

Gender Differences in Networking of Slovenian SME's

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Abstract

Today, there is an indisputable fact that entrepreneurial (business) success derives from the establishment of mutual connection and cooperation, thereby presenting the essence of economic activities. The so-called networking economy has come to the forefront and is reflected in the networking activities of organizations, companies, and entrepreneurs. This paper investigates networking activities between enterprises and organizations (business networking) as well as entrepreneurs' personal networking (entrepreneurial networking). Fundamental research question is: Does networking in Slovenian small and medium-sized companies' differ between male and female entrepreneurs and the companies they are directing? The empirical research revealed interesting findings with regard to certain differences among Slovene SMEs with respect to gender (male versus female). Meanwhile, the research identified linkages between investigated dimensions—namely, entrepreneurs' personal networking and business networking. Although significant domestic and international literature considers networking to be extremely important for enterprises' and entrepreneurs' success, it can be concluded that this is a relevant research topic. Companies as well as entrepreneurs can no longer be successful as individuals because the new information economy is driven by the economics of networks.

Keywords: *gender perspective, entrepreneurs networking activities, SME (business) networking, entrepreneurship policy*

JEL classification: L26, L14

1. Introduction

The contemporary environment determines new frames of organizational engagements. It is clearly evident that success derives from mutual connection and cooperation, which presents the essence of economic activities. This is especially important for SMEs, whose small size make them generally more risk-averse and forced to accept change. Organizations' contemporary circumstances demand radical transformations. They accommodate themselves through network structures or introduce modern management concepts. One of the major concepts to emerge

in recent years is networking. Companies have realized that they can create and sustain competitive advantages by networking with organizations, groups, or individuals. This leads to business success as well as the growth of firms.

The current research followed the principles of modern theory of organization with the principles of entrepreneurship theory based on Thompson (1999, p. 287). Thompson defines entrepreneurship as a pattern of behavior, a style of management concerned with obtaining and managing resources to exploit opportunity. Entrepreneurs respond to environmental turbulence and uncertainty, attempting to establish a strong strategic position, albeit temporary in nature; they also create uncertainty for others with proactive initiatives. They create opportunities by disturbing the existing status quo, they spot and seize new opportunities ahead of any competitors, and they stay vigilant to potential threats (Thompson, 1999, p. 288).

Companies respond to opportunities and potential threats from the environment with different entrepreneurial activities, attempting to achieve more successful performances and higher growth. One such activity is to create network connections. According to Valkokari and Helander (2007), success depends primarily on collaboration with other organizations. On the other hand, networks can also be based on personal relationships. Biggiero (2001) writes that networks of SMEs in particular are based on personal relationships, where small companies' networks overlap with entrepreneurs' networks.

The purpose of the current study is to investigate networking activities through network structures (i.e., networking between enterprises or organizations) and personal networking. This paper focuses on business networking (networking between enterprises or organizations) and entrepreneurial networking (entrepreneurs' personal networking). The empirical research determined differences in networking activities among Slovene SMEs regarding gender (male versus female entrepreneurs). Fundamental research question is: *Does entrepreneurial (business) networking differ between male and female entrepreneurs?* A framework for an entrepreneurship conceptualization that incorporates measures of investigating dimensions regarding gender perspectives in SMEs has been developed. This involves a refinement of previously proposed, but inadequately tested theoretical constructs into an empirically testable framework.

2. Theory Background

Networks can be defined as patterned relationships among individuals, groups, and organizations (Dubini & Aldrich, 1991) and can be seen as facilitating or constraining (Aldrich & Zimmer, 1986) the action of people and groups (Antončič, 1999, p. 195). Economists did not recognize the usefulness of this concept for several years because of the mentality that companies can only compete with each other. Today, the indisputable fact is that, in a market economy, the essence of economic activities presents the core competitiveness while companies' success relies on cooperation (Jarillo, 1993, pp. 127-128).

Networking continuously produces network outcomes for every participant (Ford et al., 2002, pp. 13-14). This is especially important for SMEs as they usually face a lack of resources regarding knowledge, professionalism, access to customers, and intangible resources. With connections, SMEs can eliminate these various barriers, exchange information, and create competitive advantages (Richter, 2000, p. 137).

Networking in a small-firm context could be defined as activities in which the entrepreneurially oriented SME owners build and manage personal relationships with particular individuals in their environment (Carson et al., 1995). The new information economy defines the most important organizations to be those that are organized as network organizations while successful entrepreneurs are those who would be in the process of establishing and growing their companies and capable of establishing numerous contacts and building a business network (Krebs, 2006).

Networking can be defined differently in different contexts, depending on the specific purpose of the study; many classifications exist regarding the *types of networks*. Field exploration is still relatively new; studies and other literature have traced a patchwork of definitions, concepts, and understanding of networks and networking operations.

Networking between organizations and enterprises is a voluntary arrangement between two or more firms that involves durable exchange, sharing, or co-development of new products and technologies (Groen, 2005). Organizational networking at the intra-organizational level involves network organizational structures developed with the intention of quicker responses to requests from the environment. Different forms of network organizations exist; according to Kovač (1999, pp. 166-167), they have been changing the way of integration and trying to exceed the negative dimension of specialization. Consequently, they are trying to increase the level of business performance, meaning that building organizational structures remains an important factor for business success (Ivanchevich & Matteson, 1993, pp. 522-523). However, networks are also often defined as relationships between different actors (Aldrich & Zimmer, 1986; Gulati, 1998; Ireland et al., 2001). Such networks refer to *personal networking*, which is defined as the management of relationships or alliances that the individual has with others in their society (Aldrich & Zimmer, 1986; Dubini & Aldrich, 1991).

The current paper is focusing on entrepreneurs' personal networking (*entrepreneurial networking*) as well as networking between organizations or enterprises, which Antončič (1999, p. 197), terms as *business networking*. Entrepreneurs' personal and business networks should not be seen as two unrelated phenomena, but as social networks that are overlapping and influence one another (Nohria, 1992, as qtd. in Antončič, 1999, p. 212).

The inclusion of personal networks in the entrepreneurial process incorporates the company in the social, economic, and cultural environment (Johannisson, 1996). Entrepreneurs need a lot of information and knowledge,

which can be obtained through connections with others. Entrepreneurial networks are also essential for reducing potential threats in rapidly changing environments. Such networks are intangible assets. The inclusion of entrepreneurial networks add a new dimension to the image of an entrepreneur—next to his or her economic role, it appears as a social role played in the local and broader community (Drnovšek, 2007).

The size of entrepreneurs' network plays an important role in the process of identifying business opportunities as an entrepreneur with a larger network has access to more information. Entrepreneurs who spread their personal networks beyond their narrow circle of friends and family members deal with a larger number of opportunities that can be realized in new entrepreneurial ventures (Singh et al., 1999, as qtd. in Drnovšek, 2007). However, some entrepreneurs have no aspirations to create growing companies; consequently, they may purposefully restrict their network size (Chell & Baines, 2000) and networking activities.

Inter-organizational networks comprise a number of business-related partners, among a relationship exists. The enterprise cooperates primarily with a number of business partners—enterprises and organizations such as consultancy organizations, universities, agencies, and holding companies. Together with these partners, the enterprise forms a network on a formal and informal basis (Munih, 2003, p. 11).

3. Gender Perspective of Slovenian Entrepreneurship

Those who pursue entrepreneurship are entrepreneurs—men and women who are not only able to perceive entrepreneurial opportunities, but are also prepared to bear the risks associated with their exploitation. Entrepreneurs are a rare resource and, as such, are extremely important in a society that strives to increase the level of entrepreneurial activity among people. As research throughout the world indicates (Reynolds et al., 2002), in most countries, women lag behind men in this area; the results of the current investigation will be presented in light of such distinctive features.

Statistical data for the second part of 2006 (Statistical Yearbook of the Republic of Slovenia, 2007) indicate that women represented 45.3 percent of active paid employment in Slovenia. The highest percentage of active working women was in the following occupation groups: civil servants (65 percent), saleswomen and those employed in other services (63 percent), and professionals (59.5 percent). The lowest occupation groups occurred in non-industrial types of work (8.2 percent). Meanwhile, among registered unemployed persons, more than half were women (54.4 percent). The unemployment rate of women continues to increase. Regarding the investigation, the unemployment rate for men was 5.6 percent and 6.9 percent for women (in the fourth quarter of 2006). Although 4 percent of the unemployed women found new work in less than one month, 30 percent waited more than two years for a new job.

Women are generally a little more educated than men are. This is especially true for those aged 25 to 44 years—a group in which twice as many women have higher post-graduate education than men (16.6 percent of the women versus 8.6 percent of the men). On the other hand, women earn—on average—only 93 percent of the average man’s gross monthly salary. Thus, despite a decade of efforts to create legal and formal equal conditions for men and women (Zimmerer & Scarborough, 2005, p. 16), women still face discrimination in certain situations. At this point, it needs to be addressed that it is the entrepreneurial sector that offers women an opportunity for economic participation through the mechanisms of employment and entrepreneurship. A growing number of women have realized that one option for avoiding the “glass ceiling” that prevents access to top positions in many organizations is to start their own business.

A more detailed insight into female entrepreneurship in Slovenia demonstrated a considerable reserve. Female entrepreneurs in Slovenia more often than not do not face prejudice in their entrepreneurial career. Indeed, there are no legal barriers to restrict women in the ownership of enterprises. In recent years, relevant legislation to allow equal opportunities has also been taken. According to Global Entrepreneurship Monitor (2009) men are more likely to be involved in entrepreneurial activity than woman. On average less than 30 % of entrepreneurs were women in Slovenia in 2008 (Rebernik, Tominc and Pušnik, 2009, p.48). Previous studies related to differences in growth aspirations among female and male entrepreneurs in Slovenia revealed that, although women are on average less likely to be involved in entrepreneurship than men, their growth aspirations do not differ significantly from those of men (Tominc and Rebernik, 2006; 2007).

The analysis results indicate that Slovene woman—despite their relatively high social and cultural support—do not take advantage of business opportunities sufficiently; rather, to a greater extent, they undertake business activities out of need. The fact that Slovenian female entrepreneurs lag behind men in entrepreneurial activity can be associated with their significant educational and career choices. Women work predominantly in the economic sector, which promotes serial production and a strong division of labor. For this same reason, women are not trained for the overall management of their own business. They are also employed in public service organizations, which involve the regulated and limited transition to self-employment (e.g., concessions in health care, the problem of public funding for education, child care, and social protection). Consequently, women remain a largely unexploited entrepreneurial resource.

The establishment of effective mechanisms for the promotion of female entrepreneurship could be an important additional source of entrepreneurial ideas in Slovenia. Support and development programs, which some EU countries have already implemented, focus primarily on ensuring gender equality and do not focus on women's entrepreneurship as such. The programs are not tailored to the specific needs of female entrepreneurs.

In the next ten to twenty years, demographic problems will emerge arising from an aging population and a decreasing birth rate, thereby inevitably posing a

threat to the request for the desired economic growth and the ability to support an aging population over the long term. Long-term national policy should include the criteria and measures to cope with the future population and such demographic developments. Thus, the consideration of the female role, which is so crucially associated with the two key elements of the future, and efforts to achieve gender equality cannot be absent in the formulation of political and economic guidelines for the future (Rebernik et al., 2004, p. 55).

4. Conceptualization of the Research Model and Measurements of Networking Activities

The basic purpose of the current paper is to examine one of the most well-known organizational concepts from the end of the 1990s: the concept of networking. In the context of research, two areas were separately studied: entrepreneurial networking (entrepreneurs' personal networking) and business networking (networking between enterprises or organizations). The paper also seeks to explore correlations between the investigated dimensions—namely, entrepreneurs' personal networking and business networking. Figure 1 presents the studied model of networking.

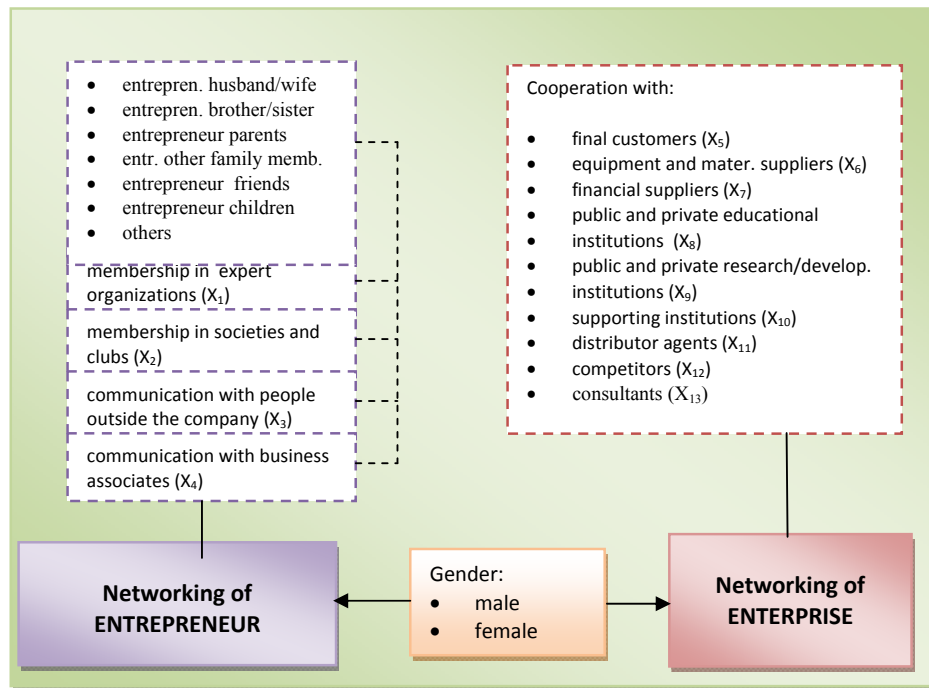


Figure 1. Studied model of networking

The paper proceeds with the implementation of the course of the empirical research from: variables description, sample selection, data sources, and questionnaire design as well as the methods of collection and data analysis.

4.1 Variables

Previous studies have shown that companies differ in their competitive stance, strategy and structure, technological orientation, and networking (Solymossy, 1998). The latter is at the heart of the current investigation. The nature of networking activities differs according to industries, yet its core function is to enable information flow in order to increase acquired know-how and capabilities. Entrepreneurship research shows that networking activities represent an adequate way of gathering information (Ostgaard & Birley, 1996; Peters & Brush, 1996). Information exchange contributes to efficiency as a result of lower transaction costs (Blois, 1990; Jarillo, 1990).

Entrepreneurs' networking size and activities have been studied before Ostgaard and Birley (1996), Drnovšek (2002) and Ruzzier (2004). The current approach measured entrepreneurs' personal network by identifying relatives, friends, mentors, etc., who are also entrepreneurs. Respondents further appraised their membership in expert or business-related organizations, sport clubs, as well as cultural and other voluntary arrangements, estimating the number of people with whom they spoke about their business (outside the company) during the previous two years. Respondents rated the frequency of contact with target groups—namely, final customers; equipment and material suppliers; financial suppliers; public or private educational institutions, public or private research/development institutions, supporting institutions (chambers, ministries, regional agencies); distributor agents (wholesalers, retailers, agents); competitors; and consultants—on a scale ranging from 1 (at least once a month) to 5 (no cooperation at all).

4.2 Data

The statistical population of the research is Slovenian small and medium-sized companies (e.g., joint-stock companies, limited liability companies, non-limited liability companies) in all Standard Industry Classification (SIC) categories. Quota sampling, as one aspect of non-probability sampling, was used. Obvious advantages of quota sampling are the speed with which information can be collected, the lower cost of doing so, and convenience. In quota sampling, the population is first segmented into mutually exclusive sub-groups, just as in stratified sampling. Judgment is then used to select the participants or units from each segment based on a specified proportion—in the current case, company size, regional representation, SIC representation, and appropriate share of males and females in the sample (70:30).

The entire sample comprises 32.1 percent female and 67.9 percent male respondents. The quota sampling helped achieve the pattern of the relationship, according to the latest GEM research results.

Questionnaires were used to gather data regarding entrepreneur and enterprise networking. A central difficulty with researchers trying to accumulate primary data about companies' activities—and in this case the specific topic that affects the very personal area of search data on the networking activities—is how to ensure a satisfactory response rate. The preparation and realization of research have been subordinated for the need of ensuring the highest possible response rate. Interviews were conducted using the Computer Assisted Telephone Interviewing (CATI) method. The response rate was 11.4 percent. Questions were prepared according to the interviewing method and the desired response rate. No open questions were used in an effort to ensure simplicity in completing the questionnaire.

4.3 Research Methods

Quantitative business research methods were used. An extensive review of the literature and empirical research was used to determine participants' current stage of knowledge regarding the determinants of companies' networking orientation. The Pearson correlation was used to measure the association or correlation between variables for data in the form of measurements on quantitative variables. To compare averages among different groups, an independent sample t-test was used for quantitative variables. In the case of nominal variables, the chi-square test was used to test the independence of two variables. The general criterion for accepting the hypothesis was that the difference was statistically significant at the 5-percent level (two-tailed test). For data reduction, a factor analysis was performed.

5. Findings

This section presents the findings in three parts: entrepreneurs' personal network, networking features of the enterprise function (business networking), and the interconnection of entrepreneurs' personal networking with business networking. Only the results of the relevant areas of treatment, in regards to gender (male versus female) will be presented.

5.1 Entrepreneurs' Networking Activities

Entrepreneurs' personal network was assessed according to its personal connections network. Respondents indicated whether they have relatives, friends, and mentors who are entrepreneurs. Table 1 shows the rate of these responses, in ascending order.

Network of Respondents' Personal Connections

Table 1

Type of personal connection	Frequency	%
Children	9	4.7
Parents	17	8.8
Sibling	29	15
Spouse	35	18.1
Other family members (e.g., uncle, aunt)	36	18.7
Good friends	66	34.2
None of the above	77	39.9

N=193

The proportion of respondents who indicated that immediate family members are involved in entrepreneurial activity is significantly lower than that of those whose friends and acquaintances are involved. A calculation of the χ^2 test demonstrated a statistically significant correlation in relation to entrepreneurs' gender only for those respondents who indicated that the entrepreneurs they know include either a spouse ($\chi^2_{(1)} = 7059$, $p = 0008$, $\Phi = \text{Cramer's } V = 0187$) or parents ($\chi^2_{(1)} = 7480$, $p = 0006$, $\Phi = \text{Cramer's } V = 0193$). Thus, Slovenian female entrepreneurs—more often than male entrepreneurs—have a spouse who is also an entrepreneur. However, female entrepreneurs—more often than males—come from families in which their parents have also been entrepreneurs. For all other options, no statistically significant correlations could be confirmed. Based on these results, Slovenian entrepreneurs more often opt for an entrepreneurial career when their spouses or parents are also entrepreneurs.

Almost 80 percent of the respondents are members of 1 to 5 expert or business related organizations while only 28.9 percent are members of 1 to 5 sport clubs or cultural and other voluntary arrangements. An extremely high percentage (70 percent) of entrepreneurs are not members of any of the described initiatives. This finding indicates that entrepreneurs are very occupied with their business activities and do not have time for larger social engagements. The size of entrepreneurs' network, determined by the number of people with whom they spoke about their business (outside the company) over the last two years, demonstrates that almost 30 percent of respondents communicated with 5 to 10 individuals. Furthermore, 33.3 percent respondents said that more than half of these individuals are current business partners.

A comparison of genders demonstrated that females are members of more professional and business-related organizations than men are and communicate slightly more intensively with both business-to-business partners and people outside the company. Men participated more in sports associations and clubs than women. However, none of these differences are statistically significant.

5.2 SME Networking

For SMEs, cooperation with different partners is of utmost importance as they lack a certain amount of expertise, knowledge, experience, etc. Figure 2 presents the frequency with which female and male entrepreneurs cooperate with these partners. The data indicated that women assess the intensity of cooperation higher than men do; the exception was items of cooperation with equipment and material suppliers and final users. The t-test reinforces this conclusion. Thus, again with the 5 percent of risk, it can be generalized that female entrepreneurs in Slovenia significantly and intensively cooperate with the suppliers of financial resources ($t_{(189)} = -2,449$, $p = .015$), public or private educational institutions ($t_{(189)} = -2144$, $p = .033$), supporting institutions (such as chambers of commerce, the ministry, and regional agencies) and consultants ($t_{(187)} = -2,385$, $p = .018$).

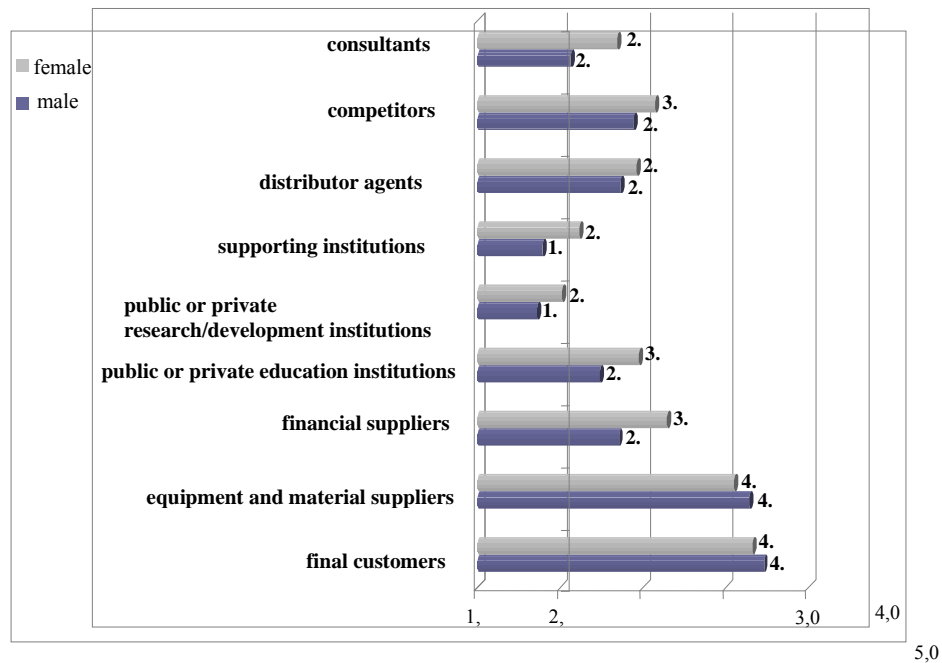


Figure 2. Frequency of cooperation with different partners (male versus female)

The findings herein conclude with the observation that Slovenian companies run by women (entrepreneurs) network more intensively at the intercompany or inter-organizational level than those run by men.

5.3 *Entrepreneurs' Networking Compared to Enterprises' Networking*

To verify the relationship between entrepreneurs' networking activities and enterprise networking, the study first reduced the number of variables through exploratory factor analysis. The results of EFA are shown in Table 2.

EFA of Slovenian SME Networking

Table 2

Variable	Communalities	Rotated factors	Defined factors (Cronbach α : 0,61)	Reliability tests
X ₁	0.746	0.840	Factor 1:	Kaiser-Meyer-Olkin: 0.64 Bartlett's Test of Sphericity: $X^2(78) = 239.813$; $p = 0.000$ Variance Explained: 57 %
X ₂	0.438	0.550	Membership in professional org., societies, and clubs	
X ₃	0.684	0.724	Factor 2:	
X ₄	0.720	0.779	Cooperation with people outside the company	
X ₅	0.542	0.703	Factor 3:	
X ₆	0.475	0.643	Cooperation with customers, equipment and material suppliers, distributor agents	
X ₁₁	0.462	0.583	Factor 4:	
X ₇	0.428	0.446	Cooperation with education, research, supporting institutions, and financial suppliers	
X ₈	0.628	0.754	Factor 5:	
X ₉	0.516	0.668	Cooperation with competitors and consultants	
X ₁₀	0.527	0.628		
X ₁₂	0.659	0.714		
X ₁₃	0.602	0.706		

EFA defined five factors, as indicated in the third column of Table 2. The first two factors relate to the entrepreneurs' networking activities, while the third, fourth, and fifth define the performance of the enterprise networking. To establish a relationship between the two levels of study treatment, the next step used a correlation analysis. The results are provided in Table 3.

The results point to an association between the personal networks of entrepreneurs due to membership in professional organizations, associations, and clubs and all categories of companies' networking activities. Entrepreneurs' informal networks, as reflected by their contacts with individuals outside the company, do not relate with companies' networking. Of course, correlations exist between the investigated categories of companies' networking activities.

A comparison of entrepreneurs' personal and business networking provides an interesting lesson for investigating the differences between genders. Men have many more correlations among the categories of personal and business networking than women. Consequently, women are largely separating their private life from the business.

**Pearson Correlation Coefficients between Entrepreneurs' Networking
(Factors 1 and 2) and Enterprises' Networking (Factors 3, 4, and 5)**

Table 3

		Factor 1	Factor 2	Factor 3	Factor 4	Factor 5
Factor 1	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	193				
Factor 2	Pearson Correlation	.015	1			
	Sig. (2-tailed)	.834				
	N	193	193			
Factor 3	Pearson Correlation	.216(**)	.098	1		
	Sig. (2-tailed)	.003	.186			
	N	183	183	183		
Factor 4	Pearson Correlation	.183(*)	.122	.245(**)	1	
	Sig. (2-tailed)	.012	.096	.001		
	N	187	187	179	187	
Factor 5	Pearson Correlation	.146(*)	.087	.271(**)	.214(**)	1
	Sig. (2-tailed)	.045	.234	.000	.003	
	N	189	189	182	185	189

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

6. Conclusions and Policy Implications

For entrepreneurs, the connection with different partners is of utmost importance; entrepreneurs need a lot of information and knowledge. Some researchers have shown that networking is one of the key elements for business success—for both enterprises and entrepreneurs. Entrepreneurs obtain lots of information from their own network, which is necessary for further business activities as well as further development. Enterprises and entrepreneurs cannot function as individuals; consequently, networking has become a way of life economically as well as in all other environments.

This paper explored networking on two levels: entrepreneurs' personal networking (personal level), and business networking—networking between enterprises or organizations (inter-organizational level). However, the conclusions emerged on three levels, with interesting findings being identified regarding the

correlation between investigated dimensions—entrepreneurs' personal networking and business networking. At all three levels, differences were observed among SMEs regarding gender.

Slovenian entrepreneurs often decide to pursue an entrepreneurial career when their partners or parents are also entrepreneurs. This finding is consistent with the previous findings of Caputo and Dolinsky (1998), who reasoned that role models, advice, and encouragement were the most important components for starting a business. Moreover, Antončič and others (2002, p. 94) highlighted the importance of groups of supporters. The comparison of genders demonstrated slightly more intensive personal networking on the side of women (men engaged in more sports and interest activities), but such differences were not statistically significant. This is consistent with findings of Katz and Williams (1997), who also found hardly any difference between the sexes, although they found significant differences between entrepreneurs and managers.

The comparison of the genders regarding the networking of enterprises emerged demonstrated some statistically significant intensive networking on the side of women entrepreneurs. Interesting areas in which women's network are more intensive than men's include financial suppliers, public or private educational institutions, supporting institutions and consultants. Such findings are consistent with the results of certain authors. Buttner and Rosen (1988) found that bank loan officers perceived men to be more "entrepreneurial" than women. Perhaps this mentality is still present among Slovenian women entrepreneurs; consequently, women more intensively collaborate with financial suppliers. The most recent studies on this subject no longer show the significant differences between sexes (e.g., Carter & Rosa, 1998; Coleman, 2000). Intensified cooperation with educational, supportive institutions and consultants on the side of female entrepreneurs can be argued in a way that women are more willing than men to admit their shortcomings earlier, and therefore seek appropriate assistance when needed.

The comparison of entrepreneurs' personal and business networking reflect the increased interaction between entrepreneurs' personal and business networking. However, according to the findings herein, women separate their private life from business. Again, this finding concurs with previous research. Ahl (2004, pp. 167-168) explained the existence of a division between a public and private sphere of life. The line dividing the public sphere of work from the private sphere of home, family, and children is also taken for granted in the entrepreneurship literature. In the mainstream literature, the private sphere is not even mentioned. Entrepreneurship is something that takes place in the public sphere. The dividing line does not become visible until women enter the literature as research object, when it becomes visible in several different ways. The private sphere of life is very important for women and brings lot of personal connections, which are tied to private life.

Our findings suggest that the state should, as much as possible, influence the establishment and maintenance of a favorable business level. Entrepreneurship

development brings many positive benefits to various segments of society. Entrepreneurs should be motivated to achieve higher company growth, employment, development, and higher performance, which also depends on the conditions created in society. Thus, a supportive environment is essential as it should encourage a large number of people to decide to pursue an entrepreneurial career in the near future. This cooperation can be achieved through intensive supportive programs that can provide all the necessary information for entrepreneurs, ensure appropriate advice, and offer education and training. Different state institutions can promote such supportive programs.

An important strategy that also needs support from the government is networking creation. The government should strengthen the networks and cooperation as well as organize meetings and forums in which entrepreneurs can share their ideas and create informal links between each other. In addition to the links between entrepreneurs, the creation of formal and informal links between companies, potential investors, and other supporting organizations should be promoted. Such support is even more important for micro and small and medium-sized enterprises because they are more often dealing with different obstacles during the period of their establishment and everyday operations.

This paper has helped better understand the gender gap. It appears that male entrepreneurs have less intensive cooperation with educational institutions, supportive institutions, and different consultants. Meanwhile, the results show that female entrepreneurs more often recognize the needs for such assistance and cooperation.

The construction of an adequate supportive environment provides an opportunity for the successful operation and growth of micro and small and medium-sized enterprises, encourages economic activity, and consequently increases the proportion of enterprises and entrepreneurs who—because of more favorable conditions and support from the environment—more effectively address the business. All this in turn affects the prosperity of the entire society. As Shapir and Varian (qtd. in Krebs, 2006) stated: “There is a central difference between the old and new economies: the old industrial economy was driven by economies of scale; the new information economy is driven by the economics of networks....” Networking has become a way of life in the economic society and, as such, presents an imperative for the future.

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