The life cycle in women-owned businesses: from a qualitative growth perspective

Cecilia Dalborg

Department of Business, Economics and Law, Mid Sweden University, Östersund, Sweden

Abstract

Purpose – The purpose of this paper is to investigate women-owned businesses from a life cycle perspective and with a qualitative growth approach. Building on previous research that has identified qualitative growth platforms, this paper takes into account the time aspect and investigates perceived barriers and support needs inside different qualitative growth platforms.

Design/methodology/approach – The study took place in Sweden and is based on 191 women entrepreneurs in a first survey and 101 women entrepreneurs in a follow-up questionnaire three years later. To answer the research questions, descriptive frequency analysis and logistic regression analysis techniques have been used.

Findings – The motivation of growth changes throughout the life cycle, and women entrepreneurs move between different qualitative growth platforms when required building blocks of previous platforms have been established and secured. In this transfer of growth ambition, a significant correlation between business age and intrinsic growth aspiration was identified. Initially, growth is extrinsically motivated and later on in the life cycle, it is intrinsically motivated. In the late life cycle, the motivation is extrinsically motivated again. The results discern barriers to growth that hinder movement from extrinsic to intrinsic business platforms, and the author argues that the transfer of growth ambition from one growing platform to another requires different types of advice and support from the surrounding community.

Research limitations/implications – By broadening the view of growth to include both a quantitative and qualitative approach, it is possible to identify a widespread growth ambition in women-owned businesses which experience various barriers and supportive needs. Business programs that encourage exchange of experience among entrepreneurs in various growth platforms might be a way to overcome the perceived barriers. As women’s businesses only receive a low proportion of the government funding, they are prevented from developing their growth ambitions. To ensure that all forms of growth are stimulated, different measures are required depending on which stage in their life cycle the women-owned businesses belong to.

Originality/value – By considering business growth from a qualitative perspective, barriers and needs that the traditional approach may overlook can be highlighted. For example, growth aspiration in terms of more employees will not be considered until the previously, qualitative growth platforms are established and secured. The support system, however, is designed to only favor growth in terms of employment, which results in difficulties to qualify for financial support.

Keywords Women’s entrepreneurship, Barriers to growth, Business life cycle, Extrinsic and intrinsic motivation, Qualitative growth, Supportive measures

Paper type Research paper

Introduction

Entrepreneurship and business creation form the daily life for millions of people around the world. Confidence in these new organizations is high because they are expected to
achieve regional development and growth through increased employment (Carree and Thurik, 2003; Xavier et al., 2013). For this reason, the government invests billions of dollars annually to stimulate entrepreneurship (Lundström and Stevenson, 2005). The paradox is that most new businesses, if they survive the first years, remain small and will most likely only employ its founder (Daunfeldt and Halvarsson, 2011; Storey, 2011). Furthermore, as many of today’s large corporations have roots in the early 1900s, it seems to take a long time for companies to grow (Jagrén, 1993). However, some of the young firms of today will most likely “become the high-impact firms of the future” (Davis and Shaver, 2012, p. 495) and within both research and practice, the assignment is to uncover keys to growth success. As small firm growth is considered to be a complex phenomenon and the fact that the way to achieve and measure growth varies, there is a plethora of approaches to study growth (Davidsson et al., 2010). One way of doing this is to consider organizations as living organisms and to predict growth stages that the organizations are expected to face in their lifetime, i.e. investigate growth from a life cycle perspective (Adizes, 1979; Churchill and Lewis, 1983; Greiner, 1972; Kroeger, 1974; Masurel and Van Montfort, 2006). In each phase, various strategic problems or emergencies are usually identified, which call for changes and measures. The main problem with previous life cycle models is, however, that most companies are growing only marginally, in quantitative terms, and therefore, to a great extent, they will not achieve the predicted model-stages (Levie and Lichtenstein, 2010). This is primarily the case in businesses run by women, which are considered to remain smaller and to prefer growth beyond financial terms (Cliff, 1998; Manolova et al., 2012).

Recent research suggests that growth can be considered from a qualitative perspective, where changes in the underlying motivational factors for growth result in change in the growing object and that growth is something that the entrepreneurs largely strive for (Dalborg et al., 2012). In this view of growth, a Maslow-inspired growth hierarchy is presented where the current situation and the past growth form the basis of the entrepreneurs’ progressive growth ambitions. By thematizing the respondents’ view of growth, the authors discern five different themes, or business platforms, for growth, which are referred to as Survive, Stability, Create work, Appreciation and Personal development. These platforms are then structured in a hierarchical order based on extrinsic and intrinsic motivation factors.

The purpose of this paper is to investigate whether or not a growth in qualitative terms can be considered from a life cycle perspective, and if that is the case, if it is possible to identify various barriers and needs for support depending on which qualitative growth platforms women entrepreneurs try to secure. The paper builds on previous research that assumes that women entrepreneurs have a wide spectrum of growth ambitions which includes extrinsic as well as intrinsic motivation (Dalborg et al., 2012; Manolova et al., 2012) but that there are obstacles (e.g. access to necessary resources and supportive measures) that may limit women’s ability to pursue their ambitions (Brush et al., 2009a; Carter et al., 2001; Marlow and Patton, 2005). The paper reviews research on life cycle theories and business growth, reviews existing theories on qualitative growth and puts forth relevant research questions, describes the data and analytical techniques, reports the statistical findings and empirical support for the answer of the research questions and concludes with theoretical and practical implications.
Previous research and outline of research questions

Life cycle theories and critique of the traditional models

The evolution in businesses can usefully be described using life cycle models as framework (Hoy, 2006; Parker, 2006). Adizes (1989, p. 13) understands it in the following way:

Organizations have lifecycles just like living organisms do; they go through the normal struggles and difficulties accompanying each stage of the Organizational Lifecycle and are faced with the transitional problems moving to the next phase of development.

Life cycle theory was introduced back in the 1920s, but then in the biological context to describe the progressive pattern a living organism passes during its existence. In the mid-twentieth century, this theory began to be applied in management research, now to describe and understand the various stages of development during the companies’ lifetime. The theory has then played an important role in improving the understanding of entrepreneurship and the growth of the firm and the past half century, a plethora of life cycle models have been presented (Lichtenstein and Lyons, 2008). By using, criticizing and further developing predecessors’ models, a continuous change has taken place (Adizes, 1979; Churchill and Lewis, 1983; Greiner, 1972; Kroeger, 1974; Masurel and van Montfort, 2006; McAdam and McAdam, 2008; Lichtenstein and Lyons, 2008). The main difference between the graphical designs of the models concerns the number of phases that are added to the model and with what phase the cycle starts and ends (Levie and Lichtenstein, 2010).

Critical voices have been raised against the various life cycle models and this way of studying growth, not least because they are considered not to suit the vast majority of businesses, i.e. the small businesses, and that just a few companies, if any, will pass all suggested stages (Churchill and Lewis, 1983; Levy and Lichtenstein, 2010). A number of companies instead stay in the earlier phases but are nonetheless viable and provide their owners’ supply (Lichtenstein and Lyons, 2008). Furthermore, the models often have a one-sided view of growth, where growth is synonymous with an increased turnover or increased number of employees, a growth approach not obviously shared by the practitioners themselves (Churchill and Lewis, 1983). In addition, very few companies have such a straight and predicted kind of growth illustrated in the models, instead “[…] the curves will look far more like the ups and downs of a rollercoaster ride than the smooth progressions usually depicted” (Timmons and Spinelli, 2007, p. 561).

However, the models are not so interesting themselves. More important is how each researcher discusses and explains his or her models and furthermore, “How do life-cycle stages influence what entrepreneurs and their firms need, and specifically […] what kind of help should coaches, consultants and advisers be offering?” (Lichtenstein and Lyons, 2008, p. 242). In each described phase, various strategic problems or emergencies would be identified, which call for changes, particularly in the businesses management and governance. One of the earlier model builders, Greiner (1972, p. 46) argues that after each phase of development a period of crisis follows which originates in the past rather than on the basis of the future: “The intriguing paradox is that by learning more about history we may do a better job in the future”.

Entrepreneurs, whose companies do not grow quantitatively, are often assumed to lack ambition for growth and the suggestion is that they keep their companies small because they want to (Reichborn-Kjennerud and Svare, 2014). This adoption is
particular made about women’s businesses because they run smaller companies than men (Fisher, 2006; Reichborn-Kjennerud and Svare, 2014). Morris et al. (2006, p. 221) argue that this is due to deliberate choices by the businesswomen and that it is possible to discern high-growth entrepreneurs from modest-growth entrepreneurs when it comes to motivation and “how they view themselves, their families, their ventures, and the larger environment”. However, development in businesses should not be considered from a static view. Even if a company stays in one phase for an extended period, there are opportunities for it to advance at a later stage. In the same way, it is possible for companies that have had a successful growth to fail in the further development and, therefore, retreat one or two phases (Churchill and Lewis, 1983).

A qualitative view of growth, business platforms and business life cycle
The most common and simplest way to study growth is to measure changes expressed in numbers, such as sales or number of employees (Dobbs and Hamilton, 2007), which also corresponds to the kind of growth the politicians want to see and complies with the measurements that academic scholars use in growth studies (Achtenhagen et al., 2010). However, this quantitative view of growth is not always consistent with the practitioners’ approach (Achtenhagen et al., 2010) and furthermore, it lacks the ability to provide a deeper understanding of growth (Leitch et al., 2010). Growth cannot unilaterally be considered as a “homogeneous phenomenon” equated with success (Davidsson et al., 2010) and “not every firm will grow, as measured by these parameters [turnover, employment, profitability, net worth or fixed assets]. But it is clear that a firm cannot survive without coping with change” and, furthermore, “it is not reasonable to assume that firms which are not growing [read quantitative] are not dynamic” (Gibb and Scott, 1985, p. 600). Therefore, growth is a more complex process contiguous with “internal changes” (Penrose, 1959, p. 1), such as “developing the range and quality of products, and building stronger organizations” (Achtenhagen et al., 2010, p. 310).

Despite the fact that there is a broad and consistent call for studying growth in new ways (Achtenhagen et al., 2010; Davidsson et al., 2010; Leitch et al., 2010; McKelvie and Wiklund, 2010), the above-mentioned growth approach, based on a more qualitative character, has not found much scholarly or policy attention so far (Achtenhagen et al., 2010). However, there are examples of prior research that has embraced a more qualitative growth approach implicitly. For example, Gibb and Scott (1985) introduced the concept “base for potential development” as an expression for the condition that is the starting point for business growth. The authors mean that a basis for development has been created when various bases (or building blocks), such as resources, experiences, control, leadership and idea, have been arranged in the company. Klofsten (2009) instead use the concept “business platform” when he proposes a similar idea by presenting his Business Platform Model, consisting of eight “firm-level cornerstones” referred to as business idea, product, market, organization, expertise, driving force, customers and other relations, which together is considered to determine the firm’s early development process and further performance. The research of Flamholtz (1995) can also be considered to have a more qualitative character, as it seeks the underlying qualities that are required to build a successful organization, i.e. changes in internal values over increase in size (see Penrose, 1959).

That said, how could growth be studied from a qualitative point of view? According to Penrose (1959, p. 23), an important question to answer in terms of business growth is

Women-owned businesses

129
the motivation of the firm, i.e. “why it acts as it does”. Previous research shows that there is a strong correlation between the motivation to grow and actual growth (Cowling, 2006; Davidsson and Klofsten, 2003; Reichborn-Kjennerud and Svare, 2014). Thus, a fruitful qualitative view of growth could entail a focus on internal values, where the study interest is directed to the changes in the underlying motivation factors for such growth and which result in an internal development of the firm. This is consistent with previous research, which suggests that qualitative growth involves “analysis of the qualities of change and the resulting changes to the characteristics of the growing object” (Dalborg et al., 2012, p. 293).

The question what it is that motivates individuals to act in a certain way at a given point in time has attained research interest in psychology, education and business studies for a long time (Maslow, 1954/1987). According to Maslow (1954/1987, p. 7), humans are driven by different desires (or needs) and “as one desire is satisfied, another pops up to take its place”. In this classical theory, there are two important facts:

1. the human being is never satisfied; and
2. wants seem to arrange themselves in some sort of hierarchy of prepotency from the most important in the bottom to the least important at the top.

Maslow’s hierarchy is made up of five levels. In order of importance, they are physiological needs followed by safety needs, belongingness or love needs and esteem needs. At the top of the hierarchy, the need for self-actualization is found. Maslow’s hierarchy of needs and the business platform model by Klofsten (2009) inspired Dalborg et al. (2012) in their work to suggest a framework for qualitative growth in business. The authors raised the open-ended question to women entrepreneurs: “How would you explain the concept of growth?”. The interpretation of the answers resulted, after several iterations, in a pattern where five different themes, or business platforms, could be discerned from the various definitions of growth, referred to as survive, stability, create work, appreciation and personal development (Dalborg et al., 2012, p. 304). In contrast to Gibb and Scott (1985) and Klofsten (2009), who propose one basic business platform as a base for business growth, Dalborg et al. (2012) instead suggest a hierarchy of qualitative growth platforms where the current situation and the past growth history form the basis for the level of growth ambition the entrepreneurs express. In accordance with Maslow (1943, 1954/1987), the authors argue that prerequisites of a previous level must be satisfied before a change in the motivational factors for growth will emerge.

Maslow (1954/1987, p. 57) describes the hierarchy of needs as “an order of choice or preferences” that ranges from lower to higher needs and where “the physiological needs are stronger than the safety needs, which are stronger than the love needs” (Maslow, 1954/1987, p. 57, p. 56). In the qualitative growth hierarchy suggested by Dalborg et al. (2012), the growth platforms are structured in a hierarchical order based on extrinsic and intrinsic motivation factors. A behavior is extrinsically motivated if it is based on external rewards such as money. Intrinsically motivated behavior is valued by “its own sake”, and examples of factors are personal development or mental satisfaction (Amabile, 1997; Calder and Staw, 1975). The motivational factors thus differ, depending on whether the individual receives satisfaction directly from the act itself or indirectly via a reward (Young Sung and Nam Choi, 2009).

A fundamental condition for future growth has to do with the company’s survival (Cowling, 2006). This is also the first desired growth platform in the qualitative growth
hierarchy by Dalborg et al. (2012), i.e. to create the conditions to earn one's living. When the required building blocks for the first growth platform are established and secured, a change in the motivational factor occurs and the business owner instead strives for stability in the firm, which is the next level of qualitative growth platform (Dalborg et al., 2012). Growth in these two “lowest” platforms is characterized by extrinsic motivation because in these platforms, it is all about the profitability in the company and the primary motivating factor for growth is money. A transfer to a higher platform is possible only when the building blocks of the previous platform are secured and consolidated. Thus, entrepreneurs will not express growth ambition for the next level, i.e. in terms of create work, until the two basic growth platforms are secured in a satisfying way. Higher up in the hierarchy of growth, the driving forces are characterized by a striving for appreciation or personal development, which are considered to be intrinsically motivated factors.

The motivation to grow may vary during the life cycle (Davis and Shaver, 2012; Cowling, 2006; Delmar and Wiklund, 2008; Cardon et al., 2005), and the results of Naldi and Davidsson (2014) indicate that companies’ ability to grow may be related to the age of the firm. Brush et al. (2009b) suggest that the variation in growth aspirations results in different pathways of growth such as rapid, incremental, episodic or plateau patterns and that firms which grow incrementally often do so “[...] as a response to their assessment and view of the business climate [...] or to suit purely personal goals for more manageably-sized firms they can control” (Brush et al., 2009b, p. 487). A stepwise growth in small businesses is also suggested by Orser et al. (2000), who argue that growth can only come about if certain conditions in the company are established. Altogether, the above discussion leads to the first research question in this study:

**RQ1.** Is it possible to identify a relationship between time and changes in the underlying motivational factors for growth? That is, could qualitative growth platforms be understood from a horizontal as well as a hierarchical structure?

“Most businesses struggle in their formative years, and many fail within two years of starting up” (Cowling, 2006, p. 497). Previous research has identified different barriers that make it difficult for women to expand their businesses (Fleck et al., 2011; Winn, 2005). It is mainly access to external capital that can be considered as a barrier for businesses possibility to grow (Orser et al., 2000), and although Davidsson et al. (2010) downplay the importance of financial capital for growth, it is evident that women entrepreneurs have significantly more difficulties to obtain external financing for their businesses than their male counterparts (Brush et al., 2004; Carter et al., 2007; Johansson and Malmström, 2012; Marlow and Patton, 2005; Swedish Agency for Economic and Regional Growth, 2012; Verheul and Thurik, 2001). Furthermore, there is an unequal distribution of housework between the sexes which has a negative impact on women’s opportunities to run and grow a business (Fleck et al., 2011; Holmquist and Wennberg, 2010; Jennings and McDougald, 2007; Logan, 2014; Marlow and McAdam, 2013). According to a time use survey in Sweden (SCB, 2012), the result indicates that women spend significantly more time on housework than men do. Women compensate the increased load in the home by cutting down the paid acquisition time, this suggesting that women also have less time to add in their companies (Jennings and McDougald, 2007; Robb and Watson, 2012). Previous studies show that women often “play a large (if unpaid) role in the partner’s business”, but, conversely, they do not receive the same
support in their own businesses. If the partner is involved in the business “it is in an “expert” rather than a supportive role” (Budig, 2006; Stevenson, 1986, p. 34). The above reasoning describes internal as well as external influences that may affect the process of change in the firm, and therefore, it indicates that the following question is relevant:

RQ2. Do women entrepreneurs within the lowest, extrinsically motivated growth platforms perceive different or more severe barriers in terms of growth than women entrepreneurs who build intrinsically motivated growth platforms?

Previous research shows that during their lifetime, companies are in need of various resources to enable them to grow (Flamholtz, 1995; Greiner, 1972; Keller, 2011; McKelvie and Wiklund, 2010; McAdam and McAdam, 2008). According to Churchill and Lewis (1983), a successful business in a first existence phase mainly depends on the owner’s aspirations and abilities, while development in the later phases is dependent on the company’s ability to economize with internal and external resources. Brush et al. (2009b) argue in a similar way when they consider that growth primarily is determined by three overarching conditions, namely, management, marketing and money, but that each factor is not critical at each moment of growth but has relative importance at some time during the growth. To stimulate the potential in business development, the public authorities yearly spend billions on entrepreneurship (Lundström and Stevenson, 2005; Growth Analysis, 2011). It has also been found that women’s businesses only receive a fraction of the funds aimed at developing existing businesses (Marlow and Patton, 2005; Nutek, 2007). This is the reality, despite the fact that it has long been known that access to financial resources is of paramount importance for enabling growth in women-owned businesses (Carter and Allen, 1997). One explanation for this could be that women’s businesses are not considered to be growth companies but instead are labeled as “under-performing” (Marlow et al., 2008; Marlow and McAdam, 2013). Furthermore, a high proportion of current business support assumes that an employment growth should be demonstrated in order for the aid to be granted (Swedish Agency for Economic and Regional Growth, 2014), a growth ambition that is not always considered to be prioritized by women entrepreneurs (Morris et al., 2006). As women’s businesses only receive a marginal share of current business support (Nutek, 2007), they fail to secure the conditions required by the first growth platforms and thus, to a great extent, they do not qualify for the state aid schemes or as Carter et al. (2001) sum it up, a constant undercapitalization affects the long-term performance. Keller (2011) highlights that it is time to give businesswomen access to the current support system as well as the “right” support, as entrepreneurs have different support needs depending on their current life cycle stage. Entrepreneurs who have just started their businesses are not so keen on joining networks or developing their skills because they are so busy arranging facilities and to search loans. The real difficulties tend to arise after a couple of years. At this stage, the entrepreneurs require a lot of support to move on. If the company begins to develop new products and markets, they often go back to the physical needs of the supportive level, which means that the need for support and advice is always changing. This line of reasoning leads me to the last research question:

RQ3. Do women entrepreneurs have different needs for supportive measures depending on which qualitative growth platform they try to establish and secure?
Method and analytical model

Sample

In the fall of 2010, an initial questionnaire was sent out to 1,088 women entrepreneurs in a county in the north of Sweden. By contacting the Swedish Companies Registration Office, I had obtained postal addresses to all businesses in the region managed by women, a total of 4,525 addresses. The survey was sent out via e-mail, and as there were no e-mail registers available for women-owned companies in Sweden, I searched for this information on the companies’ Web sites. As a large proportion of the firms lacked an active Web site, I only found e-mail addresses to 1,088 of the companies from the initial address register. In all, 170 questionnaires did not reach the respondents; I got them back as a mail delivery failure. This means that the survey reached 918 respondents; 307 of these respondents replied, representing a response rate of 33 per cent. However, 109 of these respondents did not answer the questions, and furthermore, seven men answered the questions and these answers were removed. This means that the final number of observations came from 191 women entrepreneurs. All data from this survey are labeled as Survey 1. In spring 2013, a new questionnaire was sent out to those women entrepreneurs (191) who answered the first questionnaire. After two reminders, 101 women responded to the survey, representing a response rate of 53 per cent. All data from this survey are labeled as Survey 2. As the sample selection is the same in the both surveys and I have been able to bring together the respondents’ answers from both the questionnaires, I have gained access to data that span over three years.

Table I lists the respondents’ characteristics. The majority of the study’s entrepreneurs are in the age range of 46-61 years. They are well-educated and have operated their business for a long time, i.e. more than 10 years. Despite this fact, the aspiration for growth is high, even if a significantly lower growth ambition is found in those companies that are 16 years or older. With regard to industry affiliation, a large proportion of the entrepreneurs (42 per cent) have a broad focus with more than one main field. Based on the information they gave me about their business, I categorized them in five overall sectors: agriculture, business services and education, creative industry (cultural industry, hotel/restaurant, information/communication, tourism), manufacturing and trade and personal service/health. There is a high level of conformity of data between Survey 1 and Survey 2 with respect to business age, industry sector, educational level and ownership. Changes that have taken place over the past three years are that the owners and companies have become older and the businesses have had a slightly higher turnover. Still, the majority of businesswomen consider their business to be in a start or growth phase, even if the number of companies in maturity and decline phases has increased. In summary, the aspiration for growth in women-owned businesses is significant, but it seems to be difficult to realize this aspiration, as a large percentage of the nascent entrepreneurs still, after three years, consider their company to belong to the same phase as when it started. This underlines the importance of identifying factors that impact the possibility for movements within the life cycle.

Data analysis

This research used a survey design with closed and open-ended questions. I used several statistics methods to analyze the data depending on the nature of the research questions. The aim of RQ1 was to investigate if it is possible to identify a relationship between time
and changes in the underlying motivational factors for growth, and thus also a horizontal structure for understanding how qualitative growth platforms could be perceived in relation to each other. By adopting the above description of how qualitative growth could be studied, i.e. to analyze the qualities of change and examine the underlying motivation factors for growth, I posed the question: “What represents growth in your business?”. As response options I proposed statements based on previously suggested qualitative growth platforms by Dalborg et al. (2012): to employ, to bring stability, to develop as a person, to survive financially, to be confirmed/appreciated as an entrepreneur. The following statements were also included in the question: to contribute to society, to increase sales, to increase profitability and other things, namely [...] The respondents were asked to rank the various options based on a four-point scale where 1 = strongly agree, while 4 = strongly disagree. I then used correlation tables and descriptive frequency analysis and conducted a one-way ANOVA test to identify possible correlations between time (i.e. business age) and growth ambition (i.e. qualitative growth platform).

The RQ2 aimed at identifying if women entrepreneurs who build extrinsic growth platforms perceive more barriers to growth than women entrepreneurs who build
intrinsic growth platforms. To examine this, I coded and categorized narratives in the questionnaire associated with the question – “Have you experienced any barriers to growth in your business?”. I then used descriptive crosstabs statistics and conducted a one-way ANOVA test.

Finally, in the RQ3, I explored if women entrepreneurs have different needs for supportive measures depending on which growth platform they are building. In the questionnaire, I asked “To what extent do you need the following in order to grow and develop the company?”.

The options were:

- collaboration/partnerships/networks/alliances;
- better infrastructure, communications, roads, broadband, etc.;
- marketing;
- product development;
- financial capital;
- new skills in the company;
- organized networking, events and mentoring/coaching;
- a more equal distribution of household responsibilities and distribution of housework; and
- more employees.

I used a five-point scale anchored by 1 = strongly disagree to 5 = strongly agree.

I used descriptive crosstabs statistics and a multivariate analysis of variance test was conducted to compare the differences between needed supportive measures in the different growth platforms. I also performed logistic regressions to identify multivariate influences of the above presented variables for each overarching growth platform.

Because of the relatively small sample size in Survey 2 (n = 101) and to always be able to guarantee at least seven respondents per cell, I added together the respondents in the platforms Appreciation and Personal development.

Results

To answer the first research question (RQ1), i.e. if it is possible to identify a relationship between time and changes in the underlying motivational factors for growth, I initially investigated how the overarching growth platforms correlated with time (business age) and found a significant correlation between these variables (0.276*), i.e. that older businesses had growth ambitions that were intrinsically motivated to a greater extent. However, this was true only to companies up to 15 years of age. Older businesses had growth ambitions that again were extrinsically motivated, which gave the following horizontal structure for how the various prominent qualitative growth platforms could be perceived in relation to each other in each age range (Figures 1 and 2).

As visible in Figures 1 and 2, some changes have taken place during the past three years. For example, when comparing growth ambition in the newly started businesses in 2010 with growth ambition three years later, it appears that some of the entrepreneurs have established and secured the building blocks in the growth platform survive and now instead try to do the same in the qualitative growth platform stability. The results further show that firms older than six years (2013) belonged to the intrinsically
motivated platforms to a higher degree compared with what platform they belonged to three years earlier. Finally, within the age range 16 years or older, the majority of the firms again had an extrinsically motivated growth ambition.

To investigate if the correlation between overarching platforms and time was significant, I conducted a one-way ANOVA test and compared the mean value (M) for business age within the respective qualitative growth platform. As I already had identified a divergent correlation between older businesses and growth ambition, I only included companies that had started between 1998 and 2010 in the analysis. The result shows that the respondents who belonged to the growth platform survive also had started their businesses most recently (M = 2,005.8) and that the entrepreneurs who instead had the intrinsic growth ambition, appreciation and personal development, were the oldest companies (M = 2,003). The mean value for the two intermediate growth platforms stability and create work was 2,004.9 and 2,004.6, respectively. I could, however, only measure a marginal significance in this relationship (p < 0.1). It seems to take long time (at least five years) to secure the building blocks in the extrinsic-based platforms. For example, those who considered their company as newly started in 2010 still state that their company belongs to this first phase three years later (Table I).

When comparing the results from Survey 1 and Survey 2, it also appears that the majority of the respondents have not switched from an extrinsically motivated platform
(survive and stability) to an intrinsically motivated platform (create work, appreciation and personal development) or vice versa. In the first survey, 70 per cent of the respondents belonged to the extrinsically motivated platforms. Three years later, a high proportion of the entrepreneurs (61 per cent) still try to secure the building blocks necessary for the qualitative growth platform survive and stability. When explicitly investigated if the respondent had been able to secure the building blocks in the in the first-denominated growth endeavor, and therefore had changed the growth ambition, it appeared that this was not the case. The majority (64 per cent) had an unchanged aspiration for growth; 21 per cent had transferred their growth ambition to intrinsically motivated platforms, while 15 per cent had transferred the ambition to extrinsically motivated platforms.

These results bring us to the RQ2. Do women entrepreneurs within the extrinsic growth platforms perceive more barriers to growth than women entrepreneurs who have succeeded in building intrinsically growth platforms? To answer this question, I compared those who moved from extrinsically to intrinsically motivated platforms with those who had not (Table II).

The ANOVA test of these variables indicates that entrepreneurs who have not changed their growth ambition to intrinsically motivated platforms between 2010 and 2013 have experienced significantly more barriers to growth compared with those entrepreneurs who have transferred to the intrinsically motivated platforms ($F = 3.959^*$).

When analyzing the type of growth barriers that the entrepreneurs had experienced, I could discern differences according to which platform they belonged to. Perceived barriers to growth in the extrinsically motivated platforms are very much about rules and attitudes toward small businesses. A high proportion also circle around the lack of finances: “bad attitudes from the bank”, “existing structures”, “impossible rules” and “the entire small business policy is an unmitigated disaster”. Those who have moved to the intrinsically motivated platform instead name obstacles linked to themselves, or difficulties in finding the right people who are motivated to work in the company: “access to the right skills”, “myself when I’m not on top”, “time” and “long distance”. The review of the experienced barriers to growth suggests that there are different requirements for supportive measures depending on which growth platform the entrepreneurs belong to, which brings us to the last research question, RQ3. Do women entrepreneurs have different needs for supportive measures depending on which growth platform they are building? To investigate this question, a logistic regression was performed to explore if a higher proportion of supportive measures was required depending on which growth platform the women entrepreneurs belonged to (Table III).

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>No transfer to intrinsically motivated platforms (%)</th>
<th>Transfer to intrinsically motivated platforms (%)</th>
<th>$\chi^2$-value</th>
<th>$F$-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have experienced growth barriers</td>
<td>73</td>
<td>47</td>
<td>3.862*</td>
<td>3.959*</td>
</tr>
<tr>
<td>Have not experienced growth barriers</td>
<td>27</td>
<td>53</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note:** Significant at: *$p < 0.05$
Table III. Logistic regressions for the different growth platforms and need of support

<table>
<thead>
<tr>
<th>Variables</th>
<th>Crease work</th>
<th>Stability</th>
<th>Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appreciation and personal develop</td>
<td>0.035</td>
<td>0.048</td>
<td>0.013</td>
</tr>
<tr>
<td>Equal responsibility and distribution of housework</td>
<td>0.021</td>
<td>0.031</td>
<td>0.010</td>
</tr>
<tr>
<td>New Skills</td>
<td>0.013</td>
<td>0.020</td>
<td>0.006</td>
</tr>
<tr>
<td>Financial capital</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td>More employees</td>
<td>0.013</td>
<td>0.020</td>
<td>0.006</td>
</tr>
</tbody>
</table>

Notes: Significant at: * p < 0.1; ** p < 0.05 and *** p < 0.01; standard errors in parentheses.
The results of the logistic regression confirm that the entrepreneurs demand various measures depending on what growth stage they find themselves in. The women entrepreneurs within the platform **survive** argue that a more equal distribution in terms of housework is essential for growth ($p < 0.01$), as well as highlighting the company externally through marketing actions ($p < 0.05$). In contrast, these entrepreneurs do not ask for collaboration and networking, this variable is negatively significant ($p < 0.01$).

In the growth platform **stability**, increased financial capital and collaboration and networking are those identified variables that are most requested for growth, compared to the other platforms ($p < 0.1$). In the growth platform **create work**, the main challenge for growth is about hiring staff ($p < 0.01$) and product development ($p < 0.05$). As mentioned earlier, the recruitment procedure might be regarded as complex: “it is difficult to find knowledgeable staff” (entrepreneur in business service). In the intrinsically motivated platform, appreciation & personal development, the entrepreneurs call for more cooperation and partnership in the area ($p < 0.05$). One entrepreneur highlights an opinion about what is preventing further growth: “the lack of communication between the entrepreneurs in the village, a lot of them close down, causing the tourists to leave the area” (entrepreneur in the platform **appreciation/Trade Sector**).

I then conducted a one-way ANOVA test to illustrate the different needs expressed by the entrepreneurs. Based on an aggregated picture of what was required to enable growth, marketing (4.15), networking (3.93) and product development (3.79) were the activities that had the highest score when it came to mean value. The result discerned three different patterns of needs that were requested to enable growth, also depending on the business platform (Table IV).

The needs for the supportive measures marketing, financial capital and equal-responsibility housework had a digressive importance in the life cycle, i.e. they were the most requested ones in the first growth platforms. The needs of product development, new skills or new employees were instead the most requested ones by business owners in the growth platform **create work**. Finally, cooperation, organized network meetings and a better infrastructure were measures that had a progressive importance in the life cycle and thus were requested by business owners within the subsequent intrinsically motivated platforms to a greater extent. Although I cannot control multivariate influences and that I naturally imposed the sample restrictions on

<table>
<thead>
<tr>
<th>Supportive measures</th>
<th>Survive</th>
<th>Stability</th>
<th>Create work</th>
<th>Appreciation and personal development</th>
<th>F-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing</td>
<td>4.25</td>
<td>4.05</td>
<td>4.33</td>
<td>4.00</td>
<td>0.505</td>
</tr>
<tr>
<td>Financial capital</td>
<td>3.38</td>
<td>3.63</td>
<td>3.58</td>
<td>2.92</td>
<td>1.269</td>
</tr>
<tr>
<td>Equal responsibility, housework</td>
<td>2.79</td>
<td>2.65</td>
<td>2.42</td>
<td>1.92</td>
<td>1.724</td>
</tr>
<tr>
<td>Product development</td>
<td>3.67</td>
<td>3.80</td>
<td>4.25</td>
<td>3.58</td>
<td>1.934</td>
</tr>
<tr>
<td>New skills</td>
<td>3.38</td>
<td>3.30</td>
<td>3.83</td>
<td>3.00</td>
<td>1.288</td>
</tr>
<tr>
<td>More employees</td>
<td>2.63</td>
<td>2.75</td>
<td>3.75</td>
<td>2.50</td>
<td>3.754**</td>
</tr>
<tr>
<td>Cooperation</td>
<td>3.54</td>
<td>4.05</td>
<td>4.08</td>
<td>4.27</td>
<td>1.970**</td>
</tr>
<tr>
<td>Organized network meetings</td>
<td>3.29</td>
<td>3.20</td>
<td>3.33</td>
<td>3.46</td>
<td>0.260</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>3.35</td>
<td>3.70</td>
<td>3.50</td>
<td>3.60</td>
<td>0.457</td>
</tr>
</tbody>
</table>

**Notes:** Significant at: $^* p < 0.1$ and $^{**} p < 0.01$
this analysis, I present cross-comparisons in Table IV. I notice that this analysis presents roughly the same picture as the logistic regression (Table III), and it validates that there are different needs for supportive measures depending on which growth platform the women entrepreneurs strive for.

Discussion

Study contributions

This paper is a response to the quest for new directions in growth theory and it provides further suggestions of how growth might be studied from a qualitative perspective (Achtenhagen et al., 2010; Leitch et al., 2010). The paper presents a growth hierarchy consisting of qualitative growth platforms which can be understood from a horizontal as well as from a hierarchical structure. By adopting a mindset similar to the one Maslow (1954/1987, p. 7) proposes in his theory of motivation, I believe that the qualitative growth platforms “arrange themselves in some sort of hierarchy of prepotency” based on extrinsic and intrinsic motivation factors and that prerequisites of a previous level must be satisfied before a change in motivational factors for growth will emerge. Maslow’s theory has been criticized, as the order of needs can be questioned; however, thanks to its simplicity, it does provide an understanding of how different motivations can be considered relative to each other.

Three specific research questions have guided the research in order to present a life cycle model from a qualitative approach: Is it possible to identify a relationship between time and changes in the underlying motivational factors for growth? That is, could qualitative growth platforms be understood from a horizontal as well as a hierarchical structure? (RQ1) Do women entrepreneurs within the lowest, extrinsically motivated growth platforms perceive different or more severe barriers in terms of growth than women entrepreneurs who build intrinsically motivated growth platforms? (RQ2) and Do women entrepreneurs have different needs for supportive measures depending on which growth platform they try to establish and secure? (RQ3)

First, I showed that the growth platforms do not just have a hierarchical relationship, but also a significant temporal correlation. The results also indicated that the majority of the women entrepreneurs still, after three years, belong to the same qualitative growth platform and that it primarily seems to be difficult to establish and secure the building blocks required in the growth platforms survive and stability. The entrepreneurs within these platforms also express significantly more barriers to growth compared with those entrepreneurs who managed to move to the intrinsically motivated platforms (p < 0.05). This is consistent with the result of Churchill and Lewis (1983), who argue that it is the initial life cycle phases that are critical to the company’s continued future. I believe that this problem could be addressed if there was an exchange of experience between experienced and younger entrepreneurs, i.e. if entrepreneurs who have succeeded in building intrinsically motivated platforms shared their experiences and perceptions with those entrepreneurs who are still motivated to build the lowest, extrinsically motivated platforms. This is a measure that the support system could promote if the tools to identify and bring together entrepreneurs who belong to different qualitative growth platforms were available.

An important question to answer in this study was whether or not entrepreneurs within various growth platforms had different needs for supportive measures. The results concur with Keller (2011) and McAdam and McAdam (2008), who believe that
this is the case. The women entrepreneurs in the platform *survive* argued that they needed more time for their entrepreneurship, including a more equal distribution of housework. They also felt that more marketing was needed to enable growth. Within the platform *stability*, I could see that the entrepreneurs primarily requested more financial capital to create growth in the company. The results also indicate that it is within this platform that the aspiration for growth is the highest. Within the platform *create work*, more employees is what is needed for the company to grow. Entrepreneurs in this platform also say that product development must take place in order to establish growth. The aim of business development programs is, inter alia, to create cooperation and networking. According to Keller (2011), these activities are not requested by the nascent entrepreneurs because they are busy establishing the company’s facilities. The present results concur with this view, as the variable is negative significant in the platform *survive* but, at the same time, it is requested by the women entrepreneurs in the intrinsically motivated *platform appreciate and personal development*, i.e. those with more business experiences. In Figure 3, a first draft of a life cycle model from a qualitative growth perspective is proposed.

For example, the basic conditions for establishing the first level in the qualitative growth hierarchy are all about time, and make the business visible. Previous research shows that women are not given the opportunity to devote as much time in their company as men do, due to inequalities in housework. This is a superior political issue to be resolved. Assistance with marketing is something that the support system could be instrumental with by providing information and establishing contacts to nascent entrepreneurs. However, the principal conclusion regarding the support system and ways to stimulate quality growth is the awareness that various growth platforms have different needs and that satisfied needs are replaced by new ones (Maslow, 1954/1987).

**Implications for practice and policy**

Some of today’s nascent entrepreneurs will most likely become prestigious companies in the future (Davis and Shaver, 2012). An important question is how society might create favorable conditions for this to happen and to get a long-lasting result. Despite the fact that a number of fast-growing companies fail to repeat the success of growth, but instead are
replaced by new fast-growing companies, it is these companies that receive research
attention to the detriment of the lasting, more traditional small businesses (Dobbs and
Hamilton, 2007). In this paper, I concur with previous research that indicates that growth can
be considered from a qualitative growth perspective and that women entrepreneurs possess
a high growth aspiration (Dalborg et al., 2012). Furthermore, I argue that growth is not about
a choice to grow or not grow, but rather a striving to create the conditions to realize various
growth ambitions, based on both extrinsic and intrinsic motivation (Manolova et al., 2012).
The pattern in qualitative growth can be regarded as a stepwise and controlled development
of the company (cf. Brush et al., 2009b). However, to realize the different qualitative growth
ambitions, a possibility to grow must exist (Orser et al., 2000).

The results from Delmar and Wiklund (2008, p. 452) indicate that “growth motivation
affects growth, which in turn has a positive effect on future growth motivation”. If firms are
able to “achieve their growth targets, their motivation to further expand their businesses will
be reinforced, leading to virtuous circles”. In women-owned businesses, the reverse exists.
Previous studies highlight that women have more difficulties financing their businesses and
that women’s businesses only receive a marginal share of the public funds available. The
result of this study shows how this further inhibits women’s prerequisites to qualify for
existing funds, i.e. a restricted possibility to grow. The conclusions that can be drawn from
this are either that they are underperforming (Klapper and Parker, 2011) or that they
voluntarily opt out certain types of growth (Cliff, 1998; Manolova et al., 2012). In this study,
I do not agree with this way of thinking; instead, I want to provide an explanation for
different outcomes and highlight that intrinsically motivated growth ambitions assume that
the preconditions for extrinsically motivated growth are secured. For example, the decision
to employ or not (i.e. intrinsically motivated growth) is based on an active choice of the
business owner (Delmar and Wiklund, 2008), but the motivation for this type of growth
cannot be considered until earlier growth platforms are established and that is why it is so
important to support growth ambitions of different characters. We, therefore, concur with
Delmar and Wiklund (2008, p. 452), who argue that “early outcomes of new firms […] are of
great importance”. By broadening the view of growth to include both a quantitative and a
qualitative approach, it is possible to identify a widespread growth ambition in
women-owned businesses and to identify barriers caused primarily by the lack of access to
the support system or because of an unequal distribution of unpaid housework. I thus agree
with Zolin et al. (2013, p. 126), who call for “a re-assessment of training programs that are
based on a “one size fit all” approach”. It is time for the support system to gain an
understanding for the fact that different stages in the life cycle are motivated by different
growth ambitions, and that these ambitions also require various types of supportive
measures.

Limitations and further research
From a qualitative perspective, growth can be considered to be a young and thus
unexplored area of research. I would, therefore, like to see future research using the view of
growth adopted by this paper. Below, I describe limitations that I also hope can be
addressed in future research. First, I believe that there may be other factors that possibly
affect qualitative growth and the building blocks that need to be secured to transfer from
one qualitative platform to another. Second, this study focused on women-owned
businesses. As most companies remain small in quantitative terms, whether they are run by
a woman or a man, it would be interesting to apply the theory of qualitative growth on
businesses run by men. Third, in this study, I do not explore how perceptual variables, such as self-confidence and risk perception, affect the growth ambition. For example, are self-efficacy and high risk preference variables that could explain transfers from extrinsic growth platforms to intrinsic growth platforms? Fourth, I would also like to highlight the fact that this study took place in a sparsely populated county in the north of Sweden. Whether or not the results would be true in other geographical settings is something that could be a beneficial subject for future research. Fifth, a larger sample would provide more specific insights into how various barriers inhibit the growth in women’s businesses, and the robustness of the results would improve by using a larger sample. Finally, although the majority of this research presented in this paper rests on statistical analysis, I believe that future research could benefit from more in-depth case studies of qualitative growth. I hope these limitations can be addressed in future research.

Conclusions
The overall purpose of this study was to investigate women-owned businesses from a life cycle perspective and with a qualitative growth approach and to highlight that entrepreneurs’ needs for supportive measures may vary depending on what qualitative growth phase they belong to. A fundamental right is that women entrepreneurs must have the opportunity to devote as much time in their company as men in business can do. To achieve this, the unequal distribution of the workload in the home must be solved, which is probably an action that needs a solution on a higher political level. For businesses that have succeeded in establishing the extrinsically motivated platforms, this is no longer an issue, which is consistent with the assumption of Maslow (1943, p. 375): “a want that is satisfied is no longer a want”. Table III illustrates how the entrepreneurs’ need of supportive measures changes depending on which qualitative growth platform they are building and that previous needs are no longer desired when they are satisfied and growth in higher growth platform is strived for.

Based on the results, I display that the various qualitative growth platforms can not only be understood in a hierarchical relationship, but they also correlate significantly with the business age, provided that the possibility of growth is underpinned. Furthermore, I suggest that qualitative growth follows an incremental pathway where the entrepreneurs demand different support measures to enable growth. The present support system for businesses is predicated on a quantitative approach where demonstrated employment growth often constitutes a mandatory condition for the aid to be granted. As women’s businesses do not have access to the same capital market as men, they are hindered to grow, resulting in the fact that they are not perceived as entrepreneurs with growth potential, i.e. a catch-22 situation. I consider it important that existing policies and business support systems do not neglect some types of growth ambitions but instead embrace a broader perspective when allocating state funds to stimulate various types of growth. I hope that the suggestions presented in this paper will be further developed by future studies and refinements.

References


Holmquist, C. and Wennberg, K. (2010), Många miljarder blir det – Fakta och nyckeltal om kvinnors företag [In total, there are many billions – Facts and figures about women’s businesses], DanagårdLiTHO AB, Tillväxtverket, Stockholm.


Women-owned businesses