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Learning from Longitudinal Research into Women's Experience of Business Ownership

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Abstract This paper describes a research project in which the careers of a sample of women business owners in a variety of business sectors were tracked in a series of three interviewing phases between 1995 and 2006.

Longitudinal research in the field of women's business ownership is extremely rare. Previous longitudinal studies that have been conducted have taken place over much shorter periods of time or have used statistical, secondary data rather than qualitative methods.

The data captured in the first interviews include motivations to go into business, previous work experience, domestic responsibilities, business financing, business problems and employment policies. A typology was constructed according to the women's attachment to their businesses and to other activities.

The second and third interviews focus on changes in a number of areas. Learning from this data includes correction of erroneous data, new perspectives on aspects described in the first interviews, the developments that had taken place, and a greater understanding of issues that had arisen in the first interviews. Reforming of groups in the typology demonstrates that the experience of individuals may change but that the overall experience of women business owners within this study remains constant.

Despite the impossibility of re-assembling the entire sample, longitudinal qualitative research offers the advantage of great opportunities to learn about the experiences of women business owners. This learning includes an understanding of the changes that take place in their businesses and what might provoke these. It also provides insights into what factors might lead to business survival and success. The deepening of the women's own understanding of their situation over time and the improvement of the relationships between the researcher and the participants lead to the enrichment of the data with each subsequent wave of interviews.

1. Background

Research interest in women's business ownership is increasing with the growth in women's business ownership itself (Greene et al, 2001). The proportion of women among self-employed people in the UK increased by twenty per cent between 2002 and 2004 to twenty-six per cent and their businesses generate approximately £130 billion turnover (Department for Trade and Industry, 2005; Smith, 2004).

This paper is based on empirical research carried out among women business owners between 1995 and 2006. The study investigates women's ways of business ownership in a variety of business sectors. Approximately one hundred and fifty women business owners returned questionnaires in 1995 providing basic information about their personal and business lives. Forty-eight of these women were interviewed about issues including their motivations, business practices and the organisation of their domestic responsibilities.

Consistent with Pettigrew's model of research activity as a "social process", which is planned more in a spirit of "muddling through" and "incrementalism" than by "rational, foresightful, goal-directed" design, this research was not originally conceived as a longitudinal study. It evolved from a three-location, single-interview study, due to a desire to know *what happened next* in the stories that were related, to a hope that a longitudinal element might deepen the data and add to its complexity, and to the advance of time (Pettigrew, 1990:222). The first

wave of thirty interviews took place in Cambridgeshire in late 1995 and early 1996 and eighteen interviews in Norfolk and Suffolk in 1997¹. The Cambridgeshire part of the sample was interviewed for a second time in 1999 in order to discover the changes occurring over the passage of three years. The whole sample of forty-eight (or those who can be traced and agree to be included) are currently being interviewed in a third interviewing phase in 2006.

2. Longitudinal Research

The term “longitudinal research” covers a variety of research techniques. At its most simple it may indeed comprise single interviews, or “retrospective” studies, consisting of life stories reconstructed from memory. This approach to longitudinal research has become somewhat discredited due largely to the possibility of lapses or distortions of memory on the part of interviewees, which might limit the validity of the study (Mingione, 1999).

Increasingly, longitudinal research is understood to refer solely to “prospective” studies using data which relates to more than one specific point in time, especially in regard to secondary data, or data gathered at more than one point in time, especially in the case of primary data collection such as interviewing or observation techniques.

Longitudinal research may refer to data concerning populations, but not necessarily the same individuals, over a period of time. In all cases the research should compare data collected for two or more periods and it should examine the same subjects or similar ones each time (Menard, 1991: 4 & 7; Ruspini, 1999:221).

Watson’s (2006) comparison of the external funding practices of SMEs owned by women and men in Australia used a large four-year longitudinal database provided by the Australian Bureau of Statistics. The 2004 Workplace Employee Relations Study (WERS, previously WIRS) is the fifth in a series dating from 1980 which studies changing employment practices and industrial relations in the UK. It generates a different sample each time to provide both quantitative and qualitative data and also re-interviews some managers to gain an understanding of how changes have come about (Bryman & Bell, 2003; Department of Trade & Industry, 2006). This study uses repeated qualitative studies of a particular group which is more or less representative of a population.

The longitudinal aspect of the research leads to further benefits than simply the data on the development of the women’s businesses. It enhances validity, which is at the heart of qualitative philosophy as it signifies the “truth” or trustworthiness of the research. Both the researcher and the eventual audience of a written study need to be assured of the accuracy of the findings. It is crucial therefore to show that the researcher has gained “access to the experiences of those in the research setting” (Easterby-Smith et al, 2002:53). This advantage counterbalances the possible disadvantage of attrition in the sample which could reduce the validity of the data as it may introduce a bias as perhaps those who are prepared to continue have characteristics in common (Bryman & Bell, 2003).

Longitudinal research also provides further insight into the interview process as these subsequent meetings were perceived as “warmer” and possibly more productive encounters.

Many of the topics addressed in the interviews were described by the participants themselves as confidential and a number of the women, although not all, therefore stipulated that information about their businesses should not be made public. It was therefore decided to protect their anonymity in the study by assigning pseudonyms to all of them and their businesses in writing up the research. Each of the women was renamed with a first name and a second initial and their businesses were given suitable new names which would not reveal their true identity or location.

3. Longitudinal Research on Women Entrepreneurs

There are very few earlier studies of women business owners which include more than a single round of interviews. Carter and Cannon (1992) interviewed their sample of women entrepreneurs in two rounds approximately four months apart to ensure the capture of all the

¹ This first phase was conducted in two parts as the first year was funded by the Training and Enterprise Council for Mid- and South Cambridgeshire (CambsTEC).

relevant data (Carter & Cannon, 1992:156, 157). The authors expressed surprise at the changes that occur in a number of businesses even in the short time between the interviews. This rapidity of change was also found in a small way in the East Anglia sample as women who had indicated in the returned questionnaire that they were available for the first interview found that they were not a very short time later; one had sold her business unexpectedly and another was *tearing her hair out* as her two full-time employees had left and she could not find replacements.

In the first wave of interviews in Jones's (1993) South Shropshire study of twelve rural women entrepreneurs she obtained data on the women, their family and business lives. The women were re-interviewed after an interval of eighteen months in order to track progress over that time. The second wave of interviews in Jones' study is particularly noteworthy for the apparently successful inclusion of the entire sample. This study of women entrepreneurs in East Anglia was not only less successful in tracking participants for the second and third waves of interviews but also a small number of those who were located declined to be interviewed again. Watson's (2006) study used secondary data, which is often unavailable in a form which will permit the study of the practices of women business owners. It was therefore able to avoid the obstacles to gaining access for subsequent waves that might hinder longitudinal interview research

The present study is, therefore, unusual in attempting to re-interview women business owners over a ten-year period.

4. Access for the Second and Third Interviews

Jones' (1993) success in gaining access to her whole sample for the second interviews was in great contrast to the difficulties experienced in this study. In many cases the reasons for non-participation in the second and third round of interviews may be attributed in some way to the subject matter of the research. Some had sold or left their businesses or retired, whereas the increased activity of other businesses left their owners no time for the interview.

All thirty of the Cambridgeshire participants in this study had agreed at the time of the first interview to provide additional data if it was needed. Contact was made again in October 1996 when they were all invited to attend a feedback symposium. However, in spring 1999 four refused to take further part and five proved impossible to reach on the telephone. Alison S, running a veterinary practice, agreed in principal but in the event was too busy in her practice to spare the time. Two of the women had sold their businesses and the new owners promised to pass on the telephone message but nothing more was heard from them. Three others were the subjects of quite spirited pursuits: Bonnie W seemed to have sold her livery stable and left the area. Despite a trail of telephone calls to the equestrian milieu, as each person who was unable to help suggested another lead, defeat had to be admitted when the contact names finally formed a circle and there seemed to be no new ones.

Wendy B had also left her business and in her case persistence was rewarded and she was contacted on the telephone. Bella C had left her public house and although the brewery tried to help they were unable to locate her. As she had said in the first interview that she was originally from another local village, she was finally traced via telephone book entries of people there of the same name.

Finally, sixteen of the thirty Cambridgeshire participants took part in the second interviews and a seventeenth recounted her experience of business failure in an informal telephone conversation.

The third wave of interviews is currently taking place. Two have described their experience of retiring from their businesses in lengthy informal telephone conversations and a third is to be formally interviewed by telephone at her new office in New York. However, once again, a number of the original participants are proving difficult to trace.

5. The Experience of the Second and Third Interviews

Most of the subsequent interviews have been warmer encounters than those in the first wave. It is tempting to wonder whether the participants had initially harboured doubts that the first interview was other than had been claimed; that perhaps it had been designed as a marketing ploy for training offered by the local Training and Enterprise Council for example. At the subsequent interviews the participants might have felt comfortable in the knowledge that nothing had happened as a result of the first, except that those in Cambridgeshire had been

invited to a feedback symposium, and so were more inclined to accept the research at face value. The second interview schedule focused particularly on changes that might have occurred in the participants' business and personal lives. Having been sent a summary of the first interview, they were asked whether they had undertaken further training; solved their old problems and/or encountered new ones; and the outcome of any new development they might have been expecting at the time of the first interview. The third interview repeats this format with the addition of more focused questioning on financing strategies, employment practices, work-life balance and perceptions of success - areas that have emerged as the important issues facing all the participants.

6. The Correction of Erroneous Data

An important type of learning provided by the subsequent interviews is the correction of erroneous data included in the summaries of earlier interviews. This has occurred rarely, the most notable example being that of Irene B, the owner of four businesses, who began the second interview with such a revision. In order to gauge the economic importance of the women's businesses, the first interview had included questioning on whether these provided a major income for themselves or their families:

DK: And your businesses now, generally, altogether, they are your major source of income?

IB: Yes. Although I've got shares in my father's business.

In the second interview the notion of the family's economic reliance on Irene's four businesses was corrected as soon as the interview began:

IB: One of the statements here [in the Summary], the business providing main income.

DK: So that's different since last time, is it?

IB: Well, not really, no. Obviously, you see, this was where I picked up [my husband's] farm because we actually have money from the farm each month because [...]

DK: And these businesses?

IB: I don't take money out of these businesses. Not to live, anyway.

DK: So would you say that I was mistaken then to say that your main income was coming from these businesses even three years ago?

IB: Yes, the businesses, but not these businesses provide our income. But business does.

7. New Perspectives on Issues Raised in Earlier Interviews

In many of the cases subsequent interviews provide an opportunity to discover a new perspective on various aspects of the businesses. These new perspectives often took the form of re-presenting these features as disadvantages when they had initially appeared as either advantageous or neutral.

Patti T was one of a small number of locally-born women entrepreneurs. After becoming qualified, she had set up her business in the design and manufacture of children's clothing in the village where she had been born and brought up. This seemingly idyllic situation was described in Patti's first interview:

PT: I try and make sure at least I have one evening a week with my friends. They've been extremely helpful as far as supporting the business is concerned. And if I've got a rush order that needs to go out, they'll come over here and they'll sew buttons or they'll pack or they'll do anything for me.

First Interview, Children's Clothing Designer & Manufacturer

It was re-visited in her second interview. She felt that the time and help given “free” was seen by her friends almost as an investment in her business which earned them the right to insist that she had no leisure time:

PT: ... I do find that people are very judgmental on what I do because I work for myself and I don't go on about the hours I work. A lot of the hours that we do are not-noticed hours. Sometimes, for example, I'll work lots of hours which should be down-time so that I can have a day off and go and do something. [I went away at the Bank Holiday] and everybody was saying, "How can she afford to do that?" "How can she afford the time?" So I found I had to justify myself to absolutely everybody.

Second Interview, Children's Clothing Designer & Manufacturer

In 1995 Molly P had been untroubled that her village bookshop was not making sufficient profit to provide her with an income. She was a woman who had previously worked for seventeen years voluntarily running a well-regarded local charity that she had set up herself and she saw the bookshop in a similar light:

MP: We are very successful in that people feel they can come in and say 'there's a book and I don't know what it's called and it's like this', and feel happy about it. [...] From that point of view I think we're a success, we certainly fulfil a social need and that side of it is very rewarding.

First Interview, Book Retailer

However, aged sixty-three at the time of the second interview and with the bookshop still successful with Molly unpaid at the helm, she recognised a predicament. She wanted to retire and a successor would expect to be paid. Molly now spoke of closing the shop if no one came forward to take over from her:

Similarly to these examples, in her first interview Virginia Y had spoken of the setting up of her enterprise offering a specialist business service. She had previously worked in a similar business and had been able to take not only skills, knowledge and experience but also two months after start-up a former colleague joined her as an employee and she was accused by her former employer of poaching clients.

At the time of the second interview Virginia had had a baby and was working less in the business on a day-to-day basis. She did not employ a manager to take her place in the office as she now approached the risk of a trained employee setting up in business as a competitor from a different perspective:

VY: I still do all the bookwork, all the accounts, all the administration side of it, deal with all the advertising and wages and everything like that, telephone queries.[...]

In a small company like this I don't think it does for any one person to know all of those things about the company.

Second Interview, Business Service.

Penny C had discovered staff problems in her soft furnishings shop so that having been anxious to “improve” the lot of her employees at the time of the first interview in what seemed to be a very feminist way she was extremely disappointed in their behaviour. Two of her employees had defected to their own shop, which was run in competition with Penny's own for a short time until it failed.

In her second interview in 1999 Belinda S was employing balanced numbers of men and women over her two locations. When two women employees complained about a young man who was in charge of one of the offices they were dismissed. However, at the third interview in 2006 she spoke of managing men as one of her major problems and now has only women working for her. She said

BS: As a female boss you have to watch [men] 24/7 to make sure they are working. When they leave they take the opportunity to be nasty. Last year I fired a man for insubordination [...].

Third Interview, Recruitment Agency

8. Changes in the Businesses

An important area of learning afforded by the second and third interviews in this study relates to the changes experienced in the businesses. Due to the focus on current business ownership practice, there had been no failed businesses in the original sample. These, however, did occur in 1999. The business of the sole trader publican Bella C failed very soon after the first interview, due to her ill health which caused financial problems, and she was interviewed about this experience. At the third interview she recounted having taken over the lease (i.e. becoming the business owner) of the second pub in partnership with her husband soon after the second interview in 1999 and then selling it to become a non-owning resident manager in 2003. The reason she gave for selling the business was purely “the financial worry”.

A number of businesses had greatly improved. Belinda S opened a second branch in another city in the region after the first interview, as she had hoped. Elaine had established a second branch of her pharmaceutical consultancy in New York.

Bea L spoke in the second interview of great changes in her business service enterprise and in her personal life. At the first interview this had been an impressively thriving business with what seemed to be a dynamic, hard-working staff. Indeed, the Investors in People Award had been achieved at the end of 1996, as well as an industry award. However, the most senior employee had left in spring 1997 and one of Bea’s parents had died at about the same time.

Although Bea was willing to take part in the second interview, she seemed changed from the confident and vivacious personality of the first interview. Indeed, having reduced staff numbers by natural wastage and redundancy she said that a new problem was:

BL: Lack of energy. Everything is a great effort. I feel dispirited and lacking in support. I’m working sixty hours a week, that’s more than in 1996. As the owner of the business I absorb the extra. If there’s more work to be done the owner does it.

Second Interview, Business Service

Nevertheless, when speaking of her business’s good reputation especially as a result of the awards won, Bea demonstrated optimism that the business would improve and that the setback was only temporary.

A small number of the women had left the businesses they were running in 1995 or 1996 and had started new ones. Esme G had left not only her husband but also the business they had been running together in partnership and had started up a new business selling a related product.

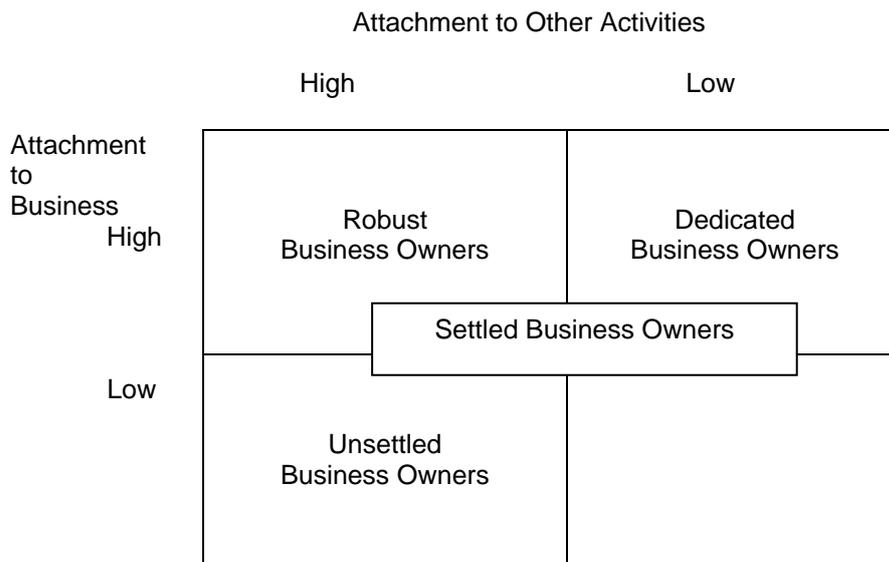
Geraldine B sold her food manufacturing business soon after our first interview. During that interview Geraldine had seemed extremely busy, highly strung and unhappy as she related a number of difficulties in her business and personal life. In complete contrast at the second interview was she was much more relaxed than she had been in 1996 as she talked about the relationship with her new husband and the new business, which avoided her worst business problems by not requiring a factory and by not employing staff but licensing her products to other businesses for manufacture. At the time of the third interview, Geraldine is running a third business, again without employees.

9. Typology

The data gained in the first round of interviews in this study was used in the construction of a typology. The small number of earlier typologies of women business owners have been based either on adherence to entrepreneurial ideals and/or to conventional gender roles (Goffee & Scase, 1985) or on start-up methods and motivations (e.g. Carter & Cannon, 1992). Although the existence of these typologies signals the heterogeneity of women’s experience of business ownership, membership of the groups seems fixed and undeveloping.

The typology established in this study is based on current attachment to the business and to other interests including family, charity and other types of unpaid work (see Figure 1).

Figure 1 Typology of Women Business Owners



The Dedicated Business Owners (eleven in the sample after the first interviews: high attachment to business, low attachment to other activities) are women whose businesses form the most important focus of their lives. These women are emotionally committed to their businesses almost to the exclusion of any other facet of their lives. A typical comment from the Dedicated Business Owners in this study was “home life comes second” (Sarah C, Upholstery Manufacturer). Nine of them owned other businesses either concurrently or in the past.

The commitment to their businesses of Robust Business Owners’ (seventeen in this sample after the first interviews: high attachment to both dimensions), although also high, falls slightly short of that shown by the first group. Often they are well-trained in the relevant industry and might perceive business-ownership as a career step. They have interests apart from their businesses such as family life or philanthropic work. The Robust Business Owners in this sample took full advantage of training opportunities as they were concerned to be good employers and to provide an excellent service to clients and customers. They also expressed a high attachment to other concerns such as their families or charity work. Bea L has remained in this group throughout the ten-year period of the study. She and her business have both won recognition for excellence in the form of awards and she is also a committed member of such groups as a school governing body and a regional faith organisation.

The Settled Business Owners (fifteen in this sample after the first interviews: medium attachment to both dimensions) are compelled by circumstance, such as redundancy, unemployment or extreme dissatisfaction with the available employment opportunities, to set up businesses in order to earn a living, in contradistinction to others in this situation, who make a more positive choice of entrepreneurship after other ideas fail to reach fruition. These women are less committed than the women in the first two groups to business-ownership per se as a way of life, although they work hard to sustain the businesses once they are in existence. Lynette O’s clothing factory employing nineteen people had built up from a customer-led, home-based business in a less formal way than the Robust Business Owners who had followed a similar path and, for example, she adhered to legislation only when given formal notice to do so.

The Unsettled Business Owners (five in this sample after the first interviews: low attachment to business, high attachment to other activities) are not at ease in the identity of the business owner. A typical comment of women in this sample was that of Alma P running a Domestic Work Agency, “My work revolves around the family”. Two of the Unsettled Business Owners

in this sample had reluctantly joined their husbands in established businesses as a way of improving efficiency or saving money and found themselves in a subordinate position. When Esme G was asked why she had left a job she had enjoyed to join her husband in a business partnership she seemed genuinely at a loss to understand her motivation.

The learning afforded by longitudinal research is especially important with regard to the typology. Changes in membership of the groups occurred at each wave of interviews. This is an important finding as it demonstrates the changing nature of individual experiences. It is notable that movement within the typology occurred in both directions; the business owners are seen to become more or less dedicated, robust or settled according to changing circumstances.

Esme G, initially Unsettled, had been unhappy in partnership with her husband but by the time of the second interview was in a sole-trader business of her own as a Settled Business Owner. In 2006 her business and recent marriage were both important to Esme in such a way that she seems now to have moved into the Robust group.

Virginia Y had had a baby and had moved from Settled to Unsettled as she was no longer working alongside her employees on a regular basis but seemed constrained to continue working in the business rather than employ a manager as this seemed the best method of avoiding the possibility of a knowledgeable employee setting up in competition.

Molly P, the Book Retailer moved from the Robust group to the Unsettled as she found herself looking for a way to retire. Belinda S, on the other hand, moved from Robust Business Owner to Dedicated Business Owner with her second branch, larger staff, ambitions for further growth and a life which seemed to revolve around the business in a way it did not at the first interview. However, third interview data shows that she has decided against the further expansion of her business and has gained new interests including committee membership of the national association related to her business and the maintenance of a healthy work-life balance so has moved back into the Robust group.

Geraldine B in 1999 had moved from the Dedicated Business Owner group to join the Robust Business Owners in her new business due to the wider interests provided by her new marriage and her interest in running. She, moreover, astutely used knowledge and experience gained in the first business to refine the new enterprise. The third interview shows her still in this group, now running a third business and firmly committed to both her business and her family and social life.

The movement within the typology shows that the experience of individuals changes with circumstances and it demonstrates the stability of the typology as a structure as the members move from one group to another.

10. Conclusions

The learning afforded by the longitudinal element of this study of women entrepreneurs has been wide-ranging. It has varied from a deeper understanding of the interview relationship, the correction of erroneous data, the altered perspectives of participants on aspects of their businesses so that some advantages are revealed as disadvantages, and the changes and developments in the businesses and their effect on the typology formed from the first-interview data. All of these types of learning lead to an increase in the validity of the study as a whole.

The longitudinal aspect of the study has been very important in establishing the narrative of women's business ownership at the turn of the twenty-first century. The time lapses have allowed many changes to take place. It has particularly demonstrated the turbulent nature of women's businesses in the small business sector in which they operate. This work remains on-going as third interviews are continuing and searches are still being made for those women who are proving difficult to locate.

Further longitudinal research, with the benefit of the advance long-term commitment of the participants, would offer an excellent way to track the successes and failures of women business owners as well as changes in the perspectives voiced by particular samples.

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