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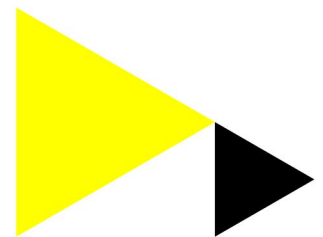
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Networks

The Double-Edged Sword effect of Women-Only Business Networks -

S. Stoker, I. Wakkee, B. Kör

Principal Topic

Entrepreneurial ecosystems, and the actors within, are a core factor in fostering entrepreneurial activity in regions (Brush et al., 2019). Business networks are one of the entrepreneurial ecosystems element and key in socially embedding entrepreneurs. The extent to which an entrepreneur is embedded in business networks and relationships, and how these networks and relationships shape their entrepreneurial behavior and outcomes (Jack & Anderson, 2002; Wigren-Kristoferson et al., 2022). However, there is growing evidence that business networks and the embedding process is gendered, mostly to the detriment of women (Murnieks et al., 2020; Brush et al., 2018; McAdam, 2019). These gendered experiences by women entrepreneurs have prompted the emergence of women-only business networks across Europe (Williams & McGregor, 2021). Such networks seek to offer a platform for women entrepreneurs to connect, reduce feelings of isolation, enhance their gender capital, bolster their confidence, and augment their legitimacy (McAdam, 2019). Emerging literature has shown that women-only networks are a double-edged sword: on the one hand they can lead to multiple positive outcomes for women entrepreneurs, including network growth, enhanced access to financing, and improved credibility (McAdam et al., 2019; Woodwark et al., 2021; Williams & McGregor, 2021). On the other hand, these networks can lead to multiple negative outcomes for women entrepreneurs. Examples are that these networks have no adequate consideration of broader factors, limiting women's access to other ecosystem networks (Harrison et al., 2020; Marlow & Martinez Dy, 2019). In addition, women-only networks may also exert negative effects on symbolic capital and the legitimacy of their participants, and that women entrepreneurs active in such networks exhibit less strategic networking behaviours compared to their counterparts in mixed-gender networks (McAdam, 2019). In short, women-only networks both reinforce and challenge gender structures (Roos, 2019), making many women entrepreneurs struggle to decide whether and how to engage with women-only business networks, and many participate in both (Woodwark et al., 2021). Therefore, this paper aims to understand and answer the research question what women-only networks mean in the embedding process of women entrepreneurs in their access to resources in a broader ecosystem in comparison to mixed business networks.

Research Methodology

This study employs a qualitative approach combining a resource generator (van der Gaag & Snijders, 2005) with semi-structured interviews with 32 women entrepreneurs who are members of mixed-gender or women-only business networks via purposeful sampling in 2022 and 2023. These entrepreneurs self-identify as female and launched a business in the Netherlands, in any industry where opportunity-driven was a focal component of their venture. Two groups were targeted to understand different types of business networks: women entrepreneurs active in women-only business networks (n=17) and women entrepreneurs active in mixed-gender business networks (n=15) until theoretical saturation was reached (Small, 2009). Since entrepreneurs can be part of multiple networks (including both mixed-gender and women-only) (Wigren-Kristoferson et al., 2022), we controlled for that and focused our interview questions on how they navigate and negotiate their business networks to access resources and opportunities within their targeted business network. We used two analysing methods. First, we performed quantitative descriptive, cluster and weight analyses on the qualitative resource generator using NodeXL to understand the access to different resources. Second, we qualitatively analysed all interview transcripts by employing Deterding and Waters' (2021) method of 'flexible coding' using MaxQda.

Results and Discussion

In general, the resources 'moral support' and 'new network contacts' are dominating in both business networks. While 'moral support' is mostly derived from friends and family, in mixed business networks 'new network contacts' are mostly from non-network business contacts while in women-only this derives from their business networks. These first findings appear to suggest that women-only networks indeed better embed women entrepreneurs, granting them access to a wider range of resources. However, women-only networks marginally embed them with contacts that 'help to develop new business ideas' or 'regulatory' contacts. Triangulating the data with the interviews, we identified explanations for the low development of new business ideas. Most of the women entrepreneurs express that entrepreneurial norms and values in women-only networks are different and more aimed towards embedding and less about business and opportunities. In addition, there other potential downsides of women-only networks such as reduced strategic networking behaviours and challenges related to symbolic capital and legitimacy. Our findings demonstrate that mixed and women-only business networks have a different effect on the embedding process. Women entrepreneurs report the use both types of business networks to build their businesses, but for different reasons. The role of the mixed-gender business networks is mainly to exchange knowledge and develop entrepreneurial opportunities while a women-only business networks is used for inspiration and discussing gendered experiences and obstacles amongst its members.

Conclusion

This paper explores what women-only networks mean in the embedding process of women entrepreneurs getting access to resources in a broader ecosystem in comparison to mixed business networks. The findings add to the field of gender and entrepreneurship by demonstrating that women-only business networks better embed women entrepreneurs to different types of resources in a broader ecosystem, including finance. In addition, women-only networks increase gender capital and confidence aligned with the findings of others (McAdam, 2019; Woodwark et al., 2021). However, like Woodwark et al. (2021) identified, women entrepreneurs report the use both types of business networks, since women-only networks come with potential drawbacks; this so-called double-sword effect.