; Vesalainen and Murto-Koivisto, 1994; Andersson et al., 1994; Håkansson and Snehota, 1995; Turnbull et al., 1996 Lumpkin and Dess, 1996 Johannisson, 1998; Gulati, 1998 Möller and Halinen, 1999
2000 -	Entrepreneurial networking Diverse, multilateral networks Social networks (strong and weak bounds) Human factor in networking Collective entrepreneurship (autonomy/integration) Entrepreneurial network Network structure and consequences Networking process	Johannisson, 2000 Varamäki 2001 BarNir and Smith 2002 Vesalainen, 2002 Johannisson 2003 Borgatti and Foster, 2003 Klapper, 2008 Hoang and Antonic, 2003; Slotte-Kock and Coviello, 2010

According to Van de Ven (1992b) business network research has analyzed how variables change over time by using “process as development” theories that investigate interaction being (1) purposeful and adaptive but not necessarily sequential, (2) characterized by opposing forces that can lead to the status quo or change, or (3) involving a course of action characterized by continuous variation, selection, and retention. Furthermore Van de Ven (1992b) stated that business network research is teleological, dialectic, or

evolutionary in nature, or possibly a combination of these, not based on life cycle theory.

The perspective has also been multi-directionality of change, which is not considered by social network research. Business network research is based on and contributed by the Industrial Marketing and Purchasing group, which have referred to it as the business network approach and is focused on the relationships and investigates how and why relationships change over time. Axelsson and Easton (1992) describes network as a model or metaphor including a number entities, which are connected. According to Möller and Wilson (1995) the term networks refers to exchange relationships between multiple firms that are interacting with each other.

Especially in the middle of the 1980s the re-emergence of entrepreneurship research started to focus on network research (Birley, 1985; Aldrich and Zimmer, 1986; Aldrich, 1989; Jarillo, 1988, 1989; Lorenzoni and Ornati, 1988; Szarka, 1990). Birley (1985) recognized that networks play a catalytic role in organizational change. Entrepreneurial networking research is viewed according to Gartner (1985) to characterize a particular phenomenon (new venture creation in the networking process) as the simultaneous interplay of a number of experiences, images and ideas that actually make sense in combination. Aldrich and Zimmer (1986) considered networks as continuing social relationships as a collection of entrepreneurs committed to pursuit business activity and the pattern of activities by which actors, activities and resources are tied together.

Thorelli (1986) identifies networking as a business relationship between two or more firms (see e.g. Szarka 1990; Borgatti and Foster 2003) including the meaning of “a special type of system, one whose internal interdependencies generally change over time” (Thorelli, 1986, p.39). Jarillo (1988) identifies networking from the strategic point of view. Through networking firms can achieve and maintain competitive advantage. Networking is an entrepreneurial ability to exploit external resources systematic (Jarillo, 1989).

According to Lumpkin and Dess (1996) autonomy, innovativeness, risk taking, proactivity and aggressive competitive attitude are essential in entrepreneurial behaviour in networking. Gulati (1998) connects networks to autonomy and independence (see e.g. Johannisson 2000; 1986). A net can be a group of the firms with a common interest seeking together some means of achieving a higher level of performance by using a multilateral group design (Varamäki, 2001). BarNir and Smith (2002) describe networks as an organization, where two or more autonomous firms do business in a good relationship. This means a win-win relationship for both parties to the relationship. A network can be described as “a structure

where a number of nodes are related to each other by specific threads” (Håkansson and Ford, 2002, p.133). Through networking firms aim at creating useful links and contacts for themselves by interacting with others (Niemelä, 2003). The role of social relationships is especially important in the pre-organisaiton stage (Klapper, 2008).

Business network research is arguing that network development is cumulative in that relationships are continually established, maintained, developed, and broken to provide satisfactory economy return or to create a position in the network (Slotte-Kock and Coviello, 2010). Furthermore Slotte-Kock and Coviello (2010) state that business network approach is focused on how relationships change and why change occurs, which is unlike social network research.

During its development network research in the field of entrepreneurship has been part of business administration and organizational theories and penetrated its original features, aiming to renew practices to break up old systems. Approaches from economics, psychology, sociology, social psychology, anthropology were combined with management, marketing, education and entrepreneurship research. The renewal of the entrepreneurial action and processes has been investigated, especially the dynamics and processes of creating new economic in different contexts; individual, small businesses, organizations and networks (Fayolle et al., 2005). According to Slotte-Kock and Coviello (2010) entrepreneurial networking research is focused on either of the dyads focal firm or the firm’s egonet. There is increasing recognition of the interface between the dyad and the network. The entrepreneurial network research considers individual entrepreneur or firm networks with defined borders.

As entrepreneurship research the focus in networking research has changed from a functional approach to a process approach (Van de Ven, 1992b; Hoang and Antonic, 2003; Slotte-Kock and Coviello, 2010). There is a need to combine individual actors and firms in order to understand entrepreneurial processes assuming that processes are different and need to be understood as a complex interaction, where the individual human being e.g. the entrepreneur, is an actor. But networking has been investigated as an instrument for the creation and development of new ventures (Slotte-Kock and Coviello, 2010) based upon studying networking from the outside. Now as Hjorth (2008) argues research could focus more on human behavioural studies inside the system, where the entrepreneur as a human being is the actor. This means in the entrepreneurial networking context a description of entrepreneurial behaviour e.g. an entrepreneur as an insider within the network.

Networking phenomenon have been studied from different perspectives, from social relationships and networks on the individual level to the business relationships and networks on the organizational level, which has mainly been focused on the large and medium size organizations. Furthermore there have been studies of entrepreneurial networking with diverse perspectives and outcomes. These have been necessary to be able to capture important differences in their contingencies and outcomes (Elbers and Jarillo, 1997-1998). The main difference in these diverse perspectives is regarding the human factor and/or actor in these research traditions (Vesalainen, 2002).

Social network research examines the impact of the network on the social group or organization. The business network approach has emphasized an understanding of the relationships and change over time. Parallel to and in the interplay of these two research traditions has developed the entrepreneurial networking approach combining these two concepts as a social dimension among individuals and as a business dimension with organizations, where the human being, i.e. the entrepreneur, is an actor. In the context of the entrepreneurial networking concept there are “both social relationships among individuals and interactions among organizations” (Melin 1987, p. 31).

To conclude, networking has been investigated as an instrument for creation and development of new ventures (Slotte-Kock and Coviello, 2010) based upon the studying of networking from the outside. Following Hjorth’s (2008) research on entrepreneurship these should be more focused on human behavioural studies inside the system, where the entrepreneur as a human being is the actor. This means in the entrepreneurial networking context a description of entrepreneurial behaviour e.g. an entrepreneur as an insider within the network, which is the purpose of this study.

Following from the above, this research is focused on the entrepreneurial networking process, which is based on the human being e.g. the entrepreneur, and the social and business dimensions of the networking process. By combining these three elements; the entrepreneur with the social and business dimensions of the networking process, permits a holistic understanding. This research deepens understanding about the dynamics and relationships of the entrepreneurial networking process, where the entrepreneur as a human actor is at the core.

4 Theoretical framework for the entrepreneurial networking process

The conception of networking has more often than not been used in a metaphorical and not analytical sense to evoke the interconnections of social relationships without specifying the elements of these interconnections (Mitchell, 1969). According to Snehota (1990) the conception of networks is as an analytical concept more recent and continues to run parallel to the metaphorical use of the term. Rullani (1990) stated that despite the increasing use of the network concept as an analytical construct there has been only partial agreement on the main elements of the network structures. The concept of network has included the meaning of “a special type of system, one whose internal interdependencies generally change over time” (Thorelli, 1986, p. 39). In this chapter, after reviewing the literature forming the theoretical bases of the dissertation, the theoretical framework of the key issues in entrepreneurial networking process can be completed.

4.1 Networking in the entrepreneurial context

A good starting point in conceptualizing the networking approach in the entrepreneurial context is firstly to define the entrepreneur e.g. the function of the entrepreneur. Next it is important to conceptualize the social and business dimensions in the entrepreneurial networking context, where the entrepreneurs are in a social relationship and develop business with other entrepreneurs in the network. These three elements (a function of the entrepreneur, social and business dimensions) build the frame of reference for the networking in the entrepreneurial context.

4.1.1 Function of the entrepreneur

The first key element of the networking in the entrepreneurial context is the human being, e.g. the entrepreneur itself. Tuttle (1927) and Schumpeter (1928) have made their definition based on the function of the entrepreneur. Following the Tuttle (1927, p. 23) the function of the

entrepreneur is “the person who performs the distinctive function of ownership of the business viewed as an organized unit” and “it in itself does not involve labour, capital owning and land owning” Tuttle (1927, p. 25).

The Schumpeterian (1947) function of the entrepreneur is an act of will by an entrepreneur to combine existing resources in new ways or for new purposes (Schumpeter, 1947, Clemence, 1990; Lintunen, 2000). This means new combinations based on the individual and on human creativity (Lintunen, 2000, Schumpeter, 1934, 1912). Lintunen (2000) has described this in her dissertation as new combinations of existing possibilities lead us to the introduction of a new good, a new quality of good; a new method of production, the opening up of a new market, a new source of raw materials, or a new organization in any industry. Entrepreneurs do something new, which is outside existing practices or business routines. For the Schumpeterian entrepreneurial function the introduction of innovation was important (Schumpeter, 1939 pp. 103-104; Lintunen, 2000).

Shionoya (1997) states that creativity is an activity of human beings and has something to do with the distribution of talent (Shionoya, 1997; Lintunen, 2000). The creative activity of the entrepreneur is characterized as doing new things, or doing things in a new way (Schumpeter, 1947; ed. Clemence, 1990). According to Schumpeter (1947) the essential function of the entrepreneur is the ability to recognize and realize new opportunities, where the entrepreneur is driven by the will to prove oneself superior to others as well as the joy of exercising one’s energy and ingenuity (Anderson, 2007).

Following Schumpeter (1951) risk-taking and coordinating ability without the capacity to innovate are insufficient for a person to be regarded as an entrepreneur. According to Drucker (1985) the Schumpeterian notion (1934) of the entrepreneur as an innovator is commonly associated with the ‘growth’ business and with the new venture when it is ambitious, innovative and challenging. Schumpeter recognized the role of innovation in economic growth, and he understood that innovation had to be implemented by someone – the entrepreneur. The entrepreneur creates imperfections and growth in the market by introducing innovations. (Landström, 2008)

There are many similarities between innovation and entrepreneurial function. Both involve extended and concerted effort; an entrepreneur requires courage because the steps are often new, while innovation employs new solutions that may need courage to implement; implementation of both takes place in uncertain conditions (Bridge et al., 1998). Furthermore Bridge et al. (1998) both of these are likely to draw on change management skills for success. Also this has considered networking.

The function of the entrepreneur determines who is an entrepreneur, a human being of creative activity i.e. a man of action. The Schumpeterian man of action is an opposite character to the hedonistic economic man (see Barreto 1989; Binks and Vale, 1990; Dahmén et al., 1994; Hebert and Link, 1988; Lahti, 1991). The economic man is characterized as a static human type, a rational, utilitarian, materialist, an egocentric hedonist and happiness is the criterion of moral conduct, which means the pursuit of pleasure and egoism as human motivation (Lintunen, 2000). An economic man is a utility maximizer, with adaptive behaviour and the maximum satisfaction of wants under given conditions.

Lintunen (2000) summarizes that the characteristics of the man of action is a dynamic human type, energetic, and has the will of act. He is romantic, subjective, individualistic, has courage, foresight, intuition, vision and antirational, which means irrational and antihedonist. He has courage, capacity and energy to act in the “darkness of uncertainty”. He has a creative reaction to changes.

The essential nature of Schumpeter’s entrepreneur lies in energetic behavior, in specific motivation - a man of action (Shionoya, 1997). Rejecting the assumption of *homo oeconomicus* and his maximizing behavior, Schumpeter made clear: “We shall ... try to understand human behaviour, by analysing the characteristic motive of his (entrepreneur) conduct... we do not adopt any part of the time honoured picture of the motivation of “economic man” (Schumpeter, 1934, p.90). The man of action has the volitional motives of the entrepreneur, which means 1) the dream of private family property, 2) the will to fight for success and victory for the sake of success itself, and 3) the joy of creating, the exercise of energy in new ventures. (Lintunen, 2000)

According to Schumpeter (1949) every social environment has its own ways of fulfilling the function of entrepreneur. It may be fulfilled co-operatively in an evolutionary process, because according to Schumpeter (1949) no single individual combinations can be built into a corporate personality. The entrepreneur is the bearer of new things, innovations, individually, also together in a group of entrepreneurs (Schumpeter, 1934), which Tuttle (1927) agreed stating that in the firms standing alone the entrepreneur soon reaches the limit of his/her ability “to perform, single-handed, the entrepreneur function of his growing business. He finds the solution of his difficulty in the sharing of that function with other entrepreneurs” (Tuttle, 1927, p.25).

This group of entrepreneurs in both Tuttle (1927) and Schumpeterian (1928) work can be regarded as an entrepreneurial network. This makes the network in the entrepreneurial context, where entrepreneurs stand alone,

so essential and is one of the three key elements of the entrepreneurial networking framework. The Schumpeterian and Tuttlian functions of entrepreneurs still seems to be valid and worth researching in the entrepreneurial networking context from the human behavioural point of view this are shared and further discussed in Articles A, B, C. In this research the guiding principle is the function of the entrepreneur, entrepreneur as human actor, entrepreneurial profiling and entrepreneurial characteristics.

4.1.2 The social dimension in the entrepreneurial networking context

The second key element of the networking is the social dimension among individuals. Networking, especially in the entrepreneurial context, includes social dimensions, which turns attention to relationships between entrepreneurs. Networks are facilitated or constrained by linkages or relations between aspiring entrepreneurs and opportunities critical to success (Aldrich and Zimmer, 1986;). The entrepreneurs are embedded in social relationships that channel and facilitate, as well as constrain and inhibit, their activities (Aldrich, 1989, p. 125). Entrepreneurs of the network get support, knowledge, and access to distribution channels through their social relationships. Entrepreneurs are also linked to people and organizations that interact among themselves and these contacts can widen the availability of resources that sustain a new firm (Hansen, 1995).

The networking relationships may be a acquaintance between an entrepreneur and another, often “a crucial bridge between two densely knit clumps of close friends” (Aldrich and Zimmer, 1986, p. 19). Entrepreneurs can ask both close friends and acquaintances to become customers. Then these customers tell their close friends and acquaintances about the new venture. It is the weak ties (acquaintance) which can expand the pool of customers. Strong ties (close friends) deliver redundant information (Aldrich and Zimmer, 1986; Granovetter, 1977). According to Birley (1985) entrepreneurs tended to rely primarily on informal sources of information and help (business and social contacts, family, and close friends). Formal sources of support (banks, accountants, lawyers, local governments and chambers of commerce and relators) were also used, but only as a last resort. (Bull and Willard, 1995, p. 9) The entrepreneurial network is for the entrepreneurs a community. It presupposes the existence of direct, non-hierarchical links between all the elements making up the network (Maillat et al., 1993).

According to Snehota (1990), among others, the social dimension in the networking context is considering the nature of the interaction,

relationships, links or ties among its participants e.g. entrepreneurs. The relationship between entrepreneurs of a network is challenging. This implies expectations concerning the behaviour of other entrepreneurs in interaction. The relationships with other entrepreneurs affect entrepreneur's behaviour to the extent entrepreneurs foster expectations of future relationships and counteract.

A network of entrepreneurs is a network of ties given by the interaction of the entrepreneurs being linked by acts and counteracts. It allows but does not leave either entrepreneur with the possibility to act in complete freedom insofar as the entrepreneurs interact with each other. The ties or relationships affect the behaviour of individual entrepreneurs and conversely are the means through which the influence of an entrepreneur is exercised. The effect of ties on the behaviour of individual entrepreneurs has been argued to be more significant than the characteristics of the entrepreneurs as such. The ties of the actors rather than their properties have been decisive in explaining the patterns of behaviour of entrepreneurs (Bott 1957; Snehota, 1990).

The social dimension in the networking is a multiple involvement of entrepreneurs with other entrepreneurs. A network is composed of entrepreneurs with different status. Each and every entrepreneur is tied simultaneously to more than one entrepreneur. The ties to other entrepreneurs thus locate an entrepreneur in a certain position, or status, vis-à-vis some and all of the others. According to Snehota (1990) the ties in social relationships are reciprocal and not unilateral. Therefore it is the existence of ties that confers status, position or identity on an entrepreneur in the network. New ties can be established while the existing ties can be loosened or severed. (Snehota, 1990)

The interdependence of the ties among entrepreneurs is related to the strength of the ties that impact on the behaviour of the single entrepreneur. The nature and content of the relationship between two entrepreneurs is dependent on other ties limiting the behaviour of the entrepreneurs' ties in a relationship. The connectedness has an impact on the interaction taking place in one relationship on those in some other (Cook and Emerson, 1984). The connectedness of the ties is a consequence of the multiple involvements of the entrepreneurs. This is an important element of the network regarding the process by which the network and its dynamics evolves. (Snehota, 1990)

The dynamics of a network is an outcome of the entrepreneurs and their individual choices made in the network in interaction with each other. Relationships, (links, ties) between entrepreneurs change dynamically in content, became activated and lapse as a consequence of acts of the

entrepreneurs. In turn they constrain the behaviour of the entrepreneurs. The relationships between the entrepreneurs are mutually enacted. Given the multiple involvements of the entrepreneurs and the connectedness of their relationships, the dynamics of the single individual relationships enhances change throughout the network which in its turn shapes individual behavioural choices. The dynamics of the structural evolution in networks is thus induced from within. Networks are therefore dynamic in nature. (Snehota, 1990)

Thus, entrepreneurship is embedded in entrepreneurial networks of continuing social relationships. Relationships between network parties are conceptualized as interaction rather than action (Ford and Håkansson, 2006). Relationships are developed reciprocally and are dependent on the expectations of both parties regarding their future interactions (Håkansson and Snehota, 1995). Existing relationships can change their content and strength over time. Relationship development increases the knowledge of each actor and helps them create realistic expectations of one another (Selnes and Sallis, 2003). A network can be understood to coevolve with the relationships that form it, and experiences from one relationship are transferred to another in the network (Håkansson et al. 1999). This makes the interplay between entrepreneurs of the network so essential and is therefore second key element of the networking in entrepreneurial context.

4.1.3 The business dimension in the entrepreneurial networking context

The third key element in the networking is the business dimension, because networking is an increasingly important source of competitive advantage for contemporary firms. The network can be a source of various resources for the firms that are important in establishing a business (Johannisson, 1998; Larson, 1991), including financial, physical, human, technological, reputational, and organizational resources mentioned by Hanlon and Saunders (2007).

Entrepreneurs enter into networks so that they can exploit and develop their resources, and create and maintain a durable basis for a competitive advantage (Möller and Halinen, 1999; Faulkner 2003; Day, 2000). Networks may emerge for a number of reasons – e.g. to achieve flexibility, capacity, and speed in seizing opportunities, to access resources, skills, and information, and to provide a hedge against uncertainty (Ebers 1997; Faulkner, 2003). According to Forsgren and Johanson (1992) networks are established and developed by investing time and resources in interaction with each other, which include adaptations of products, processes and routines.

There are different approaches to business depending on the objectives and focal areas of the entrepreneurs. According to Håkansson and Snehota (1995) the business perspective is a change in the a relationship resulting from: (1) entrepreneurs learning about how to utilize new combinations of resources, (2) the contrasting perceptions of entrepreneurs in relationships, and (3) entrepreneurs continually looking for opportunities to improve their position towards important partners (Håkansson and Snehota, 1995). According to Sexton and Smilor (1997) entrepreneurs have good access to opportunities, if there are extensive, complex, and diverse the web of relationships, which enhances their chance of solving problems expeditiously, and of success for the venture. “The fewer and more homogenous the web of relationships is, the less likely it is for a new venture to succeed” (Sexton and Smilor, 1997, p. xvii).

Johanson and Mattson (1994, p. 325) note that the network tradition “emphasizes dynamic, individual and interconnected exchange relationships within systems that contain interdependencies of both a complementary and a substitutive nature”. The network gives the entrepreneurs both opportunities and constraints in their business. To a certain extent the entrepreneurial network is capable of creating new resources and changing the productive system highlighting its role in new venture creation. Not all networks react positively to the incentives they receive – not all entrepreneurial networks are innovative. When a network responds well and is properly structured, it can find a basis for change and new growth in the specific resources created over the years. Networking in the entrepreneurial context can be seen as the “brain” of the entrepreneurs’ productive system in the sense that in the networking context entrepreneurs can co-innovate, co-create and co-develop new products and services. This makes the networking between entrepreneurs essential and is the third key element of the networking in entrepreneurial context.

4.1.4 Summary of the networking in the entrepreneurial context

There are three key elements in entrepreneurial networking. These are the human being (the function of the entrepreneur), the social dimension among individuals and a business dimension with organizations, where the human being, i.e. the function of the entrepreneur, is an actor. Because of the relationships and dynamic nature of the networking it depends on the phase of the network which dimension is dominating (Birley and Cromie, 1988). During the networking it moves from predominating social dimensions to a network where business dimension is predominating (Figure 5).

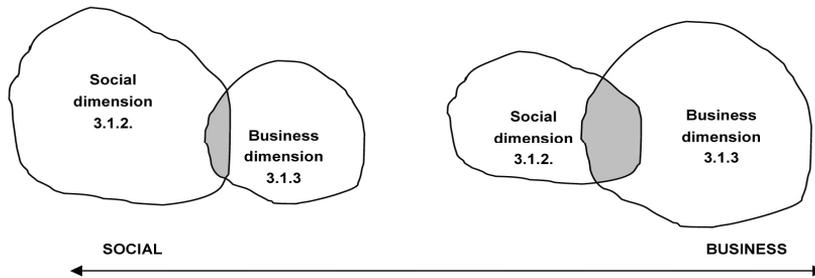


Figure 5: Dynamic nature of the entrepreneurial networks (modified from Birley and Cromie (1988), model of network development, pp. 3-4).

In this research the entrepreneurial networking process will be researched from the entrepreneurs' point of view by combining these three elements, which are studied from the individual (=entrepreneur), group (=network), and the process perspective.

4.2 The process in the entrepreneurial networking context

In the entrepreneurial networking process change is influenced and proceeds through a continuous cycle of variation, selection, and retention (Van de Ven and Poole, 1995). Following the procedures suggested by Van de Ven (1992b) the network phases emerge through a continuous cycle of variation, selection and retention, where entrepreneurs interact over time to facilitate and constrain innovation development. Throughout this research, the process is referred as the progression of events in an organizational entity's existence over time. The entity consists of an individual (e.g. an entrepreneur), a group (e.g. an entrepreneurial network), and the networking process (Van de Ven and Poole, 1995) (see Article A, B, C for further discussion on the process in the entrepreneurial networking context).

Following Witt's (1993, p. 91) theories on evolution stating that the process could 1) be dynamic, 2) deal with nonconservative systems, i.e. irreversible processes, and 3) cover the generation and the impact of novelty i.e. innovation. Innovation is in this context an action that has not been carried out earlier, i.e., involving novelty. In this research the novelty of Witt (1993, p. 92) is combined with Schumpeterian (1934) views considering to be the carrier "of ideas already around for a while and commonly known but not yet tried as an innovation". According to Schumpeter (1912) innovation and Witt (1992) novelty is given a key role in understanding evolution, especially what motivates the creation of

innovation/novelty. According to Witt (1992, p.406) novelty is the outcome of human creativity and of the discovery of new opportunities for action.

Networking can be seen as a source of opportunities, through which entrepreneurs gain access to a new market, resource, new knowledge, learning, support and wellbeing. The opportunity has been highlighted and can be explored in the processes of discovery involving individuals, entrepreneurs. Therefore the entrepreneurial networking process is understood “through those activities by which entrepreneurs organize and develop their firm” (Gartner 2001, p. 30). Chell (2000) notes the importance and interplay of the entrepreneurial profile and social interaction in the networking. According to Aldrich and Zimmer (1986), the entrepreneurial networking process is facilitated or constrained by linkages between entrepreneurs, resources, and opportunities and by the social relationships through which entrepreneurs obtain information, resources, and social support. The entrepreneurial networking process though is based on the entrepreneurship literature that focuses on the behaviours adopted in the process of discovery and exploitation of ideas for new business ventures (Davidsson, 2003; Venkataraman, 1997; Shane and Venkataraman, 2000; Gartner, 1988).

According to Ritter et al. (2004), networks are seen as multiplex adaptive systems, where entrepreneurs are simultaneously involved in ongoing relationships and it is more appropriate to talk about influencing and interacting, i.e. processes instead of outcomes.” Changes originate in the relationship (Halinen et al., 1999) that may be positive or negative (Ritter, 2000), and changes in one part of the network will affect changes throughout the network. The consequence is that in the process of the entrepreneurial networking context the entrepreneurs learn about each other’s ways of doing things. Learning in the network requires interaction with entrepreneurs in the network. Through the interaction the entrepreneurs gradually, on the one hand, learn about each other’s needs, competencies, abilities, skills and strategies and come to trust each other, and on the other, adapt to each other’s way of performing operations and commit resources to the relationship (Forsgren and Johanson, 1992). According to Håkansson and Snehota (1995) the network structure is dynamic and characterized by a continuous organizing process.

According to Timmons (1999), the entrepreneurial process is based on the innovative spirit and that entrepreneurs devise ingenious strategies to marshall their limited resources. This is also at the core of the networking process, where the entrepreneur function and profile are based on and include imagination, motivation, commitment, passion, tenacity, integrity, teamwork and vision. They face dilemmas and make decisions despite

ambiguity and contradictions. “Very rarely is a network relationship a get-rich quick proposition; rather, it is one of building – and continually renewing – long-term value and durable cash-flow. The result of this value creation process is that the total economic pie grows larger and society benefits.” (Timmons, 1999, p. 28) Furthermore, Timmons (1999) states that entrepreneurial way of thinking, reasoning and acting is opportunity obsessed, holistic, and a process of creation or recognition of opportunities is followed by the will and initiative to seize these opportunities.

Leaning on Timmons (1999), the following issues need to be considered in the entrepreneurial networking process approach: 1) Commitment and trust in relationships and dynamics of the networking. It is critical that a network is well anchored in terms of trust and commitment (see Article A for further discussion on the commitment and trust in the entrepreneurial networking context). In any network the entrepreneurs encourage standards of excellence and respect for network entrepreneurs’ contributions. In successful networks, the commitment and trust of network entrepreneurs are appreciated by network entrepreneurs as well. Significant overlapping of network entrepreneurs’ goals with those of other entrepreneurs’ goals is desirable. (Timmons, 1999)

2) Entrepreneurial profiling; motivation, responsibility etc. (see Article A, C for further discussion on the entrepreneurial profiling in the entrepreneurial networking context) A diligent effort needs to be made to determine who is comfortable with what and who has responsibility for what, key tasks so duplication of skills and competences or responsibilities is minimized. Roles cannot be pinned down precisely for all tasks, since some key tasks and problems simply cannot be anticipated and since contributions are not always made by the people originally expected to make them. Indeed, maintaining a loose, flexible, flat structure with shared responsibility and information is desirable for utilizing individual strengths, flexibility, rapid learning and responsive decision-making.

3) Peer groups (see Article C for further discussion on the peer group and entrepreneurial profiling in the entrepreneurial networking context). The support and approval of family, friends, and co-workers can be helpful. Reference group approval can be a significant source of positive reinforcement for a person’s career choice, his or her entire self-image and identity.

The capacity of an entrepreneurial network to create novelty and innovation causes a diversity of variants or behaviours within a network. Such diversity is preserved or stabilized by relationship. Diversity, and the differences in performance which this usually implies, are important elements in the evolutionary process. Networks of relationship have an

effect on what kinds of innovative endeavours succeed after they are introduced (Witt, 1999)

Furthermore, Witt (1992, p. 406) states that “if the newly discovered possibility of acting is taken up, this action is called an innovation”. Human creativity is the source of novelty and innovation. There seem to be two key elements playing a role in why entrepreneurs come up with novelty and innovation; firstly humans feel pleasure or a thrill from experiencing novelty and innovation and the motivation to create novelty may thus be explained by a preference for novelty as such, i.e., “precisely for experiencing the revelation of the yet unknown” (Witt, 1992, p.407). The second element motivating the search for and creation of novelty and innovation is frustration with the status quo (Hagen, 1970). Once the motivation is considered by the entrepreneurs involved, searching for, or trying out, novel and innovative ways of acting is taken place. Two different, but complementary motives can be realized: curiosity and dissatisfaction or fear. As far as curiosity is concerned, entrepreneurs obviously find it entertaining to search for and experience novelty and innovation as such. Thus motivated in the entrepreneurial networking process, novelty and innovation is sought at all times. (Witt, 1992)

A significant element of the process in the entrepreneurial networking context is that, in transforming itself, i.e., in creating and selectively implementing innovation, it may refer to its own mode of collecting, interpreting, and utilizing knowledge. “The process of mental creation of novelty tends to generate more ideas about new possibilities of actions than the individual actually can translate into innovative activities” (Witt, 1992, 407). Because “little is known about the dynamics of the individual behaviour and the interactions” (Witt, 1985, p. 572), this research is legitimated. Schumpeter (1912) emphasized the role of innovators carrying out new combinations, i.e., by launching new products, processes, input markets, and organizational forms of running businesses, which are valid and worth researching in the entrepreneurial networking context (see Article A, B, C for further discussion on the process in the entrepreneurial networking context).

To conclude, the process in the entrepreneurial networking context is influenced and proceeds through a continuous cycle of variation, selection, and retention, where entrepreneurs interact over time to facilitate and constrain innovation development. In this research the process is referred as the progression of events in an organizational entity’s existence, which consists of an individual (e.g. entrepreneur), a group (e.g. an entrepreneurial network), and the networking process.

Networking is an opportunity for entrepreneurs. They can gain access to a new market, resource, new knowledge, learning, support and wellbeing. The networking process is based on the relationships between entrepreneurs adopted in the process of discovery and exploitation of ideas for new business ventures. In the networking process entrepreneurs are influencing and interacting, i.e. it is the process instead of outcomes. It is dynamic and characterized by a continuous organizing process based on the innovative spirit and followed by the will and initiative to seize the opportunities. In the entrepreneurial networking process approach the following issues need to be considered: 1) Commitment and trust, 2) entrepreneurial profiling, and 3) peer groups. This research is aimed to deepen understanding of the entrepreneurial networking process by exploring the dynamics between individual and collective processes by outlining some important factors that enhance relationships and may affect the success and failure of the networking process.

4.3 Theoretical framework of the entrepreneurial networking process

This section aims to conclude the discussion presented in this chapter and illustrate it in the theoretical framework. In this research the process in the entrepreneurial networking context is investigated firstly from the individual and the organizational perspective in the triangulation and in the interplay with each other during the process, where the entrepreneurs are as human actors in the process. The triangulation “gives a more detailed and balanced picture of the situation” (Altrichter et al., 2008, p.147). Secondly the learning and innovation through the dialogue is studied based on the entrepreneurs’ experiences of the dialogue during the process from the individual, group and process perspective. Thirdly the entrepreneurial success profiling and experiences are studied from the individual and process perspective of the networking process.

This research adopting a broad conceptual approach describes the interplay between entrepreneurial profiling, entrepreneurs as human actors and the networking process that provides insights into a new research approach in this area. As a whole the aim of this theoretical framework is to guide the empirical research. The theoretical framework of the networking process is presented in Figure 6.

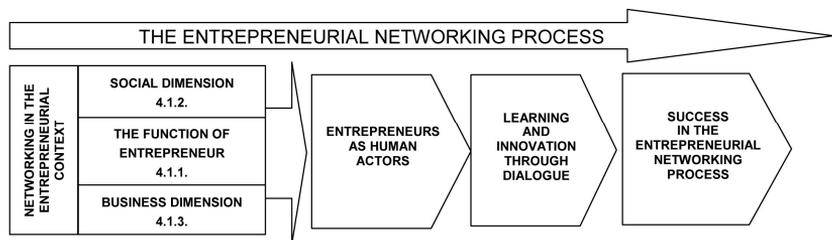


Figure 6: Theoretical framework of the entrepreneurial networking process

4.4 Positioning of the articles in the theoretical framework

In this research the process in the entrepreneurial networking context is investigated firstly from the individual and the organizational (network) perspective in the triangulation and in the interplay with each other during the process, where the entrepreneurs are as human actors in the process (Article A). Secondly the learning and innovation through the dialogue is studied based on the entrepreneurs' experiences of the dialogue during the process from the individual, group and process perspective (Article B). Thirdly the entrepreneurial success profiling and experiences are studied from the individual and process perspective of the networking process (Article C).

4.4.1 Entrepreneurs as human actors in the networking process (Article A)

Article A considers the entrepreneurs as human actors in the networking process, which is based on and affected by the relationships between entrepreneurs. Through the interaction and dialogue the entrepreneurs gradually, on the one hand, learn about each other's needs, competencies, skills, abilities and strategies and come to trust each other, and on the other, adapt to each others' way of performing operations and commit resources to the relationship (Forsgren and Johanson, 1992). According to Forsgren and Johanson (1992) business relationships are established and developed by investing time and resources in interaction with each other, which include adaptations of products, processes and routines. These relationships are affected by the dialogue between entrepreneurs, the trust between entrepreneurs and the commitment to the entrepreneurial networking process. These three factors are important organisational factors affecting the entrepreneurial networking process through the entrepreneurs as individual human actors. These three organisational factors need further scrutiny.

The first is dialogue, because of its importance in the interaction of human beings. According to Isaacs (1999) the key principles in a good dialogue include among others 1) listening and 2) respecting. Ståhle and Grönroos (1999) say that independent or self-directed development does not occur without dialogical conversation among those involved. A dialogue has some unique properties in its flow, in its creativity, and in its inquiring nature. It is a language of listening (Burbules, 1993), where participants are willing to hear each others' contributions. Listening is respecting others. Senge (1990) argues, that "dialogue is at the root of all effective group action". Nonaka and Takeuchi (1995) state that dialogue is a means for transforming tacit knowledge into explicit knowledge. According to Roman (2005) through dialogue the participants can explore their own and others' conditions, thoughts, aspirations, beliefs and preoccupations. Through dialogue, people connect with each other, and share different views of reality. With dialogues, people can root themselves deeper into the group, and also be more themselves in the group.

Good dialogue enhances mutual trust during the networking process. According to Neergaard and Ulhøi (2006) a certain level of mutual trust is necessary to prevent unreliable information from spreading, to prevent agreements from being violated, and to ensure the sharing of services and knowledge. Trustful behaviour is intimately related to relationships between individuals (Neergaard and Ulhøi, 2006). Halinen (1994) states that numerous positive experiences involving trustful relationships increase trust, whereas negative experiences diminish it.

Secondly, trust is crucial to the further development of a relationship, where an exchange partner shows genuine responsiveness to the other partner's needs. According to Powell and Smith-Doerr (1994) trust in contractually based networks arising from reputation is created if these relationships are to last. It has also been documented that firms are more inclined to cooperate with partners who have demonstrated their trustworthiness and cooperativeness in their respective contexts, suggesting that reputation has an economic value (Hill, 1990). Such relationships are not necessarily regulated by contract and are thus similar to generalised trust concept discussed earlier. Knowledge-based trust occurs in socialised networks, building on mutual awareness and norms into reciprocity, past experience and advantages of group membership. Entrepreneurs learn from each other and develop trust around norms of equity, through ongoing interaction (Shapiro et al., 1992).

According to Williamson (1985) trust is diminished by opportunistic behaviour or self-interest seeking with guile, which may include, not only the more obvious forms of cheating, but also clearly calculated methods of

misleading, distortion, disguise, and confusion; in other words, any action carried out in bad faith (Hill, 1990). According to Neergaard and Ulhøi (2006), from a network standpoint, trust reduces the need to guard against opportunistic behaviour, while excessive formalisation and monitoring easily breeds conflict and distrust.

Trust affects and is likely to involve commitment to a relationship, where commitment is defined as “an implicit or explicit pledge of relational continuity between exchange parties” (Dwyer et al., 1987, p.19). Each firm’s commitment to the relationship is influenced by making its perception of the other firm’s commitment (Anderson and Weitz, 1992). A willingness to continue the relationship in the network, to learn each other’s needs and resources imply strong, more or less continuous, commitment to the relationships. Through their ongoing interaction, the entrepreneurs signal to each other that they are interested in developing the relationships at the same time as they increase their dependence on each other. All these three organisational factors – dialogue, trust and commitment – as influences on the networking process are dynamic both in themselves and in terms of interaction with the other factors.

The entrepreneurial networking process is additionally affected by entrepreneurial motivation, persistence and responsibility, especially in entrepreneurial networks, which are based on the individual behaviour of the entrepreneurs. The first entrepreneurial factor is motivation, which means that some people are self-directed and have their own motivation for doing things. Entrepreneurs are mostly self-directed and have their own motivation (Schumpeter, 1934).

According to Schumpeter (1934) the entrepreneur is driven by the will/motivation to prove him/herself superior to others as well as the joy of exercising energy and ingenuity (Andersen, 2007). This Schumpeterian statement was primarily related to individual entrepreneurs – entrepreneurs characterised by the desire and the will to found private kingdoms, the will to conquer, and the joy of creating.

The second entrepreneurial factor is persistence, which according to Ruohotie and Koiranen (2000) is also a very typical personal characteristic of entrepreneurs concerning a very systematic working style. If people have a lot of persistence, they like to work from start to finish and see that things are completed (Timmons, 1989). They make every attempt to follow through with each one of their projects or work assignments, even when they are difficult. They prefer to work systematically and no one has to remind them to get the work done. They do not like to be interrupted in the middle of one project to start working on a new one (Bridge et al., 1998).

Responsibility is the third entrepreneurial factor, which means that entrepreneurs do what they have promised to do and always like to do what is considered right (Zimmerer and Scarborough, 1996). They do not have to be reminded to do things and always take their duties seriously. They like to be reliable and do their best to keep their promises. According to McClelland (1961) entrepreneurs are people who have a great need for achievement, self-confidence, independent problem-solving skills, and who prefer situations that are characterised by acceptance of individual responsibility.

The networking process is affected by entrepreneurs, who are human actors and reflect as a set of knowledge, abilities, skills and experiences of individuals (Becker, 1964; Edvinsson and Malone, 1997) including intangible elements: motivation, responsibility and persistence. In the entrepreneurial network, the stock of knowledge is available at the individual level, that is to say, this knowledge belongs exclusively to each one of the entrepreneurs of the network who use it in their cooperation in a voluntary way. The network is not the owner of this valuable resource; it simply uses the knowledge.

Networking effectively is one behavioural characteristic commonly associated with an entrepreneur (Gibb, 2000; Fillion, 1997; Shaver and Scott, 1991). Networking is a tool to enhance growth, secure/obtain resources, to develop new services and products in cooperation with other firms and entrepreneurs in the network. A willingness to continue the relationship in the network, to learn each other's needs and resources implies a strong, more or less continuous, commitment to the relationships, as does the adaption of routines and procedures. As entrepreneurs are independent through their ongoing interaction, the entrepreneurs signal to each other that they are motivated in developing the cooperation and relationships at the same time as they raise their dependence on each other.

Summing up, entrepreneurial behaviour affects the networking process through the three human factors (motivation, persistence, responsibility) in the interplay with the organisational factors – dialogue, trust and commitment. All these factors – organisational and entrepreneurial – as influences on the networking process are dynamic both in themselves and in terms of interaction with the other factors.

4.4.2 Dialogue in the entrepreneurial networking process (Article B)

Article B considers the learning and innovation through the dialogue in the entrepreneurial networking process. Entrepreneurs in the networking process and their engagement in use of dialogue can enhance to develop

new services in interaction with each other. The concept of invention, creativity and innovation are also closely associated with entrepreneurial outcomes.

The learning and innovation of the entrepreneurial network was based on the effectual reasoning model in the early stages and in the latter stage more causal reasoning was required. It is ideal that entrepreneurs of an entrepreneurial network can use both causal and effectual reasoning at different times depending on what the circumstances call for (Sarasvathy, 2006). According to the effectual reasoning theory, entrepreneurs start out with four categories of means which were used to imagine different ends for new business. This is in contrast to the causal reasoning theory where rational entrepreneurs initially specify a goal for the new business and then choose the means necessary to achieve that goal. The adopted effectual reasoning (modified from Sarasvathy, 2006) consisted of following phases:

Phase 1: Customer Identification: Who am I? What do I know? What do I expect? Whom do you know?

Phase 2: Customer Definition: Through strategic partnerships and “selling”

Phase 3: Adding Segments / Strategic Partners

Phase 4: Definition of one of several possible markets

This process begin with a given set of means the entrepreneurs had, without a specific goal that allowed goals to emerge contingently over time from varied imagination and diverse aspirations and the entrepreneurs as they interact with each other (dialogue) during the process. Using these means the entrepreneurs begin to imagine and implement possible effects that could be created with other entrepreneurs of the entrepreneurial network. According to Sarasvathy (2006) entrepreneurs often learn by doing and plans are made and unmade and revised and recast through action and interaction (dialogue) with other entrepreneurs in the network. The extent to which the network is capable of creating new resources and changing the productive system, particularly through interaction and learning, highlights its role in developing new products and services. During the process, the effectual entrepreneurs’ set of means and consequently the set of possible effects change and get reconfigured through their actions, the interaction and the dialogue.

Next in the process entrepreneurs start to build a strategic partnership (Phase 2) with other entrepreneurs in the network and develop a joint service. When the first pilot of the joint service is developed entrepreneurs try to find the first customer in their immediate vicinity. They can meet with the customer and get answers; about the price, the content, what were

the obstacles, what were the questions. After this meeting they first design the final content of the joint service product for the customer. It can also be plausible that the service product planned in advance does not take off beyond the first customer. Instead, entrepreneurs might discover that the customers are actually interested in their life experiences or other aspects of their personality or experts or contacts or interests (Sarasvathy, 2006). They could then decide to go into any one of the several businesses (Phase 3) contingent upon the ensuing feedback.

The eventual success of the entrepreneurial network could turn out to be in any one or all of the businesses (Phase 4) the set of entrepreneurs in the entrepreneurial network have. In the stage of the causal reasoning model they will start to do market definition, to segment the market, to select target segments based on estimates on the potential return, to design the service product to appeal to their target segments; and finally to implement specific market strategies and to manage daily operations.

In the interaction – through the dialogue – entrepreneurs have an opportunity to combine existing ideas and resources in different ways. The dialogue is in core of the interaction and of the innovation and learning process. According to Isaacs (1999, 1996) the key principles of a good dialogue are 1) listening, 2) respecting, 3) suspending and 4) voicing. According to Roman (2005), dialogue is a process that creates more understanding, maintains togetherness, and unites the intelligences and creativity of participants, which can lead to many good results. Some researchers have strongly emphasized the value of dialogue and it is seen as an important communication process to enhance the competitive ability of enterprises (see e.g. Nonaka and Takeuchi 1995, Senge 1990, Schein 1993, 1996, 1999a, 1999b, Ståhle 1998). Dialogue is an arena where people can integrate different opinions and views, and create and share collective meanings. It is a language of listening (Burbules 1993), where participants are willing to hear each other's contributions.

Nonaka and Takeuchi (1995) states that we need a special process and place that he calls “*ba*”. *Ba* is a multidimensional space that supports communication within a company. Nonaka states that “*ba* can be thought of as a shared space for emerging relationships. This space can be physical (e.g., office, dispersed business space), virtual (e.g., e-mail, teleconference), mental (e.g. shared experiences, ideas, ideals), or any combination of them. [...] It is such a platform, that a transcendental perspective integrates all information needed” (Nonaka and Konno 1998). A network can be this kind of “*ba*” space for the entrepreneurs.

Through dialogue, people connect themselves with each other, and share different views of reality. The stimulation received from the energy that is

released in dialogue may push her/him into creativity she/he did not know she/he had. Dialogues can also have positive side effects on the health and wellbeing of the workers. De Maré et al., (1991, p. 94) says, “The culture of the group is no longer an atmosphere that is being acted out”, which means that tensions are acted out by expressing them.

To conclude, dialogue enhances people to root themselves deeper into the group, and also be more themselves in the group. Dialogue in the learning and innovation process of the entrepreneurial network is based on the above mentioned four principles (Isaacs, 1999, 1996) and knowledge creation spiral (Nonaka and Takeuchi, 1995).

4.4.3 Success in the female entrepreneurial networking process (Article C)

Article C is identifying entrepreneurial success profiles and studying individual experiences of the success in the female entrepreneurial networking process. Success in entrepreneurial networking context can be defined in many different ways. It can be on the basis of the commercial success, and/or in productivity, and/or economic-increased efficiency, lower costs, improved ROI. In firm of one to two employees, success does not necessarily imply a “growth” orientation (Sonfield and Brabato, 1999), but can mean an increase in self-sufficiency and a reduction of dependence (Walls et al., 2001), which is more an internal and value-added dimension of success.

Success can also be defined on the basis of how entrepreneurs succeed in networking with other entrepreneurs. For example Duchesneau and Gartner (1988) found that surviving entrepreneurs are more active in social relations than unsuccessful entrepreneurs, because successful entrepreneurs spend more time communicating with partners etc.

In this research success on the individual level is investigated through the experiences of the network participants, female entrepreneurs, drawing on their responses, experiences and associations during the networking process. Success is also investigated on the basis of entrepreneurial profiling e.g. personal characteristics affecting the interaction and development of the networking process. By focusing on the entrepreneurs’ individual experiences and entrepreneurial profiling success the aim is to explore the female entrepreneurial networking context.

As argued, success can be experienced by female entrepreneurs in many ways. In the female entrepreneurial networking process the social relationships in interaction and dialogue with other entrepreneurs affect the success of the networking. It is the characteristics of the entrepreneur and/or the situation that determine an entrepreneur’s behavior (Gartner,

1989); they affect success through their behavior in the social relationships of the networking process. Next the focus turns to entrepreneurial success profiling in the entrepreneurial networking process.

In the entrepreneurial networking process the performance of the firms is dependent on what entrepreneurs are as individuals. Therefore differences in the performance of the firms may be explained through differences in the personalities and characteristics of entrepreneurs – the process is referred to as entrepreneurial profiling. Entrepreneurial profiling includes the personal characteristics of entrepreneurs, meaning relatively enduring preferences on an entrepreneur's part for thinking and/or acting in a specific manner (Epstein and O'Brien, 1985). Following Bridge et al. (1998, p.42) theories consider that it is the "personality of individuals that explains their actions" and there is something within those individuals that makes them disposed to and prepared for action when seeking opportunities. Entrepreneurial actions are defined as such because they have particular profiling and certain individuals, entrepreneurs, perform such actions well.

In those firms especially where performance is dependent on what entrepreneurs are as individuals (Wincent and Westerberg, 2005), the personal characteristics e.g. entrepreneurial profiling of individuals predispose them towards entrepreneurial behavior. The characteristics most often proposed are achievement motivation, risk-taking propensity or the desire for control. McKenna (1987) points out that entrepreneurial profiling can relate to motives, temperament, style and ability. There is a considerable body of literature on these characteristics and profiling claiming that they predispose individuals to behave in an entrepreneurial fashion. The successful accomplishment of an entrepreneurial task provides individuals with a strong sense of achievement and confirms their capacity to control their lives. Stevenson and Gumpert (1992) note that entrepreneurs continuously seek business opportunities without being concerned about the necessary resources. They take a chance on resources, and consider that suitable resources will be forthcoming. Many have therefore seen "the individual as important for the firm, indeed as a key to success" (Bridge et al., 1998, p. 41). According to Lahti (1995), there is a close connection between the personal qualities of the entrepreneur and the economic success of the firm. It is necessary to investigate the success of the entrepreneurial networking process in light of entrepreneurial success profiling.

Defining entrepreneurial success profiling emphasizes the relevance of success. Identifying entrepreneurial profiling has been a challenge for a number of researchers. There have been many studies and approaches to

analyzing what makes some individuals more entrepreneurial than others. They include (1) personality theories considering traits in individuals predisposing them to enterprise, (2) psychodynamic approaches that look at the enterprising personality, (3) social psychology approaches that take into account the context in which an individual operates, and (4) owner typologies that look at different types of entrepreneur, (5) behavioral theories, including competencies and stage model approaches, (6) economic approaches, (7) sociological approaches, (8) integrated approaches, all offering some insight into what makes an individual act in an entrepreneurial way. The integrated approaches are potentially the most useful models for examining entrepreneurial success. In this research the most comprehensive summaries of attitudes and behaviors in entrepreneurial profiling are those of Schumpeter (1934), McClelland (1961), Timmons (1999) and Sarasvathy (1998, 2006).

To conclude entrepreneurial success profiling is considered, implicitly or explicitly, that this will help to determine whether an individual does or does not succeed in co-operation with other entrepreneurs of the networking process. It is important, however, to note that entrepreneurs are not homogenous and that therefore different approaches looking at different stages of networking development will result in a complex picture. However, it can be assumed that the entrepreneurial profile – entrepreneurial behavior – is essential in entrepreneurial networking.

4.4.4 The summary of the positioning of the articles

The focus in this research is on studying the entrepreneurial networking process from the individual's point of view and more precisely the focus in Article A was to identify key factors explaining the entrepreneurial network process, in Article B to identify how innovation and learning through dialogue were developed and how entrepreneurs experienced the dialogue during the process and in the Article C to identify what entrepreneurial success profiles can be found in the network and what the individual experiences are of success in the entrepreneurial networking process. In the following is the positioning of the three articles in the theoretical framework of the study (Figure 7).

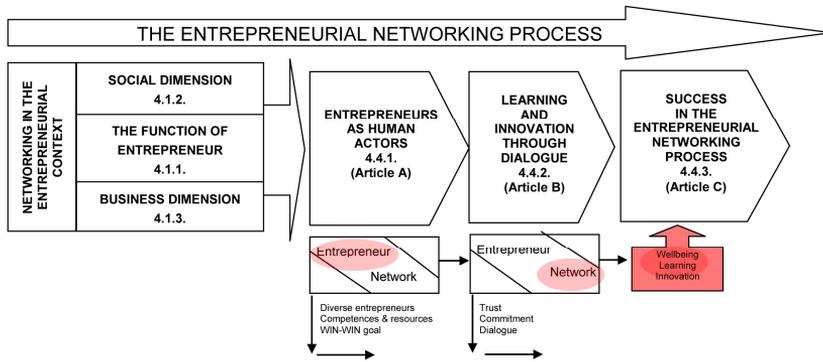


Figure 7: Positioning of the three articles in the theoretical framework of the study

5 Research methodology

This research meets the challenge aiming to improve the understanding of the entrepreneurial networking process from the individual's point of view by exploring the dynamics and collective processes as well as the interaction/dialogue during the process. This research is explorative longitudinal case study by the nature.

5.1 Explorative approach of the study

There is a need to increase the understanding of the entrepreneurial networking process from the individual's point of view. This dissertation adopts an explorative approach to examine the networking process and relationships during the process from the individual's point of view and the entrepreneur as an actor in the process. Explorative research in the context of social sciences seeks to find out how people get along in the setting under question, what meanings they give to their actions and what issues concern them (Schutt, 2006; Kyrö et al., 2009). In this research the individual and his/her behaviour means that human action is the driving force in the networking process. The core element in definitions and thus conceptualizing starts from the individual's actions and behaviour. The explorative approach offers a good foothold in the interplay between researching and conducting the complex and dynamic processes typical of network evolution. The case intervention was developed exploratively.

Exploration for discovery aims to be as broad and thorough as possible, whereas exploration leading to innovation in the networking process is narrower and more focused. According to Kyrö et al. (2009), in this sense exploration means to travel over or through a particular space for purposes of discovery and adventure. As Kyrö et al. (2009) state, explorative research approaches fit well among the methodology of discovery and also follow the criteria of an active process-orientation leaving room for flexibility in the exploration.

The explorative research approach is characterized by the role of the researcher and an inductive, data-oriented process of discovery, a holistic

approach and openness, the drive to look for similarities, the need for integration and qualitative generalization. The data gathered during the process has been used to deepen the understanding of the process and develop the process further. It has been a process of discovery. There are data by qualitative and quantitative evidence gathered and used. According to Stebbins (2001) quantitative and qualitative data can be gathered and used during exploration (Kyrö et al., 2009). Furthermore, Stebbins argues that in the explorative research process quantitative and qualitative methods and data interact, providing a more profound understanding of the process (Kyrö et al. 2009). According to Stebbins (2001, pp. 9-11) the main goal of exploratory research is generalizations about the group, process, activity or situation under study. Thus the interplay between researching and conducting the complex and dynamic processes is necessary in the explorative research of the networking process, where the individuals are actors and the researcher is the leader of the process.

5.2 The research process

This research process follows explorative logic of reasoning (cf. Kyrö et al. 2009), which means that multiple theories and approaches have been studied in parallel with the former empirical findings to develop new models and classifications. All these elements have been in frequent interaction and constant movement, and they have followed the idea of 'systematically combining' (see Dubois and Gadde, 2002). It means that research process has been interactive, overlapping and interplaying processes between data collection, data analysis, and theoretical frameworks building an empirical reality. In this research the data gathering and using has been a continuous interact and interplay during the explorative process of discovery.

The research process of the explorative logic of reasoning includes abductive, inductive and deductive reasoning in the interplay of the earlier frameworks, thinking styles and new observations (Coffey and Atkinson 1996, p.156). Inductive reasoning is context bound and good in theory generation (Dubois and Gadde 2002). The process of deduction is deriving the consequences of what is assumed. Abduction allows multiple possible explanations.

Table 6: Processual view of the research process

Processual view

←----- 2006 2007 2008 2009 - 2010 ----->

Pre-understanding	Preanalysis	Collecting new data Conceptual	Empirical analysis	Synthesis
<ul style="list-style-type: none"> - literature review - experience of the industry - experience of networking - experience as an entrepreneur 	<ul style="list-style-type: none"> -literature review; networking, entrepreneurship, human behaviour, models, approaches - project started -first questionnaire and interviews -unit of analysis: networking process - first presentation and report 	<ul style="list-style-type: none"> - group interviews and questionnaires - conceptual analysis, framework building - defining key concepts of the study - designing the empirical study and analysis - conference papers 	<ul style="list-style-type: none"> - model of entrepreneurial networking process - operationalising the key concepts of the study - questionnaires and interviews - empirical analysis - findings of the entrepreneurial profiling/factors - articles (A,B) in the process - project ended 	<ul style="list-style-type: none"> - literature review - new model of entrepreneurial networking - discussion - reflections - practical implications - suggestions for further research - third article and overview of the dissertation

The guiding principles originating in the theory construction of the phenomena, lead to investigate the data exactly from this certain guiding principle point of view and the literature or idea based on the intuition will lead back to the theory discussions – again and again – until the problem has been solved or a solution to the research problem has been found.

Abductive reasoning is very fruitful especially in “theory development” (Dubois and Gadde, 2002). The researcher conducting abductive research follows guiding principles, which can be received both from one’s own and others’ further scientific concepts and theories, literature, researchers’ own experiences or from the knowledge or the literature of same kind of phenomena or from the intuition (Coffey and Atkinson 1996, p. 156-158). Abductive reasoning is an interaction between the frameworks, thinking styles, and new observation and ideas (Coffey and Atkinson 1996:156; Dubois and Gadde 2002).

Abductive reasoning is especially important in qualitative research (Coffey and Atkinson 1996, p. 156; Shank 2002, p 119) and therefore in this research following the advice given by Coffey and Atkinson (1996, p. 158): “Our purpose as qualitative researchers are to use earlier discovered ideas and create new interpretations, which cross the boundaries of our data and other researchers’ ways to use such ideas. This synthesis will enhance the birth of new interpretations and ideas”. The framework of entrepreneurial networking process developed as a result of abductive reasoning is based on inductive reasoning considering actors’ everyday activities. This combination of the inductive and abductive process has been completed with the deductive process.

5.3 Longitudinal case study

Traditional research methods in entrepreneurship and more generally, in social sciences, are classified into quantitative and qualitative approaches. Quantitative methods are used to build mathematical models of a phenomenon and to verify research hypotheses through empirical measurements (Malhotra, 2005). Unfortunately, these approaches are not adequate to understand human behavioural approaches of the dynamic process and collective phenomenon of the process. Qualitative methods are instead used to provide compelling in-depth understanding of symbolism and meaning for individuals and groups and how regularities may emerge in single noticeable instances (Miles and Huberman, 1994). The basic idea is that collective phenomenon in the human behavioural context, like networks and networking processes, may emerge and develop from the interaction of a number of heterogeneous, autonomous entities like entrepreneurs and firms. The emergence and development of such process can be investigated in studies carried out through a group of entrepreneurs, with different behaviours, in the interaction and dialogue of the networking process through a certain period of the time.

According to Gummesson (1991), case study is to better understand complex phenomena such as change processes (Gummesson, 1993, p. 6) dealing with the activities of individuals (i.e. entrepreneurs) and organizations (networking process) over time. It is concerned with understanding human conduct as a dynamic activity. The goal of process research could be to go beyond surface description, moving from a mass of shapeless data toward theoretical understanding (Van de Ven, 1992b; Langley, 1999). Cassel and Symon (1994, p.209) and Hartley (1994, p.227) state that the key feature of the case study approach is not method or data, but the emphasis on understanding processes as they occur in their social context. According to Hartley (1994) and Aaltio-Marjosola (1999) the strength of case studies lies especially in their capacity to explore social processes as they unfold in organizations. Phenomena are not isolated from their context.

Case studies are focused on to understand a process as a change process and the behaviour of individuals. Case study research enables a holistic and meaningful characteristic of the real life events and the research increases the understanding of complex social phenomena (Yin 1989, p. 14, Gummesson 2000, p. 86-87). Hartley (1994) states that case study research consists of detailed investigation, where data are collected over a period of time, of one or more organizations, or groups within organizations, with a view to providing an analysis of the context and processes involved in the phenomenon under study. According to Stake (1995) and Aaltio-Marjosola

(1999) case study research is concerned with the complexity and particular nature of the case in question. It can be (1) a single organization or a single networking project, or (2) a person or an entrepreneur or (3) a single event or certain events of the networking project (Bryman and Bell, 2003).

A longitudinal case study approach offers an opportunity for a holistic and profound understanding of the research phenomenon. The understanding of the phenomenon necessitates researching entrepreneurs as human actors in their natural context, in the entrepreneurial networking process. The case study approach is “a research strategy that examines, through the use of variety of data sources, a phenomenon in its naturalistic context, with the purpose of confronting theory with the empirical world” (Piekkari et al., 2009). This is the reason why case study has been chosen as a research strategy. It enables the observation of the focal phenomenon over time in its natural context (Aaltio-Marjosola, 1999; Pettigrew, 1997; Yin, 1989).

Following Hartley (1994, p.213) this case study is “tailor-made for exploring new processes or behaviours or those which are little understood”. It is created for a study of crossing thematic and discipline boundaries by integrating the entrepreneurship and network theories from the field of organization management, social sciences and entrepreneurship research tradition in the entrepreneurial networking context, where heterogeneous group of entrepreneurs were willing to innovate new services and build a network for future co-operation. “It is a real life situation, in its own context” (Yin, 1989, p. 23). The case approach is particularly relevant in the entrepreneurs’ and entrepreneurial network context, in which it is important to understand individual-level behaviour (Davidsson et al., 2004; Ireland et al., 2005).

To conclude, this research follows the EER and more specifically NER traditions. Following the EER tradition it crosses the thematic and disciplinary boundaries by integrating entrepreneurship and network theories from the field of organization management, social sciences and the entrepreneurship research tradition. It is grounded in its national context by researching Finnish entrepreneurs in the networking process. This research following the NER tradition is focused on micro-processes, explorative longitudinal case study design, qualitatively oriented, and influenced by organization studies. The dissertation has a human behavioural viewpoint, which describes what is meaningful for the local participants based on individual experiences and studies entrepreneurs as human actors in the networking process.

5.4 Data gathering and analysis

Case study design often favour qualitative data gathering methods, such as participant observation and unstructured interviewing, because these methods are viewed as particularly helpful in the generation and intensive, detailed examination of the case. Knights and McCabe (1997) suggest that the case study provides a vehicle through which several qualitative methods can be combined, thereby avoiding too great reliance on one single approach. Kanter (1977) states, that rigour is achieved by using mixed data techniques combining qualitative data with quantitative evidence. According to Gummesson (1991, p.2) when both quantitative and qualitative methods are used for data collection in case studies, the latter will normally predominate in the study of processes where data collection, analysis and action often take place concurrently (Gummesson, 1991, p.2).

In this case study the networking process is based on the network of 25 entrepreneurs operating in the service market. According to Bryman and Bell (2003) in the longitudinal case study data are collected on at least two occasions. Here it is based on feedback, interviews and questionnaires on the individual (=entrepreneur) and on the group level (=network). Quantitative data refers to questionnaires.

Qualitative data were gathered by feedback from the monthly meetings and by the interviewees on the individual level in the end of the process and on the group level during the process. All the semi-structured interviews were recorded and transcribed. The template analysis was used to analyse interviews thematically in the qualitative research setting. This amount of data allowed multiple perspectives on the network and its participants, entrepreneurs. The interview results were then combined with other results of questionnaire survey data. Triangulation of information was carried out through comparisons of information between interviewees and other sources of data. According to Cohen and Manion (1986, p. 254) triangulation is an "attempt to map out, or explain more fully, the richness and complexity of human behavior by studying it from more than one standpoint." According to Gartner and Birley (2002) qualitative research can draw on sophisticated approaches and concepts, thus going beyond mere description. A qualitative method was also used to understand the meaning of the numbers and figures produced by quantitative evidence.

More precisely in Article A these qualitative and quantitative methods were used for analysing data to identify key factors, and developing a model to explain the entrepreneurial network process. In Article B these quantitative and qualitative methods were used for analysing data to identify how innovation and learning through dialogue was developed and how entrepreneurs experienced the dialogue during the process. In the

Article C these methods were used to analyse the data to identify what kind of entrepreneurial success profiles could be found in the network and what the individual experiences were of the success in the entrepreneurial networking process. This research with its broader conceptual approach describes the interplay between the entrepreneurial profiling, entrepreneurs as human actors and networking process that provides insights into a new research approach in this area.

Table 7: Data gathering and analysis

EXPLORATIVE LONGITUDINAL CASE STUDY	Article	Data gathering	Data analysis
	Article A: Entrepreneurs as human actors in the networking process	Qualitative: Written feedback on the 54 network meetings and semi-structured interviews during and at the end of the process. Interviews have been recorded and transcribed. Quantitative: A structured questionnaire of a system of five-point including 13 questions on organisational factors; seven questions regarding dialogue, two on trust and four on commitment, scale. Another questionnaire of a system of three-point scale including 28 questions on entrepreneurial factors; eight regarding motivation, 12 of persistence and eight of responsibility.	Triangulation of qualitative and quantitative data. Qualitative: Template analysis of the feedback and interviews from the entrepreneurs on the individual and group level. Quantitative: Descriptive statistics like tables and graphs presenting results of the two questionnaires.
	Article B: Innovation and learning through dialogue in the entrepreneurial networking process	Qualitative: Written feedback on the 54 network meetings and semi-structured interviews during and the end of the process. Interviews have been recorded and transcribed. Quantitative: A structured questionnaire of a system of a five-point scale including seven questions implemented three times during the process,	Triangulation of qualitative data and quantitative data. Qualitative: Template analysis of the feedback and interviews from the entrepreneurs on the individual and group level. . Quantitative: Descriptive statistics like tables and graphs presenting results of the questionnaire.
	Article C: Success profiles and experiences in the entrepreneurial networking process	Qualitative: Written feedback on the 54 network meetings during the project and on the semi-structured interviews during and at the end of the process. Interviews have been recorded and transcribed. Quantitative: A structured questionnaire of 112 questions/statements including 12 entrepreneurial factors implemented in the beginning and at the end of the project, three-point scale ("agree", "disagree", "cannot say"). Each of twelve factors: motivation, persistence, responsibility, autonomy/self-directed, kinesthetic, information processing (simultaneous, sequential) and thinking style (spontaneous, reflective); twelve auditory, visual; sixteen pair/team/peer, included eight questions.	Qualitative: Template analysis of the feedback and interviews from the entrepreneurs on the individual and group level. Quantitative: Cluster analysis (CA) and Principal Component Analysis (PCA) by GridSuite 4.0 program, frequencies by SPSS program, tables and graphs by Excel 2007. Twelve entrepreneurial factors were analysed presenting "agreed" responses.

Consequently these methods were used to investigate the entrepreneurial networking process. They have been aimed to increase the understanding of the process, its evolution over time, its developmental paths leading to success or failure of the process and other factors affecting the entrepreneurial networking process. This case study research was based on a mix of quantitative and qualitative evidence. The data were analysed by qualitative and quantitative methods. A qualitative method was used to understand the meaning of the numbers produced by the quantitative methods. The quantitative descriptive methods were used presenting the questionnaire results. Using quantitative methods, it was possible to give precise expression to qualitative ideas. These methods were used for

analysing data to identify process patterns, and developing framework to explain the entrepreneurial networking process.

5.5 Units and levels of analysis

The problem of this study has been to investigate how the entrepreneurial network process evolves during the two year period. This study focuses on three different perspectives from the organizational and processual level to the individual level. In the networking approach a different level of analysis is needed because of the complexity of the research phenomenon. The author argues that just one perspective is not able to provide a relevant explanation of such a complex reality, where an individual human being is an actor in the group context (e.g. network) during the certain period of time (e.g. process). The best way is to combine all these three useful perspectives within a unique framework. This effort integrates multiple views of the process, multiple levels of analysis, and multiple perspectives on network development. This dissertation participates in the debate on developing methods for studying complex reality and the interaction between innovative individual and collective human processes. It gives some ideas on how to approach a non-dualistic reality and complexity in entrepreneurship and network research.

The complexity in entrepreneurship and network research can make the issue of level particularly difficult to determine because of the dynamics and processual view of the study. Rousseau (1985) suggests that it is important to make explicit the problem of using data derived from one level to represent something at another level in order to avoid misinterpretation. For example, processes of individual and networking may be constructed quite differently at different levels. If a researcher makes inferences about networking on the basis of data about individuals, there is a risk of making a cross-level misattribution. Since the phenomenon of networking is an essentially human characteristic, as organizations not behave but people do, this leads to the attribution of human characteristics to a higher-level system. Misattribution may also occur when interpreting organizational behaviour. It is therefore good practice to identify and make clear in the research design the level of analysis that is being used and to switch to another level only after having made this clear (Rousseau 1985).

A mix-level study by Rousseau (1985) was made in this research of the entrepreneurial networking process. The average entrepreneur profile approach assumes that entrepreneurs display the same behavioural profile toward all subordinates. Research therefore relies on eliciting subordinates perceptions of the entrepreneur, which are averaged and treated as

organizational level characteristics. By contrast, an entrepreneur's profile may be different with each subordinates treating entrepreneurship as an individual-level phenomenon rather than a group phenomenon. Each element thus conceptualizes entrepreneurship at a different level. (Bryman and Bell, 2003)

5.6 Summary of the research methodology

The methodology of this study is an explorative longitudinal case study. The strategy, including the plan of action in the context of the entrepreneurial networking process has been used to get the desired outcomes. In this research diverse methods are used to gather and analyse data related to some structured research question. These methods (qualitative and quantitative) have been used to obtain rigour and a holistic view of the research phenomenon.

The case material has been used to critically examine the quality for the proposed framework and to increase the understanding of the focal phenomenon. The quality of the explorative longitudinal case study depends upon the coherence between theoretical reasoning and the comprehensiveness of case descriptions, not upon sample size or empirical coverage. Following Niiniluoto (1997), the quality of research was improved by combining qualitative and quantitative methods, in which the same questions were reformulated at different phases of the project in the feedback, interviews and questionnaires, while multiple sources of evidence enhanced construct quality. This richness and multidimensionality of the data supported the analysis and provided quality for the interpretations. By triangulation the data of different sources and methods, the quality of the research is enhanced. Explorative longitudinal case study seems to be the right methodology concerning the research of the entrepreneurial networking process with its complex research phenomenon including entrepreneurs as human actors during the two-year process developing network in the interaction and dialogue.

This research has the following limitations. It analyses the networking process of 25 entrepreneurs operating on the service market in the area of Helsinki in Finland. The empirical case and data consider the entrepreneurial networking project during the period 2006-2008 funded by the Finnish Workplace Development Programme TYKES (2004-2009). The research integrates entrepreneurship and network theories from the field of organization management, social sciences and entrepreneurship research tradition. The economic aspects and effects of networking in this research are not taken in the consideration.

6 Summary of results and conclusions

Part II consists of three articles (A, B, C). The findings of these articles are introduced in the following section. After a description of the key results of each article, the general theoretical contribution and evaluation of the entire dissertation is discussed and suggestions for further research are provided.

6.1 Review of results

The aim of this research was to deepen the understanding of the entrepreneurial networking process from the individual's point of view. The dynamics between individual and collective processes in the entrepreneurial networking process were investigated from the individual's point of view by outlining some important factors that enhance relationships and may affect the success or failure of the networking process. All three articles are based on a single case study an entrepreneurial networking project conducted 2006-2008 and funded by the Finnish Workplace Development Programme (TYKES).

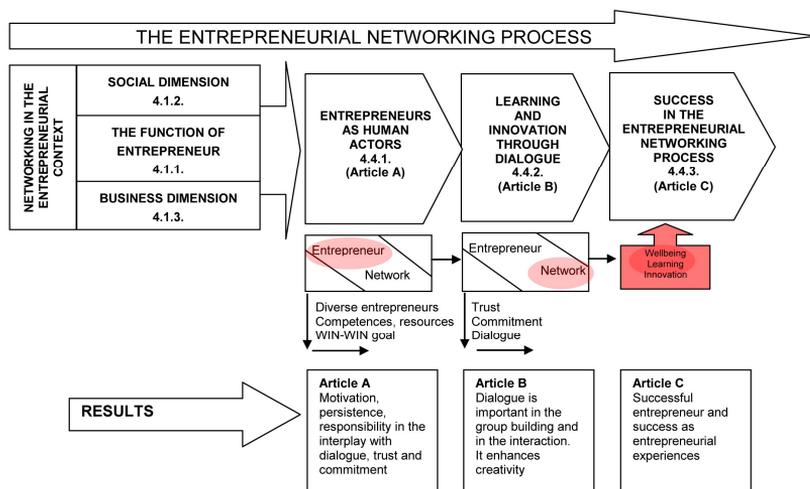


Figure 8: Results of the study

6.1.1 Article A: Entrepreneurs as human actors in the networking process

The first Article A focused on the entrepreneurs as human factors in the entrepreneurial networking process. Based on the results it has been found that entrepreneurial motivation, persistence and responsibility in the networking process affects 1) the entrepreneur's commitment to the networking process, 2) trust building – to trust and to be trustworthy – during the networking process, and 3) dialogue.

In dialogue entrepreneurial motivation, persistence and responsibility matter if entrepreneurs listen to and respect other entrepreneurs. According to the interviews with the entrepreneurs, a good networking relationship cannot be established without the trust and commitment of the entrepreneurs to the network operation. During the networking process the entrepreneurs found that dialogue was good and enhanced creativity. Most of the entrepreneurs found that dialogue enhanced cooperation and some entrepreneurs found that dialogue had helped them to perceive others positively and decreased contradictions. The most of them reported that dialogue is the most important factor in interaction.

These organisational factors triangulated with entrepreneurial motivation, persistence and responsibility factors and affected the entrepreneurial networking process. The results indicate that entrepreneurial motivation, persistence and responsibility affect and matters during the networking process in the triangulation with dialogue, trust and commitment.

Entrepreneurs combined their activities in the networking process to produce new services. Embodied in a network of such enduring relationships, dialogue is particularly useful and effective in domains such as the introduction of the new products and services in new markets. It enhanced trust and commitment during the networking process, all of which are based on entrepreneurial motivation, persistence and responsibility to be committed, to be trustworthy, to respect other entrepreneurs and share information and knowledge. Good network cooperation is based on good relationships between the actors. Cooperation in the entrepreneurial network shapes tomorrow by giving entrepreneurs tools for navigating the emerging world. Through cooperation entrepreneurs can have a major impact on competitiveness. Competitive advantages can be created through cooperation in the entrepreneurial network. This entails a great opportunity to take hold of the future by making conscious choices in the business and wellbeing of the entrepreneurs in the entrepreneurial network.

6.1.2 Article B: Dialogue in the entrepreneurial networking process

The Article B focused on the innovation and learning through dialogue in the entrepreneurial networking process, which was based on the effectual reasoning principles of Sarasvathy (2006) and the principles of good dialogue of Isaacs (1999, 1996) and Nonaka and Takeuchi (1995).

During the two-year networking process the entrepreneurs found that dialogue was good in ideation/creation and in group building. Some of them found that it also enhanced creativity and they learned to listen and respect each other. They reported that dialogue enhanced cooperation and some entrepreneurs found that the dialogue enabled them to look at others positively. Most of them considered that dialogue is the most important factor in interaction.

Hence it can be said that the dialogue of the entrepreneurial networking process shapes tomorrow by giving entrepreneurs tools for navigating the emerging world. Through learning and innovation in the entrepreneurial network, entrepreneurs can significantly affect their competitiveness. Competitive advantages can be created through learning and innovation in the entrepreneurial network. This includes a great opportunity for a grip on the future by making conscious choices in the business of the entrepreneurs in the entrepreneurial network.

6.1.3 Article C: Success in the female entrepreneurial networking process

The Article C focuses on success profiles and individual experiences from entrepreneurs' point of view in the female entrepreneurial networking process. Networks are recognized in the outcomes of actions by entrepreneurs and networking activity is dependent on entrepreneurs' ability to co-operate and to maintain interdependent relations. The success of the entrepreneurial networking process is primarily based on relationships of entrepreneurs, which in this research are characterized by Schumpeter (1934), Timmons (1999), McClelland (1961) and Sarasvathy (1998, 2006) as follows; they possess motivation, persistence, responsibility, autonomy, pair/team/peer, auditory, visual, kinesthetic, information processing (simultaneous vs. sequential) and thinking style (spontaneous vs. reflective). Entrepreneurial success profiling refers to the entrepreneurial characteristics by which network members influence each other and the network as a whole to improve the network relationship and the success of the entrepreneurial networking process.

The results of this survey indicate that entrepreneurs were self-starting, had own motivation, had a lot of persistence and were very responsible,

which are all typical characteristics for an entrepreneur (see McClelland, 1961; Timmons, 1999). Some of the entrepreneurs agreed that they were self-directed and liked autonomy, which has been studied by Schumpeter (1934). Regarding the pair/team/peer factor most of these entrepreneurs agreed with the statements and wanted to work with a partner, have a team or peer instead of being alone, which is necessary and natural in the networking collaboration and context. The auditory profile/factor suggests that they are good listeners, and also like discussion. They have a strong visual profile/factor and like visualizing. The entrepreneurs had a strong kinesthetic profile/factor. Regarding the information processing and thinking style it could be stated that the entrepreneurs had more simultaneous information processing ability and were more spontaneous than sequential and reflective, as also characterized by Sarasvathy (1998, 2006). The results of the entrepreneurial profiles/factors indicate that the entrepreneurs of the networking process had good chances of success in the networking process, they were well motivated, had good persistence, high responsibility, liked to work with a pair/team/peer and learn in action. They are creative and have holistic view.

As the above results indicated, there were good chances for success in the female entrepreneurial networking process when considered through entrepreneurial profiling. Now we focus on the individual experiences of success in the female entrepreneurial networking process. At the end of the networking process 21 out of 25 female entrepreneurs were interviewed. Six entrepreneurs had changed status and were no longer entrepreneurs. The entrepreneurs were interviewed on how networking had succeeded and how networking had benefited the interviewee as an entrepreneur and also her firm. The results of 15 interviews with entrepreneurs indicate that individual success in the female entrepreneurial networking of firms of one to two employees was very personal and intimate. It was experienced as collegial/peer support, encouragement, networking created channels and opportunities for entrepreneurs. New products and contacts were developed and resources became available. Learning and new tools to handle entrepreneurship were identified. The female entrepreneurial networking process also enhanced wellbeing in life.

6.2 Summary of the results and conclusions

Next the results will be evaluated and the conclusions of the articles and the dissertation as a whole considered vis-à-vis the objectives of the study. The first objective was to explore the role of entrepreneurs as human actors in the networking process. The various factors affecting the networking

process were investigated and how the entrepreneurs behaved as human actors in the process, how they listened to and respected each other, behaved in a trustworthy manner, trusted each other, and were committed to the networking process. The second objective was to deepen the understanding of the development of an entrepreneurial network and the innovativeness of entrepreneurs in the networking process. This provided insights into the entrepreneur function and the role of networking process in the new venture creation and development. The third objective was to investigate the success of the female entrepreneurial networking process based on the entrepreneurial success profiling and experiences from the individual's point of view. Success was investigated in light of the personal experiences and associations of the network participants, entrepreneurs.

An explorative longitudinal case study on the entrepreneurial networking process of 25 entrepreneurs was presented in the three articles at three diverse perspectives; individual (entrepreneur), organizational (network) and the processual perspective were considered from the human behavioural viewpoint. For the analysis, the empirical data was read and analysed from the perspective of the networking process and from the individuals'/entrepreneurs' point of view. It is important to remember that even though the focus was on factors affecting the networking process, the entrepreneurial network case also presented the author's understanding and interpretation of what is important and worth recounting in terms of this research.

A great deal of discussion centres on the generalizability of case study research. Case study is aimed to generate an intensive examination of a single case, in relation to which the case then engage in a theoretical analysis. The central issue of concern is the quality of the theoretical reasoning in which the case study researcher engages. The crucial question is not whether findings can be generalized to the wider universe, but how well the researcher generates theory from the findings (Yin, 1984; Bryman and Bell, 2003). Kanter (1977, p.332) draws attention to the potential for generalizability from a single case by suggesting that "the case provided material out of which to generate the concepts and flesh for giving meaning to the abstract propositions I was developing". Kanter (1977) argues that from a single case the results and experiences could be transferred to other organizational contexts. She also states, that after having formulated her initial impressions about the single case, she had conversations with informants in three other large corporations "in order to satisfy myself that single case... was not particularly unique in the relationships I observed. I learned that the single case, indeed, was typical, and its story could be that of many large corporations" (Kanter, 1977, 332).

To conclude, the entrepreneurial network case presented factors affecting the networking process, which also presented the author's understanding and interpretation of what is important and worth recounting in terms of this research. The results were intended to generate an intensive examination of a single case, which is always dependent on and related to the context. In this research the female entrepreneurs and their life context can be assumed to affect the results and the experiences of the research. However, the results and experiences of this case study can be transferred to other organizational context. Therefore the networking process in the context of mixed male and female entrepreneurs or male entrepreneurs alone is a challenge for future research and worth investigating. Also a multicase study would be worth to conduct.

6.3 Theoretical contribution

The dissertation makes two main contributions bringing the human behavioural context to networking process research, developing and refining entrepreneurial networking process frameworks from the individual's point of view. More specifically, the key theoretical developments of the dissertation and articles are 1) a description of the phenomenon characterizing the entrepreneurial networking process in Articles A, B, C, 2) a framework describing the entrepreneurial networking process in the interplay of entrepreneurial profiling and organizational factors (dialogue, trust and commitment) in Article A, 3) a description of a new concept e.g. the entrepreneur as a human actor in the networking process in Article A, B, C, 4) investigation of the factors (dialogue, commitment, trust) of the networking process in Articles A and B, 5) an investigation of learning and innovation through dialogue in the networking process in Article B, 6) a description of theoretical propositions and empirical results related to the success in the female entrepreneurial networking process in Article C.

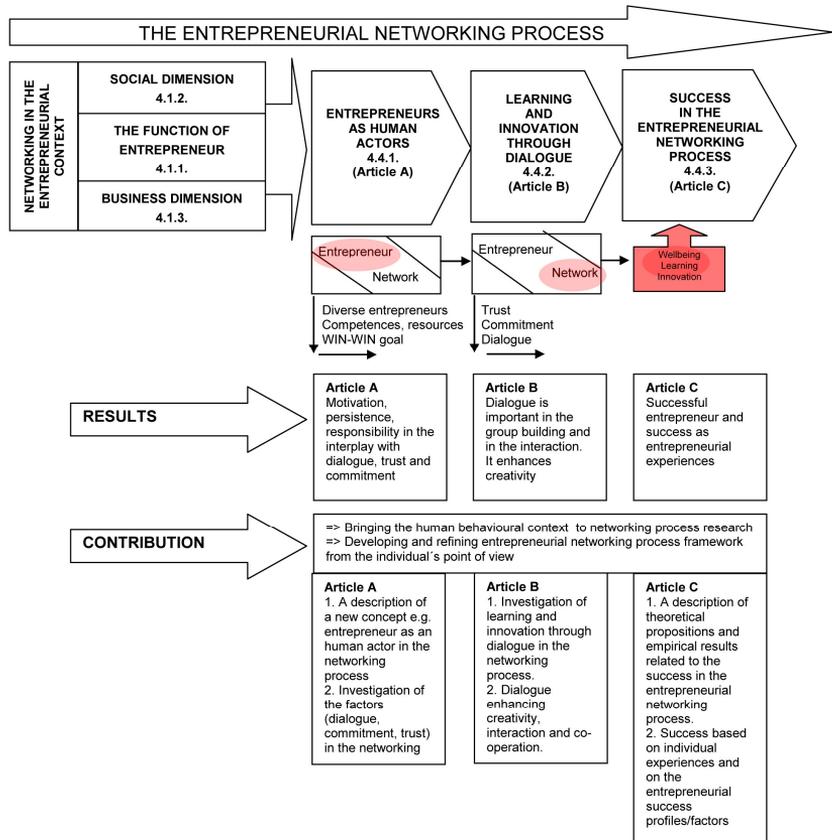


Figure 9: Contribution of the study

6.4 Suggestions for further research

There are various alternatives as to further research in the area of entrepreneurial networking process. One interesting direction would be to study the entrepreneurial networking process from perspective of the single firm and its success including economic aspects such as growth etc. The other direction is to look into the gender issues comparing the differences between female and male entrepreneurs and/or among managers and entrepreneurs regarding entrepreneurial profiling and success factors. The fundamental question for researchers of entrepreneurial networking, as well as for those putting the results of research and development into practice, is how to find robust frameworks and solutions for varying circumstances.

PART 2: ARTICLES

[Article A:](#)

[Article B:](#)

[Article C:](#)

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APPENDICES

Appendix 1: Diverse business areas

- Advertisement
- Cleaning and housekeeping services
- Communication and training
- Communication and media
- Dance training
- Diverse therapy services
- Diverse textile production, marketing, export
- Graphic design
- Health care services
- ITC services
- Personal and business coaching
- Renovating
- Training and consultancy and research
- Wellbeing services

Entrepreneurs as human actors in the networking process

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Abstract: This research focuses on the entrepreneurial networking process from the individual's point of view. Experiences often show disappointments or failures in the entrepreneurial networking process. The main reasons for failure are found in people-related and social issues. This research outlines some important factors that enhance cooperation during the networking process. The methodological approach is a longitudinal case study. The data were collected during 2006–2008 from 25 female entrepreneurs. The data were analysed by qualitative and quantitative methods. The main result is that entrepreneurial motivation, persistence and responsibility are the key factors that triangulate with some organisational factors and affect the cooperation of the entrepreneurs in the entrepreneurial network.

Keywords: entrepreneur; human actor; network.

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1 Introduction

The importance of networks, collaboration, alliances and partnership has increased (Osborn and Hagedoorn, 1997; Ireland et al., 2002). The decision to build an entrepreneurial network is usually based on the need for different kinds of additional

resources. For example, product and service development in firms with one to two employees are often difficult to organise due to lack of the resources. This leads to difficulties in maintaining competitiveness. Competitive advantage can be created by developing and using unique combinations of inter-firm cooperative arrangements, e.g., networks, alliances, and joint ventures (Dyer and Singh, 1998). Entrepreneurial networks can create synergistic or other benefits for the participants (Osborn and Hagedoorn, 1997; Gomes-Casseres, 1996).

Experiences often prove disappointing or unsuccessful in the entrepreneurial networking process. The main reasons for failure are found in people-related and social issues. These include misunderstandings, restructured responsibilities, and lack of trust between entrepreneurs. Also, when entrepreneurs are seeking their own self-interest at the expense of others (Williamson, 1985), a network power may fail to fulfil his or her commitments and/or withhold or distort information. Value often appears to be created in the network itself, through the diversity of entrepreneurs and firms. However, research on the networking process from the individual's point of view is rare. Johannisson (1978) and Aldrich and Zimmer (1986) have published some research work, but there is still a lack of research in the entrepreneurial networking context, where entrepreneurs are as human actors. This study contributes to the entrepreneurial networking research from the individual's point of view by outlining some key factors that enhance the entrepreneurial networking process. In this study, network is aimed to build between firms on the service market with one to two employees. By focusing on the entrepreneurs as human actors I hope to be able to reveal the key factor(s), which might also enhance cooperation in entrepreneurial networking process.

2 Entrepreneurial networking

The networking phenomenon has attracted considerable attention in the management and entrepreneurship literature (see for instance Aldrich and Zimmer, 1986; Birley, 1985; Jarillo, 1988; Johansson and Mattson, 1987; Szarka, 1990). Araujo and Easton (1996) distinguish different approaches to network research depending on their respective focal areas, for example social networks, networks of innovators, entrepreneurship studies, industrial networks etc. In its abstract definition a network is a structure where a number of dyads are related to each other (Håkansson and Ford, 2002). According to Möller and Wilson (1995) the term networks refers to the relationships between multiple firms interacting with each other. Relationships are developed and maintained primarily through everyday interaction. Through the interaction the entrepreneurs gradually, on the one hand, learn about each other's needs, competencies, skills, abilities and strategies and come to trust each other, and on the other, adapt to each others' way of performing operations and commit resources to the relationship (Forsgren and Johansson, 1992). According to Drakapolou and Patra (2002) networking theory has been embraced as a mechanism for exploring the creation and development of new ventures. Evidence from entrepreneurship studies suggests that a key condition for firms to be innovative and grow is that they should have the ability to establish networks of partners (Jarillo, 1989; Lipparini and Sobero, 1994; Neergaard, 2005). Firms enter into business relationships and networks so that they can exploit and develop their resources, and create and maintain a sustainable basis for a competitive advantage (Day, 2000).

The entrepreneurial network phenomenon in the context of firms with one to two employees requires “both social relationships among individuals and interactions among organisations” (Melin 1987, p.31). The firm’s owner/entrepreneur will identify strongly with the firm and conversely, the firm tends to be strongly identified with its principal (Szarka, 1990). The network is the framework which both provides opportunities and imposes constraints on entrepreneurs in their businesses. According to Dei Ottati (1994) flexible entrepreneurial networks may support innovative activities, particularly when members are situated within a bounded area and share a common culture because this allows them to have frequent face-to-face interactions, so that they come to know and recognise each other. In business fields a number of more or less interrelated business activities are pursued for the co-creation, co-innovation and co-development of new services or products. According to Forsgren and Johanson (1992) business relationships are established and developed by investing time and resources in interaction with each other, which include adaptations of products, processes and routines. The consequence is that the firms learn about each other’s ways of performing activities. Learning in the network requires interaction with entrepreneurs in the network. The entrepreneurial network can be the source of various resources for the entrepreneur and can create synergistic or other benefits for the participants.

3 Networking process

Social capital and relationships are key facilitators in the entrepreneurial networking process (Ireland et al., 2002; Jarillo, 1989; Lipparini and Sobero, 1994). These are especially important in the networking process, where the organisation and the entrepreneur as one and the same. Social capital between entrepreneurs is a kind of bridge-building process that links individuals and creates a relationship for the effective exchange of information and resources (Anderson and Jack, 2002; Knoke, 1999). According to Nahapiet and Ghoshal (1998) social capital is a sum of resources embedded within, available through and derived from the network of relationships by an individual or a social unit. These relationships are affected by the dialogue between entrepreneurs, the trust between entrepreneurs and the commitment to the entrepreneurial networking process. These three factors are important organisational factors affecting the entrepreneurial networking process through the entrepreneurs as individual human actors. These three organisational factors need further scrutiny. The first is dialogue, because of its importance in the interaction of human beings. According to Isaacs (1999) the key principles in a good dialogue include among others

- 1 listening
- 2 respecting.

In interaction through dialogue entrepreneurs have an opportunity during the networking process to combine existing ideas and resources in different ways. They can learn from each other through dialogue and create innovative products, services and/or social innovations in the entrepreneurial network. Stähle and Grönroos (1999) say that independent or self-directed development does not occur without dialogical conversation among those involved. A dialogue has some unique properties in its flow, in its creativity, and in its inquiring nature. A dialogue is a conversation between two or more people, an

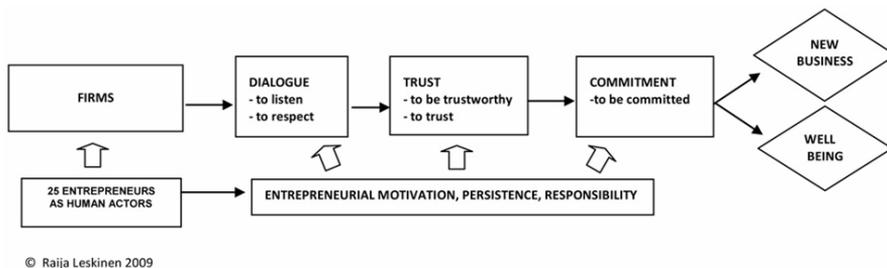
arena where people can integrate different opinions and views, and create and share collective meanings. It is a language of listening (Burbules, 1993), where participants are willing to hear each others' contributions. Listening is respecting others. Some researchers have strongly emphasised the value of dialogue and it is seen as an important communication process to enhance the competitive ability of firms (see e.g. Nonaka and Takeuchi 1995; Senge 1990). Senge (1990) argues, that "dialogue is at the root of all effective group action". Nonaka and Takeuchi (1995) state that dialogue is a means for transforming tacit knowledge into explicit knowledge. They also claim that the most important thing in organisations is to create new knowledge, which happens in the interaction between tacit and explicit knowledge. Tacit knowledge exists in people, as do attitudes, skills and insights, and is difficult to express in words. According to Roman (2005) through dialogue the participants can explore their own and others' conditions, thoughts, aspirations, beliefs and preoccupations. Through dialogue, people connect with each other, and share different views of reality. The stimulation received from the energy released in dialogue may push individuals to creativity they did not know they had. "The culture of the group is no longer an atmosphere that is being acted out", which means that tensions are acted out by expressing them. With dialogues, people can root themselves deeper into the group, and also be more themselves in the group.

Good dialogue enhances mutual trust during the networking process. This is the second organisational factor in the networking process. According to Neergaard and Ulhøi (2006) a certain level of mutual trust is necessary to prevent unreliable information from spreading, to prevent agreements from being violated, and to ensure the sharing of services and knowledge. Moreover, due to the high degree of transparency and mutual trust, useful knowledge and experiences can more readily become available to others, who may then add additional features and/or improvements to differentiate their own product. Trustful behaviour is intimately related to relationships between individuals (Neergaard and Ulhøi, 2006). Earlier research has also shown that a higher degree of trust tends to be associated with a higher degree of cooperation (Parks and Hulbert, 1995). Halinen (1994) distinguishes between two types of trust; general and specific. The first is necessary for initiating new relationships and participating in exchanges between parties who are unfamiliar with each other. It is not related to any specific individual and is interpreted as an absence of distrust in a prospective partner's behaviour, as opposed to expecting opportunistic behaviour. According to Halinen (1994) numerous positive experiences involving trustful relationships increase generalised trust, whereas negative experiences diminish it. Generalised trust is thus a rather vague concept. Secondly, specific trust is defined much more precisely. It is crucial to the further development of a relationship, where an exchange partner shows genuine responsiveness to the other partner's needs. Powell and Smith-Doerr (1994) found two types of trust that vary with network structure. In contractually based networks, calculated or deterrence based trust arising from reputation must be created if these relationships are to last. It has also been documented that firms are more inclined to cooperate with partners who have demonstrated their trustworthiness and cooperativeness in their respective contexts, suggesting that reputation has an economic value (Hill, 1990). Such relationships are not necessarily regulated by contract and are thus similar to generalised trust concept discussed earlier. Knowledge-based trust occurs in socialised networks, building on mutual awareness and norms into reciprocity, past experience and advantages of group membership. Entrepreneurs learn from each other and develop trust around norms of equity, through ongoing interaction (Shapiro et al., 1992). According to Williamson

(1985) trust is diminished by opportunistic behaviour or self-interest seeking with guile, which may include, not only the more obvious forms of cheating, but also clearly calculated methods of misleading, distortion, disguise, and confusion; in other words, any action carried out in bad faith (Hill, 1990). Such behaviour is much more likely when actors are independent competitors. However, not all entrepreneurs may behave opportunistically, even if they are competitors, the mere possibility of such negative behaviour means that parties have to hedge against uncertainties through a variety of formal contractual means (Williamson and Ouchi, 1981). According to Neergaard and Ulhøi (2006), from a network standpoint, trust reduces the need to guard against opportunistic behaviour, while excessive formalisation and monitoring easily breeds conflict and distrust.

Trust affects and is likely to involve commitment to a relationship, where commitment is defined as “an implicit or explicit pledge of relational continuity between exchange parties” (Dwyer et al., 1987, p.19). Commitment is the third organisational factor in the networking process. Each firm’s commitment to the relationship is influenced by making its perception of the other firm’s commitment (Anderson and Weitz, 1992). A willingness to continue the relationship in the network, to learn each other’s needs and resources imply strong, more or less continuous, commitment to the relationships, as does the adaption of routines and procedures. As entrepreneurs in the networking process are necessarily involved, these commitments are likely to contribute to the reciprocity of the relationships. Through their ongoing interaction, the entrepreneurs signal to each other that they are interested in developing the relationships at the same time as they increase their dependence on each other. All these three organisational factors – dialogue, trust and commitment – as influences on the networking process are dynamic both in themselves and in terms of interaction with the other factors (see Figure 1).

Figure 1 Entrepreneurs as human actors in the networking process



4 Entrepreneurs as human actors in the networking process

The entrepreneurial networking process is additionally affected by entrepreneurial motivation, persistence and responsibility, especially in entrepreneurial networks, which are based on the individual behaviour of the entrepreneurs. The first entrepreneurial factor is motivation, which means that some people are self-directed and have their own motivation for doing things. Entrepreneurs are mostly self-directed and have their own motivation (Schumpeter, 1934). They enjoy trying new things and like to seek new

opportunities. According to Schumpeter (1934) the entrepreneur is driven by the will/motivation to prove him/herself superior to others as well as the joy of exercising energy and ingenuity (Andersen, 2007). This Schumpeterian statement was primarily related to individual entrepreneurs – entrepreneurs characterised by the desire and the will to found private kingdoms, the will to conquer, and the joy of creating. Schumpeter's reasoning has remained a basic point of reference for many of his successors, both for those who follow his tradition of regarding the entrepreneur as an innovative path breaker (e.g., Baumol, 1968; Dahmén, 1950; Leibenstein, 1968). According to Kyrö (2008) motivation precedes volitional processes to formulate the goals, but volition guides in setting clear goals as well as the enactment and realisation of the decision. Our values and attitudes regard as valuable guides our willingness and interest to consider opportunities and interest to start a new business or be committed in the network process. The second entrepreneurial factor is persistence, which according to Ruohotie and Koiranen (2000) is also a very typical personal characteristic of entrepreneurs concerning a very systematic working style. If people have a lot of persistence, they like to work from start to finish and see that things are completed (Timmons, 1989). They make every attempt to follow through with each one of their projects or work assignments, even when they are difficult. They prefer to work systematically and no one has to remind them to get the work done. They do not like to be interrupted in the middle of one project to start working on a new one (Bridge et al., 1998). There is a will, which includes internal and external goal-orientation, fear of failure, need for achievement, self-esteem, belief in one's own abilities and possibilities. Volitional structure involves among others, persistence, will to learn, endeavour or effort, mindfulness in learning, intrinsic regulation and evaluation processes, as well as different control strategies (Ruohotie and Koiranen, 2000). Responsibility is the third entrepreneurial factor, which means that entrepreneurs do what they have promised to do and always like to do what is considered right (Zimmerer and Scarborough, 1996). They do not have to be reminded to do things and always take their duties seriously. They like to be reliable and do their best to keep their promises. According to McClelland (1961) entrepreneurs are people who have a great need for achievement, self-confidence, independent problem-solving skills, and who prefer situations that are characterised by acceptance of individual responsibility. The networking process is affected by entrepreneurs, who are human actors and reflect as a set of knowledge, abilities, skills and experiences of individuals (Becker, 1964; Edvinsson and Malone, 1997) including intangible elements: motivation, responsibility and persistence. In the case of human capital, the stock of knowledge is available at the individual level, that is to say, this knowledge belongs exclusively to each one of the entrepreneurs of the network who use it in their cooperation in a voluntary way. The network is not the owner of this valuable resource; it simply uses the knowledge. Networking effectively is one behavioural characteristic commonly associated with an entrepreneur (Gibb, 2000; Fillion, 1997; Shvaer and Scott, 1991). Networking is a tool to enhance growth, secure/obtain resources, to develop new services and products in cooperation with other firms and entrepreneurs in the network. A willingness to continue the relationship in the network, to learn each other's needs and resources implies a strong, more or less continuous, commitment to the relationships, as does the adaption of routines and procedures. As entrepreneurs are independent through their ongoing interaction, the entrepreneurs signal to each other that they are motivated in developing the cooperation and relationships at the same time as they raise their dependence on each other.

According to Landström (2008) new growth theory investments in knowledge and human capital generate economic growth through spillover of knowledge, which is the best way to stimulate growth. However, the role of the entrepreneur has been disregarded (Landström, 2008). Schumpeter recognised the role of innovation in economic growth, and understood that innovation has to be implemented by someone – the entrepreneur (Landström 2008), who creates imperfections and growth in the market by introducing innovations (Andersen, 2007). According to Schumpeter (1934) the entrepreneur as innovator and creator of disequilibrium is commonly associated with the ‘growth’ business and with the new venture when it is ambitious, motivated, innovative and challenging. Hayek (1906–1992) pointed out that in a market economy knowledge is often divided among different individuals so that no one individual possesses the same knowledge or information as another. This knowledge is unique since it is obtained through every individual’s special situation, occupation, social network, etc. Granovetter (1985) and Aldrich and Zimmer (1986) state that entrepreneurs do not make decisions in a vacuum but rather are subtly influenced by significantly others in their environments: family, friends, co-workers, employers, casual acquaintances and entrepreneurs in the networks (Aldrich and Zimmer, 1986). Entrepreneurial behaviour affects the networking process through the three human factors (motivation, persistence, responsibility) in the interplay with the organisational factors – dialogue, trust and commitment. All these factors – organisational and entrepreneurial – as influences on the networking process are dynamic both in themselves and in terms of interaction with the other factors (see Figure 1).

5 Research design and methodology

This research describes the entrepreneurial networking process which explains how entrepreneurial human factors – especially entrepreneurial motivation, persistence and responsibility, in the interplay with three organisational factors; dialogue, trust and commitment affect the entrepreneurial networking process. These key factors of the entrepreneurial networking process were explored. The methodological approach of this study is a longitudinal multi-strategy case study (Eisenhardt, 1989; Yin, 1989), which is considered a suitable methodological choice because it enables the observation of the focal phenomenon in its natural context (Pettigrew, 1997). The case approach is particularly relevant in firms with one to two employees, in which it is important to understand individual-level behaviour (Davidsson et al., 2004; Ireland et al., 2005) and the relationships involved in the networking process. The multi-strategy research is based on a mix of quantitative and qualitative evidence. According to Welter and Lasch (2008) rigor is achieved by using multivariate data techniques and a convergence in methods and research designs are a desirable achievement for the entrepreneurship field. The data were collected ‘in a real organisational context’ from one single network project 2006–2008 on 25 firms operating on the service market. The qualitative data were based on the feedback of the 54 network meetings during the two-year process and on the semi-structured interviews on the individual and group level during and at the end of the process. All the interviews with the entrepreneurs were recorded and transcribed. The sentences in quotation marks are direct citations from the conversations with the entrepreneurs documented in the individual and group interviews. The names of the firms

and the individual persons involved have been changed and coded, and some of the information that might compromise the anonymity of the participants or their firms has been edited. The interview results were then combined with other results of questionnaire data, which included a questionnaire of three distinct parts regarding organisational factors based on a system of five-point scale questions; seven questions regarding dialogue, two on trust and four on commitment. Another questionnaire included 28 questions on entrepreneurial factors based on a system of three-point scale questions; eight regarding motivation, 12 of persistence, eight of responsibility. The data were analysed in the entrepreneur and network context by qualitative and quantitative methods. As quantitative methods tables and graphs were used to present the results. Using quantitative methods, it is possible to give precise and testable expression to qualitative ideas. According to Gartner and Birley (2002) qualitative research can draw on sophisticated approaches and concepts, thus going beyond description. A qualitative method also was used to understand the meaning of the numbers and figures produced by quantitative methods. Triangulation of data was carried out through comparisons of information between interviewees and quantitative data. This combination of quantitative and qualitative data gathering is often referred to as multi-strategy case study (Kanter 1977). These methods were used for analysing data to identify key factors, and developing model to explain the entrepreneurial network process. When accuracy was confirmed, the case evidence was deemed suitable for analysis. In this research design samples combining different levels of analysis constituted a meaningful analysis.

The quality of the longitudinal multi-strategy case study depends on the coherence between theoretical reasoning and the comprehensiveness of case descriptions, not on sample size or empirical coverage. According to the researchers longitudinal multi-strategy case studies are valid because they are concerned with the clarification of structures and their associated generative mechanisms (e.g. trust), which have been contingently capable of producing the observed phenomena (continued cooperation). Multiple sources of evidence enhance construct validity. This richness and multidimensionality of the data are supported by the analysis and provide validity for the interpretations. The researcher uses the case material for critically examining the validity of the proposed framework and for increasing the understanding of the focal phenomenon.

6 Research findings and discussion

The empirical data were intended to provide an understanding of how the entrepreneurial motivation, persistence and responsibility in interplay with organisational factors; dialogue, trust and commitment affect the networking process. The first stage of this research was to define the relevant parameters influencing the entrepreneurial networking process in the entrepreneurial context, to ascertain their potential influence on the entrepreneurial networking process and to explore how they might interact with one another. This, it was hoped, would serve to reveal the key factors, which, if not predictive, would facilitate an understanding of the key areas in the process of the entrepreneurial networking that might be influenced by purposive interventions. It is relatively easy from a review of the literature to identify those parameters which apparently exert major influence in the entrepreneurial networking process. These can be divided into

- 1 entrepreneurial
- 2 organisational factors.

Motivation, persistence and responsibility were the key entrepreneurial factors while the organisational factors in this survey were dialogue, trust and commitment in the networking process. In this study, 25 entrepreneurs were interested in working together and the goal was to build an entrepreneurial network for future cooperation. The entrepreneurs did not know each other. Firms had their size in common, and other features associated with, or dependent on, size. They were in many other respects heterogeneous rather than homogeneous. These firms were at different stages of their development and in different sectors. They were usually managed by one person, who was also the business owners. It was seek to establish what they had in common, as well as the range of their diversity. They came from different business branches; the network included coaches, a dancer, health care people and a renovator. They differed in experience, background, age and education.

7 Results of organisational factors

The preliminary results of the organisational factors indicate that entrepreneurs found that dialogue (see Figure 2) was useful in the network process. Sixteen entrepreneurs reported that dialogue was good in ideation/co-creation, 17 found that dialogue was good in group building and 17 that it enhanced creativity in the entrepreneurial network. Fifteen entrepreneurs learned to listen to other entrepreneurs, but only ten reported that they had learned to respect each other. Thirteen entrepreneurs found that the dialogue enhanced cooperation, and in total 15 out of 19 reported that dialogue was the most important factor in interaction. One entrepreneur describes the importance of the dialogue as follows:

“...if there is not on the personnel level absolutely genuine dialogue there will be no co-operation.” (CH7, Interview 27.10.2008)

Secondly, trust was one of the main factors in building relationships for future cooperation among entrepreneurs during the entrepreneurial networking process. All participants reported that trust between entrepreneurs was important (see Figure 3). To the statement, “the trust between entrepreneurs is high”, a total of 18 entrepreneurs fully agreed and one partly agreed. The statement “the trust in the network is high”, was more challenging. Two entrepreneurs fully agreed, six somewhat agreed, but five were uncertain and could not say, six responded that the trust in the network was not high – five partly disagreed and one totally disagreed. One of the entrepreneurs describes the importance of the trust in the network as follows:

“So that you can trust another entrepreneur and network somewhere, well you have to know the other one’s operating models, how it works and you have to compare them to your own and in a way know them, the ones you’re networking with quite well so that you can build up reliable cooperation. You can’t network with just anybody unless you know who it is you’re working with.” (TH4, Interview, 10.11.2008)

Figure 2 Results of the dialogue in the entrepreneurial networking process

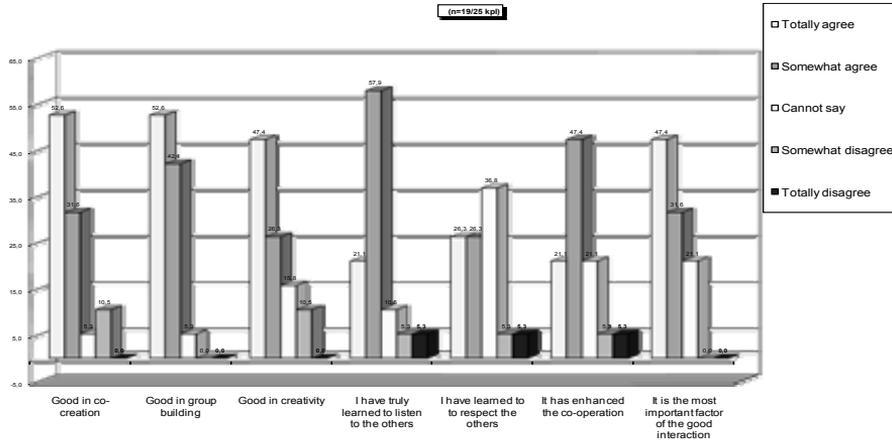
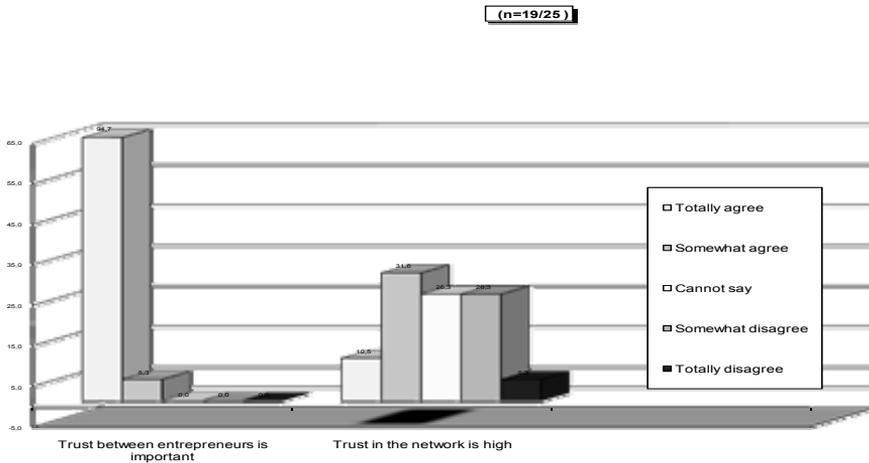


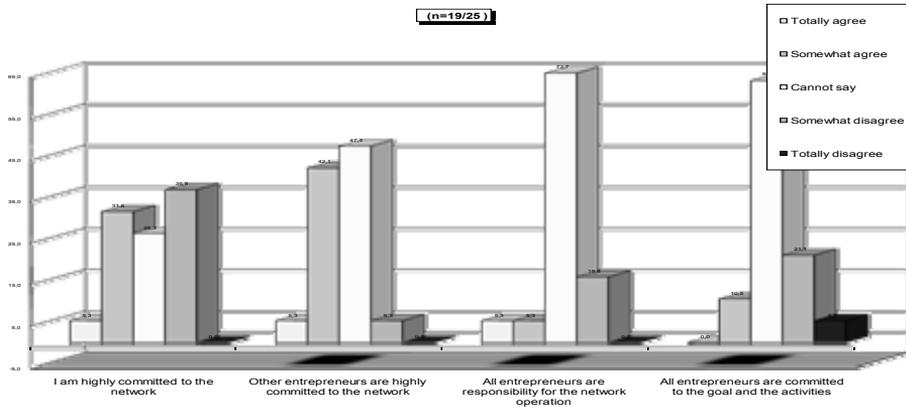
Figure 3 Results of the trust in the entrepreneurial networking process



The networking process cannot succeed if the entrepreneurs are not committed to the process. The network project started in May 2006. At the beginning of the networking process the entrepreneurs were asked about their commitment to the networking process and all were committed to the process. During the first year the situation changed and 19 out of 25 entrepreneurs were active, participated in meetings, were committed to the networking process and responded to this survey (see Figure 4). Other entrepreneurs were overloaded with work assignments and/or had problems with their health. Their participation in the networking process was variable. Later on some entrepreneurs were not committed and not present in the meetings. Those who were committed found this behaviour disturbing. Only one entrepreneur was strongly committed and was present at all meetings. In the group interview August 2007 she describes the commitment as follows:

“I am committed and I’m very good at getting enthusiastic about things and little by little it’s becoming fixed what I can do and what I want in this network.” (CH11, Group interview, 13.8.2007)

Figure 4 Results of the commitment in the entrepreneurial networking process



Six entrepreneurs were quite committed, five were uncertain and could not say, and seven out of 19 were not committed. To the statement “other entrepreneurs are highly committed to the network”, one fully agreed, six somewhat agreed, but 14 were uncertain and could not say, three partly disagreed. Regarding the statement “all entrepreneurs carry responsibility for the network operation”, most entrepreneurs were uncertain and could not say. One totally agreed, one partly agreed, and three partly disagreed. The last statement about commitment was “all entrepreneurs are committed to the goal and activities”, two entrepreneurs partly agreed, 12 were uncertain and could not say, and five disagreed.

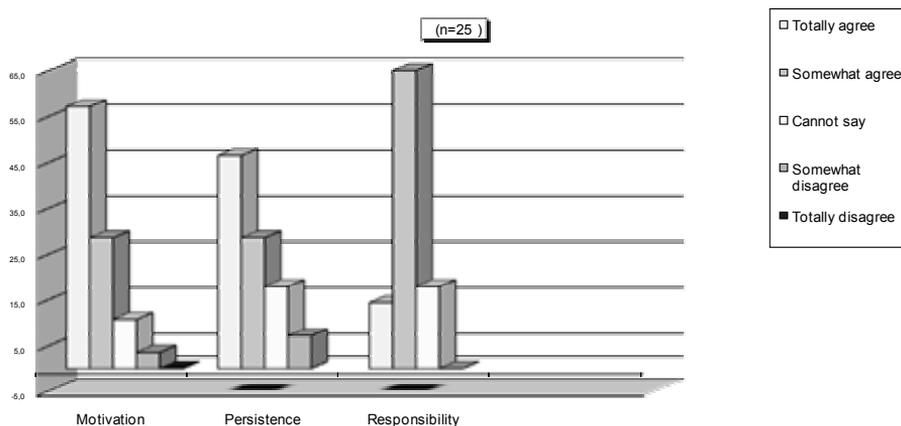
8 Results of entrepreneurial factors

The literature abounds with long lists of personal and social characteristics associated with the entrepreneur. These characteristics constitute an overlapping mix of behaviours, personal attributes and skills. In this research the purpose was to reveal the human capital – especially entrepreneurial motivation, persistence and responsibility, which affects the networking process. As a result of these interviews and semi-structured questionnaires in this research it was found that entrepreneurial motivation, persistence and responsibility have had a very important effect during the networking process. This was especially typical and important for the nine entrepreneurs whose business relationship continued after the networking process. In this study the entrepreneurs were mostly self-directed and had their own motivation, persistence and responsibility (see Figure 5). They enjoyed trying new things and liked to seek new opportunities. Mostly they were motivated after successfully completing an assignment or project at work. They found learning stimulating, interesting and wanted to learn more. All 25 entrepreneurs responded to this survey. 16 out of 25 were highly motivated, nine had some motivation, three could not say and only one wanted sometimes to be externally

motivated. Nobody wanted to be always externally motivated. Second a very typical personal characteristic of entrepreneurs is persistence. Entrepreneurs mostly have a lot of persistence and they like to work from start to finish and see that things are completed. They make every attempt to follow through with each one of their projects or work assignments, even when they are difficult. They prefer to work systematically and no one has to remind them to get the work to done. They do not like to be interrupted in the middle of one project to start working on a new one. The results of this research indicate that 13 out of 25 were very persistent, eight somewhat persistent, five could not say and two had somewhat low persistence. There was nobody with low persistence. Responsibility is the third entrepreneurial factor. Entrepreneurs mostly have a strong sense of responsibility. They always like to do what is considered right. They do not have to be reminded to do things and always take their duties seriously. They like to be reliable and do their best to keep their promises. In this research four out of 25 had a strong sense of responsibility, 20 out of 25 had fairly strong responsibility, five could not say and nobody had somewhat low or very low responsibility. An entrepreneur wrote in the feedback paper as follows:

“When others make big promises to do something I get enthusiastic as there are no free riders.” (CH11, Feedback 19.8.2008)

Figure 5 Motivation, persistence and responsibility in the networking process



The results indicate that entrepreneurial motivation, persistence and responsibility matter in the entrepreneurial networking process. This research served to reveal the factors which facilitate understanding of the key areas of the entrepreneurial networking process. Due to entrepreneurial motivation, persistence and responsibility the entrepreneurs listened to each other in the dialogue among other entrepreneurs. Listening enhances respect. Through entrepreneurial motivation, persistence and responsibility the entrepreneurs built trust and were trustworthy if they wanted to cooperate with other entrepreneurs. The entrepreneurs were motivated to cooperate and to commit to the networking process if other entrepreneurs were committed and motivated. This entrepreneurial motivation, persistence and responsibility affect the networking process in the triangulation with dialogue, trust and commitment. The triangulation of the

organisational factors – dialogue, trust and commitment – combined with entrepreneurial motivation, persistence and responsibility, influencing the networking process were dynamic both in themselves and in terms of interaction with the other factors.

This study sought to research the role of human capital, especially entrepreneurial motivation, persistence and responsibility, and how it affects the entrepreneurial networking process. As a result of these interviews and semi-structured questionnaires we found that entrepreneurial motivation, persistence and responsibility had a very important effect during the entrepreneurial networking process. As a result of the networking process three small nets were built, including nine entrepreneurs. The role of entrepreneurial motivation, persistence and responsibility in the entrepreneurial networking process was especially important for the nine entrepreneurs who continued to have a business relationship after the networking process. Two of these nets including five entrepreneurs are engaging in business and cooperation in the health care business, the third net includes entrepreneurs from diverse business areas; one renovator, one dancing teacher and two coaches. The two health care nets are operating in the traditional health care business, mainly offering services to private customers. The third has developed new, innovative wellbeing services for companies.

9 Conclusions

This paper considers the factors of the entrepreneurial networking process. In the networking process the entrepreneurs found that entrepreneurial motivation, persistence and responsibility in the networking process affects

- 1 the entrepreneur's commitment to the networking process
- 2 trust building – to trust and to be trustworthy – during the networking process
- 3 dialogue.

In dialogue entrepreneurial motivation, persistence and responsibility matter if entrepreneurs listen to and respect other entrepreneurs. According to the interviews with the entrepreneurs, a good networking relationship cannot be established without the trust and commitment of the entrepreneurs to the network operation. During the networking process the entrepreneurs found that dialogue was good and enhanced creativity. Most of the entrepreneurs found that dialogue enhanced cooperation and some entrepreneurs found that dialogue had helped them to perceive others positively and decreased contradictions. The most of them reported that dialogue is the most important factor in interaction. These organisational factors triangulated with entrepreneurial motivation, persistence and responsibility factors and affected the entrepreneurial networking process. The results indicate that entrepreneurial motivation, persistence and responsibility affect and matters during the networking process in the triangulation with dialogue, trust and commitment. Entrepreneurs combined their activities in the networking process to produce new services. Embodied in a network of such enduring relationships, dialogue is particularly useful and effective in domains such as the introduction of the new products and services in new markets. It enhanced trust and commitment during the networking process, all of which are based on entrepreneurial motivation, persistence and responsibility to be committed, to be trustworthy, to respect

other entrepreneurs and share information and knowledge. Good network cooperation is based on good relationships between the actors. Cooperation in the entrepreneurial network shapes tomorrow by giving entrepreneurs tools for navigating the emerging world. Through cooperation entrepreneurs can have a major impact on competitiveness. Competitive advantages can be created through cooperation in the entrepreneurial network. This entails a great opportunity to take hold of the future by making conscious choices in the business and wellbeing of the entrepreneurs in the entrepreneurial network.

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Innovation and learning through dialogue in the entrepreneurial networking process

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Abstract: This research focuses on innovation and learning through dialogue in the entrepreneurial networking process from the individual's point of view. Experiences often show disappointments or failures in the entrepreneurial networking process. The main reasons for failure are found in people-related and social issues. This research explores innovation and learning through dialogue and how entrepreneurs experienced dialogue during the entrepreneurial networking process. The methodological approach is a longitudinal case study. The data were collected during 2006–2008 from 25 female entrepreneurs. The data were analysed by qualitative and quantitative methods. The entrepreneurs found that dialogue in the entrepreneurial networking process was especially good in ideation/co-creation and group building. It also enhanced creativity, they learned to listen and respect each other. In their experience dialogue enhanced cooperation and is important in interaction.

Keywords: entrepreneur; dialogue; innovation; learning; network.

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1 Introduction

There are 243,000 firms and 229,500 entrepreneurs in Finland, 220,000 (93.1%) of these are firms with less than ten employees and 155,000 (65.5%) are firms with one to two employees, where the entrepreneur mainly operates alone. Women work alone more often than men. Altogether 74,000 (31%) enterprises are owned by women; 70% of them work alone and therefore have limited resources at their disposal. It is also difficult for them to make their firms grow due to lack of resources (Stenholm et al., 2007).

The importance of the emphasis on networks, collaboration, alliances and partnerships has increased in recent years (Osborn and Hagedoorn, 1997; Ireland et al., 2002). The decision to build an entrepreneurial network is usually based on the need for different kinds of additional resources the entrepreneurs do not have, or then their resources are inadequate. For example, product and service development in firms with one to two employees is often difficult to organise due to lack of resources. This leads to difficulties in maintaining competitiveness on the market. Competitive advantage can be created by developing and using unique combinations of inter-firm cooperative arrangements, e.g., networks, strategic alliances, and joint ventures (Dyer and Singh, 1998). Entrepreneurial networks can create synergistic or other benefits for the participants (Osborn and Hagedoorn, 1997; Gomes-Casseres, 1996; Aldrich and Zimmer, 1986).

Experiences often show disappointments or failures in the entrepreneurial networking process. The main reasons for failure have been found in people-related and social issues. These include misunderstandings, restructured responsibilities and lack of confidence between entrepreneurs. Also, when the entrepreneurs are seeking their own self-interest at the expense of others (Williamson, 1985), a network power may fail to fulfil his or her commitments and/or might withhold or distort information. Value often appears to be created in the network itself, through the diversity of entrepreneurs and enterprises.

However, there is little or no research on the entrepreneurial network from the individual entrepreneur's point of view. This article is based on my forthcoming doctoral dissertation, which will contribute theoretically and empirically to the field of entrepreneurship and entrepreneurial networks. This study is considering learning and innovation through dialogue in the entrepreneurial networking process in general and dialogue of the entrepreneurial networking process in particular. It focuses on how entrepreneurs in the networking process can use dialogue to develop new services in interaction with each other. The concepts of invention, creativity and innovation are also closely associated with entrepreneurial outcomes. Invention, it is generally agreed, is the origination of the new concept or idea as the result of a process of creativity. However, there is less agreement on what an innovation is. For some it is the development or adoption of new concepts or ideas, while for others it is the new or adopted ideas themselves. These approaches are linked, however, and there is general agreement that invention precedes innovation and that the latter can be viewed as the successful exploitation of new ideas, but not as the origination of the ideas (Biemans, 1992). Creativity is having the idea, and innovation is its application. Creativity only emerges when the innovator takes the idea and does something with it. A successful exploitation of new ideas can lead to any form of increased organisational or social benefit.

This research focuses on dialogue in the entrepreneurial networking process and the learning and innovation potential that is known to exist but that requires more in-depth research. The question arises: How can we create more innovation and learning through

dialogue in the entrepreneurial networking process and how do entrepreneurs experience dialogue during the process? These topics often remain under the surface during the daily operations of the network, even if they can be success drivers as well as success breakers. Due to their delicate nature they most likely emerge later on, often after the network is operating successfully.

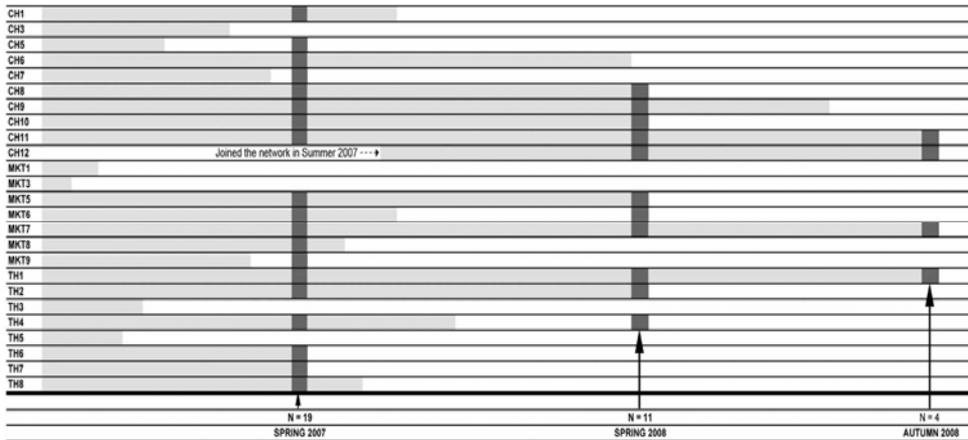
2 Methodology

The methodological approach is a longitudinal multi-strategy case study (Eisenhardt, 1989; Yin, 1989), which is considered a suitable methodological choice because it enables the observation of the focal phenomenon in its natural context (Pettigrew, 1997). The case approach is particularly relevant in firms with one to two employees, in which it is important to understand individual-level behaviour (Davidsson et al., 2004; Ireland et al., 2005) and the relationships involved in the networking process. The multi-strategy research is based on a mix of quantitative and qualitative evidence. According to Welter and Lasch (2008), rigour is achieved by using multivariate data techniques and a convergence in methods and research designs is a desirable achievement for the entrepreneurship field. The data were collected “in a real organisational context” during the entrepreneurial network research project 2006–2008 in the form of written feedback, semi-structured interviews and structured questionnaires on the individual (= 25 entrepreneurs) and the group (= network) level during and at the end of the process. All the interviews with the entrepreneurs were recorded and transcribed. The names of the firms and the individuals involved were changed and coded, and some of the information that might compromise the anonymity of the participants or their firms was edited. The interview results were then combined with other results of the questionnaire data, which included a questionnaire based on a five-point scale including seven questions regarding dialogue, administered three times during the process (Figure 1). The data were analysed by qualitative and quantitative methods. Tables and graphs were used to present the quantitative results. According to Gartner and Birley (2002) qualitative research can draw on sophisticated approaches and concepts, thus going beyond description. A qualitative method was also used to understand the meaning of the numbers and figures produced by quantitative methods. Triangulation of data was carried out through comparisons of information between the interviewees and the quantitative data. This combination of quantitative and qualitative data gathering is often referred to as a multi-strategy case study (Kanter, 1977). These methods were used to analyse data to identify how innovation and learning through dialogue was developed and how entrepreneurs experienced dialogue during the process. When the accuracy had been confirmed, the case evidence was deemed suitable for analysis. In this research design samples combining different levels of analysis constituted a meaningful analysis.

The quality of a longitudinal multi-strategy case study depends on the coherence between theoretical reasoning and the comprehensiveness of the case descriptions, not on sample size or empirical coverage. The participation in the process was followed-up calculating how many times each of the participants was active. The average participation was eight to ten entrepreneurs per meeting. Presenting more qualitative aspects of the phenomenon (in this case the network) was more prominent and the outcomes of the study were more discussed. The self-reported statement was combined with the follow-up

figures of the activity during the network process. Respondents always respond to some extent in a socially desirable way, but for that reason the same questions were reformulated at different phases of the project in the feedback, interviews and questionnaires, which improved the reliability of research (Niiniluoto, 1997). Multiple sources of evidence enhance construct validity. This richness and multidimensionality of the data were supported by the analysis and provided validity for the interpretations. The case material was used to critically examine the validity of the proposed framework and to increase the understanding of the phenomenon of interest.

Figure 1 Diverse survey phases and participation activity of the network



3 Case

The entrepreneurial networking project started 4 May 2006. It was funded by the Finnish Workplace Development Programme (TYKES) of the Ministry of Employment and Economy, Finland. Various entrepreneurial associations were informed and entrepreneurs were asked to participate in this networking project. They were offered an opportunity to develop relationships and new services. All entrepreneurs willing to participate were welcome. In total, 25 entrepreneurs were interested in the project, wanted to work together and to build an entrepreneurial network for innovation and learning through dialogue.

The project participants were entrepreneurs, mostly working alone, and in the service sector. The entrepreneurs did not know each other. The project manager was the common link, who had encouraged entrepreneurs from different organisations to participate in the project. It was not decided beforehand who would cooperate with whom, no market research was done, no idea as to which market they would enter, neither which product/service they would sell or produce. Actually the only goal was to build an entrepreneurial network for innovation and learning and for future cooperation. Firms had their size in common, and other features associated with, or dependent on, size. They were in many other respects heterogeneous rather than homogeneous. These firms were at different stages of their development. They were in diverse phases of the life cycle; some of them were start-ups, some had been running for years. They were usually

managed by one person, who was also the owner. Two of the firms were family firms and six of the firms were working as a team or through a cooperative. They represented different branches of business; the network included, for example, business coaches, a dancer, health care professionals and a renovator. They differed in experience, background, age and education. All other entrepreneurs were approached at the same time, on 4 May 2006, but one entrepreneur started up a firm in 2007 and joined the network in Summer 2007. The entrepreneurs were free to interact with all the participants, at first regularly in three small groups and later on in the big group including all participants. Meetings were organised 54 times during the two-year period.

4 Diverse entrepreneurs in the entrepreneurial network

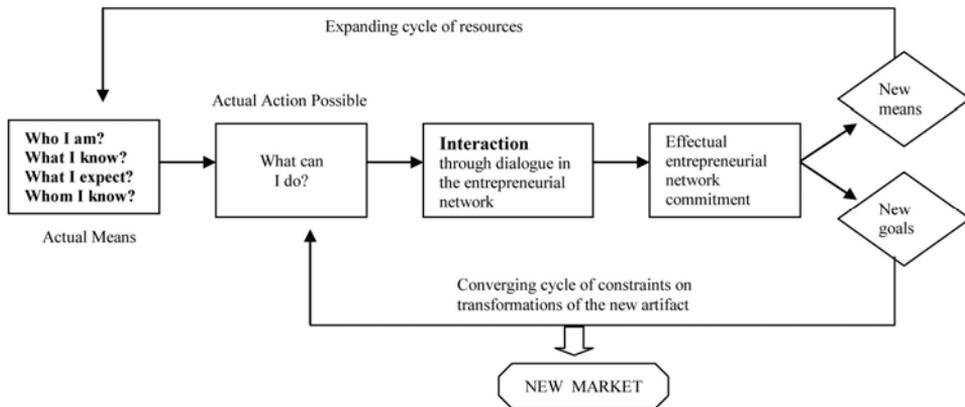
A high degree of creativity and innovativeness is often emphasised as an important characteristic in an entrepreneur. According to Schumpeter (1962, 1934), the essential function of the entrepreneur is the ability to recognise and realise new opportunities, where the entrepreneur is driven by the will to prove her superiority to others as well as the joy of exercising one's energy and ingenuity (Andersen, 2007). The entrepreneur has to possess the ability to look beyond conventional procedures and to try to combine existing ideas and resources in different ways, thereby obtaining experience through experiments and trial and error (Cromie, 2000). In the literature entrepreneurs are indeed often identified as creative individuals characterised by thinking in non-conventional ways, challenging existing assumptions, and being flexible and adaptable in their problem solving (Cromie, 2000). A great desire for autonomy (independence) is associated with entrepreneurs, too (Parker, 2004). Entrepreneurs want to be in control of their own work situation and therefore appreciate "being one's own boss"; a thought that can be traced back to Knight (1985, 1921). Furthermore, Cromie (2000) argues that entrepreneurs prefer to avoid restrictions in the form of rules, procedures, and social norms because a restrictive work environment stifles the opportunity to be creative and the need for achievement. According to Granovetter (1985) and Aldrich and Zimmer (1986), the decision to become or remain a successful entrepreneur is dependent on neoclassical rationality or personal traits. "Persons do not make decisions in a vacuum but rather are subtly influenced by significantly others in their environments: family, friends, co-workers, employers, casual acquaintances, and so on" [Aldrich and Zimmer, (1986), p.6]. The entrepreneurial network can be a source of various resources for the entrepreneur; Hanlon and Saunders (2007) mention financial, physical, human, technological, reputational, and organisational resources. According to Sarasvathy (2006), entrepreneurs are entrepreneurial because they think effectually (e.g., effectuation theory); they believe in a yet-to-be-made future that can be substantially shaped by human action; and they realise that this human action can control the future, they need not expend energies trying to predict it. In fact, they believe it to the extent that because the future is shaped by human action, it is difficult to predict it. Therefore it is more useful to understand and work with the people who are engaged in the decisions and actions that bring the future into existence in the entrepreneurial network.

5 Learning and innovation of the entrepreneurial network based on the effectuation model

A network is defined to be innovative if a coordinated but mixed group of actors with diverse professional backgrounds work together to design, develop, produce and disseminate products/services. It presupposes the existence of direct, non-hierarchical links between all the elements making up the network (Maillat et al., 1993). Networks are set up by entrepreneurs, who, individually, do not have the resources necessary to bring about change. This relationship (which is often long-term) enhances creativity and diminishes the risks and costs of the innovation process (Maillat et al., 1994).

This learning and innovation in the entrepreneurial networking process was based on the effectual reasoning model (Sarasvathy, 2006). According to Sarasvathy (2006) it is more inherently creative while causal reasoning may or may not involve creative thinking. Furthermore, Sarasvathy (2006) argues that causal rationality means predetermined goals and a given set of means, and seeks to identify the optimal – fastest, cheapest, most efficient alternative to achieve the given goal. A more interesting variation of causal reasoning involves the creation of additional alternatives to achieve the given goal. This form of creative causal reasoning is often used in strategic thinking in the entrepreneurial network. According to Sarasvathy (2008), both causal and effectual reasoning call for domain-specific skills and training, effectual reasoning demands something more – imagination, spontaneity, risk-taking and salesmanship, which were of paramount importance for learning and innovation in the entrepreneurial network. Effectual reasoning is people dependent, unlike causal reasoning, which is effect dependent. In effectual reasoning, markets are in essence stable configurations of entrepreneurs who come together to transform the outputs of human imagination into the forging and fulfilment of human aspirations through economic means. Unlike effectual reasoning, causal reasoning requires careful planning and subsequent execution. The effectuation logic model can be defined as follows: “the effectuation logic model takes a set of means as given and focuses on selecting between possible affects that can be created with that set of means” [Sarasvathy, (2001a), p.245].

Figure 2 The learning and innovation of the entrepreneurial network based on the effectual reasoning model



Note: Modified from Sarasvathy (2008)

The learning and innovation of the entrepreneurial network was based on the effectual reasoning model (see Figure 2) in the early stages, while and in the latter stage more causal reasoning was required. Ideally entrepreneurs of an entrepreneurial network should use both causal and effectual reasoning at different times depending on what the circumstances call for (Sarasvathy, 2006). According to the effectual reasoning theory, the entrepreneurs started out with three categories of means which were used to imagine different ends for new business. This was in contrast to the causal reasoning theory, where rational entrepreneurs initially specify a goal for the new business and then choose the means necessary to achieve that goal. The effectual reasoning theory (Sarasvathy, 2006) used by entrepreneurial network was as follows:

- Phase 1 Customer identification: Who am I? What do I know? What do I expect?
Whom do know?
- Phase 2 Customer definition: through strategic partnerships and 'selling'.
- Phase 3 Adding segments/strategic partners.
- Phase 4 Definition of one of several possible markets.

This process began with a given set of means the entrepreneurs had, without a specific goal, thereby allowing goals to emerge contingently over time from the varied imagination and diverse aspirations of the entrepreneurs as they interacted with each other (dialogue) during the process. At the beginning of the process (Phase 1) all the entrepreneurs answered four questions and categories of the means:

- 1 Who they are – traits, tastes and abilities.
- 2 What did they know – their education, training, expertise, and experience.
- 3 What did they expect – their expectations for the entrepreneurial network, for the project and for the innovation and learning.
- 4 Whom did they know – their social and professional networks.

Using these means the entrepreneurs began to imagine and implement possible effects that could be created with other entrepreneurs of the entrepreneurial network. According to Sarasvathy (2006) entrepreneurs often learn by doing and plans are made and unmade and revised and recast through action and interaction (dialogue) with other entrepreneurs in the network. Through the interaction the entrepreneurs gradually, on the one hand, learn about each other's needs, competencies, abilities, skills and strategies and come to trust each other, and on the other, adapt to each other's ways of performing operations and commit resources to the relationship (Forsgren and Johansson, 1992). In this research defining learning we focus on what network "learn as a collective entity" (Marquardt, 1997). One entrepreneur expressed this as follows:

"It was nice to work together and notice what all competencies the other people had." (TH1, Feedback, 8.12.2006)

According to Partanen et al. (2008) the learning and creation of new knowledge takes place within networks between entrepreneurs with different and complementary knowledge biases (Doz et al., 2001; Lundgren, 1995; Lundval, 1992; Powell et al., 1996). The network relationship may be balanced in that all participants learn from each other, each participant being an apprentice of the others in one or another skill area. The

entrepreneurs found it very important to learn to know each other before starting to cooperate.

“You learn to know the others more and you cannot collaborate before you know the partners.” (TH1, Feedback, 12.10.2006)

Through learning new knowledge is created and developed and relations between the various entrepreneurs are renewed (Maillat, 1995, 1992). One entrepreneur gave feedback as follows:

“We found new ways to cooperate and complement each other’s competencies.” (CH11, Feedback, 6.2.2007)

The extent to which the network is capable of creating new resources and changing the productive system, particularly through interaction and learning, highlights its role in developing new products and services. Networks do not perform the actions that produce the learning. It is acting individuals who produce the behaviour that leads to learning. Networks can create conditions that may significantly influence what individuals frame as the problem, design as a solution, and produce as action to solve the problem. “Individuals on the other hand may also bring biases and constraints to the learning situation that are relatively independent of the organization’s requirements” [Argyris, (1992), p.8]. The entrepreneurs also learned to know each other’s products/services and found it important expressing this as follows:

“Working together and trying out others’ products enhances collaboration and networking.” (Group feedback, 11.8.2008)

During the process, the effectual entrepreneurs’ set of means and consequently the set of possible effects changed and was reconfigured through their actions, the interaction and the dialogue. Next in the process the entrepreneurs started to build a strategic partnership (Phase 2) with other entrepreneurs in the network and developed a joint service product. Since the entrepreneurial network was not initially wedded to any particular market with their idea, the strategic partnership could – during the learning and innovation of the entrepreneurial networking process – determine to a great extent which market or markets the entrepreneurial network would eventually end up in. When the entrepreneurs of the network had developed a joint service product they also found out where their target was. The entrepreneurs tried to find ways to market with minimum expenditure of resources (see affordable loss principle Sarasvathy, 2008) such as time, effort and money, since they lacked all these resources. When the first pilot of the joint service product was developed the entrepreneurs of the entrepreneurial network found the first customer in their immediate vicinity. This was an organisation where a member of the steering group of this project was employed. They met with the customer and got many answers; about the price, the content, the obstacles, the questions. After this meeting they first designed the final content of the joint service product for the customer. It was also possible that the service product planned in advance might not take off beyond the first customer. Instead, the entrepreneurs might discover that the customers were actually interested in their life experiences or other aspects of their personalities or experts or contacts or interests (Sarasvathy, 2006). They could then decide to go into any one of the several businesses (Phase 3) contingent upon the ensuing feedback. The eventual success of the entrepreneurial network could turn out to be in any one or all of the businesses (Phase 4) of the set of entrepreneurs in the entrepreneurial network – coaching, dancing, renovating.

The entrepreneurial networking process has passed all four phases of effectuation reasoning model and will continue with classical causation model. So far they have built the main network of four entrepreneurs, they have developed the first joint service product, agreement and rules for the network have been established. In the stage of the causal reasoning model they will start to do market definition, to segment the market, to select target segments based on estimates on the potential return, to design the service product to appeal to their target segments; and finally to implement specific market strategies and to manage daily operations to make their entrepreneurial network a success or at least to employ themselves. Networks may also be an avenue for learning and internalising new skills, in particular those which are tacit, collective, and embedded (and thus hard to obtain and internalise by either means). When these skills can be learned from another entrepreneur, internalised, and exploited beyond the boundaries of the network itself, they become all the more valuable. The learning that one gains from and network participants can often be leveraged broadly into other activities and business beyond those covered by the network (Doz and Hamel, 1998).

“...when as an entrepreneur I also learned from the other entrepreneurs, naturally it benefits, and this peer support and peer learning. Joy, new ideas, support and learning.” (CH 11, Interview, 16.10.2008)

The relationships of the entrepreneurial network may also aim at enhancing each participant's skill through jointly building new skills. Networks of individual firms outsource and share some of their competences to accelerate the development of these competencies.

“...for me it is big help that we can share things and inspire each other and produce intellectual capital for each other, because it helps the operations of my own company and operating alone.” (TH1, Interview, 31.10.2008)

The availability of the relevant skill in the network and a mutually acceptable resolution of the valuation issue are necessary but insufficient conditions for learning and internalising knowledge. The success of learning and innovation can be measured in terms of the intensity of skill improvement and the scope of learning application. It is a mistake to evaluate the success of a network solely on the basis of what might have resulted in the absence (Doz and Hamel, 1998).

6 Interaction through dialogue in entrepreneurial networking

The main purpose of this research was to shed light on the ways new businesses and markets can be created through dialogue in the entrepreneurial networking process and on how entrepreneurs experience dialogue during the process. In the interaction – through the dialogue of the entrepreneurial network – entrepreneurs had an opportunity to combine existing ideas and resources in different ways. The entrepreneurs expressed this as follows:

“I got ideas and good mood.” (Group feedback, 12.10. 2006)

and

“We saw how a thought of another person helped and developed our own thinking.” (Group feedback, 15.11.2006)

They could learn from each other and create innovative products, services and/or social innovations in the entrepreneurial network. Dialogue is at the core of the interaction and of the entrepreneurial networking process. One of the entrepreneurs, interviewed at the end of the two-year process, expressed this as follows:

“...if there is not absolutely genuine dialogue on the personal level there will be no co-operation.” (CH7, Interview, 27.10.2008)

According to Isaacs (1999, 1996) the key principles of good dialogue are:

- 1 listening
- 2 respecting
- 3 suspending
- 4 voicing.

He argues that we should not listen only to others, but to ourselves and our own reactions, too. The entrepreneurs learned by listening:

“I learned to know other people better by listening.” (Group feedback, 26.9.2006)

To respect someone means looking for the springs that feed the pool of the experience of others. Suspension means suspending one’s own opinion, but neither suppressing what one thinks nor advocate it with unilateral conviction. One’s own thinking can be displayed so that others can also see it and understand it. Thoughts and feelings are acknowledged and observed as they arise without being compulsion to act on them. This can release an enormous amount of creative energy. The last principle of a good dialogue is to speak out. Speaking out means revealing what is true for oneself regardless of other influences that might be brought to bear. Voicing in the dialogue necessitates the question: what needs to be expressed now? One must know how to listen not only to one’s own internal emotional reactions and impulses, but also to oneself.

“It would have been worthwhile to speak earlier and more boldly about the problems. Speaking out facilitates the deepening of trust and removed our own feelings of failure. I was inspired to develop cooperation with just these people, when their skills emerged.” (TH1, Feedback, 6.8.2008)

According to Roman (2005), dialogue is a process that creates more understanding, maintains togetherness, and unites the intelligences and creativity of participants, which can lead to many good outcomes. Dialogue in itself does not always have such a clear meaning or goal; instead it is a process that supports many other goals. Some researchers have strongly emphasised the value of dialogue and it is seen as an important communication process to enhance the competitive ability of enterprises, see e.g., Nonaka and Takeuchi (1995b), Senge (1990), Schein (1993, 1996, 1999a, 1999b), and Ståhle (1998). Senge (1990) argues, that “dialogue is at the root of all effective group action”. Nonaka and Takeuchi (1995b) state that dialogue is a means for transforming tacit knowledge into explicit knowledge. He also claims that the most important thing in organisations is to create new knowledge, which happens in the interaction between tacit and explicit knowledge.

“As we have pointed out, knowledge is created only by individuals. An organization cannot create knowledge on its own without individuals. It is, therefore, very important for the organization to support and stimulate the knowledge-creating activities of individuals or to provide the appropriate contexts for them. Organizational knowledge creation should be understood as a process that ‘organizationally’ amplifies the knowledge created by individuals and crystallizes it at the group level through dialogue, discussion, experience sharing, or observation.” [Nonaka and Takeuchi, (1995b), p.239]

Ståhle and Grönroos (1999) say that independent or self-directed development does not occur without dialogical conversation among those involved. This can create common meanings, give timely information on what is going on and can only happen in face-to-face meetings. A dialogue has some unique properties in its flow, in its creativeness, and in its inquiring nature. Dialogue is an arena where people can integrate different opinions and views, and create and share collective meanings. It is a language of listening (Burbules, 1993), where participants are willing to hear each other’s contributions.

“There were obviously a common listening and sharing, and energy of being present.” (Group feedback, 6.2.2007)

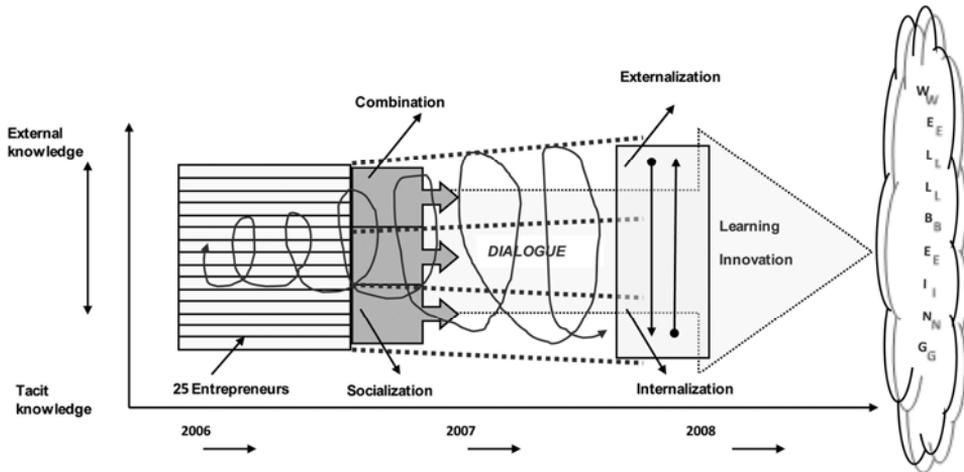
Nonaka’s ‘knowledge creating company’ believes that sharing tacit knowledge is a crucial element in the knowledge-creating process of companies. Nonaka identifies two kinds of knowledge: tacit and explicit. Tacit knowledge exists in people, the way attitudes, skills and insights do, and it is difficult to express in words. Nonaka claims that we have to foster communication to make tacit knowledge shared and created, and to support the interaction between tacit and explicit knowledge. But to make this happen, we need a special process and place that he calls *ba*. *Ba* is a multidimensional space that supports communication within a company. Nonaka states that

“*ba* can be thought of as a shared space for emerging relationships. This space can be physical (e.g., office, dispersed business space), virtual (e.g., e-mail, teleconference), mental (e.g., shared experiences, ideas, ideals), or any combination of them. [...] It is such a platform, that a transcendental perspective integrates all information needed.” (Nonaka and Konno, 1998)

A network can be this kind of *ba* space for the entrepreneurs. Nonaka and Takeuchi (1995b) have crystallised the idea of the interaction of tacit and explicit knowledge, and how it leads to the creation of new knowledge, in their ‘knowledge spiral’ (Figure 3).

They divide the process into four modes:

- 1 socialisation, which is an interaction moving from tacit to tacit knowledge
- 2 externalisation, an interaction moving from tacit to explicit knowledge
- 3 combination, an interaction moving from explicit to explicit knowledge
- 4 internalisation, an interaction from explicit to tacit knowledge.

Figure 3 Dialogue in the entrepreneurial network

Source: © Modified from Nonaka and Takeuchi (1995a)

They emphasise that unless tacit knowledge becomes explicit, an organisation cannot be truly innovative. They explain the process as follows. Socialisation creates tacit knowledge as shared mental models and technical skills, for it is a process of sharing experiences. The acquisition of tacit knowledge occurs without language, through observation, imitation and practice. It is also the way we learn the underlying values and behavioural rules in organisations as well as in society. Then, in the externalisation mode we articulate tacit knowledge into explicit concepts. Nonaka and Takeuchi (1995b) also stress that externalisation is the key to knowledge creation, and view dialogue as extremely important. Through dialogue, we create new explicit concepts, which can be called the creation of shared assumptions or meanings. Perhaps the idea of shared meaning entails that the meaning is not merely articulated, also understood by others. Therefore creating collective meaning is a process in which all the modes (Nonaka and Takeuchi, 1995b) have articulated occur. Nevertheless, they advocate the use of metaphors and analogies as a means of transferring tacit knowledge. Among the four modes of knowledge conversion, externalisation holds the key to knowledge creation, because it creates new, explicit concepts from tacit knowledge. How can we convert tacit knowledge into explicit knowledge effectively and efficiently? The answer lies in a sequential use of metaphors, analogies, and models. Metaphor is a way of perceiving or intuitively understanding one thing by imaging another thing symbolically. The knowledge spiral process then continues, and in the combination mode newly created knowledge and existing knowledge are crystallised into a new product, service, or managerial system. The last phase is internalisation, where ‘learning by doing’ occurs, i.e., people’s tacit knowledge is enriched through documents, manuals, or oral stories [Nonaka and Takeuchi, (1995b), p.66]. Learning by doing is how entrepreneurs like to learn – in action.

“Somebody starts, another continues, collaboration is power.” (Group feedback, 15.11.2006)

According to Roman (2005), participants can explore their own and others conditions, thoughts, aspirations, beliefs and preoccupations through dialogue. Through dialogue, people connect themselves with each other, and share different views of reality.

“I have learned about my own behaviour, to listen to other people without criticising.” (Group feedback, 15.11.2006)

The stimulus received from the energy released in dialogue may push a person into creativity she/he did not know she/he had. Dialogues can also have positive side effects on the health and wellbeing of the workers. de Maré et al., (1991, p.94) says, “the culture of the group is no longer an atmosphere that is being acted out”, which means that tensions are acted out by expressing them. With dialogue, people can root themselves deeper into the group, and also be more themselves in the group.

Dialogue in the learning and innovation process of the entrepreneurial network was based on the four principles mentioned above (Isaacs, 1999, 1996) and the knowledge creation spiral (Nonaka and Takeuchi, 1995b). The results regarding the entrepreneurial experiences of dialogue in the innovation and learning process indicate that in the first survey (Figure 4) in Spring 2007 N = 19/25, which means that there is information available for 19 out of the total sample of 25 entrepreneurs. Nineteen out of 25 were active and participated in the meetings and in the process. The participation of the six was very variable and therefore they did not respond to the questionnaire about dialogue. At the time of the first survey in spring 2007, the entrepreneurs had a half year’s experience of dialogue. The results indicate that dialogue was good in ideation/creation (16/19), good in group building (18/19) and enhanced creativity (14/19) in the entrepreneurial network. The entrepreneurs learned (15/19) to listen to other entrepreneurs, but only 10/19 reported learning to respect each other. Thirteen entrepreneurs reported that dialogue enhanced cooperation. In total, 15 were of the opinion that dialogue is the most important factor of interaction.

Figure 4 Results of the dialogue of the entrepreneurial network in the Spring 2007

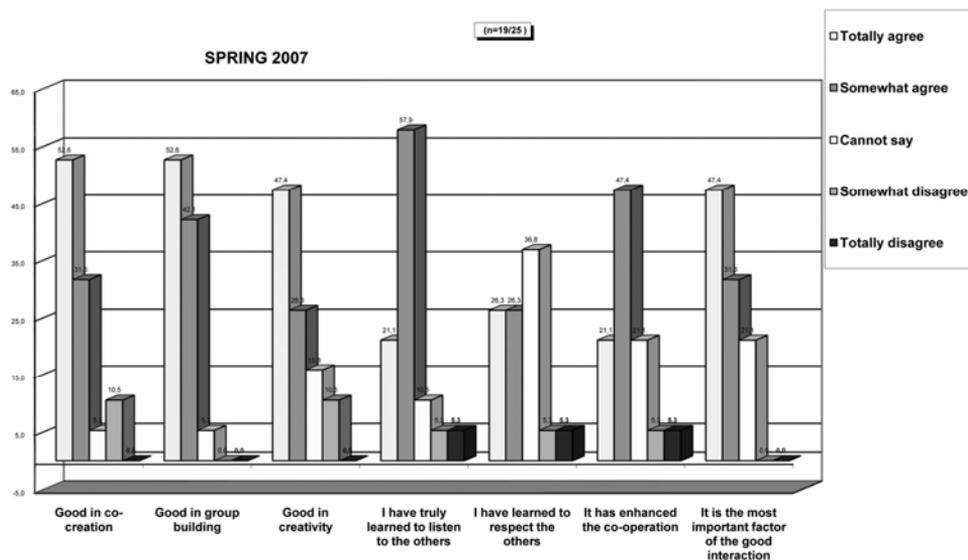
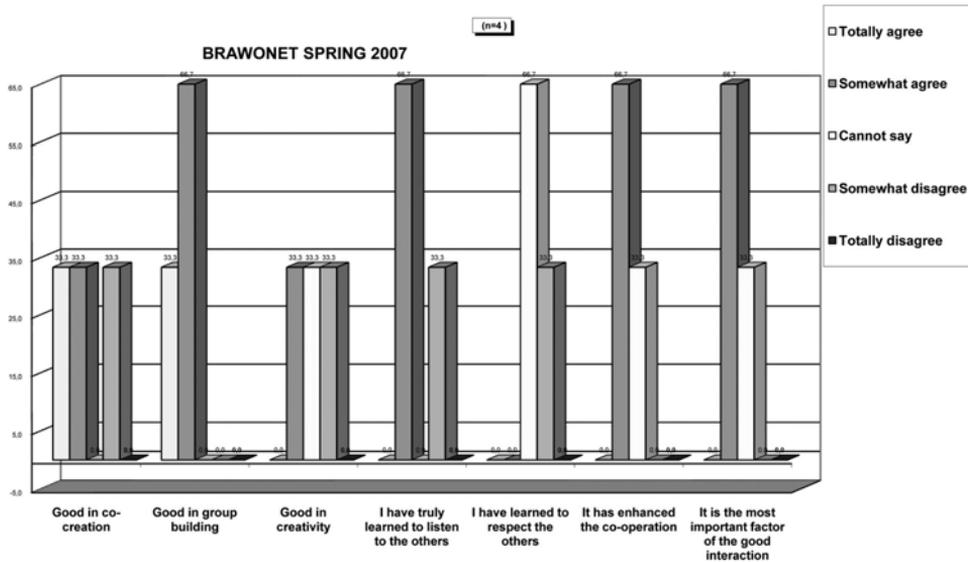


Figure 5 Results of the dialogue of the Brawonet in the Spring 2007



Comparing the first survey results of 19 entrepreneurs with the result of four entrepreneurs who in spring 2008 concluded a consortium agreement about future cooperation by name Brawonet. One entrepreneur from Brawonet joined the network in summer 2007 and did not respond to this survey on dialogue because she did not know the principles of good dialogue (Isaacs, 1999) which the others had learned at the beginning of the project. The results between these two groups differ somewhat and it could be said that Brawonet was a little unsure about the dialogue in this phase of the process. Two out of three (2/3) found that dialogue was good in ideation/creation and one actually disagreed. All three agreed that it was good in group building (3/3). One found it enhanced creativity (1/3), one could not say and one disagreed. The entrepreneurs learned (2/3) to listen to other entrepreneurs, but one again disagreed. Two out of three could not say if they had learned to respect each other and one actually disagreed. Two out of three (2/3) reported that dialogue enhanced cooperation is the most important factor in interaction.

The second survey (see Figure 6) was conducted in spring 2008 N = 11/25, which means that there is information available for 11 out of the total sample of 25 entrepreneurs. Eleven out of 25 were at that time active, participated in the meetings and in the process. They responded to the questionnaire about dialogue, too. The participation of the 14 was changed because of being overloaded with work assignments (7/14) and/or they were no longer entrepreneurs (6/14) and/or had problems with their health and/or family reasons for not responding. When the second survey was conducted in spring 2008 the entrepreneurs had had one and half years' experience of dialogue. The preliminary results from that survey regarding dialogue indicate that the entrepreneurs found that dialogue was useful in the process. They experienced that dialogue was good in ideation/creation (9/11), good in group building (9/11), but only six (6/11) found that dialogue enhanced creativity in the entrepreneurial network. The entrepreneurs learned (9/11) to listen to other entrepreneurs, 8/11 reported that they had learned to respect each

other, but only 6/11 reported that dialogue enhanced cooperation. In total eight (8/11) were of the opinion that dialogue was the most important factor of interaction.

Figure 6 Results of the dialogue of the entrepreneurial network in the Spring 2008

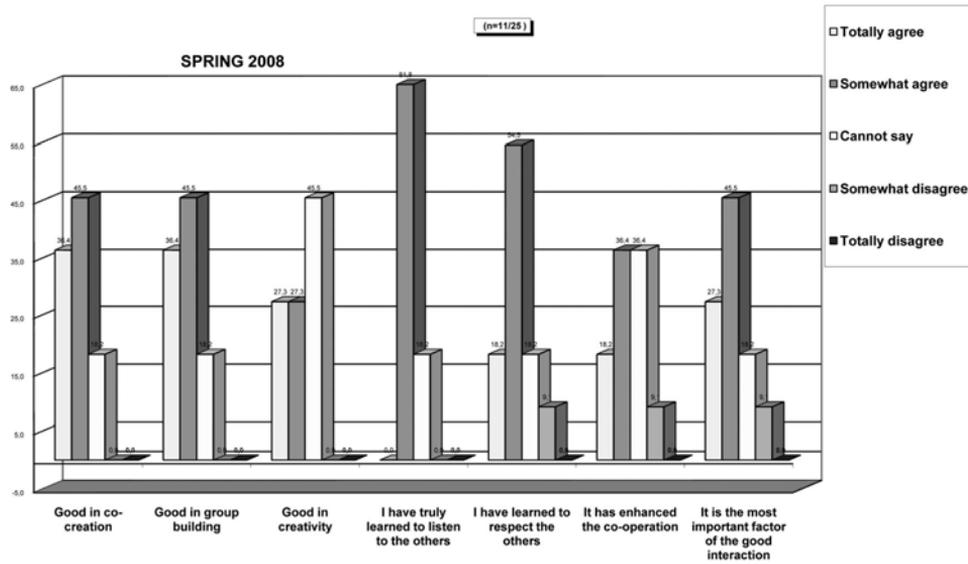
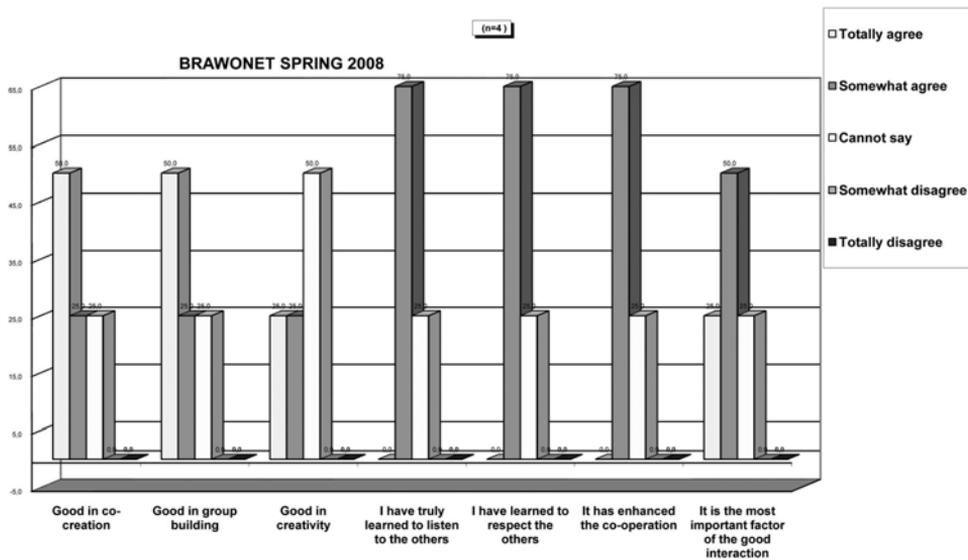


Figure 7 Results of the dialogue of the Brawonet in the Spring 2008

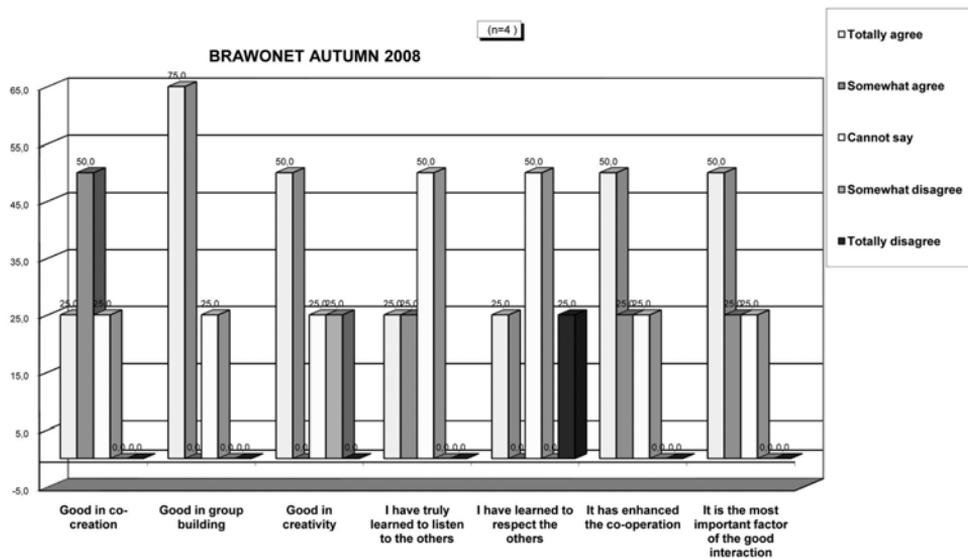


Comparing the second survey results of 11 entrepreneurs with the result of the four Brawonet entrepreneurs (Figure 7) showed that the Brawonet people were more convinced than before that dialogue is useful in the process. One Brawonet entrepreneur, who joined the network in summer 2007 reported “cannot say”. Three of the Brawonet

entrepreneurs reported that dialogue was good in ideation/creation (3/4), three out of the four (3/4) totally agreed that dialogue was good in group building. Two found that dialogue enhanced creativity in the entrepreneurial network. Two entrepreneurs had learned (2/4) to listen to other entrepreneurs, but only one reported that they had learned to respect each other and one even disagreed with this. Three out of four reported that dialogue enhanced cooperation and found that the dialogue was the most important factor in interaction.

The third survey (see Figure 8) was conducted in autumn 2008 N = 4/25, which means that there is information available for only four Brawonet entrepreneurs. After the agreement the network was focused to develop only Brawonet and the other entrepreneurs were not allowed to participate in the meetings. The Brawonet entrepreneurs found that dialogue was useful in the process. Three out of four (3/4) reported that dialogue was good in ideation/creation. One entrepreneur who joined in summer 2007 responded “cannot say”. Three out of four totally agreed that dialogue is good in group building (3/4), but only two out of four (2/4) found that it enhanced creativity in the process and one actually disagreed. Three (3/4) entrepreneurs found that they had learned to listen to other entrepreneurs, but only 1/4 reported that dialogue helped in learning to respect each other and one actually totally disagreed. Three entrepreneurs reported that dialogue enhanced cooperation and was the most important factor in interaction.

Figure 8 Results of the dialogue of the Brawonet in the Autumn 2008



In conclusion, most of the entrepreneurs found that dialogue was especially good in ideation/co-creation and group building. Some of the entrepreneurs found that dialogue enhanced creativity, but many were unsure of this. Dialogue did help them to learn to listen and respect each other, but many were also very unsure about this effect during the process. Most of the entrepreneurs reported that dialogue enhanced cooperation and was important in the interaction. However, even though dialogue enhanced cooperation and the entrepreneurs found it mostly very good, not all the entrepreneurs were committed to

the network because of being overloaded with work assignments, problems with the healthy and/or family reasons. At the end of the two-year networking process four Brawonet entrepreneurs concluded a consortium agreement and started cooperation, and many other small networks/nets were also built, mostly on the social level.

7 Summary

This entrepreneurial networking process is based on the effectual reasoning principles of Sarasvathy (2006) and the principles of good dialogue of Isaacs (1999, 1996) and Nonaka and Takeuchi (1995b). The model enhances innovation and learning and provides the entrepreneurial networking process with new perspectives on entrepreneurship. Unlike causal reasoning, which is based on controlling and predicting the future, effectual reasoning is based on the logic that the future is created through the very strategies of the players (= entrepreneurs). We can control the future, but we do not need to predict it. Entrepreneurs usually have to operate without such predictability. Being in a predictable market means that the market can be shaped through the entrepreneurs' own decisions and actions in collaboration with pre-committed customers. Entrepreneurs are usually in the business of creating the future, which entails having to work together with a wide variety of people or entrepreneurs in entrepreneurial networks over long periods of time. The future is filled with enduring human relationships that outlive failures and create successes over time. Embodied in a network of such enduring relationships, effectual logic is particularly useful and effective in domains such as the introduction of new products in new markets. Many goods ideas come from (casual) interaction, through dialogue between people of different backgrounds.

During the two-year networking process the entrepreneurs found that dialogue was good in ideation/creation and in group building. Some of them found that it also enhanced creativity and they learned to listen and respect each other. They reported that dialogue enhanced cooperation and some entrepreneurs found that the dialogue enabled them to look at others positively. Most of them considered that dialogue is the most important factor in interaction. Hence it can be said that the dialogue of the entrepreneurial networking process shapes tomorrow by giving entrepreneurs tools for navigating the emerging world. Through learning and innovation in the entrepreneurial network, entrepreneurs can significantly affect their competitiveness. Competitive advantages can be created through learning and innovation in the entrepreneurial network. This includes a great opportunity for a grip on the future by making conscious choices in the business and wellbeing of the entrepreneurs in the entrepreneurial network.

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Success in the female entrepreneurial networking process

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This paper addresses the network process from the individual's point of view. It aims to explore the individual success in the female entrepreneurial networking process using a mixed methodology. The data were collected 2006–2008 from 25 female entrepreneurs. The entrepreneurial success profiles identified suggest that the female entrepreneurs in the networking process were characterised by good motivation, good persistence, good sense of responsibility, enjoying working with pair/team/peer, learning by doing, and holistic view. Further, peer support, encouragement, and networking created new channels and new opportunities. New products and contacts were developed and resources became available. Learning and new tools for entrepreneurship were identified. The female entrepreneurial networking process also enhanced well-being in life.

Keywords: *entrepreneurial success; individual experience; female entrepreneurial networking*

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This article addresses the networking process from the individual's point of view. Insufficient attention has been paid to the ways in which entrepreneurship and individual enterprising can be enhanced. Networks have become more important and more interesting. According to (Timmons 1999; Timmons and Spinelli, 2009), there is a common understanding that the entrepreneurial network is a key issue in firms with one to two employees. They are unable to achieve their goals alone (Birley, 1985; Johannisson, 1988). There is a need for different kinds of additional resources, social relationships, and interactions among organisations (Melin, 1987). They need support and resources from external actors such as other firms (Meller & Marfan, 1981) and relatives and friends (Birley, 1985; Bridge, O'Neill, & Cromie, 1998; Johannisson, 1988).

Many studies have stated that the success of firms standing alone depends on the supporting networks (Donckels & Lambrecht, 1995; Greve, 1995; Hansen, 1995) and social relationships (Aldrich et al., 1989; Chu, 1996; Johannisson, 1988; Ostgaard & Birley, 1996). The network provides both opportunities and imposes constraints on entrepreneurs in their businesses. Nevertheless research on the entrepreneurial networking process from the individual's point of view is rare. Johannisson (1978) and Aldrich and Zimmer (1986) have published some research work, but there is still a lack of research on success in the female entrepreneurial networking context.

This article will contribute theoretically and empirically to bridging this gap by focusing on entrepreneurial success profiles identified and on individual experiences of success in the female entrepreneurial networking context.

The paper is arranged as follows. The first section is an introduction. The second section addresses the issue of entrepreneurial networking. Next, success in the female entrepreneurial networking context is defined and described. This is followed by descriptions of the research factors/profiles, the case study, and the methodology. Finally the paper considers the findings from the case study and presents conclusions.

Entrepreneurial networking

Research in entrepreneurial networking

Networking has developed differently in different research traditions and over different periods of time. The concept of networks and networking was originally developed in sociology, while anthropology studies considered exchange as a social organisation and as social relationships (e.g. Barnes, 1954; Bott, 1957; Levi-Strauss, 1949). In the management literature, networks and networking were used in organisational behaviour regarding partnership, exchange relationships, joint ventures, and co-operation agreements (e.g. Ford, 1980; Håkansson, 1982; Johanson & Mattson 1987) focusing

on the business relationships of the industry and the interaction strategies of the parties. At that time the re-emergence of entrepreneurship research also started to focus on network research (Aldrich & Zimmer, 1986; Birley, 1985; Jarillo, 1989; Lorenzoni & Ornati, 1988; Szarka, 1990).

Entrepreneurial networking research is deemed, according to Gartner (1985), to characterise a particular phenomenon (new venture creation in the networking process) as the simultaneous interplay of a number of experiences, images, and ideas that, in combination, actually make sense. Aldrich and Zimmer (1986) defined networks as continuing social relationships, as a collection of entrepreneurs committed to pursuing business activity, and as the pattern of activities by which actors, activities, and resources are tied together. Entrepreneurial network research considers the individual entrepreneur in firm networks with defined borders (Slotte-Kock & Coviello, 2010). Entrepreneurial networking can be understood through the activities by which entrepreneurs organise and develop their firms (Gartner, 2001, p. 30).

As Szarka (1990) argues, the firm's owner/entrepreneur will identify strongly with the firm and, conversely, the firm will tend to be strongly identified with its principal. The entrepreneur and the firm are (positioned as) central to decision-making, but are influenced by numerous external factors. Networking considers the behaviours undertaken in the process of discovering and exploiting ideas for new business ventures (Davidsson, 2003; Gartner, 1988; Shane & Venkataraman, 2000; Venkataraman, 1997). According to Van de Ven (1993), most entrepreneurial innovations are collective achievements of many people. Within a network of relationships, entrepreneurs are facilitated or constrained by linkages between aspiring entrepreneurs, resources, and opportunities (Aldrich & Zimmer, 1986). The process can provide ideas for new business ventures. When the network is innovative, it can identify and formulate new services and products in light of the resources available, which can be mobilised as and when the opportunities occur on the market. Powell, Koput, and Smith-Doerr (1996) suggest that network relationship opportunities exist because of heterogeneity of knowledge. The creation of new knowledge is an essentially local activity taking place within networks between actors with different and complementary knowledge bases. The establishment of a network relationship entails interaction that makes the knowledge of resource utilisation subject to further evolution. The opportunities do not exist per se; they result from interaction between entrepreneurs (Snehota, 1990).

The entrepreneurial network phenomenon in the context of firms with one to two employees requires 'both social relationships among individuals and interactions among organizations' (Melin, 1987, p. 31). Social relationships are key facilitators in the successful networking

process (Ireland, Hitt, & Vaidyanath, 2002; Jarillo, 1989; Lipparini & Soper, 1994). They are especially important in networking processes where the organisation and the entrepreneur are one and the same. Social capital between entrepreneurs is a kind of bridge-building process that links individuals and creates a relationship for the effective exchange of information and resources (Anderson & Jack, 2002; Knoke, 1999). According to Nahapiet and Ghoshal (1998), social capital is a sum of resources embedded within, available through and derived from the network of relationships by an individual or a social unit. The entrepreneurial network is for the entrepreneurs a community and a platform where they can co-create, co-innovate, and co-operate new ventures in interaction and dialogue with each other. Social relationships are one of the key issues in the networking, especially in the entrepreneurial context, where the performance of the firms is dependent on what entrepreneurs are as individuals (Wincent & Westerberg, 2005).

Social relationships and networking

Entrepreneurial networking entails social relationships through which entrepreneurs obtain information, resources, and social support (Aldrich & Zimmer, 1986). Chell (2000) notes the importance and interplay of the entrepreneurial profile and social interaction in networking, and Aldrich and Zimmer (1986) stated that the social relationships in the entrepreneurial networking can channel and facilitate, as well as constrain and inhibit, entrepreneurial activities. These relationships are affected by entrepreneurs as individual human actors and are based on their individual behaviour. Relationships are developed and maintained primarily through everyday interaction. Through the interaction, the entrepreneurs gradually on the one hand learn about each others' needs, competencies, skills, strategies, and come to trust each other, and on the other hand adapt to each others' ways of performing operations and commit resources to the relationship (Forsgren & Johansson, 1992). According to Kaleva (2000), relationships are created in and based on a shared orientation and social exchange between entrepreneurs in networks. More specifically, a network is an expression of entrepreneurial action in the context of a network relationship. It is held that the nature of a network can only be understood and explained as a network relationship process.

It is argued that a relationship cannot be restricted to, and understood in terms of, exchange transactions that are a transfer of objects between actors. According to Snehota (1990), values are produced in relationships by linking actors (e.g. entrepreneurs) in networking relationships. Networking is a relationship system, for example, an organised behaviour system that manifests a network structure. The network relationship process is, therefore, to be viewed as the process of networking among the

entrepreneurs involved. Networking activity is dependent on entrepreneurs' ability to co-operate and to sustain an interdependent relationship. Interaction is heavily dependent on the relationships built up over time. The entrepreneurs' ability is to adjust their behaviour to the changes in their networking, to implement new solutions, and to create new resources. Changes in the network are picked up and acted on and relations between the various entrepreneurs are renewed (Maillat, 1992, 1995).

Thus, entrepreneurship is embedded in entrepreneurial networks of continuing social relationships. Relationships between members of networks are continuously constructed and reconstructed during interaction and dialogue with each other (Grabher, 1993). The entrepreneurs in the network and their performance change over time. Entrepreneurial networking is by nature a dynamic process. According to Venkataraman (1989), entrepreneurs typically have difficulties in extending and sustaining appropriate relationships. This highlights the importance of the social relationships of the entrepreneurs in networking. The social relationships in the networking process are based on the individual behaviour and personal characteristics of the entrepreneurs (Wincent & Westerberg, 2005). These affect the development of the networking process, whether it is successful or not.

Success in entrepreneurial networking

Success in entrepreneurial networking can be defined in many different ways; externally, internally, and on the basis of values. A possible external dimension might be commercial success: growth in sales, in employment, in profitability, and/or in productivity (revenues/employee) and/or economic-increased efficiency, lower costs, improved return on investment (ROI). In firms of one to two employees, success does not necessarily imply a 'growth' orientation (Sonfield & Barbato, 1999). Success can mean an increase in self-sufficiency and a reduction of dependence (Walls, Dowler, Cordingly, Orslene, & Greer, 2001), which is more an internal and value-added dimension of success. Success can also be defined on the basis of how entrepreneurs succeed in networking with other entrepreneurs in the network, while Duchesneau and Gartner (1988) found that surviving entrepreneurs are more active in social relations than unsuccessful entrepreneurs, because successful entrepreneurs spend more time communicating with partners and so on. In this research, success on the individual level is investigated through the experiences of the network participants, female entrepreneurs, drawing on their responses, experiences, and associations during the networking process. Success is also investigated on the basis of entrepreneurial profiling (e.g. personal characteristics affecting the interaction and development of the networking process). By focusing on the entrepreneurs' individual experiences and entrepreneurial profiling success, the aim

is to explore the female entrepreneurial networking context.

What is successful entrepreneurship?

Successful entrepreneurship is a constant process that relies on creativity, innovation, and application in the marketplace (Zimmerer & Scarborough, 1996). The process and norms of interaction between entrepreneurs also determine success in networking. Intentions are converted into real relationships through interaction. The initial context of networking seldom encourages a relationship: the entrepreneurs lack mutual familiarity, understanding, and trust, and the absence of these can easily lead to an adversarial relationship (Doz & Hamel, 1998, p. 147). According to Timmons (1999), successful entrepreneurs devise ingeniously creative strategies for marshalling and gaining control of resources. The unique combination of entrepreneurs, opportunity, and resources at a particular time and place may be the most important factor (in an ultimate chance) for a successful venture (Timmons, 1999).

Bridge et al. (1998) point out that entrepreneurs require ideas, opportunities, resources, skills, and motivation for success and that, therefore, the social structures and situations to which they are exposed will impact on the choice process, for example, entrepreneurial networking. This network provides linkages or relations between entrepreneurs and opportunities for success (Aldrich & Zimmer, 1986). The essence of success is in creating value through the process of combining resources in new and different ways to achieve a competitive edge and for 'creating new twists on existing services are hallmarks' for success (Zimmerer & Scarborough, 1996, p. 51). Elements of successful networking are based on the resource taking the form of advanced skills or simply on the knowledge related to a specific sector.

Success in networking processes

As argued, success in the networking process is not limited to commercial success. In addition, actions that appear to be, or indeed are, initially successful would be regarded as entrepreneurial, but those that then subsequently fail would usually still be regarded as having been entrepreneurial. Entrepreneurial actions take place within a time-frame and outside it conditions can change radically (Bridge et al., 1998, p. 39). According to Doz and Hamel (1998, p. 34), network participants who attempt to assess potential benefits often fall into one of two traps: (1) making excessively ambitious and overly optimistic assessments of benefits and (2) defining the range of potential benefits too narrowly. Ambitions are either too grand to be realised or so narrowly defined that other value creation opportunities are overlooked. It is not the deal per se that creates value, but the capacity of other entrepreneurs to dynamically and creatively

manoeuvre their network through a thicket of uncertainties, changing priorities, organisational frictions, and competitive surprises. The interest is in the role of networks in innovation and new business development. The entrepreneur uses products, processes, or service innovations as tools to exploit change. Innovation is the instrument that empowers resources to new ends, thus creating value (Zimmerer & Scarborough, 1996).

Most entrepreneurs in a network must fully appreciate all the benefits they can expect from the network so they do not lose their sense of purpose when confronted with unexpected setbacks. 'An opportunity has the qualities of being attractive, durable, and timely and is anchored in a product or service which creates or adds value' (Timmons, 1999, p. 80). For an opportunity to have these qualities, the 'window of opportunity' opens and remains open long enough. Further, entry into a market with the right characteristics is feasible and the network is able to achieve it. The venture has or is able to achieve competitive advantage. Networks can be a stimulant and source of new ideas, as well as a source of valuable contacts with people. 'Networks can facilitate and accelerate the process of making contacts and finding new business ideas' (Timmons, 1999, p. 98). Schumpeter emphasised that it is not knowledge that matters, but a successful solution to putting an untried method into practice (Schumpeter, 1928). Schumpeter defined entrepreneurial activity as 'creating new combinations of existing economic possibilities' (Schumpeter, 1912, p. 158).

Success in the female entrepreneurial context

Success in the female entrepreneurial context is based on the entrepreneurs' individual experiences. In firms of one to two employees, where the female entrepreneur mainly operates alone, survival can be seen as a minimum criterion of success (Bruderl & Preisendorfer, 1998). The criterion for survival is usually defined as staying in business for the first few years of operation and sometimes stands alone as an outcome measure (Littunen, 2000). More often success is accompanied by other outcome measures, such as growth (Cooper & Gimeno-gascon, 1994) in sales, in employment, in profitability, and/or in productivity (revenue/employee) and non-survival refers to the lowest level of performance and/or economic-increased efficiency, lower costs, improved ROI. In female firms of one to two employees, success does not necessarily mean a 'growth' orientation (Sonfield & Barbato, 1999). Success for female entrepreneurs means an increase in self-sufficiency and reduction of dependence (Walls, Dowler, Cordingly, Orslene, & Greer, 2001).

According to Strake (1979), many female entrepreneurs have high self-esteem and tend to enjoy attaining success (Kyrö & Hyrsky, 2008). They live in a holistic

reality and take a holistic approach (Brush, 1992; Holmqvist, 1996; Kovalainen, 1993; Kyrö & Hyrsky, 2008; Maysami & Goby, 1999; Moore & Buttner, 1997; Sundin, 1996; Yeager, 1999). This results in a profile of a female entrepreneur who, with high self-esteem, risk-propensity, and innovativeness with a need for self-fulfilment and work satisfaction, creates an under-performance firm waiting (Kyrö & Hyrsky, 2008).

It has been stated that financial success among women entrepreneurs has been labeled 'under-performance' (Du Rietz & Henrekson, 2000). Haynes and Haynes (1999) claimed that financially poorer success was due to lack of financial and human capital resources. Brush (1992) claims that their businesses are integrated into the lives of female entrepreneurs rather than being separate economic units (Kyrö & Hyrsky, 2008). Maysami and Goby (1999) stated that women seem to start their own businesses to become their own bosses and strive to make their own ideas and dreams come true. Women with a dream to create their own reality want to combine work and home in order to fulfil their need to establish a firm. Having their own business gives them more freedom and flexibility. Gilbreth (1928) realised 'success' to incorporate satisfactions and achievements both at home and at work (Kyrö & Hyrsky, 2008). Success for such people may be either self-fulfilment or a balance between family and work, not the profit, not the growth in sales, not the growth in employment, not productivity (revenues/employee), not economically increased efficiency, lower costs, or improved ROI. According to Kyrö (2001) female entrepreneurs have a need to create their own reality. Self-fulfilment refers to success as satisfaction.

To conclude, success can be experienced by female entrepreneurs in many ways. In the female entrepreneurial networking process, the social relationships in interaction and dialogue with other entrepreneurs affect the success of the networking. It is the characteristics of the entrepreneur and/or the situation that determine an entrepreneur's behaviour (Gartner, 1988); they affect success through their behaviour in the social relationships of the networking process. Next the focus turns to entrepreneurial profiling in the entrepreneurial networking process.

Entrepreneurial success profiling

In the entrepreneurial networking process the performance of the firms is dependent on what entrepreneurs are as individuals. Therefore differences in the performance of the firms may be explained through differences in the personalities and characteristics of entrepreneurs – the process is referred to as entrepreneurial profiling. Entrepreneurial profiling includes the personal characteristics of entrepreneurs, meaning relatively enduring preferences on an entrepreneur's part for thinking and/or acting in a specific manner (Epstein & O'Brien, 1985).

Following Bridge et al.'s (1998, p. 42) theories, consider that it is the 'personality of individuals that explains their actions' and there is something within those individuals that makes them disposed to and prepared for action when seeking opportunities. Entrepreneurial actions are defined as such because they have particular profiling and certain individuals, entrepreneurs, perform such actions well.

In those firms, especially where performance is dependent on what entrepreneurs are as individuals (Wincent & Westerberg, 2005), the personal characteristics e.g. entrepreneurial profiling of individuals predispose them towards entrepreneurial behaviour. The characteristics most often proposed are achievement motivation, risk-taking propensity, or the desire for control. McKenna (1987) points out that entrepreneurial profiling can relate to motives, temperament, style, and ability. There is a considerable body of literature on these characteristics and profiling, claiming that they predispose individuals to behave in an entrepreneurial fashion. The successful accomplishment of an entrepreneurial task provides individuals with a strong sense of achievement and confirms their capacity to control their lives. Stevenson and Gumpert (1992) note that entrepreneurs continuously seek business opportunities without being concerned about the necessary resources. They take a chance on resources and consider that suitable resources will be forthcoming. Many have therefore seen 'the individual as important for the firm, indeed as a key to success' (Bridge et al., 1998, p. 41). According to Lahti (1995), there is a close connection between the personal qualities of the entrepreneur and the economic success of the firm. It is necessary to investigate the success of the entrepreneurial networking process in light of entrepreneurial success profiling.

Defining entrepreneurial success profiling emphasises the relevance of success. Identifying entrepreneurial profiling has been a challenge for a number of researchers. There have been many studies and approaches to analysing what makes some individuals more entrepreneurial than others. They include (1) personality theories considering traits in individuals predisposing them to enterprise, (2) psychodynamic approaches that look at the enterprising personality, (3) social psychology approaches that take into account the context in which an individual operates, (4) owner typologies that look at different types of entrepreneur, (5) behavioural theories including competencies and stage model approaches, (6) economic approaches, (7) sociological approaches, and (8) integrated approaches, all offering some insight into what makes an individual act in an entrepreneurial way. The integrated approaches are potentially the most useful models for examining entrepreneurial success. In this research the most comprehensive summaries of attitudes and behaviours in entrepreneurial profiling are those of

Schumpeter (1934/1962), McClelland (1961), Timmons (1999, 2009), and Sarasvathy (1998, 2006).

The Schumpeterian entrepreneur

Schumpeter (1934/1962) proposed that entrepreneurs are a special type and their behaviour a special problem. The Schumpeterian entrepreneur is romantic, subjective, individualistic, has courage, foresight, intuition, and vision (Lintunen, 2000). The essential nature of Schumpeter's entrepreneur lies in energetic behaviour, in specific motivation – a man of action (Shionoya, 1997). Rejecting the assumption of *homo oeconomicus* and his maximising behaviour, Schumpeter made clear: 'We shall... try to understand human behaviour, by analysing the characteristic motive of his (entrepreneur) conduct... we do not adopt any part of the time honoured picture of the motivation of "economic man"' (Schumpeter, 1934/1962, p. 90). Schumpeter admitted that the behaviour of the entrepreneur may be termed irrational and non-hedonistic; then it is considered at least a fundamentally different kind of rationalism (Shionoya, 1997). Schumpeter characterised the entrepreneur's motivation as follows: (1) there is a dream and the will to found a private kingdom, usually though but necessarily also a dynasty. (2) There is the will to conquer: the impulse to fight, to prove oneself superior to others, to succeed not for the sake of the fruits of success, for the success itself. The financial result is a secondary consideration, or, at all events, mainly valued as an index of success and as a symptom of victory. (3) There is the joy of creating, of getting things done, or simply of exercising one's energy and ingenuity. According to Schumpeter (1934/1962), entrepreneurs are mostly self-directed and autonomy refers to independence from other people, of being in control of one's own destiny (see also Caird, 1988; Parker, 2004). Our type seeks out difficulties, challenges in order to change, delights in ventures (Schumpeter, 1934/1962). According to Schumpeter entrepreneurs conduct their business from the possibilities of the future, through their visions (Lintunen, 2000; Schumpeter, 1928, 1934/1962, 1939/1982, 1942, 1946, 1947, 1949). Schumpeter's reasoning has remained a basic point of reference for many of his successors, for those who follow his tradition of regarding the entrepreneur as an innovative path breaker (e.g. Baumol, 1968; Dahmén, 1950; Leibenstein, 1968). The Schumpeterian entrepreneur is called the entrepreneurial or innovation utility, which relates to the will and the creativity of the entrepreneur to act in uncertainty (Lintunen, 2000). Schumpeter's concept of the entrepreneur as the successful leader of innovation calls for an equal concept or theory of the creative firm (Lintunen, 2000). It is the innovating entrepreneur and not the firm organiser whose role is difficult to describe and analyse systematically (Baumol, 1995, p. 17). The individual's acts cannot be a mere repetition of what has been done before.

According to Schumpeter (1942, p. 132) ‘as innovation itself is being reduced to routine ... so many more things can be strictly calculated that had of old to be visualised in a flash of genius’. Thus entrepreneurial success factors/profiles for the Schumpeterian entrepreneur mean specific motivation, autonomy, visualising (visual), intuition (kinesthetic), and creative information processing and thinking style.

The McClellandian entrepreneur

McClelland (1917–1998) was the first to present empirical studies in the field of entrepreneurship that were based on behavioural science theory. According to McClelland, entrepreneurs are people who have a great need for achievement, self-confidence, independent problem-solving skills, and who prefer situations that are characterised by moderate risk, follow-ups of results and feedback, and acceptance of individual responsibility. McClelland among others (Atkinson, 1958, 1964; Atkinson & Feather, 1966; McClelland, 1961; McClelland & Winter, 1969) sought to understand individual motivation. Their theory of psychological motivation is a generally accepted part of the literature on entrepreneurial behaviour and claims that people are motivated by three principal needs: (1) the need for achievement, (2) the need for power, and (3) the need for affiliation. The need for achievement is the need to excel and for quantifiable personal accomplishment. A person competes against a self-imposed standard that does not involve competition with others. The individual sets realistic and challenging goals and likes feedback on how well he or she is doing in order to improve performance. The need for power is the need to influence others and to achieve an ‘influence goal’ (i.e. the goal of outperforming someone else or establishing a reputation or position according to an externally derived and oriented standard). While it is sometimes easier to see the negative aspects of power motivation, bear in mind that socialised and civilised power needs have played an important role in influencing people and institutions. Motivation stimulates them into action. When they accomplish something they consider worthy, their self-esteem is enhanced and they are encouraged to seek other demanding assignments. Thus entrepreneurs are constantly on the lookout for challenges (Bridge et al., 1998). McClelland (1965) argues that such a person

is more self-confident, enjoys taking carefully calculated risks, researches his/her environment actively, and is very much interested in concrete measures of how well he/she is doing. Somewhat surprisingly ... he/she does not seem to be galvanised into activity by the prospect of profit; ... he/she ... works hard anyway, provided there is an opportunity of achieving something. (McClelland, 1965, p. 7).

Thus entrepreneurial success factors/profiles for the McClellandian entrepreneur are motivation, responsibility, and autonomy.

The Timmonsian entrepreneur

According to Timmons (1999), entrepreneurs share common attitudes and behaviour.

They work hard and are driven by intense commitment and determined perseverance; they see the cup half full, rather than half empty; they strive for integrity; they burn with the competitive desire to excel and win; they are dissatisfied with the status quo and seek opportunities to improve almost any situation they encounter; they use failure as a tool for learning and eschew perfection in favour of effectiveness; and they believe they can personally make an enormous difference in the final outcome of their ventures and their lives. (Timmons, 1999, p. 44)

Entrepreneurs with a lot of persistence believe that they can perform at a high level and attribute their success to their personal skills rather than chance. If entrepreneurs have a lot of persistence, they like to work from start to finish and see that things are completed (Timmons, 1989). According to Timmons ‘the need for affiliations is the need to attain an “affiliation goal” (i.e. the goal to build a warm relationship with someone else and/or to enjoy mutual friendship)’ (Timmons, 2009, p. 43). Entrepreneurs are self-starters and visionaries (Timmons, 2009). Desire for responsibility is one of the key entrepreneurial attitudes for the entrepreneurs by feeling a personal responsibility for the outcome with which they are associated (Timmons, 2009, p. 43). They prefer to be in control of their resources and to use those resources to achieve self-determined goals. This willingness to accept the responsibility for the outcome of the entrepreneurial network is closely related to success in entrepreneurial networking. They have substantial confidence in themselves. They firmly believe that what they accomplish is within their own control. They tend to be optimistic. They also tend to have a very high opinion of their ability to succeed. Effective entrepreneurs actively seek and take initiatives, as evidenced by their constant willingness to assume personal responsibility for success or failure. Desire for immediate feedback is one of the behaviours and attitudes of entrepreneurs (Timmons, 1999). They like to know how they are doing and are constantly looking for reinforcement. They have a strong desire to use this knowledge to improve their performance. This characteristic is also highly relevant to their desire to learn from mistakes. Consequently, such entrepreneurs are often described as excellent listeners and quick learners (Timmons, 1999). The support and approval of family, friends, and co-workers can be helpful, especially when adversity strikes. Reference (e.g. peer) group

approval can be a significant source of positive reinforcement for a person's career choice and, thus, his or her entire self-image and identity. Groups of people can also generate creativity that may not exist in a single individual. Continually, the creativity of a group of entrepreneurs is impressive and comparable or better creative solutions to problems evolving from the collective interaction of a small group of people have been observed (Timmons, 1999, p. 80).

Creativity and flexibility are necessary for entrepreneurs. Their ability to adapt flexibly to the changes in the economy requires a high degree of creativity. Very often ambiguity will serve better than certainty. A creative entrepreneurial mind is required to deal with this ambiguity in the development of a problem solution. A person uses both sides, actually shifting from one mode to the other. Entrepreneurs are interested in how to control modes of thought, and they can, perhaps, draw on two interesting approaches (Timmons, 1999, p. 79). Entrepreneurs will be those who coordinate the complementary functions of each hemisphere of the brain. Entrepreneurs are seldom driven by externally evidenced status and power. Rather, they derive satisfaction from the challenge of being creative and building their chosen network or new venture. They appear to have a keen sense of their strengths and weaknesses (Timmons, 1999). Creative thinking is of great value in recognising opportunities and in other aspects of entrepreneurship. The notion that creativity can be learned or enhanced has important implications for entrepreneurs who need to be creative in their thinking (Timmons, 2009, p. 155). Most people can certainly spot creative flair. Several studies suggest that creativity actually peaks around the first grade because a person's life tends to become increasingly structured and defined by others and by institutions (Timmons, 1999, p. 79, 2009, p. 155). Summing up, entrepreneurial success factors/profiles for the Timmonsian entrepreneur mean motivation, persistence, responsibility, pair/team/peer, listening (auditory), visionary (visual), creative information processing, and thinking style.

The Sarasvathian entrepreneur

Sarasvathy (1998, 2006) researched entrepreneurial expertise; the characteristics, habits, and behaviours of the entrepreneur. She recognised that entrepreneurs have a certain type of entrepreneurial thinking style, which is called 'effectual reasoning'. The word 'effectual' is the inverse of 'causal' (Sarasvathy, 1998, 2006). Causal rationality considers a pre-determined goal, a given set of means and identifying the optimal – fastest, cheapest, most efficient, etc. – alternative to achieve a given goal. According to Sarasvathy (1998, 2006), effectual reasoning considers a given set of means, allowing goals to emerge contingently over time from the varied imaginations and

diverse aspirations of the founders and people they interact with. Causal thinkers seek 'to conquer fertile lands', but effectual thinkers explore 'uncharted waters'. Sarasvathy (2006) states that the same person can use both causal and effectual reasoning at different times depending on the circumstances, and that the best entrepreneurs are capable of both and use both well. Furthermore, Sarasvathy claims that entrepreneurs prefer effectual reasoning over causal reasoning in the early stages of a new venture and do not transition well into the later stages requiring more causal reasoning. Causal reasoning may involve creative thinking, but effectual reasoning is creative. Effectual reasoning includes imagination, spontaneity, risk-taking, and salesmanship. Embodied in a network of enduring relationships, effectual logic is particularly useful and effective in domains such as the introduction of new products in new markets (Sarasvathy, 2006). Effectual logic is people dependent and will be predicated on the people (e.g. entrepreneurs) of the entrepreneurial network, brought together to co-create, co-innovate, and co-operate. Entrepreneurs are entrepreneurial because they think effectually and they believe in a yet-to-be-made future shaped by human action. It is useful to understand and work with the people and entrepreneurs who are engaged in the decisions and actions that bring it into existence. Entrepreneurs succeed by thinking and doing new things or old things in new ways. According to Sarasvathy (1998, 2006), the entrepreneur has to possess the ability to look beyond conventional procedures and to try to combine existing ideas and resources in different ways, thereby gaining experience through experiment and trial and error. Entrepreneurial success factors/profiles for Sarasvathy mean imagination (visual), experiencing (kinesthetic), entrepreneurial information processing, and thinking style.

As a conclusion of entrepreneurial success profiling, it is considered, implicitly or explicitly, that this will help to determine whether an individual does or does not succeed in co-operation with other entrepreneurs of the networking process. It is important, however, to note that entrepreneurs are not homogenous and that, therefore, different approaches looking at different stages of networking development will result in a complex picture. In general there are many variables that can impact on a firm and network success but few have taken up the challenge to do so. The complexity of such modules and the enormous difficulty in using multivariate analysis with so many variables that are difficult to measure have daunted researchers. However, it can be assumed that the entrepreneurial profile – entrepreneurial behaviour – is essential in entrepreneurial networking because of complex relationships that have been strategically important and harder to manage (Doz & Hamel, 1998, p. 6). According to Timmons (1999), in each situation it

depends on the mix and match of the key players and how promising the opportunity is. 'The group of entrepreneurs might collectively show many of the desired strengths' (Timmons, 1999, p. 220) and according to Bridge et al. (1998, p. 62) 'not always clear, but it appears to be connected with the view that network leads to a higher standard of living, which itself is desirable. Indeed, networking people and networking economies have become synonymous with successful people and successful economies'

Definitions of research factors/profiles

The questionnaire form is based on Barbara Prashnig's Working Style Questionnaire Form, Creative Learning Systems Ltd., New Zealand. It was further developed from Rita Dunn and Kenneth Dunn's Learning Style Model 'PEPS', or Productivity Environmental Preference Survey. In this research of the entrepreneurial networking process, the following characteristics were important: motivation, persistence, responsibility, and self-directedness (autonomy) are entrepreneurial characteristics found in the literature on entrepreneurship. Furthermore, the will to work with a partner/team/peer is important in the networking context, which is intended to develop in co-operation. Also, as argued in the literature on entrepreneurial learning, entrepreneurs like to learn by doing, they are listeners, and like visualising. It was important to investigate if this is because networking is dynamic, involves action, and is based on the co-operation. Finally it is important to investigate the information processing and thinking style networking needs to be innovative. Briefly, these elements were combined in the questionnaire by Barbara Prashnig.

The entrepreneurs responded to 112 questions/statements (Appendix 1.) according to their personal characteristics when concentrating, solving a problem, learning something new and/or difficult, or working on a project or job that is difficult for them. According to Prashnig, the key to a person's lifelong success is to know 'how she/he works, concentrates, thinks, absorbs and comprehends information, and the way she/he solves problems'. Prashnig's questionnaire includes the elements most frequently observed in the entrepreneurship literature on entrepreneurial success profiling. The entrepreneurial success profiles of the questionnaire are classified under the following 12 headings.

Motivation/self-starting

Motivation to excel is one of the behaviours and attitudes of entrepreneurs. They are highly motivated to excel in what they do. They are typically self-starters and appear to be driven internally to compete against their self-imposed standards. This was an important characteristic to measure in this study (see McClelland, 1961; Schumpeter, 1934/1962; Timmons, 1999).

Persistence

Another entrepreneurial factor is persistence, which is also a very typical entrepreneurial characteristic with regard to a very systematic working style. Persistence concerns beliefs about one's ability to perform at a high level, in other words, the extent to which people believe that they are able to accomplish the goals they set for themselves. People with a lot of persistence believe that they can perform at a high level and attribute their success to their personal skills. If people have a lot of persistence, they like to work from start to finish and see that things are completed. A degree of persistence is necessary for success (see Timmons, 1989).

Responsibility

Responsibility is one of the entrepreneurial success profiles, which means that entrepreneurs do what they have promised to do and always like to do what is considered right. They do not have to be reminded to do things and always take their duties seriously. They want to be reliable and do their best to keep their promises. Entrepreneurs feel a personal responsibility for the outcome with which they are associated. This willingness to accept responsibility for the outcome with the entrepreneurial network is closely related to success in entrepreneurial networking and it is therefore important to measure it (see McClelland, 1961; Timmons, 1999).

Autonomy/self-directed

Entrepreneurs are mostly self-directed and autonomy refers to independence from other people, of being in control of one's own destiny. Entrepreneurs have a strong desire to go it alone and want to be in control of their own work situation and therefore appreciate 'being one's own boss'. Entrepreneurs with a locus of control believe that success or failure are contingent upon one's own actions and predict a wide range of behaviours related to work and professional success. They prefer to work independently and like to work things out for themselves. Entrepreneurs believe that they personally make things happen in a given situation, and play down the importance of luck and fate. They make things happen; they make things not happen to them. Autonomy/self-directed was one of the entrepreneurial characteristics and important to measure (see McClelland, 1961; Schumpeter, 1934/1962).

Pair, team, peer

Entrepreneurs like to view themselves as part of a network or of a social group. They work better with another person present. They are more productive and get more done when they have a partner to work with. They like to share with a friend or co-worker. They enjoy working on group/team projects. They prefer working with a team or peer group to working alone. Being part of

a team enhances the quality of their work, effectiveness, understanding, and helps to achieve better results. These characteristics are the key factors to measure in the networking context, which is based on the collectivism approach (see Timmons, 1999).

Auditory (listening, talking/discussion, self-talk/inner dialogue)

Desire for immediate feedback is one of the behaviours and attitudes of entrepreneurs. They like to know how they are doing and are constantly looking for reinforcement. They have a strong desire to use this knowledge to improve their performance. This characteristic is also highly relevant to their desire to learn from their mistakes. Entrepreneurs are often described as excellent listeners and quick learners. Good collaboration in entrepreneurial networking is based on listening and dialogue, therefore this entrepreneurial characteristic needs to be measured (see McClelland, 1961; Timmons, 1999).

Visual (reading, seeing/watching, visualising/ imagination)

Entrepreneurs conduct their business from the possibilities of the future through their visions. Visualising and imagination are important characteristics of creative thinking and new venture creation in entrepreneurial networking and therefore it is also important to measure this characteristic (Sarasvathy, 1998, 2006; Timmons, 1999).

Kinesthetic (experiencing/doing, feeling/intuition)

Entrepreneurs learn through experience by doing. They like projects and assignments with physical activities or involvement in real situations. They possess the ability to combine existing ideas and resources in different ways thereby obtaining experience through experimental trial and error. They learn best by becoming involved – by doing, interviewing, experiencing, or reporting. Pacing, walking, and jogging enhance thinking. Positive feeling enhances the situation when solving problems, understanding, and remembering new material. This is one of the key elements to measure (see Sarasvathy, 1998, 2006).

Information processing, simultaneous (right hemisphere) versus sequential (left hemisphere)

Research into the working of the human brain shows that each hemisphere of the brain processes information differently and one side of the brain tends to be dominant over the other. The left hemisphere processes language, logic, and symbols and performs rational and logical functions. Entrepreneurs prefer tasks and topics that move in a logical sequence, contain plenty of detail with no diversions. The right hemisphere takes care of the body's emotional, intuitive, and spatial functions, and

furthermore operates non-rational modes of thought. People who use this hemisphere more like to enjoy life, they have humor, and a positive view of life. They need to have an overview before starting. The left hemisphere processes information in a step-by-step fashion, but the right hemisphere processes intuitively; that is, all at once, relying heavily on images. A person uses both sides, actually shifting from one mode to the other. Entrepreneurs will be those who coordinate the complementary functions of each hemisphere of the brain and therefore it is important to measure this (see Sarasvathy, 1998, 2006; Timmons, 1999).

Thinking style, spontaneous (right hemisphere) versus reflective (left hemisphere)

The left side of the brain is guided by linear, vertical thinking, while the right hemisphere relies on kaleidoscopic, lateral thinking. Left-brained vertical thinking is narrowly focused and systematic, proceeding in a highly logical fashion from one point to the next. Right-brained lateral thinking is somewhat unconventional, unsystematic, and unstructured, much like the image of a kaleidoscope, whirling around to form one pattern after another. It is the right-brain-driven, lateral thinking that lies at the heart of the creative process. Creative thinking is based on a vision and an imagination marked by lateral thinking. Entrepreneurs will be those who coordinate the complementary functions of each hemisphere of the brain, using all its creative power. Creative thinking is of great value in recognising opportunities, as well as in other aspects of entrepreneurship and therefore it is important to measure it (see Sarasvathy, 1998, 2006; Schumpeter, 1934/1962; Timmons, 1999).

Methodology

The methodological approach is a case study (Eisenhardt, 1989; Yin, 1989). According to Gummesson (1991), case study is to better understand complex phenomena such as change processes (Gummesson, 1993, p. 6). It is considered a suitable methodological choice because it enables the observation of the focal phenomenon in its natural context (Pettigrew, 1997) dealing with the activities of individuals (i.e. entrepreneurs) and organisations (networking process) over time. Cassel and Symon (1994, p. 209) and Hartley (1994, p. 227) state that the key feature of the case study approach is not method or data, but the emphasis on understanding processes as they occur in their social context. According to Hartley (1994) and Aaltio-Marjosola (1999), the strength of case studies lies especially in their capacity to explore social processes as they unfold in organisations. Case study research enables a holistic and meaningful characterisation of real life events and the research increases the understanding of complex social phenomena (Gummesson, 2000, pp. 86–87; Yin, 1989, p. 14). The case approach is particularly

appropriate in firms with one to two employees, in which it is important to understand individual-level behaviour (Davidsson, Achtenhagen, & Naldi, 2004; Ireland, Reutzel, & Webb, 2005) and the relationships involved in the networking process. This is the reason why case study was chosen as a research strategy. It enables the observation of the focal phenomenon over time in its natural context (Pettigrew, 1997; Yin, 1989).

In the case study, the combination of quantitative and qualitative evidence is often used as a methodology (Kanter, 1977). These methods were intended to explore success in the female entrepreneurial networking process. The question arises: What kinds of entrepreneurial success factors/profiles exist in the network? What are the individual experiences of success in the female entrepreneurial networking process? According to Welter and Lasch (2008), rigor is achieved by using mixed data techniques. The data were collected 'in a real organisational context' during a female entrepreneurial network research project 2006–2008 on the individual (= 25 female entrepreneurs) and the group (= network) level. The qualitative data were based on the semi-structured interviews during and at the end of the process. The qualitative data were recorded and transcribed. The sentences in quotation marks are direct citations of entrepreneurs from the interviews. The names of the firms and the individuals involved have been changed and coded, and some of the information that might compromise the anonymity of the participants or their firms has been edited. According to Gartner and Birley (2002), qualitative research can draw on sophisticated approaches and concepts.

The quantitative analysis was based on a system of 112 three-point scale ('agree', 'disagree', 'cannot say') questions/statements of 12 entrepreneurial success factors/profiles; 8 questions regarding motivation, persistence, responsibility, autonomy/self-directed, kinesthetic, information processing (simultaneous, sequential), and thinking style (spontaneous, reflective); 12 regarding auditory, visual; 16 regarding pair/team/peer. The questionnaire was based on Barbara Prashnig's Working Style Questionnaire Form, Creative Learning Systems Ltd, New Zealand, from which the success factors/profiles most frequently observed in entrepreneurship literature of entrepreneurial success factors were chosen (see Table 1)

The present study included two measures of entrepreneurial profiles, at the beginning of the entrepreneurial process in spring 2006 all participating entrepreneurs (25) responded and at the end of the process in autumn 2008 the remaining 20 entrepreneurs responded to the survey. Because of the different number of questions/statements, the weighting of responses was based on eight questions and analysed by quantitative methods; cluster analysis (CA) and principal component analysis (PCA) by Grid-Suite 4.0, frequencies by SPSS program, tables and

Table 1. Entrepreneurial success factors/profiles

Success factors/profiles	Motivation	Persistence	Responsibility	Autonomy	Pair/team/peer	Auditory	Visual	Kinesthetic	Information processing	Thinking style
Schumpterian	*			*			*	*		*
McClellandian	*		*	*			*			*
Timmonsian	*	*	*		*		*		*	*
Sarasvathian							*	*	*	*

graphs by Excel 2007, were all used to present the 'agreed' responses from the data from the period 2006 to 2008. Both CA and PCA provide similar information in most cases. The PCA provides indications of underlying structures and displays these graphically in coordinate systems. It goes beyond CA by further reducing the amount of information about the (correlative) relationships of the entrepreneurs and entrepreneurial profiles and expressing this more economically through principle components. Due to the higher abstraction from the raw data in PCA, the affiliation of the results to the raw data is no longer possible, as in CA.

Presenting more qualitative aspects of the phenomenon (in this case the network) was more to the forefront and the outcomes of the study have been more discussed. To improve the quality the same questions were reformulated at different phases of the project, which improves the quality of research (Niiniluoto, 1997). The case material was used to critically examine the quality of the research to increase the understanding of the phenomenon of interest.

Presenting the case study

The female entrepreneurial networking project started on 4 May 2006. It was funded by the Finnish Workplace Development Programme (TYKES) of the Ministry of Employment and the Economy, Finland. Various entrepreneurial associations were informed and entrepreneurs were asked to participate in this networking project. They were offered an opportunity to develop relationships and new services. All entrepreneurs who wanted to participate were welcome. They had to pay a participation fee of 50€ (US\$67.50). They all paid and committed themselves. In total, 25 female entrepreneurs wanted to work together and to build an entrepreneurial network. The project participants were mostly working alone and in the service sector. The entrepreneurs did not know each other. The project manager was the common link; she had encouraged entrepreneurs from different organisations to participate in the project. The goal was to build an entrepreneurial network for future co-operation. Firms had their size in common and other features associated with, or dependent on, size. They were in many other respects heterogeneous rather than homogeneous. These firms were at different developmental stages. They were in diverse phases of the life cycle; some of them were start-ups, some had been running for years. They were usually managed by one person, who was also the owner. Two of the firms were family firms and six of the firms were working as a team or through a co-operative. They came from different business branches; the network included, for example, business coaches, a dancer, health care professionals, and a renovator. They differed in experience, background, age, and education. All the other entrepreneurs were approached at the same time on

4 May 2006, but one entrepreneur started a firm in 2007 and joined the network in summer 2007. They were free to interact with all the participants; firstly, regularly in three small groups and later on in one big group including all participants. The meetings were organised 54 times during the 2-year period.

Research findings and discussion

The aim of this paper was to explore individual success in the female entrepreneurial networking process. The first stage of this research was to define success in the female entrepreneurial networking context. This, it was hoped, would serve to reveal the key elements, which, if not predictive, would facilitate an understanding of the key areas in the process of entrepreneurial networking that explore success in the female entrepreneurial networking process.

Cluster analysis (CA)

The CA was used to analyse the 'agreed' responses to the 112 questions/statements of the entrepreneurial profiles. Cluster analysis arranges the raw data automatically according to similarities and illustrates (Figs. 1 and 2) the similarity clusters in the dendrogram graphics (tree structures). In the dendrograms, shallow bends show a high degree of similarity between entrepreneurs (vertical number bar on the left, Figs. 1 and 2) or entrepreneurial profiles (horizontal number bar on the right, Figs. 1 and 2), and higher bends show a low degree of similarity. The clusters were built in GridSuite 4.0 program by the single linkage method, which uses the distance from the new value to the nearest value in the cluster, the nearest neighbor, as the measure of similarity. In spring 2006 the similarities of entrepreneurs was 89% at its highest and 67% at its lowest (Fig. 1), which is a very good result. The corresponding result of entrepreneurs in autumn 2008 was even higher; 89% at the highest and 69% at the lowest (Fig. 2). Based on these two results it could be said that the entrepreneurs had many similarities. Regarding the results of entrepreneurial factors in spring 2006, the similarities of entrepreneurial factors were 71% at the highest and 35% at the lowest (Fig. 1). In autumn the corresponding results were 64% at the highest and 43% at the lowest (Fig. 2). In conclusion, it can be stated that in the CA many groups/clusters of entrepreneurs were identified who displayed great similarity to each other. Among entrepreneurial factors many groups/clusters with great similarity were also identified.

Principal component analysis (PCA)

The PCA provided indications for underlying structures and displayed these graphically in coordinate systems of these 'agreed' responses to the 112 questions/statements of the entrepreneurial profiles. The PCA calculated the similarities and differences of the targeted entrepreneurs

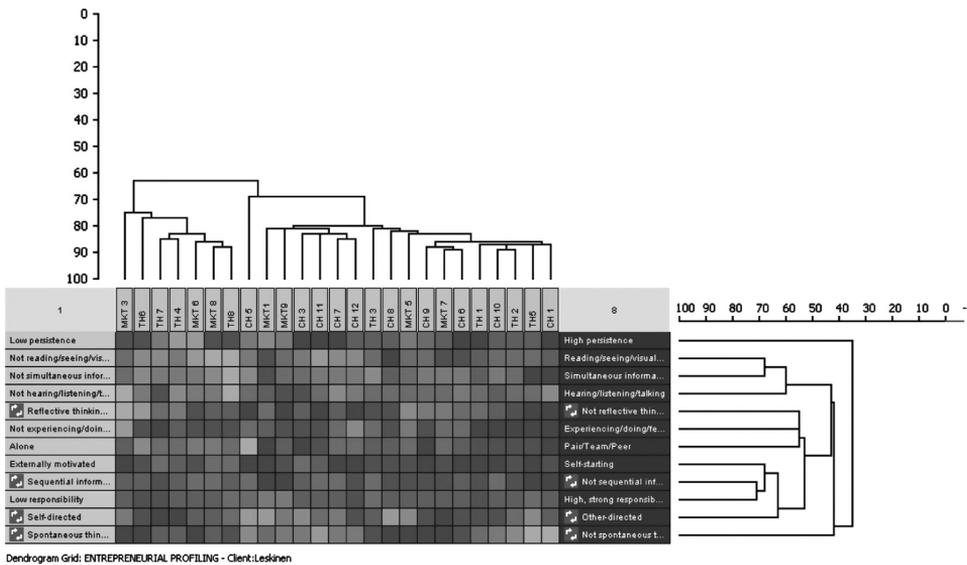


Fig. 1. Dendrogram, spring 2006.

and entrepreneurial profiles and expressed this through principle components (Figs. 3, 4, and 5). In addition to the correlative relationships between the entrepreneurs and entrepreneurial profiles, the relationships to these coordinate axes were also calculated. These axes are a mathematical orientation aid, which can be compared to reference points used for orientation in the measurement of different locations on a site. The axes relate the variables (e.g. entrepreneurs and entrepreneurial profiles) to each other. The coordinate system shows two components. In addition to the number of components, the percentage value of the variance explained by these components is shown at the end of the axis at the top and to the right. In the coordinate system the entrepreneurial profiles and entrepreneurs are mapped out together. The entrepreneur notations are directly beside the points, and the notations of the entrepreneurial profile are in the margins of the graph. The coordinate systems (Figs. 3, 4, and 5) show the PCs in spring 2006 and in autumn 2008. The coordinate system (Fig. 3) presents the variance of components one and two, where in spring 2006 these two components explained 44.61% of the distribution of the variables and in autumn 45.17% of the distribution of the variables. In the coordinate system (Fig. 4), the variance of components one and three are presented, which in spring 2006 explained 40.65% of the distribution of the variables and in autumn 43.24% of the distribution of the variables. In the coordinate system (Fig. 5), the variance of components two and three is presented, which in spring 2006 explained 35.52% of the distribution of the variables and in autumn 33.47% of the distribution of the variables. As a conclusion, the

variance of components one and two (Fig. 3) explains best the distribution of the variables.

Frequencies of entrepreneurial success factors

A frequency report and bar chart show (see Tables 2–4) the distinct values in ascending order by frequencies and the distribution of the entrepreneurial factors.

Motivation, persistence, responsibility, self-directed

The first output of entrepreneurial profiling (Table 2) shows that, in 2006, 84% (19/25) agreed with six statements out of eight on self-starting and own motivation while 100% of 25 entrepreneurs agreed with at least five statements on own motivation. The value for the comparison from 2008 was 75% (15/20), while 25% (e.g. 5/20) agreed with three to five statements out of eight. These statements suggest that most of these entrepreneurs were strongly self-starting and had own motivation. Secondly, from the output it can be seen that, in 2006, 68% (17/25) agreed with six statements out of eight about persistence. The value for comparison from 2008 was 35% (7/20) statements out of eight. Based on these statements, most of these entrepreneurs were decidedly persistent. Thirdly, the output shows that, in 2006, 80% (20/25) agreed with at least six statements out of eight about responsibility and all 25 entrepreneurs agreed with at least four statements about responsibility. The value for comparison from 2008 was 95% (17/20) while 5% (3/20) agreed with three statements out of eight. According to these statements, most of these entrepreneurs were highly responsible. Fourthly regarding autonomy, the output shows that, in 2006, 32% (8/25) agreed with at least five

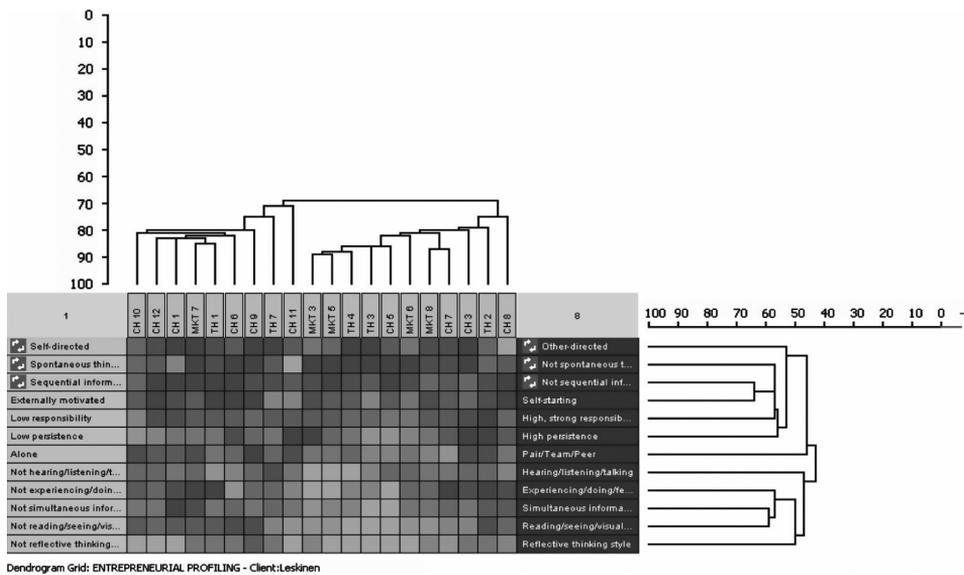


Fig. 2. Dendrogram grid, autumn 2008.

statements out of eight on self-direction and 12% (3/25) did not answer. The value for comparison from 2008 was that only 5% (i.e. one entrepreneur) ‘agreed’ with all eight statements and the other responded ‘agreed’ with under five statements on self-directedness. To conclude, these entrepreneurs in the female networking process were well motivated, had good persistence, high responsibility, and some of them like to be self-directed.

Pair/team/peer, auditory, visual, kinesthetic

From the second output of the entrepreneurial profiling (Table 3) it can firstly be seen that, in 2006, 56% (14/25) agreed with at least six statements out of eight about collectivism and had a desire to work in a pair, in a team, or/and had a peer. The value for comparison from 2008 was 40% (8/20). According to these statements, most entrepreneurs want to work with a partner, have a team, or a peer. Secondly the output (Table 3) shows that, in 2006, 60% (15/25) agreed with at least five statements out of eight about the auditory modality as a sensory modality. The value for comparison from 2008 was 45% (9/20). Based on these statements most of the entrepreneurs have a strong auditory modality as a sensory modality, which means that they are good listeners. Thirdly the output (Table 3) shows that, in 2006, 56% (14/25) agreed with at least five statements out of eight about the visual modality as a sensory modality. The value for comparison from 2008 was 45% (9/20). According to these statements most of the entrepreneurs also

have a strong visual sensory modality. They like visualising. Fourthly the output (Table 3) shows that, in 2006, 88% (22/25) agreed with at least five statements out of eight about the kinesthetic as a sensory modality. The value for comparison from 2008 was 65% (13/20). Based on these statements most of the entrepreneurs are decidedly kinesthetic, which means that they are oriented to learning by doing and action. To conclude, the entrepreneurs in the female network like to work with the pair/team/peer, are good listeners, like visualising, and learn by doing.

Information processing, thinking style

The output (Table 4) shows that, in 2006, 40% (10/25) agreed with at least five statements out of eight about simultaneous (right hemisphere) information processing. The value for comparison from 2008 was 35% (7/20). According to these statements about half of the group had strong simultaneous information processing capability. Secondly the output (Table 4) shows that, in 2006 none of the 25 agreed with more than five statements about sequential (left hemisphere) information processing. All (25/25) agreed with at least one to four diverse statements out of eight about sequential information processing. The value for comparison from 2008 was the same with one to four statements and none agreed with more than four statements. Based on these statements, some of the entrepreneurs have low sequential information processing capability. Thirdly the output (Table 4)

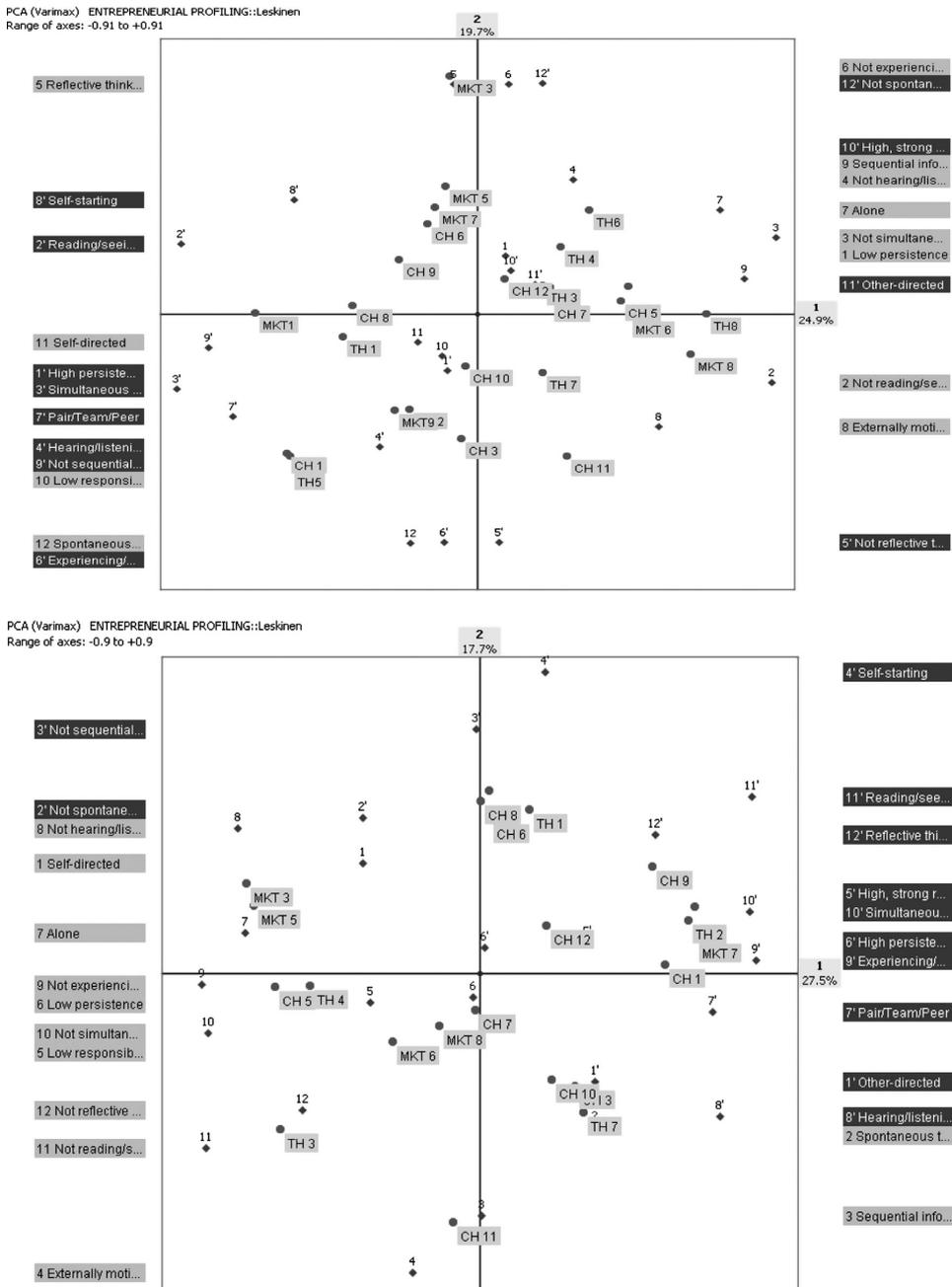


Fig. 3. Principal components 1–2, spring 2006 and autumn 2008.

shows that in 2006, 40% (10/25) agreed with at least six statements out of eight about spontaneous (right hemisphere) thinking style. The value for comparison from 2008 was 10% (2/20). Based on these statements some of

the entrepreneurs were highly spontaneous. Fourthly the output (Table 4) shows that in 2006, 24% (6/20) agreed with at least five statements out of eight about the reflective (left hemisphere) thinking style. The value for

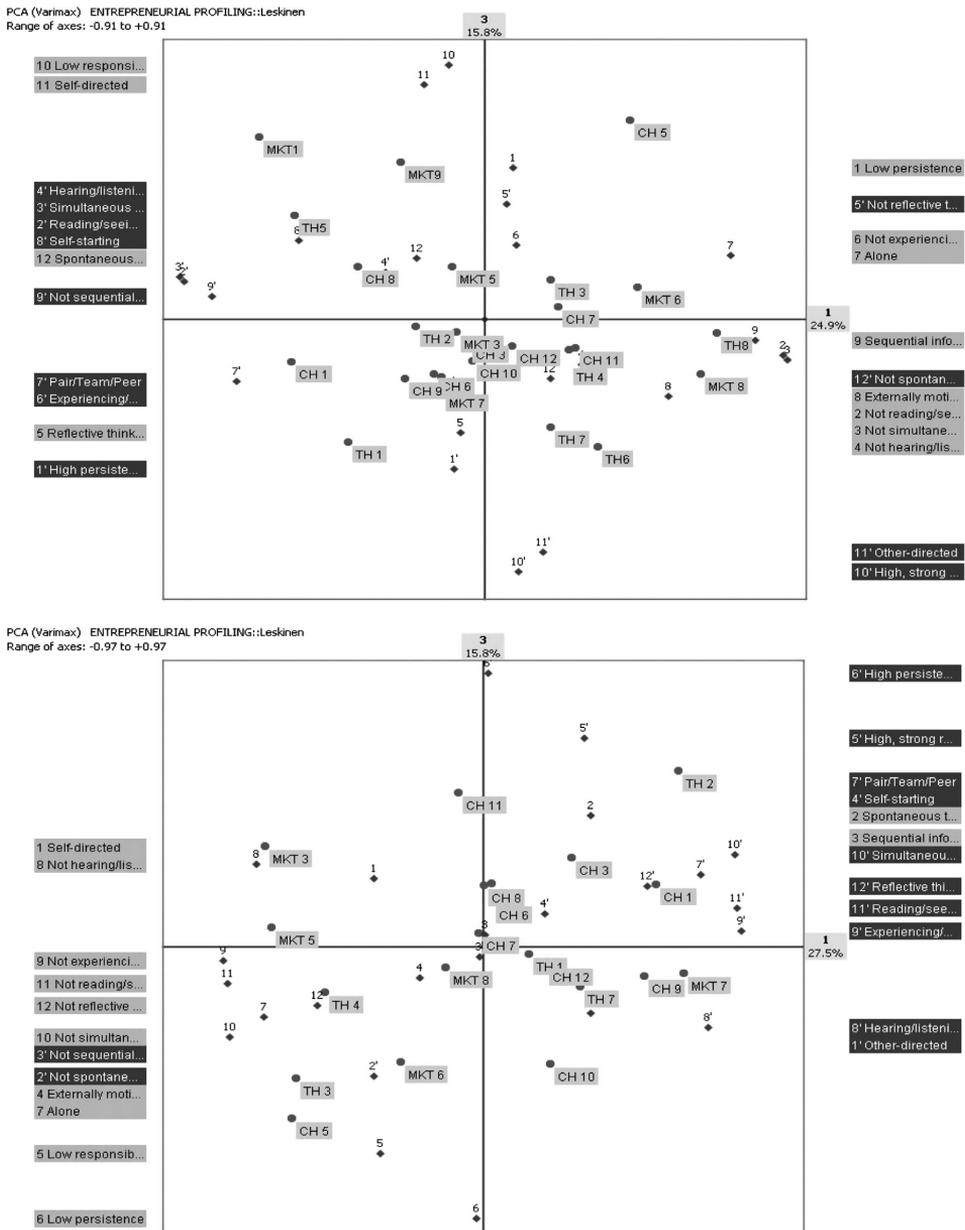


Fig. 4. Principal components 1–3, spring 2006 and autumn 2008.

comparison from 2008 was 5% (1/20). According to these statements some of the entrepreneurs were reflective in their thinking style.

As a conclusion the results of the survey indicate that entrepreneurs were self-starting, had own motivation, had a lot of persistence, and were very responsible, which

are all typical characteristics for an entrepreneur (see McClelland, 1961; Timmons, 1999). Some of the entrepreneurs agreed that they were self-directed and liked autonomy, which has been studied by Schumpeter (1934/1962). Regarding the pair/team/peer factor, most of these entrepreneurs agreed with the statements and wanted to

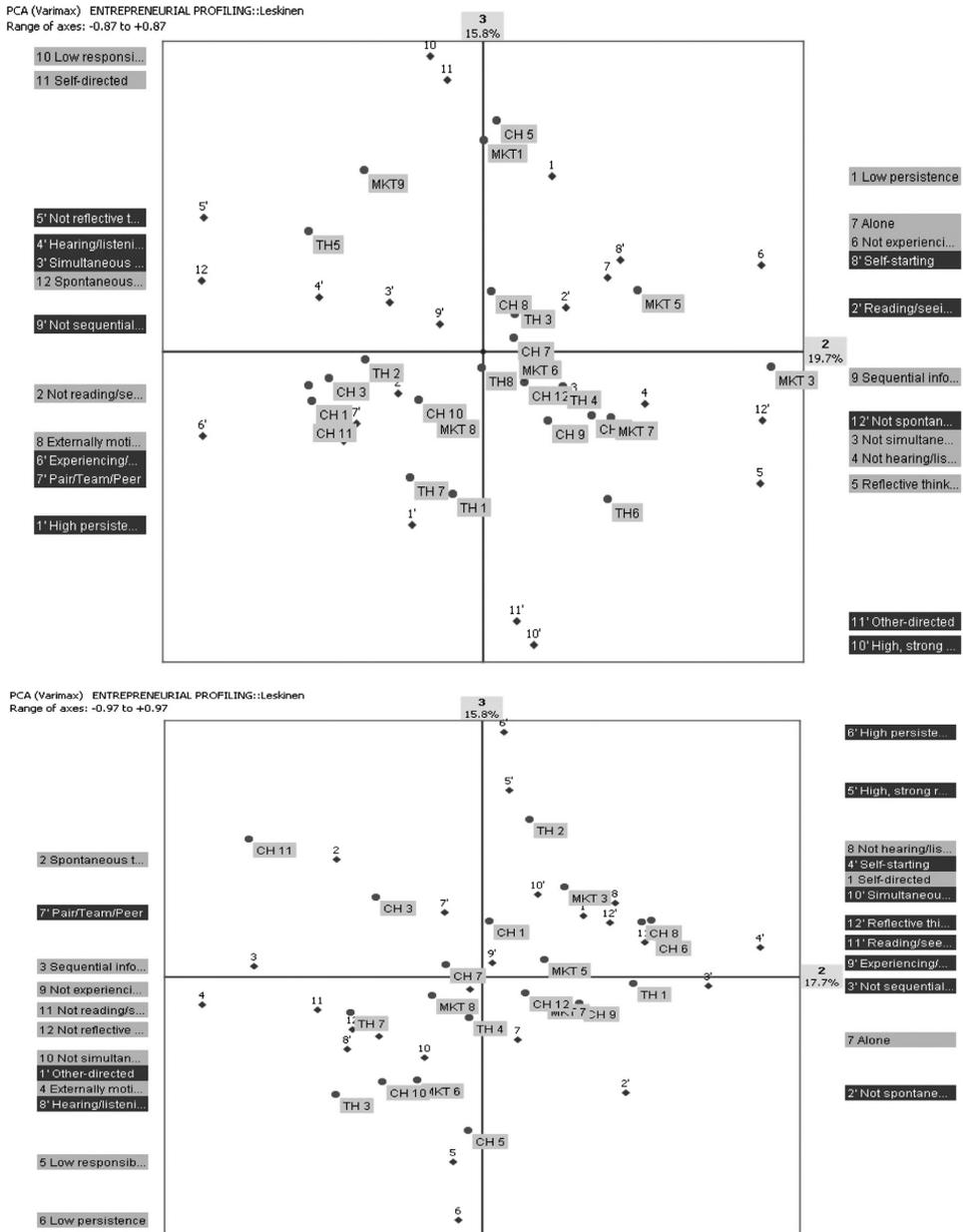


Fig. 5. Principal components 2–3, spring 2006 and autumn 2008.

work with a partner, have a team or peer instead of being alone, which is necessary and natural in the networking collaboration and context. The auditory profile/factor suggests that they are good listeners and also like discussion. They have a strong visual profile/factor and like visualising. The entrepreneurs had a strong kinesthetic profile/factor. Regarding the information proces-

sing and thinking style, it could be stated that the entrepreneurs had more simultaneous information processing ability and were more spontaneous than sequential and reflective as also characterised by Sarasvathy (1998, 2006). The results of the entrepreneurial profiles/factors indicate that the entrepreneurs of the networking process had good chances of success in the networking

Table 2. Frequencies of motivation, persistence, responsibility, and autonomy 2006 and 2008

Valid	Motivation				Persistence				Responsibility				Self-directed			
	2006		2008		2006		2008		2006		2008		2006		2008	
	Frequency	%	Frequency	%	Frequency	%	Frequency	%	Frequency	%	Frequency	%	Frequency	%	Frequency	%
0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	-	-	-	-	2	8	3	15	-	-	-	-	6	24	5	25
3	-	-	3	15	1	4	2	10	-	-	1	5	5	20	3	15
4	-	-	1	5	4	16	6	30	2	8	2	10	3	12	3	15
5	4	16	1	5	1	4	2	10	3	12	4	20	3	12	2	10
6	2	8	6	30	7	28	2	10	15	60	9	45	3	12	-	-
7	9	36	4	20	4	16	1	5	5	20	3	15	2	8	-	-
8	10	40	5	25	6	24	4	20	-	-	1	5	-	-	1	5
Total	25	100	20	100	25	100	20	100	25	100	20	100	25	100	20	100

Table 3. Frequencies of pair/team/peer, auditory, visual, and kinesthetic 2006 and 2008

Valid	Pair/team/peer				Auditory				Visual				Kinesthetic			
	2006		2008		2006		2008		2006		2008		2006		2008	
	Frequency	%	Frequency	%	Frequency	%	Frequency	%	Frequency	%	Frequency	%	Frequency	%	Frequency	%
0	-	-	-	-	1	4	1	5	-	-	1	5	-	-	3	15
1	1	4	-	-	1	4	2	10	2	8	2	10	-	-	-	-
2	-	-	1	5	-	-	1	5	2	8	6	30	1	4	1	5
3	1	4	4	20	3	12	3	15	4	16	2	10	1	4	3	15
4	2	8	5	25	5	20	4	20	3	12	-	-	1	4	-	-
5	7	28	2	10	10	40	8	40	8	32	2	10	5	20	5	25
6	5	20	2	10	2	8	1	5	2	8	4	20	2	8	1	5
7	5	20	5	25	3	12	-	-	3	12	3	15	9	36	3	15
8	4	16	1	5	-	-	-	-	1	4	-	-	6	24	4	20
Total	25	100	20	100	25	100	20	100	25	100	25	100	25	100	25	100

Table 4. Frequencies of information processing and thinking style 2006 and 2008

Valid	Information processing simultaneous/right brain				Information processing sequential/left brain				Thinking style spontaneous				Thinking style reflective			
	2006		2008		2006		2008		2006		2008		2006		2008	
	Frequency	%	Frequency	%	Frequency	%	Frequency	%	Frequency	%	Frequency	%	Frequency	%	Frequency	%
0	-	-	1	5	3	12	5	25	3	12	6	30	5	20	5	25
1	1	4	1	5	1	4	4	20	4	16	4	20	1	4	4	20
2	-	-	1	5	8	32	5	25	3	12	3	15	4	15	2	10
3	4	16	2	10	6	24	3	15	3	12	3	15	5	20	3	15
4	10	40	8	40	7	28	3	15	2	8	2	10	4	16	5	25
5	5	20	3	15	-	-	-	-	4	20	-	-	3	12	1	5
6	2	8	2	10	-	-	-	-	2	8	1	5	1	4	-	-
7	1	4	1	5	-	-	-	-	1	4	-	-	1	4	-	-
8	2	8	1	5	-	-	-	-	2	8	1	5	1	4	-	-
Total	25	100	20	100	25	100	20	100	25	100	20	100	25	100	20	100

process, they were well motivated, had good persistence, high responsibility, liked to work with a pair/team/peer, and learn in action. They are creative and have a holistic view.

Success as individual experiences of entrepreneurs

As the above results indicated, there were good chances for success in the female entrepreneurial networking process when considered through entrepreneurial profiling. Now we focus on the individual experiences of success in the female entrepreneurial networking process. At the end of the networking process 21 out of 25 female entrepreneurs were interviewed. Six entrepreneurs had changed status and were no longer entrepreneurs. The entrepreneurs were interviewed on how networking had succeeded and how networking had benefited the interviewee as an entrepreneur and also her firm. The results of 15 interviews with entrepreneurs indicate that individual success in the female entrepreneurial networking of firms of one to two employees was very personal and intimate. It was experienced (see Table 5) as collegial/peer support, encouragement, networking created channels, and opportunities for entrepreneurs. New products and contacts were developed and resources became available. Learning and new tools to handle entrepreneurship were identified. The female entrepreneurial networking process also enhanced well-being in life.

During the networking process three small networks (e.g. nets) were built, including nine entrepreneurs (TH1, TH2, TH4, TH6, TH7, TH8, CH11, CH12, MKT7). Two of these networks, including five entrepreneurs, engaged in business and co-operation in the health care business, the third net (Brawonet) included entrepreneurs from diverse business areas; one renovator, one dancing teacher, and two business coaches. The two health care net operated in the traditional health care business, mainly offering services to private customers. The third net (Brawonet) was the most innovative and developed new, innovative well-being services for companies. At the end of the process these four Brawonet entrepreneurs expressed themselves as follows:

In the beginning I could not imagine that just we four are starting to co-operate, but this diamond took two and half years to be crystallised. (Brawonet Group Interview, August 2008)

The role of individual success in the female entrepreneurial networking process was especially important for the nine entrepreneurs who continued to have a business relationship after the experimental networking project. It was realised at the end of the networking process when four entrepreneurs made an agreement on future co-operation that it was firmly based on good motivation, responsibility, and persistence, which enhanced the co-operation of the network.

Table 5. Entrepreneurial experiences

Support and encouragement

'I have a picture of others' experiences and work and it helps me to go forward'. MKT3, 6.11.2008

'[T]o listen to others' experiences about entrepreneurship, especially women's ... especially from diverse business areas, we have got a lot of help, in many kinds ... this has been important from many perspectives, I wonder, how we could have managed our situation without this project. We met nice people and types on this journey, we saw the same kind of problems, and in the same way it is good to stop for a while just to listen to the guidance and advice'. TH2, 28.10.2008

'It supports my work. It relieves you when you are solving some problem alone'. TH3, 21.10.2008

'[O]n the other hand it brings the joy of being an entrepreneur, because this network, which is together now, we have quite a good sense of humor, and in my opinion, we have very nice meetings, and therefore in many different ways it enhances entrepreneurship and the firm's operation, too'. CH11, 16.10.2008

'[I]t is the peer support, and it is the sharing of the work, but then it is the mental side too and free days. It is very important to share your experiences and knowledge and to get information, for example, on the phone, if you do not have time to meet face-to-face. One knows something and the other one something else ... so it is the information, knowledge and skills sharing, it is question about'. TH7, 13.11.2008

'And it is the sharing, you can discuss with somebody who has the same kind of problems with her health and this kind of things ... and it helps a lot that we can share and inspire each other and enhance intellectual capital with each other, because it helps you with your own firm and working alone'. TH1, 31.10.2008

'It brings new perspectives and you learn diverse small things, which you have not thought about earlier, ... like accounting or other kinds of small hints. When we are working alone, somebody has got an idea, and you share the idea or information ... and when you have a certain community, there is also its social side and not only the formal side of the network, but the support'. TH12, 23.10.2008

'Absolutely, it is important, to join and discuss with other people about the same kinds of matters, experiences and well-being, and networking that you can share your own things and ideas, can work together, develop common activities together'. CH6, 24.10.2008

Products, resources, and so on

'[I]t is co-operation, new channels, and opportunities and perhaps well-being in the life'. TH2, 28.10.2008

'I will have different activities, because jointly developed new products give new color to the product palette, probably the clientele will be extended and diversified'. CH, 11.16.10.2008

'Co-operation, new products, co-operation both joy and opportunity as well as productivity, but when you are working alone as an entrepreneur, you feel lonely and therefore it is hard, when you must make all decisions alone ... it is sharing ... there must be the intellectual side and not just running after money. What I mostly wish, is the intellectual side and then the money comes in sight when we take care of good co-operation, everybody is well, we can share and develop ourselves and develop together'. TH1, 31.10.2008

'More products for the firm ... and diversity for me as an entrepreneur, that I can get away from the heaviest work. It is nice, that there are both sides, I can do various kinds of work, and it would be really nice'. MKT7, 24.10.2008

Contacts, learning, and other benefits

'Channels first of all and co-operation with diverse people and tools to handle entrepreneurship and by listening [to] other people's experiences of diverse problems and success stories, you understand entrepreneurship better, and it is not always necessary to experience the most difficult way by yourselves and it is nice to realise that other people have the same kind of experiences'. TH, 28.10.2008

'[W]hat we have done until now, has enriched my life a lot ... and as an entrepreneur I learn from the other entrepreneurs, so it will benefit me, and this peer support and peer learning'. CH11, 16.10.2008

'Networking is always good. The more you know [about] other entrepreneurs, the more it benefits you. If we think, that I need new customers all the time, by networking, when you have relationships, you can get new customers with the help of other entrepreneurs. You can also make common orders in co-operation'. TH1, 31.10.2008

'We had an opportunity to meet and discuss and reflect our own ideas with other entrepreneurs' experiences and in that way learn and get new ideas, which can be tried out'. CH6, 24.10.2008

'Contacts, professional support and some kind of empowering and visioning, for that kind of things network is quite a good tool'. CH10, 17.11.2008

Well-being

'I enjoy, get new ideas, support and learning for myself as an entrepreneur'. CH11, 16.10.2008

'I believe that if I had been alone, as a craftsman, now when I have been an entrepreneur already for 8 years, it has given me a lot of energy, positive support, peer support, which enhance well-being as an entrepreneur'. TH7, 13.11.2008

'[I]t is my own well-being, it is a benefit and then also customers, when there are channels. When we are there at the moment, we also have three channels, and one large common channel. And the sharing of the work'. TH7, 13.11.2008

'It is the intellectual side, which is sharing, that enhances well-being. ... it is important to maintain the inspiring spirit, which enhances well-being and that we have got during the last days a lot'. TH1, 31.10.2008

Conclusions

This study focused on success as individual experience and from entrepreneurs' point of view in the female entrepreneurial networking process. My initial assumption was that the networking process in the female entrepreneur context and from an individual's point of view is rare; there is a lack of research on success in the female networking context, where entrepreneurs' individual experiences and personal profiling are considered as success factors. The aim of this study was to explore the key individual success of the female entrepreneurial networking process.

Networks are recognised by entrepreneurs and networking activity is dependent on entrepreneurs' ability to co-operate and to maintain interdependent relations. The success of the female entrepreneurial networking process is primarily based on relationships of entrepreneurs, who in this research are characterised as follows: they possess motivation, persistence, responsibility, autonomy, a preference for working with a pair/team/peer, auditory modality, visual modality, kinesthetic modality information processing (simultaneous vs. sequential), and thinking style (spontaneous vs. reflective). Entrepreneurial success profiles refer to the characteristics and elements by which network members influence each other, the network as a whole to improve the network relationship, and the success of the entrepreneurial networking process. Success in the female entrepreneurial networking process, in turn, is defined as the extent to which an individual entrepreneur experiences success and benefits in the networking process. This research took a case study approach, since it seemed an appropriate method to pursue the research aims based on a Finnish networking project during the period 2006–2008 funded by the Finnish Workplace Development Project (TYKES). The case data consists of interviews with 21 entrepreneurs as well as the data from a survey with 112 questions/statements administered to 25 (spring 2006) and 20 (autumn 2008) female entrepreneurs. The findings on entrepreneurial factors/profiles suggest that the entrepreneurs in the networking process had many characteristics in common and the network had a good chance of success in the networking process. In most networks, the ultimate test of success is growth in sales, in employment, in profitability, and/or in productivity, or economic-increased efficiency, lower costs, and improved ROI. In the female entrepreneurial network, other more qualitative factors are equally important. The findings of the individual experiences of success in the female entrepreneurial networking process were very personal and intimate. Female entrepreneurs experienced peer support, encouragement, and networking that created new channels and new opportunities. New products and contacts were developed and resources became available. Learning and new tools to handle entrepreneurship were identified.

The female entrepreneurial networking process enhanced well-being in life, too.

A team or a group of individuals plays a central role in the female entrepreneurial network. The network provides a shared context where individuals can interact with each other and engage in the constant dialogue on which effective reflection depends. Individuals create new points of view through dialogue and discussion. They pool their information and examine it from various angles. Eventually they integrate their diverse individual perspectives into a new collective perspective by combining their activities in the networking process to produce new services. Success in entrepreneurial networking can enable a higher standard of living for female entrepreneurs, which itself is desirable. Networking female entrepreneurs can become synonymous with successful people and successful economies depending on how they have experienced the networking and what their individual experiences are of success in the female entrepreneurial networking process.

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Appendix 1.

Factors/profile

1. Motivation/ self-starting	<p>I enjoy trying new things and often seek new opportunities.</p> <p>I feel motivated after successfully completing a project at work. It's important to me that I am successful at my job. I find on-the-job training stimulating and always want to learn more. I'd rather do other things than be at work. It really doesn't matter to me or anyone else how well I do at my job. My work and/or job training do not really motivate me. Learning new skills or leisure activities does not really interest me.</p>
2. Persistence	<p>Once I start a task, I like to work from start to finish and see that it's completed. I make every attempt to follow through with each one of my tasks, even when they are difficult. I prefer to work systematically and no one has to remind me to get my work done. I don't like to stop in the middle of one task to start working on a new one. I always have trouble completing difficult tasks at work. I generally finish most of my work, but someone has to push me to do it. I always procrastinate, hoping I won't have to finish certain tasks. When I take breaks, I usually get distracted and often fail to return to my original task.</p>
3. Responsibility	<p>I always like to do what's considered right. I don't have to be reminded to do things and always take my duties seriously. If I make a mistake, I usually apologise and try to correct it immediately. I am a reliable person and do my best to keep my promises. There are other things more important to me than working or learning new things. I often don't keep my promises, regardless of people's expectations or consequences. I don't always do the 'right' thing and often can't be bothered to correct my mistakes. As a child, learning was not very important to me, and it still isn't.</p>
4. Self-directed	<p>I prefer to receive clear directions before I start something, and tend to follow them closely. For difficult tasks, I need clear guidelines or a framework, then I know what to do. I like to be told exactly how to do something, when, and where to begin. If I get instructions in advance, I have no trouble finishing a task. I prefer to work independently and like to work things out for myself. I usually figure out how to get things done without instructions. I do not like receiving help or being told to how do something. If I am unable to finish something, I reluctantly ask for directions and then try to complete it myself.</p>
5. Pair/team/peer	<p>I work or concentrate better with another person present. I am more productive and get more done when I have a partner to work with. I learn more and work faster if I have someone else to exchange ideas with. I like to share ideas, or what I've learned, with a friend or co-worker. I enjoy working on team projects. I prefer to work with a team or committee instead of working alone. Being part of a team enhances the quality of my work, my effectiveness, and insight. Working or learning with a team helps me to achieve better results. When working in a group, I find that we all help each other. Interacting with people of similar interests improves my comprehension and learning. I prefer to develop new ideas with members of a peer group, often without a leader. I am most effective in my work or study when I can relate to colleagues, friends, or like-minded people.</p>
6. Auditory	<p>I remember best by listening or discussing. I can absorb a lot of information by just listening to an audio tape or a radio report. I really like lectures and recall information well if someone reads it to me. My comprehension improves when someone talks to me and I learn a lot from listening. I remember best when I can explain to others what I have learned, read, or heard. Talking out loud helps me to organise my thoughts.</p>

	<p>I love debating and enjoy participating in discussion groups.</p> <p>For better understanding, I need to talk things over with someone else.</p> <p>I understand difficult concepts more easily if I can talk them over in my head.</p> <p>By talking to myself I often find solutions to my problems.</p> <p>When I worry, I always have a lot of negative self-talk going on in my head.</p> <p>I tend to say the words in my head when I am reading.</p>
7. Visual	<p>I remember best by reading or seeing information written down.</p> <p>I prefer computer programs with words, graphs, and flowcharts.</p> <p>I like books and task descriptions with clear, precise text, and instructions.</p> <p>I enjoy solving crossword puzzles and/or word games.</p> <p>I remember best by watching a television programme, video, or movie.</p> <p>I really enjoy computer programs with graphics, pictures and colours.</p> <p>Doodling helps me to remember what I hear.</p> <p>I like to sketch, draw charts, and symbols when working on a new project.</p> <p>I can understand difficult concepts more easily when I visualise them.</p> <p>I tend to create images in my mind when I worry.</p> <p>When I have to solve a problem, it is easier for me if I imagine the outcome.</p> <p>Picturing what I have heard, seen, or read helps me to remember and understand new information better.</p>
8. Kinesthetic	<p>I like work that requires me to be out of the office.</p> <p>I prefer projects with physical activities or involvement in real situations.</p> <p>I learn best by getting involved – by doing, interviewing, experiencing, or reporting.</p> <p>I often do my best thinking when pacing, walking, or jogging.</p> <p>I remember best when I feel positive about the material I am dealing with.</p> <p>Often I understand new material by how I feel about it.</p> <p>I prefer to solve problems or make decisions based on my intuition.</p>
9. Information processing	
Simultaneous/right brain	<p>I like to have an overview or know the reasons and goals before I start.</p> <p>My comprehension is better when I get a summary right at the beginning, then concrete examples, and when I feel good about the task at hand</p> <p>I prefer people who have a sense of humour and a positive view on life.</p> <p>I tend to browse through a magazine or newspaper backward, often read the end of a book first, and then decide whether it's worth reading.</p>
Sequential/left brain	<p>I prefer tasks and topics that move in a logical sequence, contain plenty of details, and avoid sidetracking.</p> <p>I like details and benefit most from analysing information.</p> <p>I prefer people who stay on task, are serious, and don't fool around.</p> <p>I always start at the beginning of a book or magazine, rarely dip into the middle, and/or look at the end first.</p>
10. Thinking style	
Spontaneous/right hemisphere	<p>I am a quick thinker and get bored if I have to reflect on things for too long.</p> <p>People tell me that I make snap decisions.</p> <p>Most of the time I don't really think before I speak, make a decision, or take action.</p> <p>In conversation, I often interrupt and sometimes have the answer even before the question is asked.</p>
Reflective/left hemisphere	<p>For better understanding, I need to think first and I prefer to consider all options before I make a decision.</p> <p>I usually don't make snap decisions.</p> <p>I always think about the consequences before I take action.</p> <p>When I respond to questions I have to think about the answers first.</p>

The aim of this research is to deepen the understanding of the dynamics of individual and collective processes as well as their interaction and dialogue during the entrepreneurial networking process. The dissertation is based on the entrepreneurial networking project during the period 2006-2008 on 25 firms operating on the service market. The dissertation brings the human behavioural approach to the networking process research, developing and refining entrepreneurial networking process frameworks. The dissertation is a description of the entrepreneurial networking process in the interplay of entrepreneurial profiling and organizational factors (dialogue, trust and commitment). It describes a new concept e.g. the entrepreneur as human actor in the networking process investigating the factors (dialogue, commitment, trust), learning and innovation through dialogue and the success in the female entrepreneurial networking process.



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