

Differences in Networking Activities among Australasian Entrepreneurs - Challenging the Universal Nature of Entrepreneurial Networking

K. Klyver^a, K. Hindle^b and D. Meyer^c

^aSwinburne University, Australian Graduate School of Entrepreneurship, 3122 Hawthorn, Australia

^bAustralian Graduate School of Entrepreneurship, PO Box 218, 3122 Hawthorn, Australia

^cSwinburne University of Technology, University of Queensland, St Lucia campus, 4072 Brisbane, Australia
kklyver@swin.edu.au

Principal Topic

This study investigated differences in networking practice among entrepreneurs in the Australasian/Asian region (Australia, New Zealand, Singapore, Japan, Korea, China, India and Hong Kong).

Social networks have gained increased attention in entrepreneurship literature. Most previous empirical studies have investigated the impact of social networks in different contexts. Some studies have investigated specific industries and some have investigated specific regional areas (often nations). These specific studies have given birth to a debate on the universal nature of social networks. Basically, two extreme positions can be identified in the entrepreneurship literature, although most research places itself in between these extremes. One extreme position argues that social networking plays a generic and universal role regardless of the culture in which entrepreneurs operate. In contrast, the other position argues that social networking is context determined. Here, networking differs dramatically depending on the culture in which entrepreneurs operate. Although, the theoretical debate has continued for nearly two decades, empirical research on this issue still appears only occasionally.

Previous researchers have struggled to interpret their results. Some researchers emphasise the similarities among entrepreneurial networks across cultures, and arguments for a degree of generic entrepreneurial networking are put forward. Other researchers focus on the dissimilarities, viewing entrepreneurial networking as a cultural influenced phenomenon. This controversy might be due to the high degree of cultural commonality among the countries that have been investigated so far (problem 1). However, there have also been methodological problems in that previous research studies often fail to use similar sampling methodologies when regional comparisons are performed (problem 2). This study addresses both these problems.

Methodology/Key Propositions

The Global Entrepreneurship Monitor (GEM) is an international project designed to compare entrepreneurial activity across countries. The project has generated an extensive worldwide database on entrepreneurship. Each participating nation completes a National Adult Population Survey every year, including responses from a minimum of 2000 randomly selected adults to questions regarding their engagement and attitude towards entrepreneurship. The sampling methodologies and the questions asked are similar across all countries.

The National Adult Population Survey collects data on peoples' participation in entrepreneurship. Entrepreneurs are divided between those who operate in the early discovery stage trying to recognize an opportunity to pursue, those operating in the start-up stage of their business, actively trying to start a business, and those running a young business operating in the young business stage. It also collects a networking variable associated with what social network theory terms structural diversity. The exact variable (structural diversity) is a yes or no response to the following question: "Do you know personally someone who started a business in the past 2 years?"

The GEM data generated in the Asia/Australasian area in 2000-2004 was analysed in this study. The data set contained 63,350 randomly chosen respondents distributed across 8 regions/nations. Logistic regression was used to test for significant regional interaction effects with business stage and structural diversity.

Results and Implications

The results showed that knowing someone who has started a business within the last two years (structural diversity) has a significant impact on participation in all three stages of the entrepreneurial process, from the discovery stage, through the start-up stage, to the young business stage.

Regarding the potential cultural influences on networking, it was found that structural diversity differs significantly between the entrepreneurs in some countries. However, in other countries it seemed that entrepreneurs applied similar networking practice.

Accordingly, the results presented in this paper confirm the previous indications of cultural differences in the networking practice adopted by entrepreneurs in that the results argue against a simple universal networking practice. The importance of networking or, more specifically, the importance of structural diversity, appears to differ among entrepreneurs embedded in different cultures.

Although the results argue against a simple universal nature of entrepreneurial networking, they do support a variform universality and a functional universality. They support variform universality in that networking seems important in all countries, however culture moderates the important of networking - in some countries networking are more important than in others. The results also support functional universality in that some regional similarities could be found. Within certain groups of countries networking practice were similar.

Contact

Kim Klyver. Swinburne University, Australian Graduate School of Entrepreneurship, 3122 Hawthorn, Australia.

(T) , (F) , Email: KKlyver@swin.edu.au