Does Social Capital impact on Networking for Indigenous Entrepreneurs?

ABSTRACT

Literature would support that Social capital is an emotional topic driven primarily by the fields of sociology and anthropology that lacks a defined structure or understanding especially when it is applied to Indigenous entrepreneurship. Case study analysis has been undertaken on three diverse groups, Indigenous Australian, Native Hawaiian and Maori entrepreneurs to determine the impact of social capital on Indigenous entrepreneur’s business networking. It is important that this work defines social capital from the Indigenous cultural position within a business context. This work will investigate the void in literature that exists which fails to address the Indigenous entrepreneurs position within the dominate culture. Does settler society dominate and determine Indigenous entrepreneurs business aspirations and interaction subject to the Indigenous entrepreneurs possession of social capital? Seven main differences based on previous research will be applied. Previous empirical data by the author revealed that entrepreneurial networking is non-universal in that being able to balance networking between a majority (settler society) business culture and a minority (Indigenous) culture is essential for minority entrepreneurs. This will be further analysed as literature is yet to explore the complexity of social capital and business networking on a three nation case study of Indigenous entrepreneurs in Australia, Hawaii (USA) and New Zealand.

INTRODUCTION

This research paper adds to the limited research undertaken on social capital and its impact on networking in entrepreneurial activity amongst Indigenous entrepreneurs. The aim is to explore the connection between social capital and networking within Indigenous entrepreneurial networks.
The paper begins with an overview of literature concerning culture and entrepreneurship followed by an explanation of the applied methodology and research questions. We begin with culture for culture is seen by many as the societal determinant; we need to understand the extent and diversities of Indigenous culture before we can attempt to understand the research questions. A discussion on networking with respect to three independent case study groups of minority entrepreneurs that are Indigenous Australian, Native Hawaiians and Maori of Aotearoa follows. The research outcomes are then reviewed in the context of literature dealing with culture and social capital amongst entrepreneurs followed by a more comprehensive review of literature on culture and entrepreneurial networks. Discussion on the analysis from these case studies provides the findings to the raised research questions. These findings are then presented before the final conclusions are drawn.

CULTURE AND ENTREPRENEURSHIP

The concept of cultural difference has been interpreted by some as a powerful determinant of regional or national variation in the supply of entrepreneurship (Davidson and Wiklund 1995). Yet empirical research on the issue is inconclusive and relatively scarce although there have been attempts to explain large-scale economic development from a sociological perspective particularly with respect to Indigenous groups (McClelland 1961; Weber 1930). Previous research has argued that societies holding different cultural values experience different levels of entrepreneurial activities (e.g. Shane 1992; Ettlie, et al., 1993; Shane 1993; Nakata and Sivakumar 1996; Tiessen 1997; Lee and Peterson 2000; Morrison 2000; Mueller and Thomas 2000; Thomas and Mueller 2000; Begley and Tan 2001). The relationship is not causal and simple, but instead very complex, in fact when applied to Indigenous groups literature on this subject is generalist and indeed paternal.

Hofstede (1980; 2001) laid the academic foundation for understanding some of these issues. The general argument seems to be that individualism (e.g. McGrath, MacMillan & Tsai, 1992; Shane, 1992, 1993; Tiessen, 1997; Johnson et al., 1998; Lee et al., 2000; Morrison, 2000) and masculinity (e.g. Lee et al., 2000) has a positive association with a nation’s levels of entrepreneurship, whereas uncertainty avoidance (e.g. McGrath et al., 1992; Shane, 1993; Johnson et al., 1998; Lee et al., 2000; Morrison, 2000) and power distance (e.g. Shane, 1992, 1993; Johnson et al., 1998; Lee et al., 2000) can have a negative impact. From this we can conclude that culture may have an influence on entrepreneurship or entrepreneurial practices. The idea that entrepreneurs embedded in an Indigenous culture might be more influenced by their own culture than by the main dominating societal culture is something that previous understanding of ‘national culture’ may have failed to consider. This paper broadens the concept of national culture to also include the sub-culture that can be the minority (Indigenous) culture or cultures. Culture is represented in many forms as society changes in response to technological advancements and or in fact commodifies Indigenous knowledge, exploiting it without consent, consultation or due diligence (Durie 1998; Gilbert 2004; Reihana et. Al. 2007, Shand 2002). A wider approach is taken to understand how culture in general influences social networking by the existence of social capital for Indigenous entrepreneurs. To achieve this, qualitative case study analysis has been undertaken with Indigenous
LIMITATIONS WITHIN LITERATURE
To reduce confusion and conflict of opinion, this paper does not consider social network literature and entrepreneurship. It is acknowledged that a solid knowledge base exists in literature regarding social networks and entrepreneurship (see Hoang and Antoncic, 2003 and O’Donnell et al. 2001 for comprehensive reviews). It is also generally accepted that social networks can have a strong influential factor on entrepreneurial activity as the social network approach argues that entrepreneurs are embedded into social contexts that influence the decisions which they take influencing the chances of successfully completing their plans (Greve, 1995: Jenssen and Greve, 2002; Jack and Anderson, 2002; Davidsson and Hoing, 2003). These social contexts are imbedded into their social networks which consist of a variety of relationships to which entrepreneurs are connected. Those relationships can be constituted by formal relationships as well as social relationships, including acquaintances, friends and family (Evald et al., 2006). It is assumed within this literature that entrepreneurs obtain resources from the social network resources that are important and supplement what they already have in possession (Jenssen, 2001; Jenssen and Koenig, 2002; Greve and Salaff, 2003). These resources take on different forms ranging from financial capital, industry information, advice, emotional support and other pertinent general knowledge. It is the composition of the social network that determines which resources entrepreneurs can obtain from their network. Different social networks thus provide different resources to entrepreneurs (Jenssen, 2001; Jenssen and Koenig, 2002) yet how does this apply to Indigenous entrepreneurs who have limited or possibly no inherent social network structures?

The limitations to this literature and why it has not been included is that research and literature on social networking has yet to be applied to Indigenous entrepreneurial groups as the majority of literature in this area is quantitative. Due to the relative low number of Indigenous entrepreneurs and the specialised methodology required in identifying them and obtaining research response, quantitative research at this point of time is not rigorously an effective. This paper explores in relative simple parameters the existence of social capital and culture. The author accepts that there is substantial research on social networks and entrepreneurship in the Anglo-European realm, what is missing and seen as more important in the construction of knowledge on Indigenous entrepreneurs is empirical evidence on the relationship between culture and social networks within entrepreneurial activity. Whilst research on social networking is important we need to understand the connections between culture and social capital first before we explore social networking. Therefore it is important to limit the initial study to its current framework. Research on social networking will be an area of future research.

Methodology: Case Studies
A comparative case study approach has been applied to this study (Yin, 2002: Eisenhardt, 1989). This entails three independent case-studies; Indigenous Australian, Native Hawaiian and Maori entrepreneurs. Each study involved a
range of data collection techniques such as review of official documents, review of mass media documents, society observation, interviews with experts, and interviews with entrepreneurs, etc. However, the main source of data was extensive one-on-one interviews; individual case study analysis of Indigenous entrepreneurs in Australia, Hawaii and Aotearoa. A semi-structured interview format applying substantive coding (open coding and constant comparative coding) was used for the analysis of interview data (Glaser 1992).

The Australian studies is based on several prior research projects (Foley 2000; 2003; 2005a; 2005b; 2006) spanning a period of approximately 8 years. It involves sixty ‘snowball selected’ urban Indigenous entrepreneurs from geographical regions ranging from Hobart to Darwin. The participants covered a broad range of industries, several that are far removed from the art, craft and tourism ventures that are stereotypically associated with Indigenous business activity. This was done to ensure there were no industry concentrations.

The Hawaiian studies were undertaken in 2001 and 2002. The Hawaiian example also involved ‘snowball’ sampling that involved 25 Native Hawaiian case studies also across a broad range of industries and representative of the diversity of enterprises on five of the eight island archipelago that is Hawaii.

The Aotearoa research on Maori entrepreneurs commenced in July 2007 and is ongoing at the time of writing this paper. Participants were all from the north Island in a geographic area that included the Northlands, East Cape, down to Napier and Hawkes Bay, and across to Taupo and its surrounds. Snowball sampling was also applied with 10 participants involved representative of a broad range of industries.

A Grounded theory approach (Strauss & Corbin 1990: 1998) utilising an Indigenous Standpoint Theory (Foley 2002a, 2003a, 2003b) epistemological process that also respects Kaupapa Māori epistemology was applied (Smith 1999).

**Research Questions**
For the purposes of this paper the specific research questions investigated were:

1) Does the presence and degree of social capital influence Indigenous entrepreneurs in any way? and
2) Does culture influence entrepreneurial networking?
3) Does social capital impact on networking?

**Case Study 1: Hawaiian Entrepreneurs**
In summary, it was found that the Hawaiian entrepreneurs valued networking and networking skills as an essential business attribute. It was the networking within the wider Hawaiian community that gave them a market advantage. Native Hawaiians make up approximately 19.85 percent (U.S. Census 2000) of the population of the State of Hawaii. The advantages of population size, population densities close to or in major cities and a history of limited disruption to family networks by the negative affect of colonisation allow Native Hawaiians to have a more positive societal positioning in comparison to Indigenous Australians.
Native Hawaiian entrepreneurs have been able to maintain strong cultural networks that are exceedingly important in their business pursuits, not only within the Hawaiian community, but also within other minority community networks. Interviews showed that long-term associations with other respected ethnic minority groups were invaluable in business interaction providing a market advantage as it allows the entrepreneur to access other market niches complete with their own suppliers and associated networks. This relationship is often multicultural as most of the people involved in these networks are American-Chinese, American-Japanese, African-American / Philippine / Vietnamese or Pacifica nations. What was referred to as the ‘coloured network’ substantiated the dimension to the extent of minority networking. The commonality of these connections support cultural theory studies (Waldinger 1985). For example, previous research has shown minority groups gain access to resources by exploiting contacts or customers (Foley 2005a).

Orbe (1998) refers to the central issue as a relationship between power and communication within the participant’s culture. Native Hawaiian entrepreneurs exhibited the concept of power in their communication ability, which was directly related to their networking ability. This power is evident in dealing with coloured networks. Their businesses are positioned in niches to access resources necessary to exploit opportunities (Waldinger 1985) which supports the application of cultural theory in the dominance of a culturally accepted group with a resultant power and communication ability over non-coloured peers (Orbe 1998). The strength in the utilization of these resources and contacts from coloured networks allows a preferred alternative to mainstream, which is synonymous with aspects of Ethnic Enclave theory (Portes and Bach 1985). This is not suggesting that Native Hawaiian entrepreneurs follow Ethnic Enclave theory in their lack of conformity with mainstream society rather it is their ability to resource goods, services, labour and markets in both mainstream and minority markets that is their strength. Hawaii is multicultural; Australia from the Indigenous Australian perspective is far from being multicultural (Bennet 1999; Neill 2002). Hawaiian entrepreneurs did not normally experience discrimination in their business pursuits, for the Australians it was often a daily occurrence.

The development and utilisation of relationships with other organizations provides many opportunities for Hawaiian entrepreneurs to build industry credibility in addition to access of supplier and customer channels. Access to the customer base is crucial (Paige and Littrell 2002; Zhao and Aram 1995). Participants illustrated the importance of networking as in many instances business associate referrals make up a large percentage of their floor traffic, which proved to be the bulk of their cash sales trade. Without networking, people would not be referred to their business premises, some of which were in obscure, low rent areas.

Networking is understood by many to be an underground movement in some ways as it often takes several years to tap into this network. In most cases it was the existence of good family connections that accelerated your active participation within wider networks. Based on the case studies, once accepted into the Hawaiian business community and its market resources it seems the Hawaiian grapevine works effectively in strengthening business market access and opportunities.
It was found that those involved in the retail sector adopt novel marketing strategies by a concerted effort to give back to the community that supports their business by well-organised sponsorship programs. In metaphoric terminology (as told by one participant) they farm customers by planting seeds in sponsorship as an example, getting youth involved in sporting programs (as evident in another example). They liked their continued sponsorship to be watering and fertilizing the client base. The rewards are reaped with customer loyalty when parents, family or friends then purchase merchandise from their businesses. This innovative marketing strategy has enabled many to maintain a niche market and degree of customer loyalty in spite of the market dominance of K-mart and Wal-mart discount department stores.

Networking with consumers is a high priority in the management of retail businesses. To maintain loyalty, they also adopt a strategy of employing local staff in their principal retail outlets that are supported by the surrounding community. If they employ mainlanders (non locals), then they are employed in stores that target the seasonal tourist trade.

The key ingredient for success for Native Hawaiians is their ability to network, both horizontally and vertically within the marketplace. Their business success is culturally acceptable and a contributor to social status in Hawaii, this is a contrast with the results of an Indigenous Australian study, which indicates that short-term community alienation may arise within the Indigenous community following an individual’s business success (Foley 2000).

Case Study 2: Australian Indigenous Entrepreneurs
The Indigenous Australian population is only 2.4%, (Australian Institute of Health and Welfare 2003). Networking was seen as an essential business activity, however unlike the Hawaiian examples; it was not within other minority groups or its own, as it was predominately undertaken with the dominant society of Anglo-Australia.

One of the most important factors influencing entrepreneurs during their years in business is their choice of role models and networks (Hisrich and Peters 2002). Only sixteen percent of participants in the Australian study are second-generation entrepreneurs; the remaining has no history of family members in business. The majority of Indigenous entrepreneurs were the first in their respective families to display entrepreneurial talents that resulted in business undertakings. On entering business many felt culturally, spiritually and physically isolated as they were participating within an activity in which they had few to no role-models. Networking was a key component to their survival however it was networking involving non-indigenous business people. Several drew on the experiences and the skills of non-indigenous mentors who helped them establish key industry contacts that arguably would not have been possible previously due to negative 19th century stereotypes and discrimination.

Racial discrimination was widespread in the Australian sample. Indigenous female entrepreneurs faced additional problems when dealing with male trade suppliers as many did not seem to want to listen or communicate with them. The female entrepreneurs recognise the importance of networking however they are possibly precluded from reaching their full potential due to
race and/or gender discrimination. Another common scenario also exists in the following example. This entrepreneur networks with non-indigenous people and is somewhat hostile towards his Indigenous community contacts: … in business I can’t afford to mix with black people, in community I mix but in business I can’t. During business hours and during my business time I cannot afford to mix with black people because black people [Indigenous Australians] do not give me access to things I need. They do not give me access to business connections. Indigenous people have not developed enough to provide these things for me, so therefore it is in my best interests to mix with white people (A23, interview).

A23 is driven by what they perceive as a business necessity to deal with non-indigenous people only if they are to achieve business success. Networking opportunities with Indigenous peers are non-existent as he works within a business environment managed by non-indigenous people. His Indigenous staff work in reception or low level menial positions as this participant feels that the expertise and knowledge that he needs can only be found within the non-indigenous sector. This was a common situation experienced as Indigenous businesses are forced to find expertise outside of the Indigenous community. Necessity drives them to network within mainstream business contacts. The ability to network across cultural and/or racial barriers is essential however the more experienced entrepreneurs confirmed that this arises only after years of experience and exposure to the mainstream business world.

Networking enables the Indigenous Australian entrepreneurs to achieve their strategic goals; the downside is that this networking almost inclusively is within the dominant society. In all cases networking has enabled the participants to develop and make use of relationships with suppliers and other organizations and in the process provide increased opportunities to build credibility, a positive image and customer access (Zhao and Aram 1995). Building credibility and a positive image are important concepts when one has to confront racism within the business world. Networking provides role models, industry advice, the sharing of experiences, and access to suppliers and customers (Dollinger 2003; Kuratko and Hodgetts 2001). It is seen as a strategic and a purposeful activity by Indigenous entrepreneurs to gain entry into markets that are non-indigenous. Networking enhances the Indigenous entrepreneur’s ability to succeed and survive (Paige and Littrell 2002). Perhaps the most important aspect of networking, as outlined in this study, is that it allows the participants to obtain a positive image and industry credibility (Zhao and Aram 1995). Yet at what price does networking cost the Aboriginal entrepreneur? For if the Indigenous Australian entrepreneur is to succeed in business it appears they have to be acculturated into the mainstream business world. No example of ethnic theory or co-cultural theory was evident. It is not always well accepted within Indigenous Australian societal groups that the Indigenous entrepreneur is forced to interact with the mainstream business world at the level that they do. Rationally, the economic and financial opportunities are within the dominant settler society of Australia as they are the major population percentage.

In general, business opportunities do not exist within the Indigenous societal or financial sectors. Interviews have illustrated that it can and is a
difficult social decision for the Indigenous entrepreneur to make to immerse themselves within the dominant society as many in this study received a negative backlash from their Indigenous peers. It is important to understand that the Australian population is just over 21 million people (ABS 2007), of this the Indigenous population consists of just over 400,000 people (ABS 2004) relatively sparsely distributed across a nation that has not allowed population concentrations enjoyed by the comparative Hawaiian study.

Case Study 3: Maori Entrepreneurs

Networking and networking skills to the Maori entrepreneur are essential business attributes that are a continuation of their cultural life skills. One in seven New Zealanders are Maori, that's over 14 percent of the total population (Statistics NZ 2002). Most Maori continue to live in northern regions with nearly 90 percent in the North Island and 60 percent in the Northland, Auckland, Waikato and the Bay of Plenty areas. When we consider that the annual income for Maori adults at the year ended 31 March 2001 was only $14,800 and only one in twenty Maori adults have an annual income of more than $50,000 there are considerable poverty issues within the Maori community (Statistics NZ 2002). From observation and literature review it would be fair to state that the communal interaction of Maori with family members and their wider community are survival mechanisms that have fine-tuned the concept of 'networking' so that when Maori enter business, 'business networking' is an extension of their existing skills in the interaction with whanau (family) and hapu (sub-tribe). As an Indigenous researcher the experience of witnessing and being a participant in Maori protocols from a formal powhiri in your honour on a marae to being a guest within a private home or a place of business is an experience that ranges from the culturally subtle to the dynamic. Personal interaction within these varying scenarios is effortless and natural; this is supported by the Global Entrepreneurial Monitor 2005 study (GEM) in which 'social-cultural norms such as positive and confident attitude assist in meeting social-economic expectations' (Reihana et. al. 2007:637) for Maori entrepreneurs. Even in the absence of support from traditional social networks, such as in the case of the urban Maori or the entrepreneurial Maori, they create their own networks and development of new forms of social institutions (Barcham, 1998; Walker 1995).

The history of colonisation for Maori has been a dichotomy, in the early years Maori were allowed economic independence, in fact the survival of the both the fledgling New Zealand colony and the Australian colony in Sydney was dependent on Maori commerce and agricultural skill (Petrie, 2006). Maori were the innovators, the leaders in commerce adopting the plough, flour mills, boat construction and owners of numerous ocean going vessels, conversant with international trade and intensive land use management practices (Petrie, 2006). Economic decline commenced in the 1840’s for a myriad of reasons. The overall loss of military power in the 1860’s and the rapid loss of traditional lands by the glutinous demands of the settler culture ensured that by the end of the 19th century Maori were facing an ever decreasing economic base (Maaka 1997) which has not been reversed until the 1980’s and 1990’s with a reversal of government policy (Barcham, 1998). The population during the 19th century also followed a rapid decline, a similar fate with other Indigenous peoples ‘colonised’ by the British with the rapid spread of disease, attrition by
war and subjugation by the ‘white’ European (Petrie, 2006). The establishment in 1985 of the now defunct Mana Enterprises programme to assist Maori into business was the beginning of several government and Maori initiatives to promote Maori economic development (Jones 2007).

The relationship between power and communication (Orbe 1998) within the participant’s culture is a key issue similar to the Hawaiian study. Native Hawaiian entrepreneurs exhibited the concept of power in their communication ability, which was directly related to their networking ability as do Maori. Unlike the Hawaiian, where this power is evident in dealing with coloured networks Maori display an ability to deal with all layers of society. Not unlike Hawaiians their businesses are positioned across niches to access resources necessary to exploit opportunities (Waldinger 1985) which supports the application of cultural theory in the dominance of a culturally accepted group with a resultant power and communication ability over both Pakehia and their peers (Orbe 1998). Maori from the observer’s position in effect have no peers, unless they welcome that person into the economic and cultural circle of Maoriodom. The strength in the utilization of Maori resources and networks is synonymous with aspects of Ethnic Enclave theory (Portes and Bach 1985). This is not suggesting that all Maori entrepreneurs follow Ethnic Enclave theory in their lack of conformity with mainstream society rather it is their ability to resource goods, services, labour and markets in both mainstream, Maori and other-minority markets that is their strength. Pakehia (non-Maori New Zealanders) or non-Maori in general (e.g. tourists) are in all the cases studied the consumer of Maori products or services. New Zealand is multicultural having the world's second highest proportion of immigrants in its workforce. The census of 2006 showed that only 67 in every 100 New Zealanders were of purely European ethnicity. People of Pacific Island ethnicity formed about 6.9% of the population; about 9.2% were Asian. The 2001 Census revealed that 10% of the population is comprised of ethnic minority people other than Māori and Pacific peoples. This figure is projected by Statistics New Zealand to be 18% by 2021 (Encyclopaedia of New Zealand 2007). New Zealand is multicultural as is Hawai‘i is multicultural. As mentioned previously, Australia from the Indigenous Australian perspective is far from being multicultural (Bennet 1999; Neill 2002). Maori entrepreneurs did not normally experience discrimination in their business pursuits, when specifically asked it was when racism was physical or exclusionary that it was apparent to the participant. In business undertakings none had specific examples; rather their experiences were in the social, education or in dealing with institutions. Racism in New Zealand was thought to be more of a covert issue than in comparison with Australia.

Similar to the Hawaiian, it is important for the Maori entrepreneur to develop and utilise relationships with other business organizations that provides opportunities to build industry credibility together with access to supplier and customer channels (Paige and Littrell 2002; Zhao and Aram 1995). Participants illustrated the importance of industry credibility as there is times is an unspoken stigma that because they are Maori they will not be reliable. Is this racism or ignorance at generalising one group of people in comparison to another? Good business relations combined with power in communication both horizontally and vertically with suppliers and consumers through solid networking connections overcomes this negative business
stigma which is crucial to Maori business development. Maori it seems are forced to prove themselves in business more so than Pakehia. The same situation surrounding credibility exists in the Australian and to a lesser extent in the Hawaii study between Indigenous and non-indigenous debtor/creditors. What is interesting is that from the cultural context Maori credibility is connected to tikanga which identifies the contexts of relationships, the ways, meanings, rules, method, pertaining to that which is right – correct and just, mutuality, trust and whakawhanaunga (to establish or develop relationships) (Milne 2005). Networking is a key component of this understanding of relationship.

It is observed that networking comes relatively easy to the Maori business person as it is an extension of their cultural norm; however they still have to prove themselves within a competitive marketplace. Price, service, quality, delivery and reliability are the main barriers to business in addition a perceived credibility stigma by some businesses or individuals applies.

**COMPARING THE THREE COUNTRY CASE STUDIES**

The three country cases illustrate how entrepreneurial networking differs dramatically among entrepreneurs embedded in different cultures. Table 1 outlines the main differences in entrepreneurial networking practices adapted by Native Hawaiian, Indigenous Australian and Maori entrepreneurs. Seven key dimensions were found that distinguish approaches to entrepreneurial networking adapted by entrepreneurs in the two comparative cultures. These are the drivers for activation of relationship; view of network; role of family; dynamics; diversity; business relations; relationship between social and business spheres.

Table 1: Comparative analysis of the cases

<table>
<thead>
<tr>
<th>Drivers for activation of relationships</th>
<th>Native Hawaiian entrepreneurs</th>
<th>Australian Indigenous entrepreneurs</th>
<th>Maori entrepreneurs</th>
</tr>
</thead>
<tbody>
<tr>
<td>seen as an offshoot of cultural respect for others, spontaneous and genuine in its outcomes</td>
<td>A necessity, often no social or human capital within own networks, therefore need to obtain wider networks to commence business</td>
<td>Seen as a continuation of traditional undertakings, the norm!</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>View of network</th>
<th>Culturally accepted</th>
<th>A necessity</th>
<th>Culturally accepted, interwoven within existing belief systems</th>
</tr>
</thead>
<tbody>
<tr>
<td>Role of family</td>
<td>Very important and supportive</td>
<td>Negligible, most cases negative.</td>
<td>Very important and supportive</td>
</tr>
<tr>
<td>Dynamics</td>
<td>'coloured network' dynamic</td>
<td>Dependence on racial acceptance</td>
<td>Strong economic motivators</td>
</tr>
<tr>
<td>Diversity</td>
<td>Very diverse, well maintained</td>
<td>Limited</td>
<td>Very diverse, well maintained</td>
</tr>
<tr>
<td>Business relation</td>
<td>Many and very personal, they take</td>
<td>Dependent, therefore there is a</td>
<td>Many and very personal, they take</td>
</tr>
</tbody>
</table>
The Hawaiian’s and Maori treat networking as a continuation of their cultural norms, whereas the Indigenous Australian’s saw it as an essential business tool to succeed within the dominant society. Networking was seen by the Hawaiians as culturally acceptable and encouraged, for Maori it is interwoven within existing beliefs, the Australian’s saw it as a necessity in business but it was discouraged by their non-business Indigenous peers. This was highlighted by family members not understanding and attempting to sabotage or diminish networking effectiveness with non-indigenous business partners. The Hawaiian and Maori family’s however encouraged networking. The subsequent results were that the Hawaiian and Maori entrepreneurs networked widely across several cultures, the Australian’s solely within the dominant society, (i.e. settler society). In most instances within the Australian context this resulted in imbalances of power where the Indigenous entrepreneur became dependent to some extent on non-indigenous network partners. The Hawaiians however saw it as a much more informal relationship, an extension of their family. Their business networking was an extension of their cultural interactions with other groups, be they other minority groups or *haoles* (Europeans). The Maori respect the relationship, whilst appearing to treat networking as informal it is anything but.

**Discussion and interpretation**

Table 1 illustrates several main differences between the researched Indigenous entrepreneurs as to how culture influences minority entrepreneurs’ networking activities. Indigenous cultures can be markedly diverse in entrepreneurial activity. The dominant society can influence this which possibly is a reflection of their colonial and ethnographic history. As fundamental differences in networking practice were found among entrepreneurs in the three cultures, the study supports Dodd and Patra’s (2002) argument in that the reason why differences in networks so far have not been found in previous research is due to cultural commonality among the countries that have been previously studied. This was certainly not the case in this papers research.

Expanding literature from Lonner (1980) introduced different universal relationships into cross-cultural management. His simple universality means a phenomenon is constant worldwide. Variform universality refers to a general relationship that holds across countries, but which is moderated by culture. Functional universality refers to situations where relationships are the same within groups. These dimensions allow researchers to think more carefully and sophisticated upon the nature of universality (Dickson et al., 2003). It is not an issue of being totally universal or totally cultural determined. Empirical results obtained in this study reject the concept of simple universality; however they support variform universality. Social networks could...
be important to entrepreneurs in all cultures. What is important to understand is that it is the utilisation of networking that differs dramatically. It can therefore be argued that culture moderates social networking practice adapted by entrepreneurs. No support for functional universality was found in this study possibly because of the high degree of diversity between the cultures investigated. The idea of functional universality however should not be rejected completely. It may – as earlier studies have indicated – be evident in like or similar cultures. Further studies among Pacific Rim Indigenous cultures are planned.

The comparative case study also revealed that entrepreneurs embedded in minority cultures have to consider two cultures simultaneously. Their networking activities need to consider the expectations from both the majority as well as their individual minority culture. Subject to the content of their Indigenous society it might be easy to integrate these cultures (as in the case with Native Hawaiian entrepreneurs), yet it can also be difficult and often associated with huge personal and social decisions (as in the case with Indigenous Australian entrepreneurs). When cultures are difficult to integrate it may result in a disintegration of social frameworks. In some minority cultures (as in the case with the Indigenous Australian culture) interacting with the majority culture is a difficult choice as it is not an appreciated behaviour. It is perceived as violating the social framework and is capable of causing identity crises alienating those who do so. It is indicated from this study that the intensiveness of the problems associated with integrating the majority and the minority cultures is influenced negatively with the relative size of the minority population compared to the majority population as well as positively influenced due to the demographic spread and isolation of minority groups.

Social networking is a way of creating and maintaining identity; as is entrepreneurial networking. Culture defines norms and rules on what is accepted and what is not accepted. Culture can limit the people to whom a person can interact if they want to withhold their identity and keep being accepted within their culture. If people interact in contrast to norms and rules institutionalised in their culture they will be – or at least feel – expelled from their culture. In that sense, culture – through identity and through the need to be socially accepted - moderates how entrepreneurial networking can and are carried out.

However how do we explain the differences within the cultures studied? The differences between Native Hawaiian and Indigenous Australia was something that was difficult to measure yet it is tangible and real. It was the degree of social capital that each group possessed in the Hawaiian example, or totally lacked as illustrated by Indigenous Australia that appeared to be the determinate factor. Maori it would appear had in fact maintained high levels of social capital within their networks.

On reviewing wider literature it is accepted that a lack of theoretical precision has led to considerable confusion about what is social capital (Stone 2001) together with the observation that Social capital becomes tautologically present whenever an outcome is observed (Portes 1998; Durlauf 1999; Stone 2001). It is important to realise that there is no consensus on the aspects of interaction, validity and merit that the label of social capital describes (Grootaert 1998). The narrowest concept of social capital is associated with the works of Putman (1993) who viewed it as a set of horizontal associations.
between people consisting of social networks and associated norms that have an effect on the productivity of those involved. Considering Putman’s (1993) association with horizontal networks this provides an explanation in understanding the connection within the Hawaiian participants of culture and social networks as culture certainly supports social networking when the horizontal applicability of networking exists when it is developed or maintained within their social capital. Empirical presumptions underlie this concept for the networks and norms associated with economic consequences in the Hawaiian and Maori examples which are dramatically different to the Indigenous Australian example.

Social capital is limited to positive associations in the development of participants (Grootaert 1998 Putman 1993). In comparison to Indigenous Australians Native Hawaiians were never systematically eradicated off the settler frontier with rifle and poison. Or brought together and caged in missions as were their Australian counterparts (Reynolds 2000). It is the internal attribute of social capital within these two groups that explains the variance in results as the Australian Indigenous do not have the positive associations and resultant positive effects on their development as explained by Grootaert (1998) and Putman (1993). Maori have had a violent history but have maintained close association to their homelands (Petrie, 2006). When social capital is present it is a producer of ‘civil engagement’ and a broad societal measure of communal health (Alessandri 2002). It is apparent that social capital is indeed evident with Native Hawaiian and Maori entrepreneurs yet lacking initially within the Indigenous Australians. Conflict as experienced by Indigenous Australia with the colonial invasion and post colonial policies has resulted in social disruption which destroys the economy, deteriorates human capital and dissolves social capital (Grootaert 1998). It would appear that the social disruption between the Indigenous groups studied has been severe, possibly more destructive in the Australian example thus the apparent total loss of social capital in that example. Further, it appears that social capital is a development by the Australian group in their entrepreneurial activity with their attainment of social networking. It is the complexity and development of their cultural capital within the dominant culture of the settler society business world that creates further research interest. The Maori may on the other hand have possibly better developed social capital than other sectors of New Zealand society.

A narrower concept of social capital inventories civic association with dimensions of membership along ethnic-kinship lines (Grootaert 1998). This substantiates the research by Foley (2000; 2003; 2005a; 2006) on the urban Indigenous Australian entrepreneur for they initially show a marked decrease in traditional anthropological understanding on kinship however with entrepreneurial activity and strengthening of social networking their social capital mirrors this strength along kinship lines. Social Capital is the attribute, cultural interaction enables the ability to interact, and social networking which is a necessity in entrepreneurial activity in turn assists in the development of social capital.

Culture can be seen metaphorically as a cog that directly drives the interaction that we describe as social networking which is important for the Indigenous entrepreneur. Social Capital is another corresponding cog, or gear that drives the ability to network which correspondingly affects the ability of
the culture to interact positively in networking. Without social capital the Indigenous entrepreneur is dependent on the dominate culture, if the Indigenous group as shown in the Maori and Hawaiian study’s have social capital; then they are less dependent. Social capital however is closely linked directly or indirectly with the norms of what we accept as culture. The World Bank (2002) reported increasing evidence that social capital is critical for poverty alleviation and sustainable human and economic development.

When culture, social capital and culture are developed then they interact and metaphorically move in unison, meshing together. When for example social capital is not evident the entrepreneurs’ ability to interact will be reduced and as mentioned in the Australian example there is a reliance on the dominant society for this resource.

CONCLUSION
The importance of networking is universally accepted in literature as a key attribute to business success and entrepreneurial activity. This paper provides the reader with a new perspective on how culture correspondingly affects entrepreneurial networking and the interacting that social capital has on culture.

In the Hawaiian example a solid cultural capital base ensured; spontaneous drivers in the interaction of relationships, networks were culturally accepted, the family role was supportive, a dynamic networking interaction ensued, networking was diverse and well maintained, they took an avid interest in their networking relationship which for many was personal and their networking relationships were highly integrated between their social and business spheres. (Refer diagram 1).

For the Indigenous Australians the reduced social capital resulted in active social networking to be a necessity in the operation of their basic business functions, the role of the family was negligible to negative, they were dependent on racial acceptance, they experienced little diversity in their networking, their business relationships were often that of dependence with a distinct separation between social and business networking interactions. (Refer diagram 1).

The Maori research reveals a solid cultural capital base with spontaneous drivers in the interaction of relationships. Networks were culturally accepted, the family role was supportive, a dynamic networking interaction ensued with strong economic motivators, networking was diverse and well maintained, they took an avid interest in their networking relationship which culturally supported and their networking relationships were highly integrated between their social and business spheres, yet the Maori entrepreneurs remains fiercely independent. (Refer diagram 1).

The practical implementation for this research is an increased understanding of the business environment for policy makers, NGO’s, business support organisations and the Indigenous entrepreneurs themselves. The relationship between culture and social networking which is stimulated or reduced by the presence of varying levels of social capital can and will assist the Indigenous entrepreneurs in their business planning. Obviously more research is needed in this area.

Research on the diverse Indigenous cultures of Australia, Hawaii and Aotearoa is not enough to establish theoretical assumptions or serious
comment however, this study has highlighted that entrepreneurs embedded in a minority culture interact within their dominant cultures simultaneously. It is the level of this interaction and the power balance or imbalance within entrepreneurial networking that correlates to the entrepreneurs level of social capital that proved decisive. The Hawaiian example due to the American states multicultural composition enjoyed networking connection with other minority groups thus diversifying their business connections as they enjoyed a developed social capital base. They also enjoyed a business climate that was tolerant to their Indigeneity. The Australian example revealed that the minority culture was divorced to some extent from participation within the dominant culture due to the lack of cultural capital forcing the Indigenous entrepreneur to network outside of their cultural boundaries, networking and showing dependence on the dominant society’s participation. This raises many issues and indicators of societal problems that may inhibit business participation for other Indigenous Australians unless their social capital resources are significantly developed.

The New Zealand, Aotearoa study indicates that the existence of social capital within a cultural context does impact on networking. Gem studies have ranked Maori as world class in entrepreneurial innovation (Reihana et. al. 2007).

To answer the three research questions firstly the presence and degree of social capital present can influence Indigenous entrepreneurs, secondly culture can also influence entrepreneurial networking, and thirdly as highlighted in the Maori example the level of social capital present can impact on networking.
REFERENCES
Australian Bureau of Statistics (2004) Year Book Australia 1301.0


---

i Snowballing is a technique whereby introductions are gained from initial sources and continually built upon (Jary & Jary 1995). Introductions to participants were sought initially from government agencies, chartered accounting firms, various Chambers of Commerce and other small business contacts.