

HH Sheikh Nasser  
al-Mohammad  
al-Sabah  
Publication Series

**Globalisation Effects on  
Networks in the GCC:  
Exploring Entrepreneurial  
Networks in Kuwait**

Nada S. al-Mutawa

Number 10: March 2014



## About the Author

Dr Nada S. al-Mutawa is Head of the Strategic Division at the Center of Gulf and Arabian Peninsula Studies at Kuwait University. She received her BA from Kuwait University in the field of economics, and completed her Masters and PhD in the field of international studies at KU. She has also since completed an MBA from Maastricht School of Business in the Netherlands. She is a board member of the Young Arab Leaders Association (YAL) and author of several scholarly works, including *Education and the Requirements of the GCC Labor Market* (Abu Dhabi: Emirates Center for Strategic Studies and Research, 2011).

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# Globalisation Effects on Networks in the GCC: Exploring Entrepreneurial Networks in Kuwait

Nada S. al-Mutawa

## Outline

Although this paper's focus is women business networks in the Gulf state of Kuwait, it locates the discussion in the broad field of globalisation studies, which can usefully be defined as the flow of trade, capital and people across frontiers, facilitated by different kinds of infrastructure, as well as forms of interconnectedness. As globalisation is increasing the dependency on economic actors and policy makers in a world of rapidly growing businesses that are reshaping the global arena, it is believed that scarcity of networks and lack of direct access to resources, information and support are barriers that many business encounter and women entrepreneurs face them more acutely. An important form of interconnectedness lies within the formation of networks of all types, where global, regional and local business networks have become hubs for entrepreneurs, particularly in Kuwait. Networks are rapidly growing in Kuwait, some are initiated in order to increase financial abilities of women and an example of that is Alghalia women network which was established in 2010 and membership is for women and by invitation only. Its mission is to create financial awareness amongst women in Kuwaiti society. Another is 'Proud to be Kuwaiti', a women and men entrepreneurial network, as well as Kuwait economic society female business network and other emergent networks. Yet, in spite of the growth in number of such networks, women entrepreneurs still face barriers. This research focuses on women entrepreneurs networking within local business networks. It uncovers various characteristics of networks, and through qualitative analysis, the reasons behind joining networks, barriers encountered and benefits gained. It does this through in-depth interaction with sixteen women entrepreneurs who are members of major networks.

The research examines motivations behind women who join networks, the barriers women entrepreneurs face while networking, as well as benefits gained through different business stages. Findings in this study include an overview of network characteristics, and such important issues as the 'key' drivers for women to join networks. In a nutshell, the drivers are the need for accurate and reliable information concerning how to start a business, followed by the urge to achieve and succeed, and the need for support. As far as barriers that women entrepreneurs face while networking are concerned, these barriers are arguably time constraints due to family responsibilities and the lack of copyright process to protect their innovations and products.





## Introduction

Arguably, there are many ways individuals correspond to the forces of globalisation, be these cultural, economic, or technological. Today networks are seen by many researchers as tools of interconnectedness. In the Gulf Cooperation Council countries (GCC), where rapid political and economic change is taking place, networks are fast-emerging. The objective of this research is to examine the role of women networking as members of emerging business networks in Kuwait. For the purposes of this research, two major networks were chosen, which mainly include women entrepreneurs as members. 'Network A' is a business network that mainly includes women entrepreneurs as small and medium size business owners, and 'Network B', which is a women only network that includes female small and medium size business owners who are working under the umbrella of an NGO.

With the rising importance of entrepreneurs in the emerging economies of the world, researchers believe that scarcity of networks and lack of direct access to resources, information and support are barriers that women entrepreneurs face when entering into the world of business.<sup>1 2</sup> Since networks are believed to facilitate entrepreneurs' efforts in accessing resources and information, this study investigates the operation of networks in Kuwait. It focuses on two particular networks. The researcher has tried to find answers to the key issues affecting Kuwaiti business women, a field of inquiry uniquely characterised by scarcity of research. The key questions are: what is it that motivates women entrepreneurs to join networks? And related to this, which barriers do women entrepreneurs face while networking, as well as what the benefits that are to be gained from networking in the life cycle of a business? The paper investigates motivations behind women entrepreneurs joining networks, and tries to explore these networks' characteristics, in terms of gender balance, diversity, trust, size, culture, density and ties. Studies show that in spite of the fact that networks may contribute to business success, there are barriers that women face while networking. This study will also investigate potential benefits to be gained by members as they develop their businesses.

The Gulf region in general and Kuwait in particular has a distinguished historical heritage. Its location has made it an important station for commercial communication between Asia and Africa. In modern-day Kuwait the state and wider social forces, both, have to deal with many economic and political transformations, and as a consequence the country is introducing different measures of reform which in fact are related to, and impact on, women and youth. Indeed, arguably, the most significant transformation in Kuwait is taking place in the area of female empowerment and liberation. This transformation can be ascribed to the country's oil wealth and the role that oil income has played in encouraging rapid economic growth. This has had a massive influence on all areas of society of which the most notable is the influence it is having on the role of women in society. Historically, the role of Kuwaiti women has centred around family and children, which was in line with the traditional conservative tribal culture where segregation of sexes was at the heart of the community's social values.<sup>3</sup> In a time when pearl diving formed the heart of Kuwait's economy, only men were allowed to participate while women maintained a low profile. Even though a few women owned merchant ships which they inherited from their fathers they were not allowed to use them. Women conducted their trade through male representatives. In search of income women would sew clothes and look after the sick, heeding Quranic instructions. But due to its oil wealth, the education profile in Kuwait has in recent times changed very dramatically, and Kuwaiti women have become more involved in the labour force. The changing social values have also encouraged the employment of women. Realising the low representation that women had in the occupational structures, relative to men, the Kuwait government has successfully increased the participation of women in the labour



market. It can therefore be argued that there is a change in attitude towards women businesses but the pattern of interaction has tended to remain static largely due to the influence of traditional values in the country.<sup>4</sup>

## The debate

As globalisation is increasing the dependency on economic actors and policy makers in a world of rapidly growing businesses that are reshaping the global arena, researchers believe that scarcity of networks and lack of direct access to resources, information and support are barriers that many businesses encounter, and women entrepreneurs face them more acutely. Supporting this idea, many researchers have concluded that women's poor networking practices limit their access to new sources of business opportunities. Networks are also believed to facilitate entrepreneurs' efforts to access resources and information. Today, very few researchers have addressed the barriers women face while networking. This will have to change since a positive relationship between business success and entrepreneurial networking has already been established.<sup>5</sup>

## Definitions and concepts

Because of the lack of grouping definition for social networks, I have chosen to group definitions into structural and relational categories, in which structural refers to the structure of networks, and relational depicts them as socially oriented. Networks are made up of a set of individuals or actors who are referred to as nodes, and their relationships, which are referred to as ties. These can be defined as the structure of a network.<sup>6 7</sup> Networks are also considered means to understand the flow of knowledge within these structures: discussing ideas within the early stage of the business and expecting to receive emotional support. Batjargal, Smedlund and Foley define social networks as a complex formation that filters information and shapes behaviour, in which the individual choice depends on the availability of material and intangible assets.<sup>8 9 10</sup>

Definitions relate to the idea that networks are created on the basis of a socially meaningful relationship in order to reach specific desired outcomes; whether these relations are between friends, co-workers or business owners. Information exchanges are influenced from within. On the other hand, a personal social network is created by building contacts and relationships with others, depending on how networkers value the experience of being a member. A network is also where nascent entrepreneurs discuss ideas, about starting new ventures: it starts with family, close friends and through these networks they receive emotional support. This process can also be referred to as 'Zimmernet working' which is the social relationship through which people obtain information, resources and social support. The definitions above highlight the importance of networks in a society as well as how members interpret information networks. The building blocks of a social network are a set of individuals and the ties among them. Networks, then, are the mechanism through which firstly resources such as information and capital are introduced by specific agents into a particular social field which is a network, and secondly resources move between individual agents who are located within this field. These agents could be entrepreneurs.

Thirdly, networking is the mechanism through which these individuals, or in our case women entrepreneurs, become connected to and positioned within the social field. They view networks



as the median through which actors gain access to a variety of resources held by other actors and define a key benefit for the entrepreneurs accessing information and advice. Understanding networks has important theoretical consequences, particularly in grasping how entrepreneurs operate and function.<sup>11</sup> While prior theorists had a limited choice of theoretical models to examine entrepreneurial networks, others preferred using a theoretical perspective that helps to understand the main benefits of entrepreneurial networking. Historically, the network approach dates back to the 1930s, as it started as a part of the field of sociology, where networks influenced individuals and organisations. Sometime later, social networks were graphed by Jacob L. Moreno, and thus interpreted in a ‘sociogram’- that is a diagram of nodes and lines where nodes resemble individuals and lines indicate relationships.<sup>12</sup>

The social network theory focuses on the importance of personal contacts as an approach to acquiring all types of resources such as finance and information. The theory is based on the assumption of examining the links between groups of connected people.<sup>13</sup> Applying the theory, researchers were able to understand structures of networks by looking deeply into the characteristics of networks. Special attention was given to the importance of knowledge transfer through networks by not only acquiring information, which is a main benefit entrepreneurs gain from networks, but also by reusing it within a network. Reviewing the literature on social network theories, there are three essential components of networks commonly used by researchers, these being: the contents of relationships; the governance of these relationships supported by social mechanism; and, the structures or patterns of entrepreneurial networks. In addition, other researchers have used similar levels of observation to describe entrepreneurial networks. According to Witt, for example, they build these levels around three areas, these being:

- Understanding the creation of networks.
- Focusing on the characteristics and features of networks.
- Benefits received from entrepreneurial networking as well as barriers against networking.

In combining both ideas, I will use them as the main points of departure for my own theoretical insights. Since these three points form the core of my research, and match objectives of my research, the following section will illustrate an explanation of the different levels of analysis undertaken.

## Creation and motivation

The formative stage of networking focuses on motivation to build and sustain networks by individuals or entrepreneurs who are driven to develop their own community of contacts. In this analysis entrepreneurs are seen to be driven by several factors such as developing their contacts, gaining information and developing their business ideas, as well as building alliances. There are additional and sometimes different reasons for women to create a network. So, sometimes it depends on whether it is inter-organisational networks where employees are members, or business networks that include women and where minorities have approached networks for information and support.<sup>14</sup> Researchers consider this phase an opportunity for businesses starting out to develop beyond the nascent phase of a business, which is when the



business establishes its market niche, and in turn motivates entrepreneurs to use their social network extensively in order to kick-start their businesses, raise finance and recruit workers.<sup>15</sup>

Motivated to network, women entrepreneurs seek advice and sources of information during the early start-up phase of the business.<sup>16</sup> Characteristics of networks may influence the motivation and creation phase. Exploring the creation of a network and based on the literature reviewed, I have established a difference between men's motives which are instrumental and seeking personal gain, and women's - which are based on social relationships.

Network characteristics are important as they advance networks and help them grow from personal interaction into a new infrastructure influenced by businesses and careers. Researchers have thus far focused on exploring characteristics, structural pattern and different qualitative features such as density, gender ties, diversity, trust, and culture density. Given the fact that networks are formed from social structures, they must be viewed as part of it and special attention should be given to the characteristics that emerge from certain patterns of relationships, such as culture and density as features between actor ties. These features would also include density, size, culture, types, etc. An important feature within the creation of networks is the fact that as men and women develop different networks in a working environment these social networks become gendered. In their exploration of gender differences in the composition of networks, Klyver and Terjesen point out the scarcity of research within the network field, and suggest that there is a lack of suitable and effective social networks for women entrepreneurs.<sup>17</sup> There are also conflicting points of view around the role of gender in the formation of networks. While some researchers believe that since both men and women entrepreneurs face the same set of challenges and make similar decisions enabling them to access resources and meet their business' needs, they form networks on a similar basis.<sup>18</sup> Others believe that the lack of access to networks that women face drives them to build networks differently from men, which are women only networks. Some relate to the difference to social and political factors rather than gender. All of the above leads us to enquire about whether both culture and country of origin affect networks amongst men and women in any given society - a question to be addressed in this study.

## Diversity and trust

Extending networks to include people outside the normal relations is when networks are being diverse. It is considered to be one of the characteristics of networks that lead to greater opportunities and new ideas. Benefits of a diverse network means more innovative entrepreneurs derive their ideas from multiple sources; where the more diverse entrepreneurial business networks are, the more they are bound to use external sources of financing. According to Jensen and Greve, entrepreneurs need a diverse set of relations.<sup>19</sup> Diverse networks also facilitate business start-ups among nascent entrepreneurs. Network ties are considered to enhance creative actions, although strong ties have the advantage of access to information, influence and trust.<sup>20</sup>

Trust is a precondition in cooperative behaviour that is needed within groups, to achieve objectives. Researchers have linked trust with women entrepreneur's networking activities and have established that trust determines the extent to which resources and information are exchanged. The more trust there is, the more information is shared<sup>21</sup> as well as processed.<sup>22</sup>



## Size, Culture, Type, Density

There have been conflicting points of view on the importance of the size of networks. Some researchers believe that the bigger the size of the network, the more networking activities and the larger the personal network becomes and the more central an entrepreneur becomes, and the more benefits there are for them. Others tend to think that entrepreneurs creating their own company could deliberately restrict their network size. According to Batjargal,<sup>23</sup> there is a negative interaction between the size of a network and revenue growth. Network size also has a positive effect of on the business growth of new ventures; especially those in countries oriented towards gender relations between men.

Culture is a combination of shared values, acceptable behaviour and social norms. A group within a network who share a common culture will collectively remember shared experiences.<sup>24</sup> There have been different points of view towards culture and networks, as some researchers believe that culture can slow down networking and become a barrier. An example is an Asian business women operating in the UK who faces barriers in the form of her cultural background and language differences.<sup>25</sup> Others such as Foley<sup>26</sup> emphasise the motivational impact of culture and social capital on minority entrepreneur networks and conclude that reduced social capital activates and motivates entrepreneurs to network in order to operate their basic businesses. This serves to indicate how cultural difference is a powerful factor in determining the stimulation of entrepreneurship. We conclude that barriers within minorities and different cultures which could hamper business growth can be turned into strength and could actually motivate women entrepreneurs to network. Another aspect is that people in high relationship-oriented cultures categorise contacts in groups according to their favourites which facilitate resource mobilisation among ties. The concept of cultural differences has been looked at as a powerful deterrent of regional entrepreneurship. From this we conclude that culture has an impact on minorities' networks as well as women entrepreneurs in the Third World.

Attracting promising women recruits to enhance business opportunities for women, in their research, Donnellon and Langowitz<sup>27</sup> divided female networks into three types according to their specialty: connective, as they offer work life balance seminars; developmental, mentoring and business development; and lastly strategic, such as business networks. A major type of network is considered to be the online network, which entrepreneurs find attractive. Here they benefit from entrepreneurial social media tools, which serve to expand their missions and attract more attention. In this case they benefit largely from the technological attributes of the internet.

Inter-organisational networks can be set up by companies operating in business markets and who are not exclusively small entrepreneurial firms. These companies are linked through the use of inter-organisational networks with strategic adaptations. It has vertical networks that link suppliers to end users. They coordinate the flow of other users, and horizontal networks which include organisations in the same industry. For further studies one should explore online and inter-organisational networks in Kuwait.

Networks have been theorised according to their extent of density. It is considered to be high if contacts have close network connections, and low if they have loose ties. It is known that strong ties exist between people who are in similar work situations where information is common to members. Weak ties on the other hand are found where there is bigger diversity between members. In this case they act as channels to make ideas available to members.





Tie strength, which is the amount of time spent with individuals in networks, is also weaker in women's networks than those of their male counterparts. Weak ties are being loosely connected and able to control information ahead of other actors which will lead to a better opportunity to obtain appropriate resources.<sup>28</sup> According to Granovetter's research, people need a set of weak ties in order to gain access to information. This reminds us of women entrepreneurs who have close ties and face a lack of information as a barrier to create a successful business. Others do not accept this assertion and argue that men and women's personal networks differ in composition, since women's networks are more focused on family while men focus on non-kin relations. Researchers found, for example, that 95% of women business owners in Bulgaria made a decision to start a business after seeking the advice from their husbands, parents, and friends. While only 5% made the decision independently. Exploring relations between characteristics, researchers point to a relationship between gender and culture within networks, and determine that women entrepreneurs tend to have a higher proportion of kin and close friends compared to men. Women seek other women friends for support whilst approaching men for advice.<sup>29</sup> The definition of a weak tie is when a focal person is loosely connected with other people, and when people are less likely to know each other. This definition triggers another discussion relating to the 'structural holes' concept of not being close to information. The above leads to the following question: What are the differences between weak and strong ties and their relation to access to resources? Weak ties provide better the access to appropriate resources and the likelihood of a business start-up whilst strong ties direct entrepreneurs' attention away from their ventures and channel their energies and time into alternative social activities that have less value for their new ventures. When network relations are tied to each other, it leads to low redundancy of information being circulated and in turn indicates diversity. It highlights the need for an entrepreneur to be independent. From the above, we conclude that successful entrepreneurial networking exists within a complexity of ties, weak and strong, among members and enables entrepreneurs to reach the benefits of networking.

## Difficulties and Challenges Faced by Women while Networking

Although many researchers have thus far investigated the barriers women entrepreneurs face while setting up their businesses, very few have focused on the barriers they face whilst in the process of networking. Despite the growing number of women entrepreneurs worldwide, women in developing countries, and particularly small business owners, struggle to access resources such as finance and information. These problems continue to be barriers and constraints that women entrepreneurs face while networking.

The biggest burden in terms of family responsibilities is carried by women. This leaves less time for a supportive entrepreneurial networking activity. Islam and McIntosh<sup>30</sup> also stress this issue and outline the effect of gender differences in terms of the experiences of women combining work with family in a male-dominated work environment. Others regard these constraints as a presumed role for women in Arab countries as it is regarded as their responsibility. Surveying Arab women entrepreneurs Zghaib regards such factors as obstacles against women empowerment.

Furthermore, accessing different kinds of networks is difficult for women entrepreneurs regardless of whether it is traditional networks in a male-dominated society, or accessing online networks where experience is necessary. Reports from international organisations<sup>31</sup> which monitored the growing number of women entrepreneurs worldwide, and focused on women in



developing countries particularly small business owners, highlight the difficulties women entrepreneurs face when creating and expanding their business. One of the challenges mentioned was the lack of networking facilities and limited access to ICTs in developing regions.

Since workforce experiences shape skills and knowledge, researchers suggest that the level of education and experience acquired from work may have an impact on the individual's access to both business and social networks. Female entrepreneurs who had previous work experience in the field of their venture have a better chance of success than a similar entrepreneur who did not have any experience.<sup>32</sup>

There is also the thought that networking causes the loss of tacit knowledge. The idea is that the sharing of ideas has a negative impact on entrepreneurs as they lose their own ideas in the process. However there are some authors who disagree with such an approach. Their idea is that networking causes the loss of tacit knowledge because social networking might cause them to mix professionalism with fun. Some modern social online networking tools proved to create a variety of connections but it also distracted entrepreneurs from professionalism. In spite of conflicting ideas about the benefits of networks, some researchers view networks as tools that facilitate access to resources and support and as vital to entrepreneurs as in turn it leads to resource acquisition. It is closely related to mobilising and directing resources such as financial and intellectual resources<sup>33</sup> and one of the main findings of study in this area is that women entrepreneurs network to gain more information. They rate the information they acquire first and only then seek advice. For women entrepreneurs, these are the two most important sources of information.<sup>34</sup> Because of their benefits in terms of the diffusion of technology and knowhow that occurs through communication within networks, they are considered a prerequisite for innovative activity. Researchers stress the idea of knowledge sharing which is one of the main benefits of networking. This supports the idea that networking enhances the economic growth of regions.<sup>35</sup> Although researchers argue that too much information may be confusing and may counteract action, Jenssen and Greve<sup>36</sup> have found that redundant networks provide better information.

Social and psychological support, financial information and consultancy as well as psychological support all form part of a mentoring relationship. A large emotional support network can stimulate the female business owner to develop a capacity in terms of their social emotions. Networking is not only important to acquire information, feedback, guidance and social support, but it is also necessary for career success.<sup>37</sup> Women value the opportunity which networking provides in terms of psychological support and forming mentoring relationships.<sup>38</sup>

Social networks of women entrepreneurs have positive effects on utilising appropriate networks for businesses survival and growth. According to many researchers one of the main gains of entrepreneurial networking is business growth. This growth is related to the time entrepreneurs spend developing their network contacts with strategic groups such as customers, suppliers, investors and other business owners.<sup>39</sup> Studies have proved that network size, as well as acquiring new contacts have positive effects on business growth revenue.<sup>40-41</sup> Since lack of growth and expansion capital are some of the major barriers entrepreneurs face, it leads to the conclusion that networking is needed through all stages of a business venture.<sup>42</sup>

The influence of networks on business growth is observed when aspects such as increased sales, introducing new suppliers, branching into new services and product lines are taken into account.<sup>43</sup> The reliance on networks is not constrained in the start-up phase only since



entrepreneurs continue to rely on networks for business information, advice and problem solving. According to researchers one of the positive effects of entrepreneurial networking is business growth when networking directly influences the social capital of business owners which in turn influences the growth and survival of their businesses.<sup>44</sup> Linking networks to business success, analysts conclude that women who were successful used social and business networks more than those whose businesses failed.<sup>45</sup> Women develop their network strategies to guide their decisions during the threshold stage of their businesses. According to information derived from their threshold firm research, experts believe that one of the most important stages of a business is the stage when a decision to expand the business is made. The transition may occur during early or later growth stages of the business.<sup>46</sup> A main benefit of networking for the female entrepreneur is of course the establishment of both business alliances and access to resources. These resources could be financial, or social capital, as well as the development of new ideas, and gaining social and psychological support.<sup>47</sup>

Living in a socially connected world, the internet has been the social medium and a communication channel. Amongst others, blogging on the internet has become a powerful medium for conversation.<sup>48</sup> Some researchers take networking benefits to another dimension. Virtual networking, and in particular social networking tools, are regarded as sources of information through which information is gathered. Internet forums are more influential in decision making than the opinion of friends. One of the first formal social media experts, Forrester research analyst Charlene Li, received much attention for a blog entry in 2006, for calling for calculating the ROI of blogging, with a focus on benefits and measurements on a chart. Some of these benefits included consumer self-education, lowering the cost of public relations and feedback from consumers, which apart from lowering the cost, matches networking benefits mentioned above. Networking online, then, is considered the issue of the day. It is an easy access tool, and receives more and more attention and importance within the rising popularity of online social networking sites such as Facebook, Twitter, Myspace and LinkedIn. Apart from these, alternative social media tools such as blogging, micro blogging, bookmarking and media sharing are also enjoying increasing attention. Benefits of social media to entrepreneurs are the ability to sell online, and advertising as part of the marketing mix. Exploring the social network theory from an online point of view through virtual teams, Rispen and Sijitsemá both found a link between online social networks<sup>49</sup> and a virtual community - defined as a community whose administration adopts new information and communication technologies.<sup>50</sup>

Researchers are of the opinion that social capital is closely related to business knowledge acquisition and innovation performance.<sup>51</sup> The concept of social capital helps to explain different participation roles in entrepreneurship. There is a strong relation between entrepreneurs and social capital, due to the effect that social capital has on investment decisions of venture capitalists. Researchers reached this conclusion through reviewing the data of 158 venture capitalists in China. Researchers found that entrepreneurs' social capital has significant effects on the investment selection decision of venture capitalists.<sup>52</sup> There are three main themes where this theory is useful to analysts. They are structural, relational and cognitive dimensions. The structural dimension is implemented by analysing contacts, and the cognitive dimension refers to the development of shared codes and cultures. Relational dimension explores the behaviour of networkers. Brunetto and Farr-Wharton<sup>53</sup> used the relational aspect of the social capital theory to examine the behaviour of women entrepreneurs' networking and highlight the relation between trust and networking activities. Davidson and Honig believe that the concept of social capital captures the relations people enjoy within a social structure. They concluded that those with greater human capital arising from more education and business



experience access business networks. Some entrepreneurs are more successful than others when they start new ventures, either because of personality traits or external factors. Their social skills play a role in the process of social interaction often resulting in a high level of social capital built on a favourable reputation, relevant experience and direct personal contacts which in turn influence the quality of interactions.

When features such as ties become disconnected between entrepreneurs as a result of egocentrically behaviour or a lack of information, it is referred to as ‘structural holes’. According to experts, this motivates entrepreneurs to seek opportunities such as financial capital, sales, supplier contracts and advertising channels.<sup>54</sup> Relating the social capital theory to the structural hole theory, researchers explain that during the formation of networks these are influenced by development, and nurturing social capital.<sup>55</sup> The observation is that the importance of disconnected contacts and ties within social networks drive entrepreneurs towards establishing networks. Entrepreneurs whose network position is central within disconnected clusters are able to control information flows in their way. They are able to manufacture a greater social debt which gives them more power.<sup>56</sup>

## **The Economic Network Approach**

Most current approaches to networks are based on sociological theories and these theories have a longer tradition than those of economic networks. However, the economic network approach is relatively new and adds an economic dimension to existing theories of networking. They examine different exchange relations within networks and network actors.<sup>57</sup> This theory observes that an individual or an institution that has durable contacts uses nodes as persons and connecting lines as relations. This theory focuses on using social networking to obtain the necessary resources needed to launch a new business. Janssen and Greve<sup>58</sup> applied this theory to entrepreneurs networking in order to test the relation between the degree of redundancy in social networks and whether it influences the success of business start-ups. The theory was also used to relate the first phase of businesses to social networks. To some researchers an influential perspective is that public goods theory is about gaining benefits from collective networking, obtained through coordinated actions which often outweigh individual self-interest. This was articulated while investigating the economics of collective versus private ownership of material infrastructure such as bridges and tunnels. The process to explain collective ownership of intellectual property has been extended over time. Intellectual property such as ideas and decisions developed and involved members of networks in the process of creation and maintenance through networks. One of the barriers in the way of this theory is the problem of the so-called Free Rider benefitting from the process.<sup>59</sup>

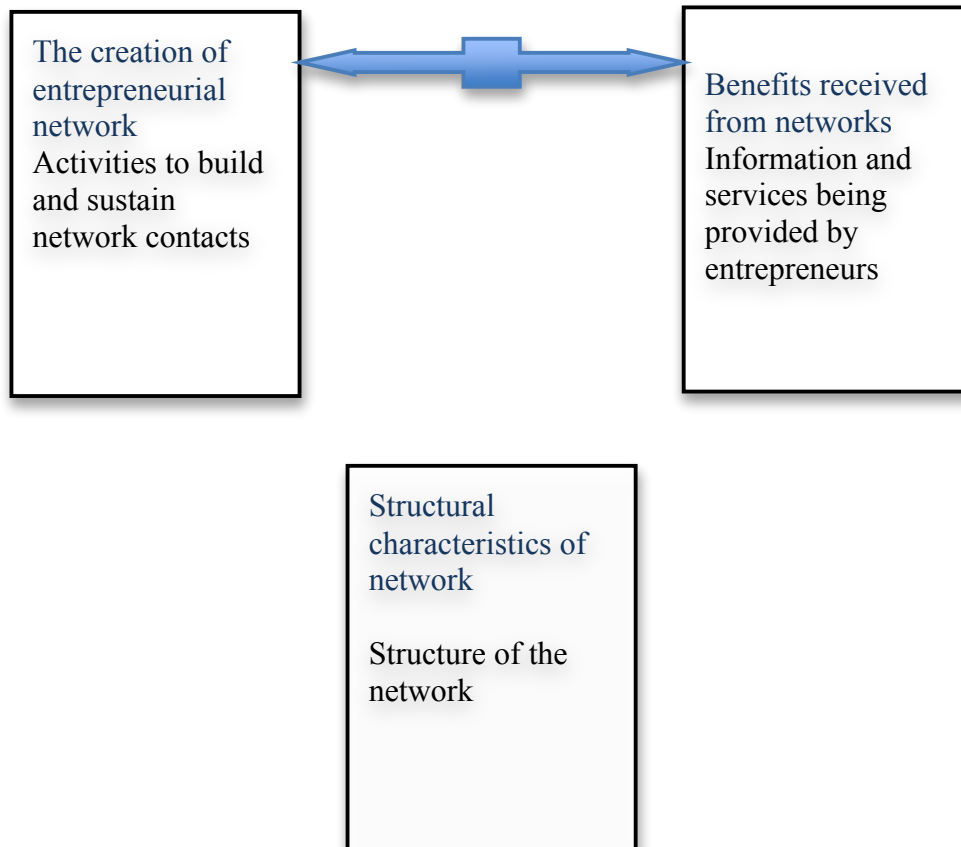
## **Understanding Networks through Entrepreneurial Process Models**

On the basis of my design the model below serves to demonstrate the three levels of observation: the relationship between entrepreneurial networking activities; network structure; and characteristics and benefits received.<sup>60</sup>





**Figure 1:**

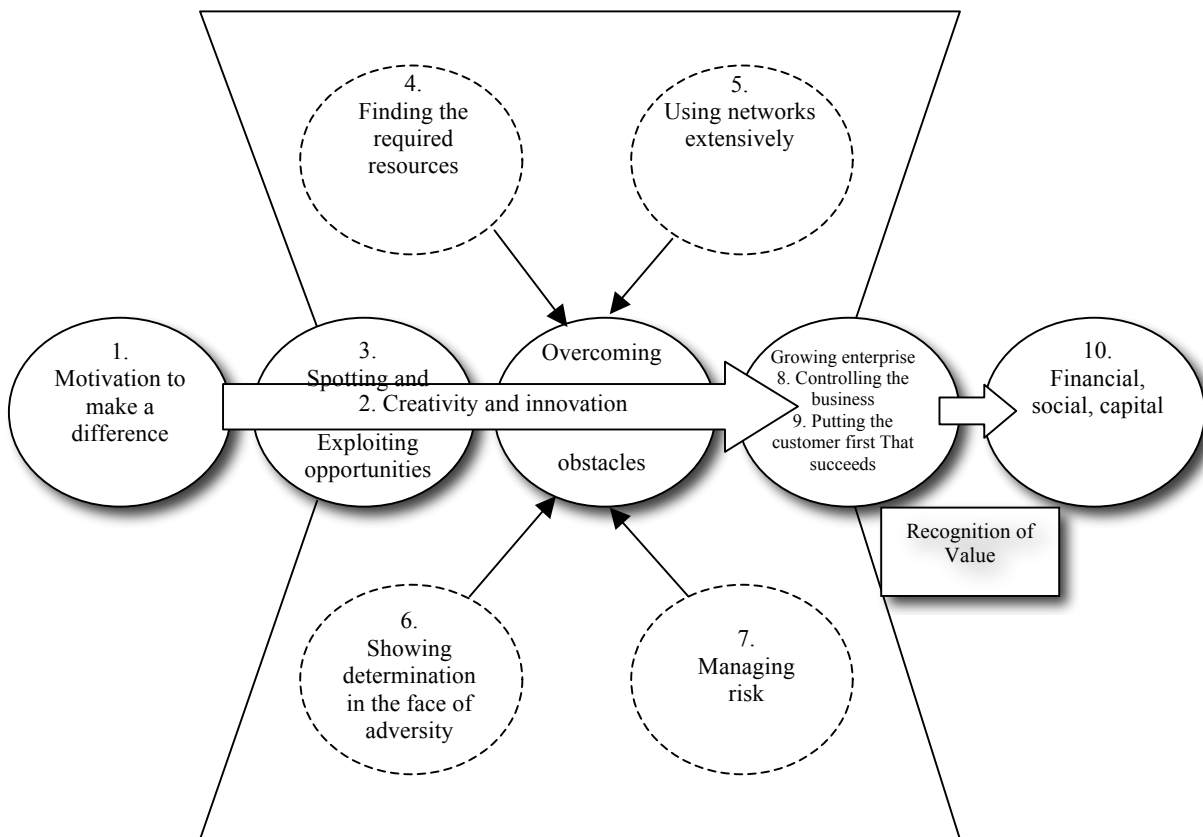


An entrepreneurial process model resembles an overview of new ventures and takes into account the acquisition of resources, managing risk social capital and the use of networks during an entrepreneurial process. The process originally begins with one or more individuals initiating a firm start up, as it adopts an overview of a business. The complex stages that the Bolton and Thompson model use are enumerated below:

1. Motivation to start a business.
2. Creativity and innovation throughout the first stage of business.
3. Spotting and exploring opportunities.
4. Finding the required resources.
5. Using networks extensively.
6. Showing determination in the face of adversity.
7. Managing risk.
8. Growing enterprise controlling the business.
9. Financial and social Capital.



**Figure 2:**



From the above we can easily view three ideas within the model. These are: acquiring resources, using information, and utilising entrepreneurial networking.

## **Women Entrepreneurs Networking in Kuwait and the Wider Arab Region**

Although women business networks have existed for many years, it has been shown that they still encounter challenges in terms of access to information guidance and social support.<sup>61</sup> Coleman concludes that because of the isolation in leadership roles that women faced, women were motivated to organise women-only networks and through the stage of survival, networks offer a balance of emotional and practical support as they are more formally organised and focused on role models, problem sharing and sharing information.<sup>62</sup> It has been observed, moreover, that women are more likely to operate in micro-sized home-based businesses than other places, which tends to lead to isolation the limiting of their ability to gather information and make contacts. This raises the issue of structural holes mentioned previously and the need to overcome this isolation, through communication and exchanging information through networking. It has also been stressed that networking is important for women entrepreneurs as they value it more. Utilising networks to enhance women empowerment is implemented through programmes focusing on empowering women economically and politically. Some are



political-oriented,<sup>63</sup> while others are economics-oriented built around encouraging female entrepreneurs.<sup>64</sup>

In the Arab world social structures are male-dominated which influences business decisions. Researchers strongly believe that one of the major constraints women entrepreneurs in this region face is the lack of networking facilities where they can access information and resources as well as build contacts. Thus, Jamali, after surveying Arab women entrepreneurs, concluded that women need active social networking, as it is essential for business relationships.<sup>65</sup>

Although the number of female entrepreneurs is rapidly increasing in high-middle and low-income countries, this phenomenon is less common in the Middle East. World Bank reports from 2003 to 2006 pins the frequency of female business ownership in different areas of the world as follows: North America: 32%; Europe and Central Asia: 32%; East Asia: 20% and Latin America: 20%. As for the Middle East and North African countries, the percentage is only 13. According to Islam and McIntosh,<sup>66</sup> female entrepreneurship in the Arab world is shaped by Muslim traditions and should be viewed from within a conservative Islamic context. This may act as a constraint on the one hand but also as a benefit on the other hand, given the kin relationship and family support that motivates business trends amongst women, especially in the early stages of businesses. Of course, different views exist about women entrepreneurs networking in developing countries. Some researchers believe that online networking is a good substitute to business networks due to religious communities that do not encourage women to join networks. Jamali, surveying Bahraini women entrepreneurs, found that some oppose the trend of online networking whilst others believe that being social business orientated might be more realistic and in this tangible life experiences can be gained from other women.<sup>67</sup> The creation of social ties as an investment in social resources or ‘social capital’ is particularly important, which is the sum of resources – actual or virtual.<sup>68</sup>

The focus on women in Kuwait is part of the wider GCC interests in the rising fortunes of Gulf women, which is thought to have grown by \$100 billion in 2009, to more than \$346 billion. Saudi women rank first in regional wealth with an estimated \$160 billion, followed by Kuwaiti women at \$75 billion, UAE women at \$55 billion, and Qatari women with \$35 billion. Bahraini women ranked fifth with \$12 billion and finally Omani women with \$9 billion. A study conducted by the Gulf Centre for Studies in Qatar, states that Saudi business women own 1,500 companies which accounts for 3.4% of the overall number of registered companies in Saudi Arabia.<sup>69</sup>

Kuwait is a very interesting case to consider. Since the National Assembly endorsed the Emiri Decree granting women full political rights, socioeconomic changes have led to higher female participation rates in the workplace and also higher education levels for women. Networks, as a consequence, are rapidly growing in Kuwait and several are initiated in order to increase financial abilities of women and an example of that is Alghalia women network which was established in 2010 and whose membership is for women and by invitation only. Interestingly, its mission is to create financial awareness amongst women in Kuwait. Another business network is under the Kuwait-based civil society organisation, Kuwait economic society which started its MEPI-funded local grant programme women’s leadership and entrepreneurship in June 2010: a women empowerment project to create and enable a trade investment and business environment for Kuwaiti women and increase private sector capacity by promoting and supporting women entrepreneurs in small and medium size businesses, providing opportunities for business growth, networking and sharing of experiences. Another example of



network is the Kuwaiti chapter of young Arab leaders which is a regional entrepreneurial network for young Arab business leaders.<sup>70</sup>

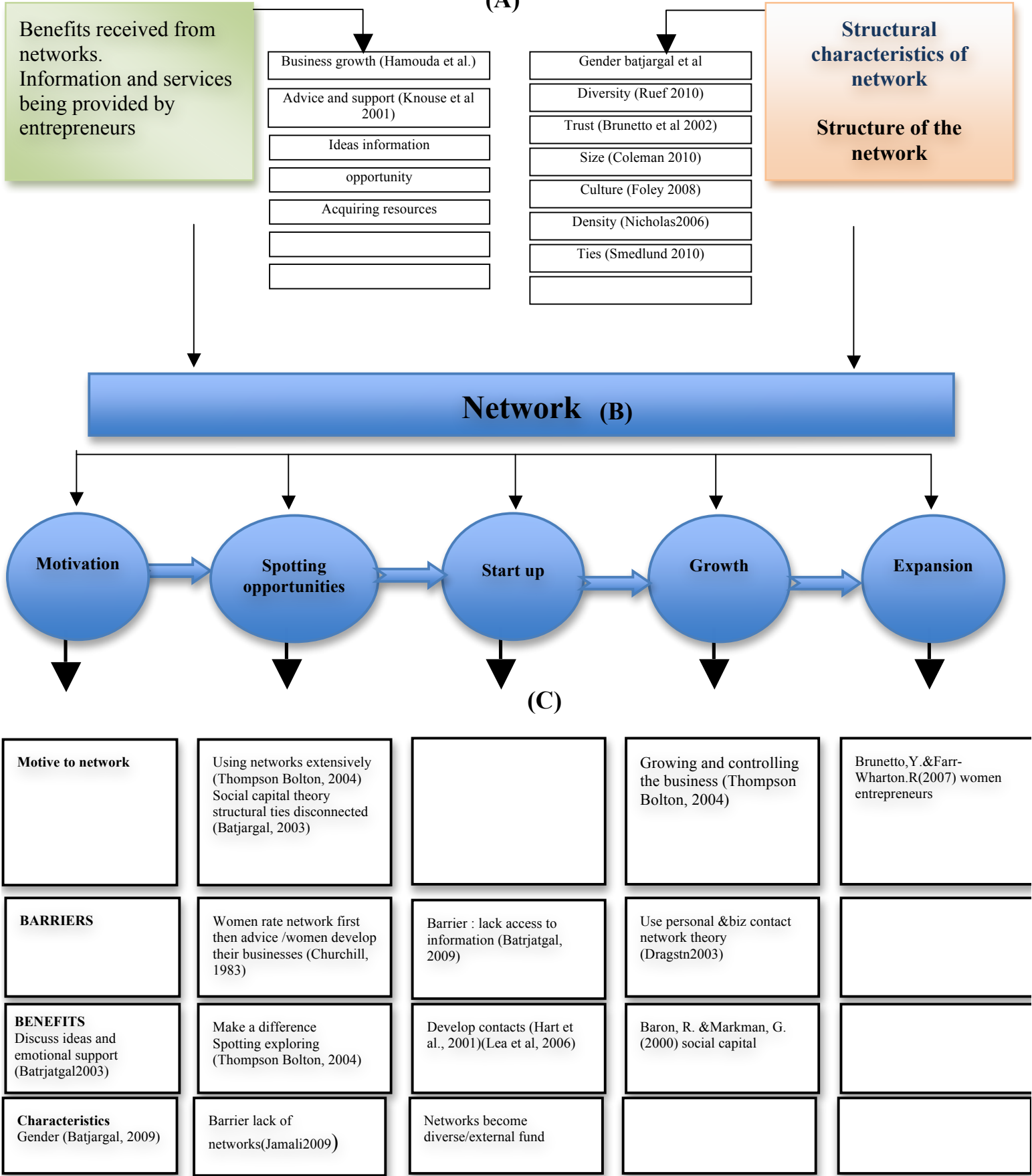
To uncover the information needed to understand and study the nature of women entrepreneurs better, the researcher uses qualitative data to determine the main features pertaining to this subject extracted from the literature review. The research studies networks in Kuwait with a view to gain more insight. With economic growth expected to rise, it is interesting to establish how women entrepreneurs develop their status and excel in their chosen business. As in Kuwait there is a tendency among women not to use or develop networks in order to enhance the success of their businesses, the study needs to establish the motivations, barriers and obstacles women face while networking as well as highlighting the benefits they gain. In this regard, the researcher identified and studied two of the major networks in Kuwait that have been consistently operational for some time. The research provides insights into entrepreneurial networking in order to establish what it is that motivates business women entrepreneurs in a conservative society to utilise such entrepreneurial networking for their own benefit. The barriers they face are also highlighted in the process. By using the inductive approach, the relevance between theories and data collected from our sample will be highlighted. The framework also includes the three main themes of network theory, which are the creation, characteristics, and benefits.

Influenced by the theme used in network definitions, I will seek a theoretical model that includes understanding of the structure of connections between entrepreneurs, as well as their need to acquire resources. The second perspective relies on understanding the internal relations and benefits gained within an entrepreneurial group. The third perspective, applying network analysis techniques, serves to understand the most important features of network characteristics. Therefore, capitalising on in-depth, non-standardised interviews, the qualitative method offers access to the context in which relationships within networks are constructed.





Figure 3:



Perusing local newspapers for sixty days during the research process, I collected articles from local newspapers that featured two most prominent networks. Both are populated with only women entrepreneurs as members. They are: Network A (a business entrepreneurial network), and Network B (Business and Professional Women network). I then proceeded to implement a sampling frame. The sampling frame used in this research is called a convenience snowball sampling frame which follows a nonprobability sampling strategy, where the researcher makes initial contact with a small group of people who belong to one of the networks and are relevant to research topic. These contacts are then used to get in touch with others. Researchers use the snowball sampling procedure where each recipient is asked to nominate at least one other women entrepreneur who utilises networks to enhance her business and therefore fits the requirement of the study. Convenience sampling was done to explore the profile of women entrepreneurs who belong to more than one sector of the economy and explore women entrepreneurs who specifically own businesses and direct it towards the employment of women. In the case of Network B, women introduced other women entrepreneurs whom the researcher interviewed separately. This all happened during an exhibition where the concept of networking was presented. As for women from Network A, the researcher approached a content media analysis to obtain more information about the first group of contacts who in turn led the researcher to other members who were interviewed personally. An advantage of this approach is that it is inexpensive and allows the researcher to test interviewees and analyse data collected during the interviews in order to realise the relevance to the research questions and objectives. A disadvantage of the convenience sampling approach, however, is that it is subject to bias because of the selection of subjects.

In order to provide new insights into how women entrepreneurs are networking and explore them in depth, interviews were semi-structured to enable topics to be discussed and allow unexpected responses to be explored in more details. As a result, the questionnaire was designed to generate qualitative data whilst being guided by the research objectives. The interviews served the purpose of steering the discussion around common themes that were mentioned in the literature review. Questions also followed the main themes mentioned in the literature review. Interviewees were left to provide answers without being in direct contact. Interviews took place in a quiet setting within the entrepreneurs' business surroundings. The interviews were recorded face to face. The first part of the questions is about the creation and the sustaining of networks. It focuses on the factors that motivate entrepreneurs to network and develop their own contacts. The second part was about barriers faced by entrepreneurs while networking. The third is about the benefits gained and barriers faced while networking. The final part of the questions is about the characteristics of networks which are formed based on the social structure of a network and emerges from patterns of relationships.<sup>71</sup> Narratives will be gathered through interviewing which in which the interviewer and interviewees are engaged in adding meaning to questions derived from the literature review. The research framework and answers has been guided by the criteria as outlined below.

**Table 1: The approach**

	<b>Narrative question categories</b>	<b>Topic</b>
1	Identification	Name, title,
	Family /demography	Family responsibility



2	Business profile description	Business type –years–stage
3	Members business background	previous experience –other businesses owned –trust
4	Features of network	Characteristics, ties, diversity, etc.
5	Motives to Network	Open question
6	Network constrains	Open question
7	Network benefits	Open question
8	Network features	Size culture diversity gender, etc.
9	Membership in other organizations	International business local
10	Women and gender issues	Interaction with other members –credit and financing
11	Future business goals & network	Directions plans visions

## Data Analysis

The following is about networks where samples were drawn from for research: Network B is a business organisation for professional women in Kuwait and functions as a non-governmental organisation taking on the role of gathering together young women business entrepreneurs. Network A is a youth organisation, helping youth businesses to network, to teach them how to depend on themselves and establish their own businesses using their skills and talents. It was established by a group of independent Kuwaiti youth to enhance and develop their achievements while catering for the small and medium enterprises through continuous support and guidance. Their mission is to promote the spirit of national pride and support projects through guidance and media exposure, which also responds directly to the country's development strategy for the years 2010-2025 which is based on enhancing the private sector and SMEs. Another network is '52 degrees' which is founded to cater for men and women start-ups in Kuwait. This was established in 2009 and is located in al-Tilal complex.

Finally, Casa 57 is a women only network and includes a number of women business owners. It was established in 2004 and the type of businesses it mostly supports tends to be start-ups.

Having given a brief overview of the organisations involved, in this section I will proceed to present a qualitative analysis of the data obtained from personal interviews. An approach that matched the theme of research was used, as it followed the main questions and objectives within the main context of social network theory theme. The results were analysed with a view to help building the necessary conceptual bridges between network theories and networks in operation. Table below shows the list of the sample of interviewees who were approached to discuss their involvement in networking:

**Table 2: The sample**

Name	Type of business	Stage	Network
Gad	Food	growth	A
Dal	Service	growth	A



Hud	Fashion	Start-up	A
Nour	Food	Expansion	A
Sam	Fashion	Spotting opportunity	A
Far	Food	Start-up	A
Dali	Food	Start-up	A
Hay	Fashion	Motivation	A
Mah	Fashion	Spotting opportunity	B
Mar	Service/diet	Start-up	B
Ghai	Jewellery	Spotting opportunity	B
Rih	Books	Spotting opportunity	B
Din	Interior design	Start-up	B
Amn	Fashion	Start-up	B
Anaa	Services /Media	Growth	B
Shei	Service /beauty salon	Start-up	B

In the following section data collected is analysed, inductively interpreted according to the sequence of research questions. Based on the literature review, factors that motivated women entrepreneurs most to become involved in networking could be linked to the period before and during the beginning of establishing their own businesses. These entrepreneurs are motivated to achieve and to desire to obtain financial help and advice, and help with recruiting workers and find sources of information during the start-up phase of their business in order to develop their business ideas and develop alliances and contacts. Following are the transcripts of interviews held with members of networks as indicated in the sample above.

**Building contacts** - even though Gad may seem to have a knowledgeable background as an accountant, she felt the urge to achieve something new and different. She therefore joined a network to help to develop her ideas and build upon it by developing her contact list and entering the food industry. She wanted to see how things work. Motivated by meeting real time experiences she joined the network. Dal joined the network motivated by achievement and developing her own contact list and ideas to start her business. Dal explains:

Before approaching the exhibition area [business], I felt that I needed to prove myself, that I can do something and succeed. Entering the exhibition area initially, requires a large list of invitees. My goal was to only to be able to participate in my first event. I did feel that it is not ethical to replicate or in other words imitate Network A's ideas and start my own network, but I did and it's going to be for women only.

Both Dal and Gad wanted to see real experiences and meet people for different reasons. They wanted contacts for their businesses as well as to share in the experiences of others. Most of the interviewees seem driven by the desire to meet people through networks. The reason could be purely for social reasons, which can potentially develop into a beneficial relationship. Members who are socially active such as Nour look for business partners rather than support.

**Motivated by desire to achieve** - Hud was motivated by the desire of turning an idea into a successful business. She explains:

I didn't know where to start from. Designing fashion is my hobby. I was looking for different means to start a business but didn't know how I could turn my work into a private business. I always wondered if the fashion industry was profitable. I have to





admit that my fear is failure and closing down my business. I wanted to prove that I can do well. I knew that 'Arwas' tailor made dresses and was very successful. Well that motivated me to start. I decided that I could not go wrong. All I had to do was to ask her and do what she was doing.

It is clear that Hud searched for a way to develop her idea and saw live experience and that motivated her to both join a business network as well as start her own business. From her case it is evident that Hud participated in circulating knowledge. She obtained her information from another fashion start-up who was successful. Hud might have viewed Arwas as a mentor.

**Looking for business partners** - when asked about financial resources and business partners, Hud explained:

I started my business with financial support from a family member. I rather wanted to engage financiers here or even take on partners, but it's not easy.

Although Hud became a member of Network A, supported financially by a family member, she still looked for a business partner and tried to find one from the network members.

Nour explains what motivated her:

I signed a contract with an American franchise while I was in America, looking for means of meeting people. At that point I knew that my finances would be derived from a bank loan. I approached Network A and met Mr Al (initiator). I became a participant in their events with the aim to find a partner to share in my ideas to expand my business.

Although Nour joined a franchise agreement, at the stage where she had not officially started the business, she was motivated to meet people as customers and to hear their views about her business. She also wanted to get feedback on her products. At this point she was already aware that she needed support and feedback in order to get a feel of the demand in the market. Once she entered the expansion phase, her motivation was to look for a business partner.

**Access to information** - findings reveal that women entrepreneurs are motivated to network in order to meet people and develop their contacts. Women are driven to network due to a lack of information in terms of how to start their own businesses. This fact leads to the 'structural hole situation' discussed earlier, which makes motives important. Asked about their main gain from networks, both Samar and Dal (exhibition, growth, Network A) explained that they value information as a main benefit. Far has benefitted from information and managed to develop her business albeit with external help, but being witness to other experiences has helped her. Her husband works in the private sector and was able to support her idea by providing her with an accountant as well as obtaining a business license.

**Lack of sufficient time due to family responsibilities** - Gad barriers relate mainly to her responsibility towards her family and children. She does however express an interesting view when she indicates that she would involve her children in the business at an early stage. Other respondents had different views. Mara's view, for example, was as follows: "as long as it's affordable there are no barriers, but once I am asked to pay I will rethink". This raises the question about the cost to join networks: Network A asks for fees only when participants join their exhibition. On the other hand, Network B asks for an annual fee which members



consider affordable, and participants consider voluntary, since they can participate without having to become members.

**Fear of losing control** – another barrier is the fact that not all entrepreneurs are willing to share their ideas with others. Hud confirmed her fear of her designs being copied as follows:

Each time I exhibit my designs I know there are many other designers who are members of Network A who will copy my designs.

Ghai says:

Being in the jewellery business, one has to be careful of two things: first your designs may be copied instantly. Second I could lose my craftsman to another jewellery company who offers him more. Participating in events is important now but I guess later on I will have my own exclusive customers. I will still participate [in events] to introduce a new line.

The lack of sufficient time and fear of losing ideas and designs seems to be a major barrier that women entrepreneurs face. It may be because some of them have a morning job and therefore the business is managed on a part time basis. It seems that almost all network members have the time constrain as a barrier. It is clear therefore that most women suffer from the lack of time to network because of family demands which complies with Islam and the fact that most of the burden of family responsibilities is carried by women, which leaves less time for entrepreneurial networking. The fear of loss of ideas is also a factor that influences their behaviour in terms of networking.

**Resource acquisition** – both Gad A and Shei B view networks as an opportunity to find financiers and venture capitalists. Gad explains:

I applied for a loan at the industrial bank and waited for some time to get the money. However during Network A exhibitions I met a number of venture capitalists and I finally managed to secure a loan through them.

Shei adds:

I wanted to start a beauty salon and finance was my major concern. Now that I am negotiating with a Lebanese partner to open a beauty salon I won't have to worry about finance.

**Support and advice** – on gaining social and psychological support Hud explains:

I didn't know where to start from. I had an idea but didn't know how to turn it into my business. I needed to talk to those with a similar experience.

Hud indicates here that she was uncomfortable embarking on this project without the necessary support from someone with more experience than herself. Rih also seeks an opportunity to gain advice in her business. It is known that one of the important benefits of networks to women entrepreneurs is to acquire resources. This is essential to business growth and complies with the economic resource approach which is an economic dimension added to the network



theory.<sup>72</sup> Another benefit is getting new ideas, information and knowledge.<sup>73</sup> Our findings show that women entrepreneurs find advice and support, and gain information from networks.

**Spotting opportunities** - Dalal spotted her business opportunity while a member in Network A. She noticed there was a need to start a different type of business than the one she had in mind. Sam stated:

As an art graduate I had many options or perhaps no options to start my business. To be honest I started on Facebook and had hundreds of interested art mongers who loved my work but I needed to feel that in person. So I joined Network A and exhibited my paintings. I didn't sell well, so I developed my passion for art in clothes.

Sam was looking for an opportunity. The network was a means of showing what she had. Feedback, on the one hand, and poor sales on the other, determined her decision to switch to fashion. Mah had a limited choice of networks so she allowed the network help her to make her decision. Her aim is financial gain and meeting women to get their support.

**Business growth** - Dal says: "My ambition to start a beauty hair dresser is still there, as I am considering seeing my business become beauty centres around Kuwait, I am close to that target and I am close to profits". Shei said that "My business was home based chocolates. Today I am building my own business in Salmiya [district]. I will also develop it into a coffee shop one day if it is rewarding". Both Shai and Dal are witnessing their businesses growing in size and profits.

### Business Stages during Which Women Entrepreneurs Network Most

Figure 4:

Motivation	Spotting Opportunities	Start-up	Growth	Expansion
HAY-DINA	SAM-MAH-RIHA-GHAI	HUD-DALI-FAR-MARAH-SHEI AMNA	GAD-DALAL-ANAA	NOUR

Note: the different business phases as the colour blue stands for BPW and red for B2BK

To proceed, respondents were very candid about their motives for entering the business world, and their plans. Thus, Hay states:

You never know where this may lead to. With few friends we thought of developing a small fashion business. Being a member of a network helps [me] benefit from others experiences.

During the same stage Dina comments:

I have ideas and I can never get my feet on the ground without talking to someone. I am a member of Kuwait Engineering Society but I wanted to meet other people in business.



Findings show that networking is excessive during both the start-up stage, and the expansion stage. This complies with the literature review where researchers believe is one of the most important stages during the decision to expand the business. Thus, Ana says that “Media supplies are what I deal with. It’s not an easy business. To be honest my membership is because of the link with women in the united nations”.

Nour adds:

Now that I have established a food franchise, I feel that I need to network with a more professional network that includes large businesses and well-known names to network with. I would like to meet up with foreign traders and agents to identify new opportunities.

As a business owner during the growth stage Nour is concerned about not obtaining enough knowledge. She is willing to exit the network rather than waste her time with start-ups.

### **Characteristics of Networks**

The above raises the question, what exactly a women business owner needs at this stage?

**Gender and diversity** - Respondents had two opposite views on gender. Nour explained that,

Both men and women need to network together. We live in a conservative society where men meet in their diwanias and discuss trade and commerce while women are left out.

Adding:

How are women going to realise that they themselves need to know what is going on in the market? I still feel it’s a man’s world. I know decisions are made in diwanias, therefore networks should include both men and women. P2BK includes men. There is no difference between men and women at the same stages in their businesses. Men are helpful the help with information and they offer to assist where necessary. Men in the network volunteer to help women.

Mah had a different point of view. She said that she preferred women only networks,

I support women only networks. It is the only way I attend, learn and share experiences. My husband would let me work under one condition, and that was that I am in a women only environment.

Dal concurred:

Although I am a member of P2BK, my business is for women only. They feel comfortable participating in fashion designs and using the changing rooms.

Clearly, men and women’s networks differ. Men’s networks are focused on non-kin relations and women networks are more focused on family and friends.





Being diverse means extending networks to include people outside the normal relation. Din, who is an engineer and looking to start her own marble agency, considers **diversity** as a main attraction of networks. She argues that it is this which appeals to new members. She thus explains:

My intention is entering the stone and marble business, with the aim of starting a construction and décor business. I prefer to meet all sorts of participants, members and clients. As far as network members are concerned, I want to see non-Kuwaitis. I deal with companies in Lebanon therefore I communicate with them online. If we had non-Kuwaiti network members, we could get the raw material from other places like Morocco, Africa, anywhere!

Findings show that members are interested to meet their needs from within networks. Both Dina and Huda have different views on how to utilise networks by being more diverse.

In the realm of networks, **size** also seems to matter. Haya wants to gain more contacts and support and yet she prefers a larger network. Interestingly, her reason is that larger networks mean more clients for her business:

I am at an early stage. I have switched from paintings to fashion. Instead of this being noticed and people asking me why I changed, I would like to see a bigger network, more people to know and more clients.

In all this, finally, the critical factor is **trust**, which determines the extent to which information is shared. It means diffusing knowledge and information, and respondents such as Ghai the jeweller (for example), place a great deal of emphasis on. From the above, one can see that entrepreneurs often face a myriad of complex problems that more often than not requires them to share their valuable information with unregistered companies. When starting in business it is hard to give up your control of your knowledge base for the sake of practical solutions, and yet this is exactly what women entrepreneurs seem to have to do on a regular basis.

## Conclusions

Findings indicate that women entrepreneurs are motivated by several factors to join networks, such as: getting ideas and information, finance and achievement and building contacts. As was shown, Sam, Hud and Farah were motivated to join a network looking for information and new ideas. Nour is motivated to obtain financial resources and find a business partner for the expansion of her business. Gad who has a food business and Dala who is in the exhibition business, are both motivated by their willingness to achieve and develop their contacts and also observing real life experiences. It is also evident that women face barriers such as family constrains and lack of time. Gad, with children, faces family constrains and seldom has time to participate in network activities. Mar on the other hand feels that the only barrier she might face is if networks charge fees for membership. So, what have we learnt?

*Financial gains:* becoming a business network member increases the chances of meeting venture capitalists. Both Gad and Shei had the opportunity to negotiate deals with financiers. *Support:* most women within our sample have mentioned their need for support. Rih who is starting her career as a writer and wants to make it into a business, seeks support. Mah faces



the same predicament. She hails from a conservative environment and seeks networks in order to have the support of others.

*Getting information:* women find information about how to start businesses as well as information about supplies for their businesses from other members in the network. Findings indicate that each stage has its benefits to network members whose businesses are in the motivation stage. Network members are motivated to meet other members with life time experiences, as well as developing their businesses.

*Spotting opportunity phase:* four out of sixteen members from our sample are in the spotting opportunities phase. Two of them developed hobbies into businesses. *Start-up phase:* networking is at its most vulnerable at this stage. Six out of sixteen of our sample network extensively at this stage. It should be borne in mind that they have their businesses on the ground in the real world and not in exhibitions or network events as is the situation in the previous phases. The *growth phase:* networks at this stage have been beneficial to Gad, Dal and Ana as they needed to network to get information about service companies and other firms that complement their business. *Expansion phase:* results show that women entrepreneurs continue to network at this stage and find networks beneficial because of their need to meet other businessmen or women in the same line to benefit and learn from.

Here I will present the final conclusion to this research. Some recommendations are proposed as well as suggestions for future research. The key findings have been:

- Women entrepreneurs are motivated to join networks because of the lack of information about starting a business, and also access to resources.
- The creation stage indicated that entrepreneurs are driven by the general lack of information about starting a business as well as not being able to access such critical information as negotiating contacts and financial assistance.
- The research has also determined that networking remained important for entrepreneurs during the phase where businesses already existed.
- Women need to continue to network during the growth and expansion phase. During this phase they desire a more beneficial network such as the Chamber of Commerce.
- Women face difficulties during the growth phase of their business due to a lack of guidance to help them to progress, as well as many family responsibilities which divert their attention from their businesses.
- ‘Women only networks’ attract women to join before they make a decision to start their own business, but network A attracts women who already have an idea or the will to start their own business. This leads to the suggestion that a ‘women only network’ serves to encourage women to start their own businesses and subsequently link them to men’s business networks as the business progresses.



Networks are able to adapt in order to suit female entrepreneurs who own businesses. There is a need for networks to adapt and this can be achieved through consultation services which will assist in the growth of these businesses. Answers to some critical questions raised can be summarised as follows:

### **What are the motivations behind women entrepreneurs joining a network?**

Women entrepreneurs indicated that their motivation is associated with their desire to achieve and develop their ideas of starting a business and finding a business partner.

### **What are the barriers and benefits women face or gain from networks?**

A common barrier that women face is the lack of time. Women are engaged with family responsibilities and have morning jobs while some are also involved in other networks. Benefits gained from networks are spotting opportunities, advice and support, as well as acquiring resources to assist in the growth of the business. Special attention is given to the role of social capital and its significant effect on entrepreneurs.

### **What are the characteristics of these networks?**

The following characteristics are believed to have a certain impact on networks:

- 1- **Gender:** is important at the formation of a network. In emerging economies women-only networks are believed to be more attractive to women entrepreneurs whilst taking into consideration the traditional environment in which they find themselves.
- 2- **Size:** the bigger the better. but small development networks can enhance women empowerment as well as their business development.
- 3- **Trust:** may be linked to the type of business. An example of this is the jewellery business in which the element of trust is important. It also affects one of the barriers facing female entrepreneurs, which is the fear of being copied. The more women trust each other, the less fear of being copied.
- 4- **Type:** most of the sample have social media connections and tools and are involved in online networking.
- 5- **Density:** women only networks are dense and women develop kinship relationships which enhance support, but may not enhance business development.
- 6- **Diversity:** networks that include men and women are more diverse. Although network A includes Kuwaitis only, it will be more diverse if it includes non-Kuwaiti entrepreneurs and probably more challenging for Kuwaitis.
- 7- **Ties:** strong ties are developed in networks. They may not benefit entrepreneurs as weak ties do.



- 8- **Culture:** it is important to understand culture. The culture factor was important to some women who could not join a network unless it was a women only network.

Networks are of major importance in Kuwait as they attract women entrepreneurs and provide them with definite benefits. Professional Women Business Network B is a women-only network where members are business women and those who wish to benefit from women empowerment programmes. Network A is a business network that accommodates business men and women, where business development and growth is of the main concern.

The results of the findings derived from questions raised with the interviewees have motivated the following recommendations for future the development and creation of networks to help women entrepreneurs:

- 1- Future and present networks should develop programmes aimed at encouraging and helping entrepreneurs to develop their businesses in order to get to the growing stage.
- 2- Networks should engage in holding business-oriented conferences to allow for the interaction of network members with other financial institutions.
- 3- Network initiators should empower women leadership traits and continue to develop it.
- 4- Present network members should be encouraged to share knowledge with incoming network members.
- 5- Women entrepreneurs should be involved and incorporated in the formation of policies regarding businesses.
- 6- Networks aimed at fostering and encouraging entrepreneurship should be established.
- 7- The development of human capital should be encouraged in order to enable members of networks to have access to quality education and skills.

The Kuwaiti state institutions should in turn:

- 1- Initiate a network aimed at addressing women only, providing them with information, support and exposure to other business women.
- 2- Prepare the future generation of young business women, and encourage graduates to start their own businesses.
- 3- The media should be engaged and put to good use in promoting the exposure of women entrepreneurs.
- 4- Creating an after school programme for entrepreneurship.

Networks are an important vehicle in the development of businesses since they provide access to resources, knowledge and links to other businesses. Findings indicate that although there are in fact a growing number of networks in the State of Kuwait, Kuwaiti women entrepreneurs are



utilising these networks to empower themselves and also to enhance the effectiveness of their businesses. Network A and B are good examples of such networks. Results also provide evidence that the desire to achieve, develop their ideas and find a business partner, are the main reasons why women are encouraged and motivated to join business or entrepreneurial networks. Barriers that women entrepreneurs face while networking are time constraints due to family responsibilities and the fear of having to part with their ideas to someone else who might wrongfully use them. Benefits gained from joining networks are access to financial resources and material support and information. The start-up stage has been identified as the business stage in which women entrepreneurs network most frequently and excessively. Special attention is also given to networking during the expansion phase. Women exhibit a tendency during that stage to exit informal networks and join formal government-based networks. The research suggests to women business owners that they should follow a more proactive approach within their social networking. It points out that if they join networks and utilise them well they are more likely to experience its benefits such as having access to financing, information, etc. Interviews with women entrepreneurs have provided insights into the main features of both entrepreneurship and networks. It is hoped that the research undertaken here can be applied to other networks in the GCC. Over a period of time, it should highlight more of the characteristics that networks have, as well as the benefits entrepreneurial networking can offer, and indeed create.





## Notes

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- <sup>1</sup> Dima Jamali, 'Constraints and Opportunities Facing Women Entrepreneurs in Developing Countries: A Relational Perspective', *Gender in Management: An International Journal*, Vol. 24 No. 4, 2009, pp. 232-251.
- <sup>2</sup> P. G. Green, M. M. Hart, E. G. Gatewood, C. G. Brush and N. M. Carter, *Women Entrepreneurs: Moving Front and Center, An Overview of Research and Theory* (Coleman Foundation White Paper Series, 2003), pp. 213-246, [www.usasbe.org/knowledge/whitepapers](http://www.usasbe.org/knowledge/whitepapers).
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HH Sheikh Nasser  
al-Mohammad  
al-Sabah

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**Contact information:**  
Lorraine Holmes  
lorraine.holmes@durham.ac.uk  
The Al-Qasimi Building  
Elvet Hill Road  
Durham  
DH1 3TU

