



ONLINE SOCIAL CAPITAL AS A CATALYST FOR FEMALE ENTREPRENEURSHIP

Rizka Astarti Rahmatika^{1*}, Lorio Purnomo², Rafki Chandra Wibawa³, Chairani Putri Pratiwi⁴

¹⁻⁴ BINUS Entrepreneurship Center, Management Department, Bina Nusantara University, Indonesia

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CORRESPONDENCE*:

rizka.astari@binus.ac.id

AUTHOR'S ADDRESS:

Jakarta, Indonesia

ABSTRACT

Social capital is an essential factor which supports the progression of entrepreneurship, and many recent studies have examined its positive relations to individual empowerment. Although many studies focus on social capital, research on online social capital in the context of vulnerable groups, such as women, still needs further examination. This paper aims to examine the role of online social capital in the development of female entrepreneurship by examining various constructs it may affect. Following the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) framework, we conducted a systematic review to map existing literature from 2018 until 2023. The finding confirms that online social capital, bonding, bridging, or both, positively influence several constructs, such as social connections, emotional support, entrepreneurial perception and opportunity process, self-efficacy, and empowerment.

Keywords: *Online social capital, Bonding social capital, Bridging social capital, Female entrepreneurship, Empowerment*

INTRODUCTION

Studies have shown that entrepreneurship is potent to contribute to poverty reduction, wealth creation, and fuel one's empowerment (Faizal Samat et al., 2023; Ibanez & Guerrero, 2022). This assumption is also applicable specifically within the context related to vulnerable minorities and marginalized groups. Entrepreneurship is often made as a resort for finding self-empowerment for those with limited occupational choice in society (Ibanez & Guerrero, 2022). Of all minorities and vulnerable, women are considered as one because they are susceptible to poverty, violence, gendered social expectations, limiting domesticity, patriarchal systematization, and political and religious doctrines (Ibanez & Guerrero, 2022; Ojediran & Anderson, 2020; Treas et al., 2011).

However, lately, governments and policymakers globally, especially in the Global South's emerging economies, have been encouraging female entrepreneurship to reduce poverty and combat unemployment (Boutaleb, 2022; Ojediran & Anderson, 2020). With the advancement of technologies, female entrepreneurs these days are weaponized with various digital platforms to develop their business activities. Due to the dynamic growth of information and communication technologies (ICT), social business networks emerge through various social media platforms like Facebook, Instagram, and Whatsapp. Such networks and communities allow the creation of social capital, which inherently differs from social capital created from offline connections (Spottswood & Wohn, 2020; Purwianti, 2019).

While various research is evident on the benefits of social capital to the development of female entrepreneurship, previous research does not specifically focus on online social capital. So, it needs

to be clarified how online social capital plays a role in female entrepreneurship. Therefore, within this article, we are specifically interested in how online social capital formed from online communities can catalyze female entrepreneurship and what construct it affects.

LITERATURE REVIEW

Stemmed from sociology, various definitions of social capital exist, although there has yet to be a consensus on a single agreed academic definition (Adler & Kwon, 2002; Lee, 2015). In the realm of entrepreneurship, Kim and Aldrich (2005) broadly defined social capital as "the resources available to people through their social connections". Social capital can manifest into bridging or bonding social capital depending on the nature of the network density (Dodd et al., 2015; Putnam, 1995). Bridging social capital refers to resources from weak relationships based on heterophilous interactions. An example of bridging social capital in an online community is information or knowledge sharing among members with diverse attributes. Bonding social capital, on the other hand, is resources derived from strong, personal, and reciprocal connections based on homophilous interactions (Chen & Lee, 2022; Hammad & El Naggar, 2023; Spottswood & Wohn, 2020).

Previous research believed bonding social capital could only form among families, relatives, and close friends. However, due to their fluidity and dynamics, social media platforms can facilitate the creation of bonding social capital among group members. For example, even though a community page on Instagram can only be limited to creating bridging social capital, the network created can transverse to other platforms, such as Whatsapp, which enables members to interact more closely through group chats. In other words,

online communities enable the establishment of either bridging or bonding social capital or both simultaneously.

Much of the current literature on female entrepreneurs shows that women are disadvantaged because they are often excluded from the embeddedness of entrepreneurial networks or groups dominated by male entrepreneurs (James et al., 2022; Woodwark et al., 2021). Consequently, female entrepreneurs have less and inadequate resources (e.g., mentors and knowledge) than their male counterparts. Research shows that this network detachment is one factor that leads women to seek for or form networks or groups based on homophilous interactions (James et al., 2022; Qureshi et al., 2022; Woodwark et al., 2021). Woodwark et al. (2021) defined homophily or homophilous interactions as “the tendency to establish bonds with people with similar personal attributes, preferences, norms, and attitudes.”

In a homophilous community, or what Woodwark et al. (2021) called the term ‘women-only network’ (WON), women can share their identity of marginality. Eventually, this shared identity congruence may foster social capital, manifesting in mutual trust, a sense of connectedness, a sense of belonging, and group social responsibility (James et al., 2022). In an entrepreneurial sense, being in such a community also allow women—entrepreneurs or not entrepreneurs alike—to share knowledge and experiences, gain exposure to role models, emotional support and encouragement, reciprocal business connections, and even financial resources (Hammad & El Naggar, 2023). These exposures will influence their entrepreneurial behaviour (Austin & Nauta, 2016, Entrialgo & Iglesias, 2017). Additionally, through a productive community of practice (CoP), women can collectively create value and opportunity

beyond mere wealth creation (Qureshi et al., 2022, Vershinina et al., 2022). For example, a community centered on motherhood may integrate parenthood and entrepreneurship to collectively navigate the challenge of operating a business parallel to parenthood, which may eventually lead to the discovery of increased self-esteem or a sense of achievement (Qureshi et al., 2022, Vershinina et al., 2022).

METHODS

This study uses a systematic literature review following the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) framework. Using the Scopus database and 14 ProQuest databases related to business and humanities, we use the search string as follows: “social capital” AND (“female entrepreneur” OR “women entrepreneur”) within the title, abstract, and keywords. After removing duplicates, the search queries from both databases resulted in 578 articles, as shown in Figure 1. All searches were narrowed to English, peer-reviewed journal articles and conference papers only from 2018 to 2023. Hence, 323 articles that did not fulfil these criteria were eliminated, resulting in 255 for eligibility assessment.

In the subsequent stage, we scrutinize the titles and abstracts of the articles to ensure their relevance. This screening using inclusion and exclusion criteria resulted in 190 articles. These articles are those which are related to social capital in a general sense. Finally, these articles were further examined more thoroughly for their content, mainly whether they are in the context of female entrepreneurship and online social capital. One hundred seventy-eight articles which did not fulfil these assessments were discarded, eventually resulting in only 12 articles which specifically discuss online social capital.

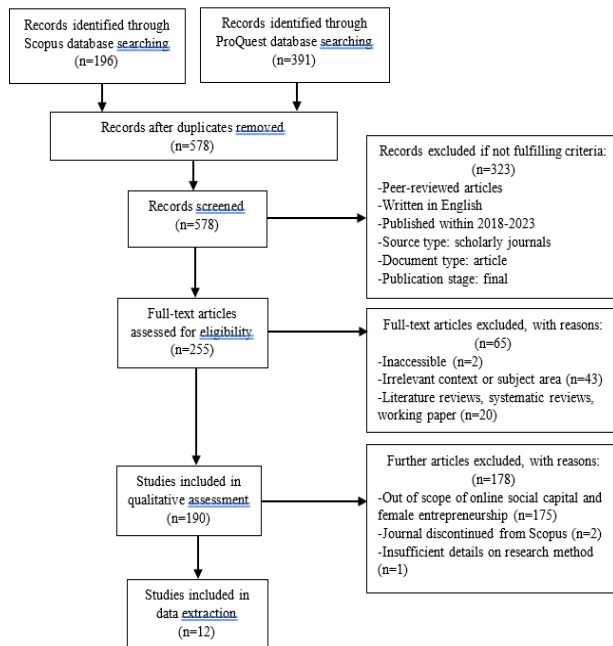


Figure 1. Data extraction and review

RESULTS AND DISCUSSIONS

One interesting finding from the search queries elaborated in the previous section is that of all the social capital literature extracted from both databases, only 12 studies address the subject of online social capital. This unexpected result is probably because research on social media, from which online social capital is established, has predominantly been fixated on entrepreneurial “message-based communication strategies” rather than as a community phenomenon emphasizing “relationship-based communication strategies” (Chen & Lee, 2022, p.182).

We found that studies on online social capital and female entrepreneurship are conducted in various countries. This finding tells us that the topic of female entrepreneurship and its relation to social capital is not only focused on emerging systems, such as in global south countries, but also in developed systems, like USA, UK, and Finland. Table 1 below

elaborates on the 12 studies obtained in more detail.

According to our findings, online social capital was made possible because of the development of ICT. The literature shows us that the platforms mentioned in the studies are not limited to only social media but also other platforms with different natures, such as crowdfunding platforms, websites, and online courses. The role of these platforms in relation to bonding and bridging social capital and female entrepreneurship is elaborated in more detail on Table 2.

Banks-Weston and Kolski (2022) and Vershinina et al. (2022) agreed that the latter two, along with Facebook Groups, can also serve as a community of practice (CoP), which may facilitate deeper social connections and emotional involvement compared to other kinds of social media. Although having different characteristics, these platforms enable members to engage each other and create social connectedness, which eventually creates either bonding or bridging social capital.

Most of these studies believe that social media is an enabler mainly for bridging social capital, except for three studies (Crittenden et al., 2019; Hammad & El Naggat, 2023; Vershinina et al., 2022), which explicitly argue that social media and other related platforms may facilitate the creation of social capital into bonding social capital.

In an online setting, women are often drawn into a homophilous community as it gives a sense of safety, authentic connections, empathy, and emotional support (Banks-Weston & Kolski, 2022; Pietarinen & Kianto, 2020; Vershinina et al., 2022). For women entrepreneurs, these values are considered more crucial than knowledge and factual information,

Table 1. List of articles reviewed

Title	Year	Author(s)	Publication	Type	Country
The role of digital platforms in women's entrepreneurial opportunity process: Does online social capital matter?	2023	Hammad, R. & El Nagggar, R.	Human Behaviour and Emerging Technologies	Article	Egypt
Social media as an enabler of women's entrepreneurial empowerment during the pandemic	2023	Lavilles, R., Tinam-Isan, M.A. & Sala, E.L.	Asian Journal of Women's Studies	Article	Phillipines
Relationship cultivation and social capital: Female transnational entrepreneurs' relationship-based communication on social media	2022	Chen, Z.F. & Lee, J.Y.	International Journal of Strategic Communication	Article	USA
Online communities and entrepreneuring mothers: Practices of building, being and belonging	2022	Vershinina, N., Phillips, N. & McAdam, M.	Entrepreneurship & Regional Development	Article	UK
Virtually a sisterhood: Social connectedness and online collaboration	2021	Banks-Weston, G. & Kolski, T.	TechTrends	Article	USA
Female entrepreneurship and social capital: Exploring the relationship between social connection and women-owned social media-based businesses in Bangladesh	2021	Choudhury, N.	Plaridel	Article	Bangladesh
Fostering digital entrepreneurship through entrepreneurial perceptions: Role of uncertainty avoidance and social capital	2021	Khan, K.I., Mahmood, S. & Tariq, M.	Journal of Business & Economics	Article	Pakistan
Social capital and business performance: A study of female-owned SMEs in the Nigerian informal sector	2021	Olamide, A. & Ogbechie, R.	Small Enterprise Research	Article	Nigeria
Women backing women: The role of crowdfunding in empowering female consumer-investors and entrepreneurs	2020	Groza, M.P., Groza, M.D. & Barral, L.M.	Journal of Business Research	Article	Spain
Social capital in the start-up phase of female-owned microenterprises	2020	Pietarinen, A. & Kianto, A.	Springer Proceedings in Business and Economics	Conference proceeding	Finland
Empowering women micro-entrepreneurs in emerging economies: The role of information communications technology	2019	Crittenden, V.L., Crittenden, W.F. & Ajjan, H.	Journal of Business Research	Article	South Africa
Women entrepreneurs in Jember: Effect of social capital and virtual geography	2018	Suharso, P., Ani, H.M., Sukidin, Sedyati, R.N., Hartanto, W. & Mardiyana, L.O.	IOP Conference Series: Earth and Environmental Science	Conference paper	Indonesia

especially for nascent female entrepreneurs who are still in the start-up phase of their businesses (Pietarinen & Kianto, 2020). Therefore, women’s choices and involvement in a community are often affected and moderated by gender. This finding is in accordance with a study by (Groza et al., 2020).

Our main findings also note various roles of online social capital throughout women’s entrepreneurial journey. Five studies (Chen & Lee, 2022; Choudhury, 2021; Lavilles et al., 2023; Olamide & Ogbechie, 2021, Suharso et al., 2019) agreed that online social capital plays a vital role in the business process and performance of women entrepreneurs. These studies show that online social capital is an enabler for business connections, market reach, and institutional support. On the other hand, several studies talk about how online social capital also plays a pivotal role, either directly or indirectly, in increasing women’s self-efficacy empowerment (Crittenden et al., 2019; Hammad & El Naggar, 2023; Lavilles et al., 2023). On an individual level, online social capital also becomes one of many factors affecting whether a woman intends to be an entrepreneur. Through their work, Hammad & El Naggar (2023) and Iqbal Khan et al. (2021) show that online social capital influences the construct of the entrepreneurial opportunity process and entrepreneurial perception, which play a role in one’s decision in new venture creation. All of these constructs play a significant part in one’s entrepreneurial progression.

Another important finding is that we found conflicting results regarding the influence of bonding social capital towards women's entrepreneurial process from Vershinina et al’s (2022) and Groza et al’s (2020) studies. In the study by Vershinina et al. (2022) regarding online

community for mother entrepreneurs, bonding social capital, which translated into three dimensions of being, building, and belonging, are critical for developing entrepreneurial competencies and practices. In contrast, in the study by Groza et al. (2020) about consumer-investors’ decision to fund an entrepreneurial project, bonding social capital tends to affect an investor’s contribution level negatively. In other words, the success of a woman entrepreneur’s business project and funding might depend more on bridging social capital. These findings indicate that bonding and bridging social capital established from diverse platforms might affect the entrepreneurial process differently in different stages. Therefore, it is possible that this point needs further exploration in the future.

Table 2. Critical findings

Online platform mentioned in the study	Critical findings/Role of social capital	References
Facebook groups	Bonding and bridging SC affect entrepreneurial opportunity process (opportunity recognition and exploitation) through mediating variables of entrepreneurial capacity and resource acquisition.	Hammad, R. & El Naggar, R. (2023)
Facebook, Instagram	Bonding and bridging SC are enablers of business connections and product reach. Increased SC affects one's self-efficacy and empowerment.	Lavilles, R., Tinam-Isan, M.A. & Sala, E.L. (2023)
Instagram, Youtube, Facebook, Website, Etsy, Blog	Bridging SC (gained from social media) is vital as a supplementary for bonding SC.	Chen, Z.F. & Lee, J.Y. (2022)

Mumsnet.com	Community of practice (CoP) helps the establishment of SC and it may assist in the development of entrepreneurial competencies, identity adaptation, and reconciliation of role tension.	Vershinina, N., Phillips, N. & McAdam, M. (2022)
Online business course	SC created through CoP helps the establishment of social connectedness, the pursuit of mutual goals, and support network for skill and career advancement.	Banks-Weston, G. & Kolski, T. (2021)
Facebook, Instagram	Bonding social capital (SC) helps women in running their businesses, while bridging SC aids in providing institutional support. Bonding SC may become an enabler for the establishment of bridging SC.	Choudhury, N. (2021)
Unspecified	SC directly affect entrepreneurial perception (collaborative, planning, operational) and digital entrepreneurship.	Khan, K.I., Mahmood, S. & Tariq, M. (2021)
Unspecified	Both bonding and bridging SC significantly affect business performance. However, bridging SC is significantly more influential.	Olamide, A. & Ogbechie, R. (2021)
Crowdfunding platforms	Gender moderates the impact of bonding and bridging SC on (backers') contribution level. Contrast to SC theory, bonding SC tends to have negative impact on contribution level. The success of a campaign's success depends more on bridging SC.	Groza, M.P., Groza, M.D. & Barral, L.M. (2020)

Unspecified	Online SC plays a vital role in the start-up phase, with provision of emotional support is considered more important than factual information. Bonding SC is also considered to be more important than bridging SC in this phase.	Pietarinen, A. & Kianto, A. (2020)
WhatsApp	ICT can maintain bridging SC, but the impact to bonding SC is not significant. Both types of SC and self-efficacy have varied influence on various dimensions of empowerment.	Crittenden, V.L., Crittenden, W.F. & Ajjan, H. (2019)
Facebook, Instagram, WhatsApp	Online SC has an important role for women entrepreneurs' business development and sustainability.	Suharso, P., Ani, H.M., Sukidin, Sedyati, R.N., Hartanto, W. & Mardiyana, L.O. (2018)

CONCLUSIONS

Due to the advancement of ICT, social capital is no longer established from merely offline interactions. Likewise, various online platforms may create not only social capital with weak ties (bridging) but also be able to facilitate the establishment of social capital with deep and strong connections (bonding). All studies on online social capital confirm the direct or indirect influence of elements which support and catalyze the development of entrepreneurship and new venture creation among women. Elements such as authentic social connections, emotional support, a positive view of entrepreneurial perception and opportunity process, and a sense of empowerment and self-efficacy are pivotal, primarily for nascent female entrepreneurs. Although the benefit of social capital is apparent in these studies,

research on online social capital in the context of social connectedness to develop entrepreneurship still needs to be explored. It might be because many studies around social media in entrepreneurship focus on the technical sides or strategies rather than exploring the relationship aspects. Thus, research on this area is worthwhile for future explorations

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