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### ***Ethnography of Female Diaspora Networks: Case of Pakistani Female Entrepreneurs in London***

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#### **Abstract**

Business environment of host country reflect the complex interplay of multiple factors for ethnic minority women including social, cultural and religious factors. Distinct social context of each ethnic (immigrant) group determines its position in the host country. Every ethnic minority group has its unique characteristics, social and cultural conventions and resources that facilitate or constrain their entrepreneurial endeavours. Ethnic minority entrepreneurs, as the social actors draw support and resources from the 'network of social relations', hence it is the 'social network' facilitates or constraints the social actors'. It is the formation and utilization of network of relationship that shapes the entrepreneurial outcomes which is not independent of external factors. Exploration of the outcomes of interplay of gender, ethnicity and religion shaping the personal network of Pakistani female entrepreneurs forms the focus of this paper. Ethnographic inquiry aided in exploring the 'meaning and perception' attached to social relations by Pakistani female entrepreneurs in special ethnic and immigrant context. Gender as a 'social practice' influenced by religious and cultural values leads Pakistani females to maintain 'women only network' and rely on kinship network. Transition from ethnic to non-ethnic and expansion of network is the outcome of Mistrust on ethnic community members.

**Keywords:** Ethnic Minority Female Entrepreneurs, Personal Network, Ethnography, Diaspora network

## **Introduction**

Migrants represent a significant and growing minority in UK. . In order to facilitate their living and to earn livelihood many immigrants start their businesses in the host country, hence, contributing to the national income and mainly to the job creation. The importance of immigrants and their entrepreneurial ventures to the host country's economy has drawn the attention of researchers and policy makers for some time now in the UK. Annual report of Global Entrepreneurship Monitor Report, 2004 states that ethnic immigrant women are to a large extent 'more entrepreneurial than their white female counterparts'(Harding, 2004). The importance of their contribution to the host country (UK) led the researchers to consider different perspectives, for instance, their backgrounds, motivation, influences, decision to become self employed and their entrepreneurial experiences (Baycan-Levent, Masurel, Nijkamp, 2006; Levie, 2007) Previous researches concluded that in order to facilitate their living and to earn livelihood many immigrants start their businesses in the host country, hence, contributing to the national income and mainly to the job creation.

Global Entrepreneurship Monitor Report, 2006 reports high entrepreneurship rates in the United Kingdom for Indian, Pakistani and Black women entrepreneurs over than that of white female entrepreneurs (Bosma and Harding, 2006). However, research also found considerable entrepreneurial differences between the individual ethnic minority groups. Statistical averages, calculated by geographical categorisation of ethnic groups, hide differences between the ethnic communities (Salway, 2007; Modood, 1992). Basu (1998) argues that variation in the entrepreneurial activities of ethnic minority groups is caused by their distinct socio-cultural factors such as family traditions; ethnicity, religion, education, and network of social relationships affect ethnic entrepreneurs' participation in the businesses. These clear social differences between women belonging to different ethnic minority groups strongly suggests that South Asian women should not be treated as a homogenous group for policy development and research. There is a need to consider the intergroup dynamics to explore the lived experiences immigrant and ethnic female entrepreneurs bring to the entrepreneurial venture.

## **Gender Construct in Entrepreneurship Studies**

The 'gender' is a social product which changes through the use made of it by society. When taken as a relational concept, it enables exploration of how women are attributed female characteristics and males masculine ones, and how 'doing' gender is a social practice which positions persons in contexts of asymmetrical power relations (Swidler, 2001). Gender can be described as something that people 'do' -a social practice situated in interactive contexts - and not as something that people 'have', whether by socio-biological attribution or by socio-cultural ascription. Therefore, 'femaleness' in term 'female entrepreneur' signifies a complete role that has strong impact on the way females do their businesses. Gilligan (1982) suggests that women perceive their business as a cooperative network of relationships and as integrated into their lives. This discursive strategy differs from 'the male norm' typical in the traditional business literature by neutralizing the gendering of entrepreneurship studies (Ahl, 2002).

The notion of 'Males: the bread earners' and 'females: the care takers' takes the gender as a "uni-dimensional construct". The only dimension that shapes such a notion was the 'social role' assigned to the both the sexes. Later studies presented gender as a multi-dimensional construct influencing and being influenced by wider social context. In accordance with the multidimensionality of gender it was also recognized that 'female entrepreneurship' is an interactive process hence studying any aspects (psychological, social backgrounds, barriers, performance, growth, management etc) in isolation would undermine the importance of subject.

## **Female Entrepreneurs' Embeddedness in Social Context**

Wider societal level explanations focus on the contextual factors that bear upon the emergence of female entrepreneurship. Female entrepreneurs are found in all societies but the variation in entrepreneurship rate in different societies can be attributed to the differences in social institutions, religion, literacy rates and composition and role of social networks. Embeddedness of entrepreneurial behaviour in a social context is has impact on entrepreneurial motivations (Saravathy, Simon and Lave, 1998; Palich and Bagby, 1995), preference for autonomy and role of personal values (Cooper, Woo and Carolyn, 1988), and social networks (Burt, 2001). The social embeddedness framework asserts that "study of economic activity must

include the analysis of social context within which economic actions occur” (Granovetter, 1985; Uzzi, 1997, 1999). The implementation of this perspective has led researchers to focus on the role of social relations in shaping entrepreneurial activities and their outcomes.

Social context is made up of individual and institutional actors, as depicted in the above diagram, whose interaction form an ongoing network of relationships. Kristiansen (2004) sees network as “a series of formal and informal ties between the central actor and other actors in a circle of acquaintances”. She argues that networks themselves may or may not be important but their importance lies in their function as “channel through which entrepreneurs get necessary resources for business start up, growth and success”. Individuals in various contexts form and maintain network of relationships in their unique ways. These personal networks do not only facilitate the social and economic processes but they become the source of rich contextual information and social phenomena (Fischer, 1982: p. 4). Individuals bring their personal experiences, beliefs and resources to the network of relationship. However, how people network and make choices of forming relationships with others is based on the multiple factors most important of which are gender and ethnicity and in few contexts religion as well. From the above discussion it can be inferred that there is no universal social networking pattern and process followed by entrepreneurs across the globe. Different cultures and ethnicities lead to different networking activities and variation in the formation, structure, utilization and process can be duly attributed to differences in cultures.

### **Personal Network of Ethnic Minority Female Entrepreneurs**

Entrepreneurs draw important resources for their entrepreneurial venture from the network of relationship. In case of ethnic and immigrant businesses role of social networks becomes even more crucial. In the host country immigrants rely heavily on co-ethnic support (financial and non-financial), co-ethnic labour, clients and suppliers. According to Iyer and Shapiro (1999) ethnic minority entrepreneurs join self employment because of the influence of ethnic ties. While explaining the reasons for high self employment rates among South Asian entrepreneurs, Oc and Tiesdell (1999) stated the “substitution of bank loans with access to a strong social network of friends and extended family” as a dominant factor giving this ethnic group “a comparative advantage over other ethnic minority groups”.

In this study, the network concepts used are derived from the concept of personal network in which the individual entrepreneurs are directly involved. In small business research, where the unit of analysis is organization, the (inter) organizational networks are focused upon. But in entrepreneurship research, where the study focuses on individual entrepreneur, studying personal network is more relevant. The personal network approach to entrepreneurship considers the entrepreneurs as embedded dependent actor (Aldrich and Zimmer, 1986). Individual entrepreneur is embedded in the network of social relations and uses the network for the extracting resources and emotional support. Generally a set of people that are preferably contacted by an individual person to get informal information or advice is called a personal network.

Personal network is described as “a network consisting of a focal actor (Ego), a set of network members linked to Ego, and the ties between Ego and these network members (alters)” (Bastani, 2007). Ego in the personal network is the focal person from whose viewpoint the whole network is studied. Anderson and Jack (2002) note that “ego network is based on the perspective of an individual. If someone is asked to list all the people with whom they have relationships, this list would constitute the individual’s ego network”. Here the emphasis is on the perspective of the individual under study. An individual’s perspective is an important consideration because nature of social interaction depends mainly on the perspective of the people involved in the interaction.

Ethnic and immigrant female specially rely most on their personal networks to extract most of financial and emotional support from family and close friends. South Asian females are bound to follow the social norms that do not allow them to freely move outside the home territory. Therefore, they start the business with the help of family and friends and later on with the expansion of business they expand their network to outsiders. Family support and ethnic networks in relation to financial assistance and/or business advice have repeatedly emerged in the entrepreneurial trajectories of women entrepreneurs, and are considered important for achieving empowerment (Anthias, 2007; Masurel et al., 2002)

## **Background and Context - Pakistani Female Entrepreneurs in London**

Pakistanis started migrating to England, even before the creation of Pakistan, in search of jobs and better living standard. Initially they were concentrated in West Midlands and West Yorkshire. Their settlement patterns in England depended on the labour shortage in these areas (Shaw, 2000; p.15). As compare to other parts of Britian, that are concentrated with Mirpuris, Pakistanis in London are from all sub-ethnicities from Pakistan representing Punjabis, Kashmiris, Pushtuns, Sindhis and Balochis (Shaw, 2009). Pakistanis joining labour markets of London after 1960s were mostly qualified Teachers, Doctors and Engineers.

Anwar's (1979) '*Myth of return*' presented the expectation that Pakistanis in Britain are sojourners who do not intend to settle permanently in this country. However, when the British government threatened to restrict immigration in 1962, many decided to stay and were joined by their wives and children (Anwar, 1995). According to 2001 census there was a 63% increase in the number of Pakistani migrant with a 65% increase in the number of Pakistani women in London only (ONS, 2005). Statistics clearly show a cease in the 'myth of return' ideology among Pakistanis. These settlers in London joined different jobs and self employment. Today majority of Pakistani Londoners are self-employed with their family members helping them in their businesses.

Pakistani families bring their socio-cultural values with them to the host society upon migration. However, in the host society context rules or conventions may not be easy to follow for a Pakistani Muslim immigrant. A day shift worker in the workplace may not get time to offer regular prayers in the prescribed timings. Such issues may discourage Pakistani Muslims to join the labour market and they, therefore, join self employment where they have personal freedom and choice to exercise the religious practices. Religion has a deep impact on the overall life of followers. Business is equally affected by the rules, codes and conventions derived from religious beliefs. However, rules affecting men and women are not the same. For women there are special commandments of observing *Purdah* (veil) and male-female seclusion.

Islamic rules govern all the aspects of life including special commandments for Muslim female, e.g, observing *Purdah* (veil), no contacts with *na-Mehrams*<sup>1</sup> (if there is no special need), seclusion of males and females domains in social life that is, home is the domain of females and bread earning is the job of males, who are the heads of households (Anwar, 1995). For Pakistani women this scenario is intricate because these religious values are mixed with the cultural notions of '*izzat*' (honor). Pakistani females are considered the 'repositories' of *izzat* of *khanedan* (family) and *biraderi* (community), therefore, "their chastity and good reputation are highly valued and guarded" (Shaheed, 1990).

Pakistani females are part of the distinct cultural and religious group where the 'femaleness' is defined by the social and cultural values and set the boundaries for females. Traditional role of Pakistani females remains intact even after migration to a foreign country and they cling onto the traditional roles without being impacted by the host society's culture unlike what 'assimilation theorists' view. Pakistani society is based on strong cultural and religious values that do not encourage females to go out of home to earn income (Goheer et al., 2003). It does allow them to earn their own livelihood in case of contingencies by joining labour force, but does not encourage and facilitate business as a career choice. Metcalf et al., (1996) state that self employment rates for Pakistani female are found to be much lower than their male counterparts. This scenario has implications for the self employment of Pakistani females. Because of socially constructed gender roles females are either a part of family business having no or little decision making powers (Dhaliwal, 2000) following "men manage and women work" culture (McPherson, 2008), therefore, self-employment for them is tantamount to expression of independence and "breaking of traditional boundaries". However, empirical evidence is needed to see if change in this particular context (Pakistan) due to migration influences their socio-cultural values in terms of adopting the Western gender roles in host society (UK) and if it has implications for taking up employment and self-employment in the new context.

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<sup>1</sup> Males who are not related by blood or by law.

## **Exploring the Field for Data Gathering**

Interview data used for this paper was collected for author's fieldwork for doctoral studies in 2010. This study was carried out in London, the home of one fifth of all Pakistanis in England. Almost 70 per cent of Pakistanis in London live in Outer London, although the borough with the highest percentage of Pakistanis is in Inner London that is Newham, where over eight per cent of the population are Pakistani. They are one of the economically active group with self-employment rate being eight per cent higher than the average (ONS, 2010).

Researches on sensitive issues and any special and vulnerable population are very challenging. Sieber and Stanely (1988) state that "Socially sensitive research refers to studies in which there are potential social consequences or implications, either directly for the participants in the research or for the class of individuals represented by the research". Ethnic minorities in many cases are a socially vulnerable population and it is therefore very challenging to gain access to them and convince them to participate in the research.

Accessing Pakistani female entrepreneurs in London for the study was quite difficult and strenuous because of absence of database of their contact details. This led to prolonged struggle to find the alternative sources to locate the required respondents. Multiple sources were used to access the respondents such as online portals and directories, community welfare organizations as gatekeepers, referrals and snowballing. Every source of information had its own limitations for instance, online portals and directories provided the information on business and it was not possible to guess if the business owner is a Pakistani female. Personal visits to business sites and trading markets in London helped in locating respondents. However, invisibility of Pakistani female entrepreneurs was a major hindrance. Either they were co-owners in the family business or they were not actively participating in the business despite being the sole owner. To identify the potential respondents I participated in social events in the Pakistani community. It also helped to win the trust of the Pakistani female entrepreneurs, who were reluctant to talk about their experiences. Adopting an ethnographic stance to delve deep in to the social environment of the respondents facilitated this exploratory study.



Being a cultural insider gave me an advantage. Being aware of the taboos in Pakistani culture generally and apprehensions of Pakistani female entrepreneurs (respondents) in particular, researcher took great care in generating interview data by choosing suitable probes during the interviews. Respondents also felt at ease with a Pakistani researcher, who speaks the same language and understand their concerns because of being the part of same culture and religion. However, being a ‘cultural insider’ had its disadvantage. Because of sharing same cultural norms, values and traditions researchers and respondent took them for granted where explanation of same could have shed light on such influences. At several occasions respondents are tried to narrate the story to match the (perceived) expectations, to shape the opinion, and to show them more patriotic and religious to the researcher (evident from anti-narratives in interview transcripts).

Qualitative research approach is characterized by its commitment to the data collection of in the context in which social phenomena naturally occur and to generating an understanding of social phenomena which is grounded in the perspectives of research participants (Miles & Huberman, 1994). Therefore, interviews were conducted at the business sites of the respondents and other places of convenience suggested by the respondents, both at work hours as well as out of work hours. In-depth interviews were conducted with 40 Pakistani female entrepreneurs to elicit accounts of their lived experience regarding their personal networks in relation to their entrepreneurial ventures. Interviews were pre-scheduled and each interview session was 60-90 minutes long. Respondents were requested to share the stories (narratives) of their migration, networking and businesses. All interviews were digitally recorded with the explicit permission of the respondents.

### **Grounded Theory Analysis**

Data analysis starts right from the data collection stage in any type of qualitative research. The researcher, who is interviewing the respondents, interprets the respondents words, thinks of follow up questions and on the spot decides to use certain probes to get more detailed and in depth information. Grounded theory was employed as a data analysis technique to perform constant comparison of data to reveal the themes leading to interesting and emergent

findings. Glaser and Strauss (1967) referred to grounded theory as, 'a general method of comparative analysis' (p 1).

The data analysis framework was based on the principles of grounded theory as propounded by Corbin and Strauss (2008). The framework included three forms of coding – open, axial and selective each representing different orders of in-depth enquiry. Interview transcripts were analysed using the above mentioned analytical framework... The data analysis software NVivo 8 was used to aid the process of analysis. In the first step of grounded theory analysis data was deconstructed using line by line analysis and important concepts were identified from the data forming 400 open codes. In the second step similar concepts (open codes) were grouped together forming 5 higher order categories and 16 sub-categories and in the final step out of 5 higher order categories, a core category, indicated the gist of the research, around which all other categories were interweaved to present a broader picture.

## **Ethnographic Accounts of Pakistan female Entrepreneurs**

A typical immigrant Pakistani female entrepreneur is 30-50 years old, married with married children living with her husband and running her business for last 20-30 years. Many immigrant Pakistani females are highly educated whereas some are illiterate as well. They are all in the in the service sector with majority of them in personal services.

### ***Being a Pakistani female!***

Pakistani female adopts the distinct roles of a mother, sister, daughter and wife and these roles at times coincide with or are in conflict with their career aspirations. However, these roles are constructed differently for British born Pakistani females and for immigrant Pakistanis. Immigrant Pakistani female entrepreneurs described Pakistani males to be “*typical - very demanding*” who believe in the role of female specified by culture and do not encourage their career aspirations of females.

A Pakistani female are expected to stay at home and going out, let it be for job or for business, is not a socially desired act. This cultural norm has not changed even after migration to a developed country like UK and is passed on to next generations, who though disapprove but cannot practically deviate from it. Though Pakistani women have the dual responsibility of

household and work (if they join business/work), but there seem to be no negative sentiments attached to it rather they argue in favour of this traditional role of Pakistani females.

### ***‘Household is the Foremost Duty of a Pakistani Female’***

Household is the foremost duty of a Pakistani female and this is the area where she dominates. For some household is a duty but for others it is a den governed by them. Traditional role of Pakistani female limits the sphere of immigrant Pakistani female entrepreneurs regarding the choice of business sectors, working hours outside home and their networking behaviour. Because of socially constructed gender roles Pakistani females are generally housewives acquiring skills in the traditional household chores which they translate into mini scale business ventures, for instance, food and clothing retail or wholesale, and beauty salons.

### ***‘Protective males’ or ‘Oppressed Females’!***

Pakistani society is considered to be a ‘male dominated’ society where females have very little say in affairs of life. Respondents were asked to reflect on this issue and in some cases discussion on these issues arose itself without being invited to talk on the issue of male domination. Notion of ‘suppressing males’ do not hold true as it is the matter of conceptualizing the position of Pakistani women. Western view, generally formed by comparing the Asian (Pakistani society norms) to Western societal norms, sees Pakistani females as ‘disadvantaged’ group - suppressed and devoid of their rights. However, if Pakistani females entrepreneurs view the scenario as ‘protective males’ instead of ‘oppressed females’ where ‘Pakistani females respect and follow their cultural norms’. Notion of ‘protective males’ is reflected in the co-ownership of entrepreneurial ventures where dealing with suppliers is normally taken care by males of the family.

### ***Choice of Business Sector***

The choice of the sector also depends on the motives to start business. Less educated, having least knowledge of business field, a typical housewife who wants to start business for having a social life chooses something she is acquainted with like clothing or food business. Well educated, experienced in the field, aware of business field, growth ambitious females, who want flexibility and perfect work life balance, or want to utilize their skills, knowledge and prior

experience (may be in the relevant field) normally go to mainstream businesses. The choice of businesses has some distinct dimensions:

- a) ***Social perception of businesses*** - not all businesses hold a socially positive image in Pakistani culture, for instance, beauticians are called 'barbers (*nai*)' that is not considered a very respectable business no matter how much it earns for the owner. They may get rich but do not have the social prestige. In some instances joining such a business is strongly opposed and considered a stigma to the family. one of the respondent shares her experience of joining the beauty business and the opposition she faced;

*“It(opposition) was from makeup artists, ‘mehndi’ artist, even magazines and even family even a lot of family hated me, not my brothers or sisters but a couple of relatives said, ‘she needs to stop doing this, why is she doing this, she is working and having a good job, she is going to ruin our name in the community, she has become NAI (in Urdu name for hairdresser) or hair dresser or a makeup artist not a good job to do’. You know and my mum went through a lot, even my mother in law went through all that for me, I was suppressed by quite close family members who tried to stop my business”.*

(Interview No. 29)

- b) ***The location of home and business*** is also a concern because managing the household remains the most important duty of Pakistani females. This attachment to duty requires them to look for a business location that does not hinder performance of their basic responsibility. The household becomes the epicentre of their all other choices including business.
- c) ***Family background*** is another critical factor influencing the choice of business. Pakistani females either have a family business background that helps them to gain appropriate levels of expertise and knowledge needed for a business. It also ensures that they receive the help and help of family members to address business problems.

This section gave a detailed account of the factors that affect Pakistani female entrepreneurs and their entrepreneurial ventures. Following section discuss how they form and maintain their personal network in the given context and how their personal network impacts their entrepreneurial ventures.

## Composition and Contents of Pakistani Female Diaspora Networks

Immigrant Pakistani female entrepreneurs are closely connected to their families (both nuclear and extended family) and have majority of ethnic ties in their network. Their friends and business associates are Pakistani and Muslims. There is a strong sense of connectedness with the native country (Pakistan) and Pakistanis in UK. Where this strong sense of belongingness defines their ethnic network it also restricts their contacts with other communities in London. Religion along with ethnicity also plays an important role in shaping the personal network of Pakistani female entrepreneurs. In some cases it was explicitly mentioned;

*“Yes I have many friends here. If I want to avoid them I can’t (laughter). They are mostly Pakistani because our thinking is alike [mental compatibility]. Because same blood, same place so there are many commonalities. I have many Indian customers; I have very good relations with them as well. But there are that things we can’t discuss because our religions are different so like there are many aspects that we cannot ignore when talking to other communities”*

(Interview No.2)

Interview data show that immigrant Pakistani female entrepreneurs have strong ethnic ties in their personal network.

### **‘Women-only-Network’**

Pakistani female entrepreneurs described in the interviews that they preferred specific business because it is ‘women-only-environment’. Coupled with business choice they mentioned female friends, help of sisters and advice from mothers mainly. Their choice of ‘women-only-environment’ is the product of religious and cultural boundaries. One of the respondents narrates;

*“Being a Pakistani and a Muslim obviously we can’t go out much and we can’t work for somebody according to their rules, so what else could I do? I couldn’t do a grocery shop or a food shop so what is the best business for the women? so that’s why I got into this business and I started this privately and at the same time I am dealing with the women and being a Muslim we don’t want to be talking to men. So that’s why I chose this business”*

(Interview No. 18)

Preference of ‘women-only-environment’ becomes the basis for having the ventures in the traditional sector. Pakistani female entrepreneurs follow their religious and cultural values that do not allow contacting men (even for business purposes) and long sociable working hours.

Pakistani female entrepreneurs have dense networks characterized by strong ties. They are strongly connected to family, friends and ethnic members. Data analysis reveal that Pakistani female entrepreneurs sustain dense networks only resulting in little or no growth of the businesses of immigrant Pakistani female entrepreneurs.

### **Exchange relationship and Content of network exchange**

Economic exchange is the main characteristic of entrepreneurs' personal network. As discussed in the above section about use of network by entrepreneurs, there are some resources that Pakistani female entrepreneurs extract from their network and at times network formation is solely based on benefit network members can provide in the business. These resources are called the content of exchange relationship (Cook, 1992). Pakistani female entrepreneurs use their personal network mainly as a support network. Majority of respondents mentioned 'emotional support and encouragement' as the main support that they receive from their personal network. Apart from emotional support Pakistani female entrepreneurs use their personal network for advice in business matters, particularly in taking important decisions they consult their personal network.

#### ***I don't want anyone to help me!***

Network support comes in a variety of ways to Pakistani female entrepreneurs, ranging from emotional support to providing services and tangible resources for the business. However, they are hesitant to acknowledge that they have received any kind of support from their personal network. One of the reasons for not acknowledging the support from personal network can be the use the business as an expression of their independence and association of business success with the personal success. One of the respondents narrated;

*“My brothers and sisters have their own settled lives, and I am doing business for my survival, what have they got to do with my business. And no one in family helped me, neither did I want anyone to help me”*

(Interview No. 31)

This depicts her pride in doing the business independently unlike all other females of her family. The tinge of independence, uniqueness but adherence to societal norms gives Pakistani females a highly prestigious position in their personal network.

### ***Multiplexity of ties in Personal Network***

Relations with network actors can be single-stranded or multiple-stranded. Single stranded relations are those where network actors are involved in only one kind of exchange relation such as supplier of the business or friends of the focal network actor, whereas, multi-stranded relations are more complex such as business suppliers are family members and/or friends are business customers as well. Wasserman and Faust (1994; 422) define multiplexity as “tendency of two or more relations to occur together”.

Pakistani female entrepreneurs have more multiplex ties in their personal network. Empirical results show that family members are business partners (co-owners) of the entrepreneurial ventures, friends are business associates and vice versa. Respondents mentioned that over some time now their clients have become their friends, there is no or less differentiation between the two set of relationships.

Theoretically speaking these two sets of relationships are considered two different categories, one is very formal set of relationships called formal network that includes all business associates, customers, suppliers whereas informal network includes friends and family mainly. This shows that boundaries of formal and informal networks are blurring.

### **Transition in Personal Network based on (mis)Trust**

Due to its emergent and dynamic nature personal network grows over time. Empirical results show a transition in the personal networks of Pakistani female entrepreneurs over time. Their reliance on family and friends has not changed though; with the growth in business personal network has grown. From dense network and strong ties it has moved to porous network with few weak ties as well. During start up phase Pakistani female entrepreneurs had family and friends, ethnic suppliers and customers in their personal network, however, growth phase of the business shows not only increase in the number of business associates but also a shift in terms of ethnicity of the business associates as well. Transition from ethnic to non-ethnic personal

network is the noticed with the transition from start-up to growth phases of the entrepreneurial venture. One of the respondents started taking projects with the Pakistani community during start up phase but over eight years of business she is now working across communities. She narrates that;

*(Now I take the projects) across communities but started with Pakistani community as people wanted them but we didn't just want to work with Pakistani community as you then got only work with Pakistani community and less scope for growth as Pakistani community is only 2% of British population. (Also apart from diversification of products) these issues or products are transferrable to a bigger market*

(Interview No.25)

Diversification of products across communities, as respondent says, does not only show the growth of business but also depicts the growth of personal network. Similarly finding new sources of raw materials with the expansion of the business also indicates introducing new ties in the network.

One of the significant elements in shaping the personal network of Pakistani female entrepreneurs is 'trust' that helps maintain close ethnic ties. Merriam-Webster dictionary defines trust as, "assured reliance on the character, ability, strength, or truth of someone or something/one in which confidence is placed"<sup>2</sup>. Trust is a significant content of entrepreneurs' personal network. It is the main ingredient in retaining family and friends as the major part of Pakistani female entrepreneurs' personal network, hence, the reason for maintaining a dense network. However, Pakistani female entrepreneurs expressed their preference to keep their business network separate from the social circle. Their unpleasant business experiences with fellow Pakistanis led them to reduce ethnic ties in network.

Interview responses of Pakistani female entrepreneurs reveal a high degree of mistrust in ethnic (Pakistani) customers, suppliers and other Pakistani business associates. When probed in depth, they mentioned the stories of deception and dishonesty on the part of Pakistani suppliers;

*"With Pakistanis you deal in millions, they will deceive you and will never take complaints, they are dishonest people"*

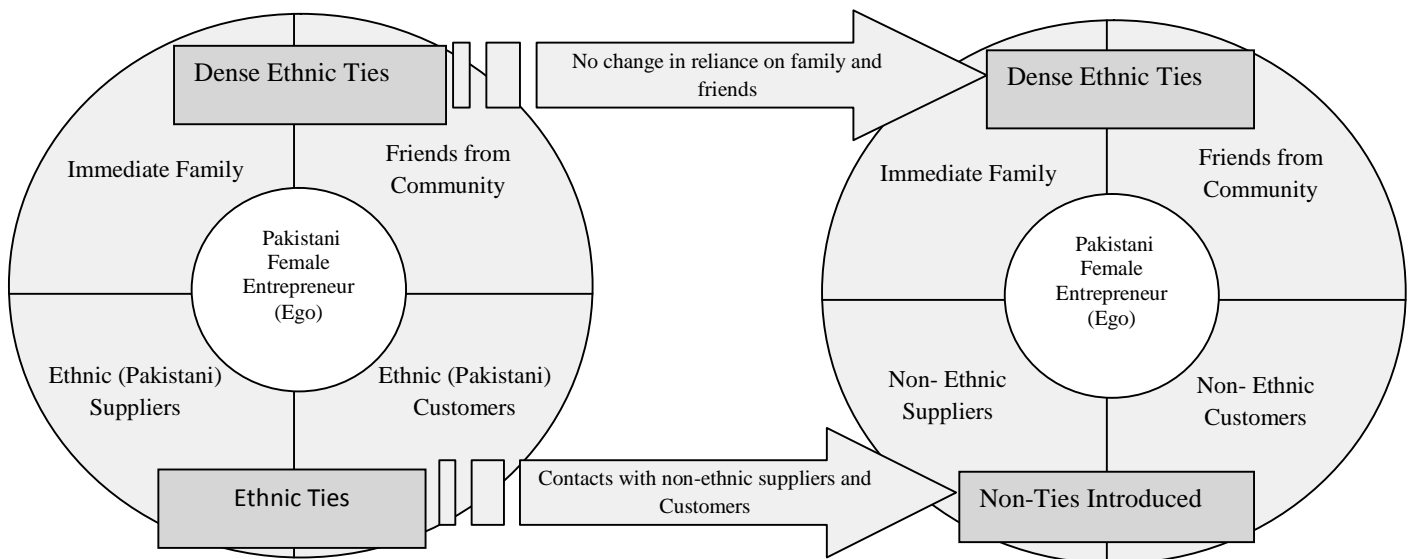
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<sup>2</sup> Trust (2009) in Merriam-Webster Online Dictionary. Retrieved November 30, 2009, from <http://www.merriamwebster.com/dictionary/trust>



They mentioned their preferred suppliers and customers to be non-ethnic (British and Indian Suppliers in England). The transition from ethnic to non-ethnic network members is mistrust on the ethnic network members. Transition and expansion of network is generally considered to be omens of growth of the entrepreneurial ventures. Expansion of business means that an increase in the clients' base, increase in the sources of raw materials (suppliers) and an extended chain of business associates and the same time they are all part of the personal network, hence, indicating an expansion of the network of relations as well. Empirical data shows a transition from ethnic to non-ethnic members in the personal network of Pakistani female entrepreneurs.

### From Ethnic to Non-Ethnic – A Transition Caused by Mistrust



Source: Author

Starting the business with ethnic (Pakistani) supplier and extending it to non-ethnic suppliers over years show that with the growth of business Pakistani female entrepreneurs had to identify and use diversified sources of raw material and at the same time it also shows that with this diversification and extension in the number of suppliers their personal network has also grown. Apart from growing in number 'diversity of ties' is also introduced in the personal

network, as instead of ethnic customers and suppliers now Pakistani female entrepreneurs are linked with non-ethnic customers and suppliers (from other communities of London).

## **Conclusion**

This exploratory analysis allows drawing a sketch of personal networks of Pakistani female entrepreneurs in London. Pakistani females' journey from 'housewife' to 'entrepreneur' is marked with struggle and finding a way out within socio-religious boundaries. Traditionally Pakistani female is supposed to stay within the *chardeewari* (four walls) of house that she considers a 'den where she rules' which is also guarded by '*protective Pakistani males*'. Because of being restricted to house, change in the geographical context (from native land Pakistan to UK) does not bring significant change in the belief system of the immigrant Pakistani females and they hold onto same socio-religious values. This unique social context has important bearing on the personal network composition that in turns influences choice of business sector, information and resource availability and growth prospects for their entrepreneurial ventures. Immigrant Pakistani entrepreneurs prefer to retain kinship ties in their personal network and in entrepreneurial ventures as opposed to ethnic ties. Hisrich and Brush (1986) argue that female entrepreneurs consult their spouses in decision making unlike their spouses. Wider ethnic ties in business are not preferred because of mistrust on the ethnic members of the network. Their network is based on strict adherence to religious values and traditional gender norms; hence their networks are 'women only networks' mostly consisting of Muslim females. Ibarra (1995) emphasized that ethnic minority entrepreneurs have access to differential resources because of distinct personal network they possess. All Pakistani female entrepreneurs draw emotional support and encouragement from their personal network that in some cases go to active participation of network members in the entrepreneurial ventures giving rise to 'multiplex ties'. Pakistani female entrepreneurs have multiplex ties in their networks where family members are business associates as well. Thus heavy reliance of immigrant on personal networks shows that they maintain dense network with strong ties with high degree of multiplexity. For Pakistani female entrepreneurs growth can be termed as a personal choice because they are 'entrepreneurs by choice' and attaining their desired status they cease to struggle despite having opportunities. Research studies on ethnic minority entrepreneurs show that trust in the ethnic community is the

basic element making their business distinct from the indigenous entrepreneurs and expansion in the personal network that is from ethnic to non-ethnic network represent the growth of the entrepreneurial venture. However, in case of Pakistani female entrepreneurs expansion in personal network and transition from ethnic to non-ethnic network is not the outcome of growth of venture rather it is the result of mistrust on ethnic network.

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