Business growth through intentional and non-intentional network processes

Øystein Rennemo, Lars Øystein Widding, Maria Bogren

Published in

Journal of Small Business and Enterprise Development

Volume 24, Issue 2, 2017, Pages 242-260

https://doi.org/10.1108/JSBED-08-2016-0131
Business growth through intentional and non-intentional network processes
Abstract

**Purpose.** The purpose of this paper is to examine business growth and explore the “growth mode” among 24 women entrepreneurs participating in a development and networking programme conducted within a Nordic research project.

**Design/methodology/approach.** A longitudinal design with an inductive methodology driven by empirical findings made it possible to follow entrepreneurial growth as an unfolding and emerging process. The analysis is structured following established procedures for inductive theory-building research using guidelines for constant comparison techniques and worked recursively between the data and emerging theory.

**Findings.** Two processes were important for understanding the women entrepreneurs’ growth mode. The first is interpreted as intentionally driven and related to the women’s achievement of expanding their knowledge reservoir; the other is non-intentionally driven and is a result of uncontrolled network responses. The latter unfolded as a movement toward a preferable macro-actor status for some of the entrepreneurs. The findings are illustrated and presented in a conceptual model.

**Practical implications.** The study presents relevant knowledge for entrepreneurs who face challenges when trying to grow their businesses. The political implications of this study are related to the importance of awareness among governmental organizations and municipal business advisers regarding the effects of entrepreneurial networking.

**Originality/value.** This study provides empirically rigorous insight into the processes of entrepreneurial growth. The conceptual model contributes to recent literature on the growth of new businesses.

**Keywords:** Business growth model, network theory, knowledge reservoir, macro-actor, intended and non-intended growth.

**Type:** Research paper
Introduction

One of the most essential topics in entrepreneurship research is the growth of firms. In this paper, we build on recent literature that has moved from asking “how much” firms grow to asking “how” firms grow, described as a firm's “growth mode” (McKelvie and Wiklund, 2010). McKelvie and Wiklund (2010) identify three growth modes: organic growth, growth by acquisition and hybrid models of growth. We contribute to the understanding of the organic growth mode by investigating how expansions of knowledge through networking trigger growth.

Considering Penrose’s (1959) resource-based theory of firms, knowledge and knowledge networks are among the most important resources for a company’s competitiveness (Daskalopoulou and Petrou, 2010; de Boer et al., 1999; Doz and Hamel, 1998; Sharafizad and Coetzer, 2016; Widding, 2005) and thus are essential stepping stones in achieving growth. From the beginning, very few new venture firms have the full range of knowledge and experience needed to achieve competitive advantage. To compensate for this need, firms are increasingly engaging in various network collaborations to access external knowledge and capabilities (Daskalopoulou and Petrou, 2010; Sharafizad and Coetzer, 2016). Moreover, Nordhaug (1993) and Doz and Hamel (1998) claim that knowledge can be accessed by building knowledge networks, which is also understood as “building knowledge reservoirs” (Widding, 2007). We explore the “growth mode” and study 24 growth-oriented women entrepreneurs who participated in a development and networking programme called “Women & Growth” conducted within a Nordic research project.

The women entrepreneurs and their growth are our research object, not the programme. The programme design allowed us to follow entrepreneurial growth as an unfolding and emerging process, which is important because growth is a dynamic process (McKelvie and Wiklund, 2010; Wiklund and Shepherd, 2003). The process of writing this paper has been inductive in nature and driven by the empirical findings (Gioia et al., 2013). While working with our data, we discovered and explored two processes that became important for understanding the women entrepreneurs’ “growth mode.” We interpreted the first process as intentionally driven and related to the women expanding their knowledge networks, referred to as knowledge reservoirs (Widding, 2007). The other process that we discovered was related to a non-intentional effect of network responses that resulted in a change in the actor status within the networks of some entrepreneurs based on actor network theory (ANT) (Latour, 2005). These
findings led us to develop two theoretical categories to understand our observations and inform the research question:

**How can growth modes be initiated and understood through intentional and non-intentional network processes?**

Our findings bring several contributions to the recent dynamic growth literature. First, we respond to the calls from Fitjar et al. (2013) and Korsgaard (2011) by introducing a more holistic multi-perspective on the processes related to growth, focusing on both intended and non-intended processes. This is in line with McKelvie and Wiklund (2010), who challenges the tradition of “counting growth.” Thus, we open the “black box,” unfolding the intended and non-intended processes, revealing the mechanisms leading to different effects, which can generate new knowledge compared to only describing the effect of these processes. Further, studying the non-intended growth processes as they unfold challenges mainstream actor network theory methodology because the starting point is the effect within this tradition, whereas the aim is to reconstruct or deconstruct the processes leading to this effect. This limits the ability to predict the development of a macro-actor ex ante (Czarniawska and Hernes, 2005; Korsgaard, 2011). The combination of closely following the growth processes and mixing different theoretical perspectives guided us to the conclusion that growing is a result of intended processes initiated by the entrepreneur and non-intended processes that occur over time.

This paper is organized as follows: We first explain our data-driven methodological approach, which is inspired by Gioia et al. (2013). We then introduce empirical reflections and narratives from the women entrepreneurs, revealing their organic “growth mode” to demonstrate both the intended and non-intended findings. We analyse the empirical findings using our induced theoretical categories and present conclusions, implications and suggestions on how to build on our findings, including the present conceptual model. The literature review is customized to the data, not vice versa, meaning that we chose theory to understand our empirical findings.

**Methodological approach**

Two premises have guided our methodological approach. First, the lack of research on growth processes, especially growth modes. Further, to our knowledge, there is no literature on growth that demonstrates the combination of intended and non-intended network processes. To contribute to this field, we chose to utilize an inductive, theory-building design (Gioia et al.,
2013; Locke, 2001; Strauss and Corbin, 1998), which was inspired by grounded theory (Glaser and Strauss, 1967), allowing us to work recursively between the data and emerging theory (Shepherd and Williams, 2014). Given the premature state of existing knowledge within this field, this design gave us the opportunity to allow the emergent data to interact with customized theory and add to the analytical understanding of this novel phenomenon (Corley and Gioia, 2004; Gioia et al., 2013).

**Context and theoretical sampling**

As stated in the introduction, our data were collected from 24 entrepreneurs participating in a development and networking programme called “Women & Growth” (von Friedrichs and Rennemo, 2013) who were followed intensely over two years by eight researchers from three different Nordic research institutions, including the authors of this paper. A facilitator and programme administrator led the program, and the researchers also held lectures in their fields of expertise. To participate in the program, the entrepreneurs’ businesses had to represent a “minimum of robustness” (Shepherd and Williams, 2014), e.g., at least three years old (spanning from 3 to more than 20 years), and the entrepreneur owned at least 50% of the company and generated their main income from the business. Further, the companies operated in the counties of Trøndelag in Mid-Norway or Jämtland in Mid-Sweden. Notably, this area can be described as rural and remote in terms of access to resources. Another important criterion was that the participants had to show strong interest in expanding their business and working with peers in a learning environment that encouraged action-orientation, experience sharing and self-directed learning (Revell-Love and Revell-Love, 2016). Further, the cases also allowed for theoretical sampling as an objective, which was inspired by Eisenhardt and Graebner’s (2007) recommended practices for contextual consistency.

The entrepreneurs operated in different sectors: ten in healthcare, two in the adventure industry, nine in service industries and three in manufacturing. The average age of the Norwegian participants was 39 years, and the average age of the Swedish participants was 46 years. The women entrepreneurs were well educated, as all twelve Norwegians and six of the Swedes studied at a university for three to five years.

This design allowed us to reveal dynamic topics related to growth processes (Wiklund and Shepherd, 2003) and to respond to the criticism that the lack of longitudinal studies in the
field of entrepreneurship constitutes a major methodological drawback of accumulating theory (Wiklund and Shepherd, 2003). Table 1 presents longitudinal aspects and different data sources.

**Data collection**

Most of the data were gathered during the programme from 2011 to 2013. We also gathered information about growth processes from multiple perspectives, including real-time observations and both secondary and retrospective data.

**Entrepreneur statements**

The entrepreneurs and researchers met five times during the programme, with each session lasting from two to three days. During these meetings, several growth-related topics, including product development, marketing mix, network building, business models, and financing, were presented by field experts. Moreover, several of the discussions also covered other concepts of growth, such as personal growth. These topics were discussed in workshops; reactions and experiences were expressed in open individual reflections shared among the participants. Further, the women entrepreneurs worked in groups between the meetings, and reflections during these small group meetings were recorded and stored in a common e-room. The data analysis was performed during and after the meetings. We, as participating researchers, engaged in this knowledge creation by taking notes, recording videos and continuously discussing the findings with the rest of the research group. This approach was beneficial because the reflections were shared in surroundings based on trust near the entrepreneurial events and to when the data were produced.

**Additional data**

Following Shepherd and Williams (2014), we supplemented the entrepreneurs’ narratives with secondary data. We gathered additional information about the entrepreneurial firms, e.g., from homepages, media and other public information. Gathering data from multiple informants and a variety of sources leads to richer and potentially more reliable emergent theory and allowed the authors to triangulate data points to provide a more complete perspective (Glaser and Strauss, 1967) of the process (Shepherd and Williams, 2014). Finally, we followed the established practice in grounded theory research in collecting secondary data, gradually matching our data-collection strategy to the emerging theoretical insights until further data collection and analysis provided no explanation beyond the categories or themes that emerged, which Glaser and Strauss (1967) describe as “theoretical saturation.” As noted by Shepherd and Williams
(2014), moving between the entrepreneurs’ reflections, the literature, secondary data and our emerging theoretical analysis allowed us to solidify the 24 entrepreneurs for our study and begin to understand potential theoretical contributions. The table below displays the different data sources for the project in relation to time.

[Insert Table 1 near here]

As shown in Table 1, the reflections from the entrepreneurs in the Women & Growth programme became a central data source. Because the context in which we collected the data were a development and networking program, there is always a risk of self-fulfilling dimensions, i.e., the entrepreneurs might respond to the positive ambitions of the programme itself. Regarding the validity of this dimension, much emphasis was placed upon building trust between the researchers/programme staff and the participating entrepreneurs. A minimum power asymmetry between the entrepreneurs and researchers from all possible incentives or sanctions was also important. To secure the processual and longitudinal aspects of these reflections and to minimize the risk of self-fulfilling findings, the reflections were collected over the entire programme period and some of the questions were repeatedly asked in written reflections based on prepared questionnaires. For example, after every workshop, the following action-oriented questions were asked: 1) *Do you have got access to knowledge or experiences useful for your business growth or business plans? If so, which and in what way?* 2) *Do you recognize changes in your business attitude that are directly related to new networks attained during the programme period? Please describe, including possible business effects.* 3) *Have there been any emotional situations during this workshop functioning as eye openers for you as a business leader? Please describe.*

The responses and all written documents produced by the entrepreneurs were scanned and stored electronically and then made available for all entrepreneurs and the researchers involved in the programme.

**Data analysis**

Our overall analysis was structured and based on established procedures for inductive, theory-building research (Gioia *et al*., 2013; Locke, 2001; Strauss and Corbin, 1998) by following guidelines for constant comparison techniques (Glaser and Strauss, 1967) and working recursively between the data and the emerging theory (Shepherd and Williams, 2014). This approach assisted us in completing four primary steps in the data analysis phase, in which we
assessed ideas discussed by the entrepreneurs and compared various events in the development and networking programme. These steps were designed to delineate first-order codes, sub-theoretical categories, theoretical categories and aggregate theoretical dimensions within the data (Gioia et al., 2013; Corley and Gioia, 2004), going from “pure data,” introducing theory and to conceptual, abstract and analytic understandings of the phenomenon (see Figure 1).

**Identifying first-order codes**

First, we began the analysis using “open coding” (Locke, 2001) by identifying initial categories or first-order codes regarding how the entrepreneurs reflected on their growing processes. At this stage, we began to loosely identify consistent issues, dilemmas, solutions or actions taken by the entrepreneurs (Shepherd and Williams, 2014) using constant comparison techniques (Glaser and Strauss, 1967). During this process, we looked for similarities and differences among the emerging categories unveiled by first-order codes, and, considering the array of data before us, searched for deeper relational structure within the data while simultaneously narrowing our categorization of emerging themes (Gioia et al., 2013; Shepherd and Williams, 2014). As with all steps in the analysis process, this process was not linear but was a “recursive, process-oriented, analytic procedure” (Glaser and Strauss, 1967; Locke, 2001, p. 240) that continued until we began identifying important themes. Thus, we solidified some categories, removed categories that appeared irrelevant, and began identifying theoretical categories (Gioia et al., 1994).

**Aggregating first-order codes to theoretical sub-categories and theoretical categories**

In the second and third steps of our analysis, we moved from open coding (Locke, 2001) to a more abstract data coding using theoretical categories and sub-categories called axial coding (Strauss and Corbin, 1998). This process involved considering multiple levels simultaneously, i.e., the raw data including the entrepreneurs’ terms and abstractions of the raw data that consist of theoretical levels of themes, dimensions, and the larger narrative—theoretically answering the important question, “What is going on here?” (Gioia et al., 2013).

**Aggregating theoretical dimensions**

As the final step of our analysis, we raised the level of abstraction to form a tentative perspective of aggregate theoretical dimensions and a more solidified and formalized perspective of the relationships between dimensions. This enabled us to develop a theoretical framework that links various concepts that emerged from the data (Gioia et al., 2013). We began arranging the
theoretical concepts, iterating between the data and the emerging dimensions to examine the fit (Glaser and Strauss, 1967; Locke, 2001) until we achieved a workable set of themes and concepts, as determined by arriving at a point of “theoretical saturation” (Glaser and Strauss, 1967).

In Figure 1, we show our data structure, comprising the first-order codes, theoretical subcategories, theoretical categories and aggregate theoretical dimensions (consistent with Corley and Gioia, 2004; Gioia et al., 2013). The identification of first-order codes resulted from our analysis of statements from the entrepreneurs, the most important of which were different types of reflections, including both written (mostly based upon prepared questions but also free and open reflections) and oral (mostly presented in plenary sessions) formats. Several examples of the eleven first-order codes that were identified are presented below. The aggregated theoretical dimensions were the outcome of working with the theoretical categories and realizations late in our work, resulting in the development of a conceptual model that is presented at the end of the findings.

[Insert Figure 1 near here]

Having explained our data structure, we continue by presenting our findings, explaining current themes based on representative quotations, and showing how these themes are balanced with extant literature and structured in relation to the aggregated theoretical dimensions (consistent with Gioia et al., 2013). However, there are some limitations that should be addressed. First, how can we theorize based on a relatively small sample consisting of entrepreneurs from different sectors? We can do this because of the careful selection of the sample. For example, they all have a strong ambition to grow their business, are operating in the same business region and have the same gender, which contributes to a contextual validity (Eisenhardt and Graebner, 2007; Shepherd and Williams, 2014). Further, we are not generalizing based on many observations but upon analytic generalizations based on longitudinal observations combined with theoretical anchoring and abstraction (Gioia et al., 2013; Glaser and Strauss, 1967; Locke, 2001). Finally, using rigorous, well-established procedures for sampling, collecting, analysing and theorizing the data (Gioia et al., 2013; Glaser and Strauss, 1967), our findings are consistent and transparent and are open for criticism and external verification.
Findings and theoretical discussion

The data presented here reflect the first-order codes (FOCs) presented in Figure 1. The elements were partially chosen because they represent an important fragment of practice and because we can understand and explain these elements using our post-empirical theoretical categories.

The findings are divided into two sections. First, we present and discuss the intentional process of building knowledge reservoirs. Here, we demonstrate how women entrepreneurs transform the knowledge acquired in their networks into action by providing examples of their experiences. Further, we focus on the effect of new theories and perspectives on knowledge- and network-building processes.

Second, we elaborate the non-intentional processes of network transformation. Here, we demonstrate how network transformations generate strength for entrepreneurial firms. In this section, we focus on how some of the women entrepreneurs “succeeded” in translating themselves and their firms into macro-actors in their network environment.

Intentional processes
Building knowledge reservoirs

When working with the first-order codes, we soon began to consider the concept of knowledge reservoirs as a theoretical lens for understanding and explaining practices. The knowledge network and the knowledge-based system can be constructed by “building knowledge reservoirs” (McGrath and Argote, 2000; Widding, 2005). The concept of knowledge reservoirs is based on how managers build and acquire knowledge that they do not process themselves to enhance their competitiveness. The process of building “knowing” (Polanyi, 1974) capability is important for a firm’s ability to assimilate and utilize external knowledge accessible through networks (Cohen and Levinthal, 1990; Vas and Nijkamp, 2009). To understand the concept of knowledge, we need to highlight the forms in which it might occur. According to Nonaka (1994), knowledge consists of both tacit and explicit elements. Given that entrepreneurial firms are primarily based on entrepreneurs’ knowledge, firms’ knowledge reservoirs largely consist of personal tacit knowledge. Building knowledge reservoirs stems from an intended procedural rationality (March, 1988), meaning that it allows rational planning for growth based on logic of consequentiality (March and Olsen, 1989). Figure 2 presents the logic of the model. [Insert Figure 2 near here]
(1) The starting point of the model is the acknowledgment of the entrepreneur being as a "knowledge manager." (2) She uses her access to knowledge to innovate, and these innovative solutions are (3) brought to the market and judged by their competitiveness, or the firm’s comparative advantage. This is constantly evaluated as (4) the market gives feedback to the entrepreneur, which is symbolized by the arrow. She then evaluates the feedback, and continues to innovate and tests the new solution in the market, which gives new feedback in terms of relative competitiveness; this is an iterative process between her firm and the market. Different types of knowledge are needed for entrepreneurial firms to gain competitive advantage through growth, and they differ from case to case. Widding (2005) refers to four generic knowledge categories that are important within technology-based start-ups. These are labeled as (6) “business knowledge,” and which consists of (6a) knowledge of a product or service, (6b) knowledge of the market, including customers and competitors, (6c) knowledge of company organization, including strategy, (6d) and knowledge of business finance and accounting management (for more details, see Widding, 2005). This “business knowledge” is “stored” or “owned” by different individuals, which can be defined as (5) an entrepreneur’s “knowledge reservoirs.” These reservoirs can be (5a) “internal,” meaning employees in the firm or, (5b) “semi-internal,” e.g., members of the board or owners. The largest reservoir in terms of actors is normally the (5c) “external” pool. Here, we can find a large variety of actors, such as suppliers, customers, competitors, students, lawyers, accountants, auditors, co-workers, and friends. If knowledge can be understood as a resource, these knowledge reservoirs are highways for its dissemination. Moreover, most of the knowledge in these reservoirs is “tacit,” and the most efficient way of transferring such knowledge is by interaction in the same time and space (Nonaka, 1994), e.g., by networking.

At the second meeting of the development and networking programme in May 2011, the women were introduced to the knowledge and network concepts. They were also presented different ontological understandings of these two concepts, both substantial and relational (Emirbayer, 1997), and were challenged to map important people in their knowledge network. We present some stories that show how the entrepreneurs reacted and responded to this challenge and relate their stories to the different FOCs in Figure 1 that are connected to building a knowledge reservoir. As indicated in the figure below, our data show that the knowledge reservoir evaluated by the 24 women entrepreneurs when intentionally striving for growth
constitutes of persons in the external knowledge reservoir network (FOCs 1, 2, 3 and 6). Another important finding is related to the theoretical perspectives, theories, and exercises (FOCs 4 and 5) presented or given to the entrepreneurs by programme facilitators or researchers, a part of the external knowledge reservoir. This is also an important part of the picture and will be discussed later. Figure 3 illustrates relevant quotes from different entrepreneurs.

The mapping process was revelatory for most of the entrepreneurs. This is consistent with Widding (2005), whose study underpins the process of identifying, attracting, developing and protecting the knowledge in reservoirs. Several entrepreneurs in the group were already accustomed to seeing themselves in a relational interplay with their environment, and their understanding of their network’s role in business growth was strengthened through this session. The entrepreneurs previously focused more on their own isolated businesses and less on their environment. Therefore, this session helped them become aware of the importance of networking and the potential available resources, especially in external knowledge reservoirs (Widding, 2005, 2007).

Entrepreneurship is closely associated with action, and successful entrepreneurship requires that entrepreneurs gain access to resources and transform those resources into action. Several of the women entrepreneurs began to consider how they could use their networks more efficiently as a part of their entrepreneurial activities (FOCs 1 and 2).

The women entrepreneurs reflected on relevant and timely knowledge in the building process. During the program, discussions touched on who should be invited into a network. The entrepreneurs had several ideas regarding contact maintenance, determining valuable contacts, and inviting people who could challenge their businesses (FOCs 1 and 2).

The customer is an important player in entrepreneurs’ knowledge reservoirs (Figure 2). The entrepreneurs reflected on the customers as important contributors in their network (FOC 3). Further, some of them took action, while some planned to act more than that of others in the group, as the following examples show. The entrepreneurs in this section are described with fictitious names at their request. Esther was surprised when she discovered through an exercise that she had so few customers in her network. As shown in Figure 3, Janet elaborated on this statement. Janet experienced the strength of including customers in a network via first-hand
experience during a difficult time with her company. When she was considering closing her business, her customers encouraged and motivated her to stay open (FOC 3).

In one of her reflections, Britt explained that she was initially somewhat embarrassed when she became aware that customers (FOC 3) had been the main driver for her company over recent months; however, she turned this characteristic of her business into a positive factor. This is consistent with Drucker (1974), who claims that a firm’s purpose is not to develop products but to obtain customers (see also Davidsson and Klofsten, 2003).

Grethe found new customers by “surprise.” Driven by her love of seeking adventure, facing challenges and pushing her own limits, she decided to join an extreme expedition to the South Pole. Her experience garnered her substantial attention in the media, which led to several requests for her to talk about her experiences. Initially, the expedition was a personal challenge for Grethe; however, after completing this challenge, she identified it as an opportunity to grow her business. Today, she has a broader and more relevant business repertoire (FOC 2). This example shows Grethe’s ability to identify opportunities and demonstrates how she explored and exploited the relative value of her tacit knowledge (Kirzner, 1997).

These entrepreneurs’ narratives exemplify the intentionally driven networking process. Participating in the programme facilitated a context in which the entrepreneurs were motivated and to intentionally develop their knowledge networks. They entered an organic growth mode through building external knowledge reservoirs.

New perspectives and theories as part of the knowledge reservoir

The previous section indicates that the perspectives and theories presented to the entrepreneurs had some behavioural effects; as Grethe said, “The network task that we did visualized how I should use knowledge networks more.” To understand the ontological status of theories as tools for change, we draw upon relational network theory, more precisely, Actor Network Theory (ANT) (Callon and Latour, 1981; Law, 1994; Law and Hassard, 1999). Law (1994, p. 18) defines the ontological principles of ANT, including the principles of symmetry and reflexiveness. Both principles support the assumption that the theories within a field operate as other network elements in the field; they are not separated from the world or the exclusive property of science (Callon, 1991; Law and Hassard, 1999). Based on this logic, we argue that once the theories are presented within a field or in an entrepreneurial network as in our case, they
start acting. Thus, the theories within this field become part of the field and start to influence entrepreneurial behaviour.

We present two stories about entrepreneurs who stepped into unfamiliar arenas in their efforts to extend their network and build knowledge reservoirs: Janet, who completely changed her intentional behaviour after being introduced to new perspectives on networking and knowledge reservoirs through the program, and Sofia, who strengthened her networking behaviour, which she had already recognized as important but discovered its greater benefits through her participation in the programme.

The first narrative concerns Janet. One of the meetings in the programme focused on network theory, different network perspectives and various ways to understand oneself as a network. This meeting challenged the participants to be proactive when building their networks, which inspired Janet. When she returned six months later for the next workshop, she described the confusion that the programme had created about “networking stuff” (FOC 4). Janet experienced a decisive moment when she recognized the limitations within her own business network and her lack of professional contacts (FOCs 1 and 2). She also considered the term “behaving relationally” (FOC 8) that was introduced and was developing an understanding of the necessity of introducing herself and engaging in new network surroundings. Because of this shift in perspective (FOC 4), she attended a research and development conference in November 2011 in her field without knowing anyone there. “I was scared to death,” she noted, but was determined to show that she was a serious actor in her field. She was welcomed at the conference and actively participated in discussions with researchers and other professional actors in her field. One year after the conference, Janet still maintained contact with one researcher from Finland, who sent her research reports. She also maintained Facebook contact with a colleague working on similar issues (FOCs 1 and 2). After the conference, Janet reflected on the lack of confidence that she typically felt when taking similar risks and connected her change in behaviour to the new network knowledge that she had gained through the programme (FOC 5). Her story exemplifies how external knowledge reservoirs may be extended as a result of theoretical presentations and discussions among groups of colleagues, in this case other entrepreneurs, which are both parts of existing external knowledge reservoirs. It was an intentional act with an unpredictable outcome (FOC 9).
Sofia attended a conference on April 12, 2011, during which the results of an EU project were presented. Sofia did not have any formal assignment at the conference, although she had performed minor work on the EU project during its early stages and had identified this conference as an opportunity to meet new people (FOC 1). In the corridor, she met a man whom she knew from earlier assignments and who now worked for another employer. He offered her an assignment that required approximately three weeks of full-time work in her business area. Sofia completed the job in collaboration with two other women entrepreneurs. This contact led to future work for all three entrepreneurs, and Sofia has retained the company as a customer. Sofia attended this conference before being introduced to network theories in the development and networking program; however, she believes that her participation in the programme helped her view her network ties differently and more clearly and acts more quickly to seize opportunities (FOCs 4 and 5).

There are several similarities between these two stories. Both women attended conferences, made new contacts, and increased their credibility as serious actors in their respective fields. New perspectives on networks and knowledge networks provided by academics allowed the entrepreneurs to translate these perspectives into actionable knowledge, helping them grow their firms (FOC 4).

At the end of the program, Grethe shared some reflections: “At the beginning of this development program, I understood ‘growth’ as ‘numbers.’ However, in the process, I found that not all growth could be minimized down to numbers. Now, I have a much broader understanding of growth, including personal growth, company growth and network growth.” Moreover, Hanne stated, “Participating in this development program has pushed me to search for new knowledge and new networks, which has given me new confidence in my business concept. In one way, this has delayed my progress, but on the other hand, this process has increased my growth” (FOCs 5, 6, and 7).

When reviewing the data to summarize the intentional processes of growth, some findings stand out. First, when working with their knowledge network, the women entrepreneurs became much more focused and purposeful. As shown in Figure 2, they strengthened their market orientation and more actively included customers in their knowledge network. Second, the other entrepreneurs in the programme became important persons in their external knowledge reservoir (see von Friedrich and Rennemo, 2013 for details). Years have passed since the formal
ending of this networking and development programme and, upon writing, there is still frequent contact between most entrepreneurs, e.g., on their Facebook pages. Third, new knowledge network theories and perspectives had a strong effect on networking behaviour, and, as network elements, were shown to be important in knowledge building. Finally, we presented examples illustrating how the entrepreneurs’ thoughts about growth changed over the course of the programme (see Dalborg, 2013 for details).

**Non-intentional processes: the transformation to macro-actors**

This section addresses the second main observation in this study related to the processes that led some of the women to gain powerful status in their network surroundings. To understand this transformation process, we built upon ANT, a perspective that understands this process as a result of network responses whose ontology underlines the unpredictable and unintentional character of network transformations. Before we present narratives illustrating this transformation process, we must outline some of the assumptions of ANT.

Networks can be studied from an emerging and relational or dynamic perspective in which all assets, regardless of their content, constantly exist in an ontological state of “being” (Callon and Latour, 1981; Czarniawska and Hernes, 2005; Stacey, 2001). The socio-material perspective in ANT (Callon and Latour, 1981; Callon, 1991; Law, 1994; Law and Hassard, 1999) considers the social and material or the human and non-human as equivalent ontological positions. Change or growth, as in our case, occurs because of unpredictable network assembly consisting of heterogeneous network elements, including both social or material aspects; therefore, the growth mode observed from this perspective can be understood only empirically. According to Korsgaard (2011), ANT has the potential to foster new directions of empirical research, generate insight, and enhance our understanding of entrepreneurship as a reality-productive process. This paper emphasizes the importance of this translation process for organic growth.

When the entrepreneurs discussed networking activities and responses, some of their stories informed our reflections regarding the ANT concept of the macro-actor. In their famous work, “Unscrewing the Big Leviathan,” Callon and Latour (1981) demonstrate the process through which society may be considered to consist of macro-actors who have successfully translated the will of other actors into a single will for which they speak. This perspective is very powerful because it allows the macro-actor to act with great strength and power and without
serious opposition from the involved network. Furthermore, the strength of the macro-actor is not exclusively dependent on social ties and relations; instead, it is supported by enrolment in different materials (Callon and Latour, 1981). By associating materials with differing durability, a set of practices is placed into a hierarchy in which some become stable and do not require further consideration (Callon and Latour, 1981; Czarniawska and Hernes, 2005). This macro-status may be gained by several actors, people in various positions, organizations, institutions, brands, budgets, values, concepts and theories, and by entrepreneurs. To establish this macro-status, entrepreneurs must also succeed in enrolling other wills by “translating what they want and by reifying this translation in such a way that none of them can desire anything else any longer” (Callon and Latour, 1981, p. 296). According to this perspective, the difference between an entrepreneur who succeeds in this translation process and becomes a macro-actor and an entrepreneur who continues as a micro-actor has nothing to do with the substantial characteristics of the person; instead, success is related to the outcome of the entrepreneur’s network associations. The importance of entrepreneurs’ network associations is poorly understood in a strict substantially oriented society, which may limit understanding of entrepreneurial behaviour and the growth mode. Further, if intended network practice is difficult to understand, unintended practice is even harder.

In this section, the two entrepreneurs are presented under their own names, with their permission and by their own request. The first narrative concerns a Swedish company called Ekorrit, established in 1990 and located in Strömsund. Maria Rubensson and her husband Rolf founded this company, which has expanded steadily in both sales and number of employees since its foundation. In 2011, sales for the company totalled approximately 1 million Euros; there were 11 full-time employees, 10 of whom were women. In 2014, there were 15 full-time employees; further expansion was planned in Östersund. The company has customers from a variety of business lines and of varying sizes, primarily located in the same region. They have a considerable market share as accountants and a strong local reputation. Maria stated, “There are no customers that are more important than others. If we place a customer in such a position, then we become too vulnerable.”

Although the company has important national and international network connections that secure their competence and legitimacy, regional and local networks are critical for securing their business platform and strategy. Their future ambition is to gradually strengthen their
position within Jämtland (a region of mid-Sweden) using the same strategy that they have followed thus far. Maria stated, “We are growing due to recommendations from existing customers, which happen steadily.”

With respect to “the man on the street” in the local municipality and based on our own interviews, people have a very clear picture of the company as to who they are, where they are, and what they do; it could be stated that the locals speak for them (FOCs 8 and 10). Accordingly, the company was honoured by the municipality as the enterprise of the year in 2011. This award also won them a nomination to “the Golden Gala,” which is the most prestigious annual prize for business excellence among regional companies in Jämtland (FOCs 10 and 11).

The second narrative concerns a Norwegian firm called NOEN AS (in English, SOMEBODY), which is headquartered in Steinkjer. Heidi Wang started this company in 2006 to treat her father, who was suffering from Alzheimer’s disease. Before she started her business, she searched for assistance elsewhere. However, she was always given the same answer: “Yes, ‘noen’ (‘somebody’) should help, ‘noen’ should do this, and ‘noen’ should do that.” Because she could not identify this “noen,” her response was to start her own enterprise. In the company’s first year (2008), three people were employed for a 1.15 man-labour year with sales of approximately 100,000 Euros. In 2011, the company doubled its sales and employed 15 people, which aggregated to three man-labour years. Further, in 2012, the company employed 20 people at approximately 3.5 man-labour years and had sales of approximately 250,000 Euros.

One of the authors was discussing his 84-year-old mother’s Alzheimer’s condition with his hairdresser, who responded: “Have you heard about NOEN? They are extremely clever” (FOC 10). The author asked whether the hairdresser had a personal relationship with NOEN and the answer was no: “I’ve read about them in the newspaper, and I heard a customer talking about them.” This response is interesting because it characterizes a macro-actor as defined above. When we analyse the network that NOEN managed to acquire and garner supportive translation responses from, the picture of the company changes dramatically: NOEN is represented in seven municipalities in Norway. In 2011, they received significant media attention, particularly because they were awarded the prize of Social Entrepreneur of the Year (FOCs 10 and 11) and the Regional Governments’ dementia prize (FOCs 10 and 11) and because Heidi Wang was nominated for the national Female Entrepreneur of the Year (FOCs 10 and 11). She also won the regional award. In the same year, the company was referenced in national and regional
newspapers at least 20 times, discussed on national television at least 3 times, and mentioned frequently on Facebook and Twitter (FOC 11). Moreover, the company has developed an impressive partner structure; the homepages of several insurance companies, finance houses, and the Research Council of Norway mention the company. The company also participates in multiple research projects. Regarding their future national and international ambitions, both the international company Ashoka (a global organization that identifies and invests in leading social entrepreneurs) and the Norwegian Kavli-fund are committed partners of the company. The Kavli-fund has also adopted NOEN’s vision (FOC 11) and will support the company with 350,000 Euros over the next 3 years. However, perhaps the most illustrative example of NOEN as a macro-actor is the following: On the popular national Friday TV programme “Nytt på Nytt,” which is based on the British satire show “Have I Got News From You,” one of the regular members wore a white T-shirt with the word “Noen” (FOC 11) on his chest. Although it was not NOEN’s logo, the effect was dramatic: 3 days later, Heidi Wang had received more than 150 messages (FOC 9) from across the country on her Facebook page, in addition to many others via SMS. Typical comments were as follows: “It worked, Heidi!” “Successful advertising!” and “How did you manage?” (FOC 9).

From the ANT perspective, both stories illustrate the same phenomenon, namely, how an actor develops into a macro-actor and thereby receives credibility from the networks involved. These actors are considered stable and indisputable and the resulting responses from their surroundings are very similar, they are “black-boxed” as they are in a stronger position for both consolidation and further growth with this status. Although both entrepreneurs were actively and intentionally aggressive in developing their business networks, the effects of these activities are rather uncertain. As we observed, there are network translations that are entirely out of their control and initiative. The responses from the “man in the street” and being “seen” in a national TV programme exemplify this reality-productive process.

Notably, the route to the macro-actor position was quite different for the two companies, which is an important insight regarding entrepreneurship and growth. The Swedish company Ekorrit, unlike NOEN, reached its current position over a period of many years that were characterized by organic growth in sales, number of employees and network associations. Within its geographical area, the company has a very solid reputation and strong public recognition.
An interesting observation from the data is that the ability to be black-boxed, and thereby to gain credibility, is not dependent on parallel financial growth, as evidenced by NOEN. Indeed, NOEN achieved macro-status through a process very different from Ekorrit’s progression. By traditional definitions, NOEN is a very small company, although its network is large because it has expanded outside national borders within a few years. The stories of both companies are compelling and embraced by many people who have “sworn” or inscribed their loyalty using a variety of durable materials. Both companies take advantage of their macro-actor positions.

In this paper, we attempt to understand how growth can be initiated and understood through intentional and non-intentional network processes. This goal arose as we parsed through the data. An unsurprising conclusion is that to broaden our understanding of business growth, we need to recognize both intentionally and non-intentionally driven processes. Rational planning, in this case with the help of new theoretical perspectives and people from the knowledge network, is a necessary but insufficient part of the growth mode. We also need to bring in unintended network responses. A conceptual model illustrates this and is presented in the figure below.

[Insert Figure 4 near here]

The two small blue circles (“actor” and “knowledge reservoir” (KR)) represent the entrepreneurs’ actor status and the existing knowledge reservoir when they started the “Women & Growth” networking and development programme. By initiating intentional network processes, an entrepreneur extends his/her knowledge reservoirs. Although we can see that the reservoir is expanding in the model, it is important to stress that bigger is not necessary better regarding the phenomenon of knowledge. However, quality and value are related to a firm’s current and future challenges. In the non-intended area of the model, we see the transformation of actor status to macro-actor, a process that to limited extent is or can be managed by the entrepreneur. It is other network elements in or outside an entrepreneur’s knowledge reservoir that affect her status. Thus, there may be some overlap between these two processes for growth, and there will be intentional involvement, although this can be investigated only empirically. We need to emphasize that the process can be reversible; macro-actor status might easily be lost due to unfavourable network responses and a customized knowledge reservoir needs to be continuously nursed to prevent deterioration. Further, although time influences growth, the two elements in the conceptual model (intended and unintended) can evolve separately, which means
that they are not mutually dependent. Therefore, we do not include time as an explicit parameter because it can be confusing due to the different speed at which the elements evolve.

**Conclusions, implications and further research**

In this paper, we outlined two theoretical categories: knowledge reservoirs and macro-actors. These categories highlight our aggregated theoretical dimension, namely intended and non-intended network driven processes. These dimensions are outlined with empirical documentation in different styles; the intentional processes are documented in the context of multiple participants and the non-intentional processes are explained using two company case studies. This might be confusing, although it is necessary due to different ontological assumptions. Intentionality has a human and subjective aspect and can be studied by taking human learning experiences into account and validating them by analysing experiences that draw in similar directions. Non-intentionality is relationally anchored and can be studied by detecting and deconstructing translation responses in open and complex network systems. Then, the quality of the documented effects is crucial for the applicability of the conclusions. Latour (1991) needed only one hotel and one hotel manager to substantiate his argument about the hotel key, which had great effect upon the industry in the following years. We claim that our two cases, Noen and Ekorrit, and the network translations we have documented provide valuable insight in the field of organic business growth. In our data, we also find examples of business stagnation or decrease in which non-intentional processes are important parts of the story. Documenting these stories would be interesting, although this is beyond the scope of this paper, making it a task for follow-up studies. The logic behind the reasoning is nevertheless the same.

By focusing on both intentional and non-intentional processes, we introduce a more holistic and multi-perspective understanding, directly contributing to several calls (Fitjar et al., 2013; Korsgaard, 2011). We have also underlined our position that theories may serve as both analytical tools for the researcher and practical tools for the practitioner.

An important finding of this study that has not received much attention in the entrepreneurship literature is related to the process that led some of the entrepreneurs to gain macro-status in their network surroundings (Czarniawska and Hernes, 2005). In our program, the entrepreneurs had all achieved actor status when they started the program, which is why they qualified for enrolment in the programme. However, at earlier stages, they all began as actants. As demonstrated by our stories about Ekorrit and NOEN, some of the actors achieved macro-
actor status through translation, which means that they began to be perceived by their surroundings as stable and indisputable organizational networks. Our analysis shows that ANT is appropriate for describing and understanding this translation process. The use of this perspective thus constitutes an important theoretical implication of our study and supports recommendations by Korsgaard (2011).

For women entrepreneurs, the strength of working with peers and colleagues and the influence of networking on business growth are strong implications derived from this study. Based on the ontology of ANT, networking may be an unanticipated and precarious activity (Latour, 2005); however, the findings of this study suggest that women entrepreneurs should seek new professional and learning networks. As demonstrated in this study, the group of other women entrepreneurs and teachers/researchers that were part of the networking and development programme became an important part of the knowledge reservoir. As we observed, this strengthened several of the entrepreneurs’ market orientations and connections to customers, which could help them prepare for growth.

From a relational perspective, sustainable growth results from network transformation (Law, 1994). Women entrepreneurs in the development and networking programme helped each other grow their businesses, which influenced their credibility in external relationships. The possibility of growth as an outcome of networking activity is thus a central implication of our study, focusing on not only the “what” (resources) but also the “how” (network), which can be described as knowledge reservoirs. According to McKelvie and Wiklund (2010), this demonstrates an organic growth mode. Thus, growing is a result of intended processes initiated by the entrepreneur and non-intended processes that occur over time.

For the theorist, it makes sense to relate to a single-world perspective, to clarify ontological assumptions and borders, and to follow its explanatory power. Practitioners cannot escape to single-minded worlds, they need to handle complexity and make use of different and sometimes ontologically incommensurable logics to be best equipped for planning and understanding their experiences. The documented transformations in which some of the women entrepreneurs in this project embraced new theories and perspectives are interesting both theoretically and empirically. As previously discussed, these women’s experiences reflect relevant knowledge that should be available to other women entrepreneurs who face challenges related to growing their businesses. The political implications of this study relate to the
importance of awareness among governmental organizations and municipal business advisers regarding the effects of entrepreneurial networking. A variety of organizational perspectives or lenses may be required to grasp the complexity of this process.

Our research opens several opportunities for future studies. Although this was not a gender study, our study has a gender bias. We studied women entrepreneurs and therefore limited the learning of how similar processes would have unfolded in a male context. As mentioned above, more studies on both intentional and non-intentional processes are welcomed. We also need to learn more about building knowledge reservoirs, especially how the mixture of internal, semi-internal and external knowledge could be optimized in organic growth modes and knowledge flow. Further, macro-actor status may be a position that entrepreneurs must maintain rather than merely achieve; therefore, a follow-up investigation may examine macro-actor status over time. We believe that the related dynamism and processes are intriguing avenues for future research, including how the elements in our conceptual model evolve relative to each other and in relation to time.

Acknowledgments
We would like to thank the twenty-four women entrepreneurs that have taken part in this study, for letting us present their stories in the way we have done.

Funding
This paper is a part of the research, development and networking programme “Women & Growth” funded by Interreg (http://www.interreg-sverige-norge.com/in-english/).

References


## Tables

<table>
<thead>
<tr>
<th>Period</th>
<th>Main activities</th>
<th>Description of main activities</th>
<th>Data collection, type of data</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pre-project period</strong></td>
<td><strong>Project planning</strong></td>
<td>Design of the project, composition of researcher/staff group. Selection process (of participating entrepreneurs based on two questionnaires) for the “Women &amp; Growth” development and networking programme.</td>
<td>Collection of secondary and background data. The questionnaires (I sent to 4373 women entrepreneurs in mid-Norway/Sweden and II to 206 interested participants in the “Women &amp; Growth” programme) are not important data for this study.</td>
</tr>
<tr>
<td><strong>January 2010–December 2010</strong></td>
<td><strong>Staff meetings</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>January 2011–January 2013</strong></td>
<td>5 meetings (2–3 days) between staff and entrepreneurs 2 (or 3) group meetings among entrepreneurs 5 meetings exclusively for the staff</td>
<td>Building relationships. Project ambitions (growth and research). Teaching entrepreneurial-related topics (action research, growth, networking, knowledge, marketing, business models, financing, globalization, etc.). Experience sharing among entrepreneurs.</td>
<td>Reflections from entrepreneurs. Some written and prepared in advance, others spontaneous, and researchers took notes. Documents from entrepreneurs: Growth plans, reports about success/failures. Interviews with individual entrepreneurs. Group interviews and observations. Documents and reflections from inter-workshop meeting among entrepreneurs were stored in an E-room.</td>
</tr>
<tr>
<td>Post-project period</td>
<td>Publishing activities</td>
<td>Writing anthology (researchers and entrepreneurs in collaboration). Groups of researchers writing papers for international journals. Facebook reports and communication among entrepreneurs.</td>
<td>Supplementary interviews. Collection of secondary data.</td>
</tr>
<tr>
<td>---------------------</td>
<td>----------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
<td>------------------------------------------------------</td>
</tr>
</tbody>
</table>

Table 1. Data sources and project timeline

Figures
Figure 1. The data structure (after Shepherd and Williams, 2014)
Figure 2. Model of intended practice based on the conceptual model of building knowledge reservoirs (Widding, 2005, p. 597)

<table>
<thead>
<tr>
<th>First order codes (FOC)</th>
<th>Empirical examples</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Statements about:</strong></td>
<td></td>
</tr>
<tr>
<td>1. Important people in business network</td>
<td>“I see the importance of using my business partners and advisors better” (Sofia). “Expertise that I lack myself will be invited into my network” (Nora). “Since the last time, I have been in contact with several new network actors, which has contributed to fulfilling my growth plan” (Fiti). “Since last time, I contacted one of my customer’s grandfathers, who has a very strong position in the local community. He has a strong belief in my business, and he is helping me develop my network from being private to including more professional actors” (Janet).</td>
</tr>
<tr>
<td>2. How to better use business network</td>
<td>“The network task that we did visualized how I should use knowledge networks more” (Grethe). “I gained a clearer understanding of the need to create and nurture networks” (Britt). “I have to learn more about the people in my network and participate more actively in their gatherings” (Elsy). “I ought to be better at collecting contact information when I meet new contacts” (Johanne). “I need to invite people who challenge me” (Nora).</td>
</tr>
<tr>
<td>3. The importance of customers</td>
<td>“I have reflected upon how I can exploit my network in a more practical way, and one of my solutions is to use this insight as a way of being introduced to new customers, letting my existing network communicate my business concepts” (Elsy). “I have fewer customers in my network than I thought (Esther). “All of my customers have a large network in which they talk about their experiences with me as a supplier” (Janet). “This is actually a strength for me - interacting so closely with my customers” (Britt).</td>
</tr>
<tr>
<td>4. The impact of presented theories</td>
<td>“After learning more about network theory, I started reflecting about the importance of customers” (Britt).</td>
</tr>
<tr>
<td>5. Network tasks the entrepreneurs were given</td>
<td>“It has been very fruitful to define my existing network, including its contributions to my business” (Ingrid). “I have seen that I have a large network but that I can get better at applying it” (Johanne). “I have learned to be more proactive and to use my network more actively, such as using other businesses that are located in the same building as my company” (Karl).</td>
</tr>
<tr>
<td>6. The value of contact with programme colleagues</td>
<td>“Being introduced to other participants’ networks and seeing what qualities and resources others view as important in their networks has helped me understand how I can develop my own network” (Ingrid).</td>
</tr>
</tbody>
</table>

Figure 3. Representative quotes related to knowledge reservoirs
Figure 4. A conceptual model to understand entrepreneurs’ growth mode through intended and non-intended knowledge and network processes.