# Exploring the potential impact of colonialism on national patterns of entrepreneurial networking

**Catherine Georgiou**
Brunel University

**Sarah Drakopoulou Dodd**
Athens Laboratory of Business Administration, Greece

**Constantine Andriopoulos and Manto Gotsi**
Cardiff University, UK

## Abstract

This study emphasizes the concept of variform universality and considers whether colonialism may be one of the cultural drivers of such divergence. We use a well-established methodology to explore the personal entrepreneurial networks of Cypriots with those of their Greek and English counterparts. We suggest that entrepreneurial networking exhibits variform universality, whereby patterns obtain across nations, moderated by culture. We conclude by relating these tentative findings to other work suggesting that power-related phenomena may be important in shaping variform universality in entrepreneurial networks. We recommend post-colonial theory as a promising path to explore these in-between social spaces where the entrepreneurship of the dominated is enacted.

## Introduction

Comparing entrepreneurial networking across borders, Drakopoulou Dodd et al. conclude that 'the general picture of a degree of broad international homogeneity … offset by specific areas of national idiosyncrasy continues to hold true' (2002: 217). However, Klyver et al. (2007) argue for a nuanced

**Corresponding author:**
Sarah Drakopoulou Dodd, Athens Laboratory of Business Administration, Athinas Avenue and 2A Areos Street,
16671 Vouliagmeni, Greece.
Email: dodsarah@alba.edu.gr

understanding of the relationship between entrepreneurial networks and culture, drawing attention to the concept of variform universality: 'a general relationship that holds across countries, but which is moderated by culture' (Klyver et al., 2008: 344). It then becomes important to ask which cultural structures and processes impact upon the various phenomena of entrepreneurial networking, and how they do so (Foley, 2008). In order to explore this issue further, a small empirical study was carried out in Cyprus, England and Greece to tentatively inform an initial analysis of the potential impact of colonialism as a cultural mechanism which influences entrepreneurial networking.

While many studies have assumed that Cyprus has a similar culture to Greece (De Angeli and Kyriakoullis, 2006; Merrit, 2000), there is evidence that the managerial behaviour of Cypriots differs from their Greek counterparts (Banai and Katsounotos, 1993), perhaps reflecting the impact of colonization. Cyprus is an former colony of the UK, and so may have been influenced by British culture. Exploring the pronounced differences between British and Greek culture (Drakopoulou Dodd and Patra, 2002) offers a contrasting context for such findings, and responds to the call for greater diversity within the analysis of entrepreneurial networking (Klyver et al., 2008).

## Method

The sampling frame was defined as entrepreneurs in Cyprus, England and Greece. With regard to the Cypriot sample, data was collected from the major cities and towns of Agia Napa, Larnaca, Limassol, Nicosia, Paralimni and surrounding villages. The English sample was taken from the Greater London area. We followed Drakopoulou Dodd and Patra (2002) and used snowball sampling. The Greek dataset originally developed by Drakopoulou Dodd and Patra (2002) was generously made available to the current authors. To ensure reliability and consistency, all data was re-entered from the original hardcopy questionnaires onto a contemporary program. This resulted in usable responses from 79 Cypriot entrepreneurs, 76 English entrepreneurs and 149 Greek entrepreneurs. The sample included businesses of a mean age of 13 years in the case of Cyprus and England, and 14 years in the case of Greece. The Cypriot sample had a mean of 12 full-time and three part-time employees, the English sample had a mean of seven full-time and one part-time employee, and the Greek sample had a mean of 17 full-time and two part-time employees.

We utilized an established data collection instrument in the field of entrepreneurship, culture and networking. This questionnaire has formed the foundation of much international scholarship (Aldrich and Sakano, 1995 – Japan; Aldrich et al., 1989 – Italy and the USA ; Birley et al., 1991 – Northern Ireland; Drakopoulou Dodd and Patra, 2002 – Greece; Drakopoulou Dodd et al., 2002 – Scotland; Greve and Salaff, 2003 – Norway; Johannisson and Nilsson, 1989 – Sweden; Staber and Aldrich, 1995 – Canada). Basic tests for statistical significance were utilized for analysing the present dataset, following the practice of these earlier studies.

## Findings

The total hours spent networking show a similarity between Cypriot (25 hours) and English (24.1 hours) entrepreneurs, and a striking difference between Cypriots and Greeks (41.6 hours). This difference is significant ($t(204.62) = −4.22, p < .01$). Cypriot and Greek entrepreneurs were different both in the time spent networking with existing customers ($t(218.80) = −4.90, p < .01$), and with others ($t(219.51) = −3.21, p < .01$). Therefore, one can conclude that Cypriot entrepreneurs are similar to the English and different to the Greek entrepreneurs in time spent networking. The findings for England and Cyprus are similar to those reported for other European countries, with Ireland at 29 hours, and Italy and Scotland at 24 hours (Drakopoulou Dodd et al., 2002).

**Table 1.** Average Network Size and Large Networks

| | Cyprus | England | Greece |
|---|---|---|---|
| Number of people in network | 7.5 | 7.5 | 12.8 |
| Percentage of entrepreneurs with more than 10 people in their networks | 13.9 | 14.7 | 18.8 |

The size of the entrepreneurs' networks was measured by asking them to state the number of individuals with whom they had discussed business matters in the past six months. Table 1 shows that Cypriot and English entrepreneurs have networks of the same size (7.5), while Greek entrepreneurs have larger networks (12.8) ($t(222.21)$=- 2.189, $p < .05$). Here, the Greek data seems close to that of the European mainstream (Sweden = 15 contacts; Scotland = 13, Italy = 15, Ireland = 11), whereas England and Cyprus are more idiosyncratic (Drakopoulou Dodd et al., 2002).

To delve deeper, we then examined the percentage of Cypriot, English and Greek entrepreneurs with more than 10 contacts in their networks. This information is displayed in Table 1. There was a larger percentage of networks with more than 10 people among Greek entrepreneurs (18.8%) than among their English (14.7%) and Cypriot (13.9%) counterparts. Hence, Cypriot entrepreneurs' networks were found to be similar to the English entrepreneurs in this respect, and different to the Greek entrepreneurs ($t(222.21) = -2.2$, $p < .05$).

Table 2 shows that the composition of Cypriot entrepreneurs' strong-tie networks is more like that of Greek entrepreneurs than English entrepreneurs. Both Cypriot and Greek entrepreneurs have more family ties (43% and 37% respectively) than any other type of tie. English entrepreneurs' networks have a lower percentage of family ties (22%). This is significantly different to the percentage of family ties in the networks of their Cypriot counterparts ($t(146.2) = -4.16$, $p < .01$). Findings for other countries vary between 13% (Japan) and 24% (Italy), indicating the quite distinct nature of this aspect of entrepreneurial networking for the Cypriot and Greek samples (Drakopoulou Dodd et al., 2002).

In investigating friendship ties, it appears that the Cypriot entrepreneurs' networks (30%) are more similar to the Greek entrepreneurs (31%) than the English entrepreneurs (25%). Cypriots' and Greeks' entrepreneurs' networks also appear to be similar regarding the proportion of business ties (27% and 32% respectively); whereas networks in the English sample had considerably more business ties (53 percent). Analysis confirmed a significant difference between Cypriot and English entrepreneurs' networks in terms of their business ties ($t(143.3) = 4.6$, $p < .01$). Therefore, it can be argued that Cypriot entrepreneurs are more like Greek entrepreneurs regarding their network composition.

Network density was measured by asking the respondents to report the proportion of 'strangers' in their network (i.e. members who do not know anyone else in the network). According to Drakopoulou Dodd and Patra (2002), the smaller the proportion of these 'strangers', the greater the

**Table 2.** Nature of Ties

| | Cyprus | England | Greece |
|---|---|---|---|
| Family | 43 | 22 | 37 |
| Friends | 30 | 25 | 31 |
| Business | 27 | 53 | 32 |

**Table 3.** Percentage of Strangers

|                          | Cyprus | England | Greece |
|--------------------------|--------|---------|--------|
| Percentage of strangers  | 7.8    | 30.7    | 21.6   |

network density. Table 3 shows that the percentage of strangers in the Cypriot entrepreneurs' networks (7.8%) is significantly lower than both of Greek (21.6%, $t(184.1) = -3.86$, $p < .01$) and English (30.7%, $t(118.51) = 4.12$, $p < .01$) entrepreneurs. Indeed, the Cypriot sample reported the densest networks of any country studied thus far; developed countries have shown a percentage of strangers hovering above 40 percent (Canada, Ireland, Italy, Sweden, USA), with only the Scottish sample (17%) deviating from this apparent norm (Drakopoulou Dodd et al., 2002).

Entrepreneurs were asked to state for how long they had known their key contacts. As Table 4 shows regarding tie duration, Cypriot entrepreneurs' networks (24 years) are more like the English entrepreneurs (18 years) than the Greek entrepreneurs (15.5 years). The difference in tie duration between Cypriot and Greek entrepreneurs is significant ($t(99.73) = 3.59$, $p < .01$). It is also noteworthy that the Cypriot entrepreneurs are a younger age group than the other samples, further enhancing the extensive durability of their ties.

## Conclusion

Interestingly, the data describe a more complex picture than might have been anticipated. In some respects the networking patterns for the Cypriot sample were very similar to those for Greece, while in others more like England. Furthermore, behaviours appear to have become amplified: more English than the English, more Greek than the Greeks (Table 5).

**Table 4.** Tie Duration

|                                  | Cyprus | England | Greece |
|----------------------------------|--------|---------|--------|
| Mean years contacts are known for | 24     | 18      | 15.5   |
| Mean age of entrepreneur         | 42     | 47      | 45     |

**Table 5.** Summary of Findings

|                                                              | Cyprus | England | Greece |
|--------------------------------------------------------------|--------|---------|--------|
| Number of people in network                                  | 7.5    | 7.5     | 12.8   |
| Percentage of entrepreneurs with more than 10 people in their networks | 13.9   | 14.7    | 18.8   |
| Nature of tie (%) family                                     | 43     | 22      | 37     |
| Nature of tie (%) friends                                    | 30     | 25      | 31     |
| Nature of tie (%) business                                   | 27     | 53      | 32     |
| Percentage of strangers                                      | 7.8    | 30.7    | 21.6   |
| Mean years contacts are known for                            | 24     | 18      | 15.5   |

With relationship to network density, the Cypriot pattern seems closest to the Scottish data, which makes us consider that this may be related in some way to small national population size. The result is a unique hybrid pattern of entrepreneurial networking for Cyprus, which reflects similarity to diverse elements from both indigenous and colonizing cultures, and (at least) one structural network element (density) which is like neither. It seems likely to us, given the findings of this small exploratory study, that it is worth considering colonialism to be one potential cultural mechanism that influences the structure and processes of entrepreneurial networking. The importance of colonialism as a mechanism for moderating entrepreneurial networking practices is also consistent with what we believe to be a wider emerging trend. Several cultural variables which moderate the variform universality of entrepreneurial networking are fundamentally to do with issues of power, dominance and subalternity. Variance in the structure, process and content of entrepreneurial networks have long been associated with power disequilibria including gender (Aldrich et al., 1989), ethnicity (Bagwell, 2008; Ram, 1994), indigenous minorities (Foley, 2008), and within high power-distance cultures (Klyver et al., 2007). Similarly, recent scholarship exploring transnational entrepreneurship has followed Bourdieu in addressing habitus-as-dispostions, power relations, practice and the deployment of specific forms of capital across two or more transnational social fields (Drori et al., 2006, 2009; Patel and Conklin, 2009; Tersejen and Elam, 2009). We argue that these variances emerge from the need of (relatively) marginalized groups to overcome lack of influence using a range of social strategies. As De Clercq and Voronov write of newcomer entrepreneurs: 'those in less dominant positions are often ill-placed to experience and feel how they can turn around their current situation because they see the world through the lenses of the dominant and lack the necessary capital to bring about change' (2009a: 815; 2009b).

To this list of marginalizing forces may be added, however tentatively, the impact of colonialism, as a power-related moderating culture variable acting to influence entrepreneurial networking. We also propose that post-colonial theoretical developments may offer useful traction to researchers wishing to investigate such power disequilibria from the stance of the marginalized. The impact of colonization on national culture has been highlighted in the extant literature (Bhabha, 1994; Frenkel and Shenhav, 2006). Post-colonial studies stress the significance of unequal power relations to understand the transmission of knowledge and culture (Bhabha, 1994; Said, 1978). For example, the colonized are encouraged to mimic the colonizer's practices 'for their own good' (Frenkel 2008: 928), to adopt a purer form of a given practice. However, through adaptation of mimicked practices and by selection of only some areas of mimicry, the colonized are able to enact 'the creativity involved in moving among various cultural frameworks and in resisting the colonizer by disrupting its imposed knowledge and practices' (Frenkel, 2008: 927; Bhabha, 1990, 1994). The dynamic hybrid culture that emerges from such creative disruption, such iterative reinterpretations, enacts a 'third space', a space of the in-between. According to Papastergiadis (2005), this third space is a facilitator for extending the paradigms regarding understanding cultural transformation. It seems plausible that the present study has uncovered just such a locus, the in-between cultural space of entrepreneurial networking in Cyprus. We propose that it is time to deepen our understanding of hybrid frames and practices of entrepreneurship in the border areas between cultures, genders, classes, ethnicities, nations and other power structures. Marginality, dominance, social practice and social structures are all relevant and underexplored issues within these entrepreneurial settings, 'offering a new path to the waterfall' (Gartner, 2010: 6). Such a proposal is consistent with a view of entrepreneurship theory as a frontier discourse, 'a fertile middle space, a little chaotic and unfocused arena, a heterotopic space for varied thinking' (Steyaert, 2005: 7).

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**Catherine Georgiou** has been a research assistant at Brunel Business School and Brunel School of Health Sciences and Social Care, Brunel University. Her research interests lie in the areas of networking, entrepreneurship, national culture, and the management aspect of health research.

**Sarah Drakopoulou Dodd** is Associate Professor of Entrepreneurship at ALBA Graduate School of Business and Academic Director of AHEAD, the ALBA Hub for Enterprise and Development. Her research has focused on the impact of social factors on the quality and quantity of entrepreneurship, particularly in why people from different cultures start new ventures, and how the cultural world around them affects this process. She has studied the processes and structures of entrepreneurial networks, the relationship between family and the entrepreneurial business, the level of religious adherence and practice among UK entrepreneurs, and cross-cultural conceptualizations of the entrepreneur in public discourse.

**Constantine Andriopoulos** is Professor of Strategy and Head of the Marketing and Strategy section at Cardiff Business School, Cardiff University. His research and teaching interests focus on organizational ambidexterity and management of innovation and entrepreneurship, with particular emphasis on professional service firms. His articles have appeared in *Organization Science*, *Human Relations* and *Long Range Planning*, among others.

Manto Gotsi is a lecturer in marketing at Cardiff Business School, Cardiff University. Her research interests are at the interface between marketing and organization theory, including the interplay between identity, culture and image, corporate branding and reputation management. Her articles have appeared in *Human Relations*, *European Journal of Marketing*, *Corporate Communications: An International Journal* and *Creativity and Innovation Management*, among others.