

Challenges to female entrepreneurs | research



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INTRODUCTION

Background of the Study

Entrepreneurship as a research field attracts the interest of many researchers because it is a tool of development for many economies in the world (Creamer, 2006), Likewise views on feminism today are vast as they are varied and contentious, (Ikoku, 2002), which explains the increasing attention of Female Entrepreneurship in the recent years (Jamali, 2009). Not only does female entrepreneurship contribute to economic growth and employment creation, but it is increasingly recognized to also enhance the diversity of entrepreneurship in any economic system (Verheul et al., 2006) and to provide avenues for female expression and potential fulfillment (Jamali, 2009; Eddleston and Powell, 2008).

The investigation of the factors that leads particular people to become entrepreneurs instead of others has been a question of many researches. So, many researchers have tried to understand the reasons leading those people to entrepreneurship. Toward that direction, theories and models (Leahey, 2006) were developed, and focused on the intentions that make people undertake entrepreneurship action, because the intentions are the best predictor factor for the future behavior of a person, such as the foundation of an enterprise (Krueger, 2005). So it is supported, that by formulating fundamental theories for the entrepreneurial intentions, we can explain a basic peace of the field of entrepreneurship as it affects genders.

Institutional theory has been viewed as a fruitful theoretical lens in the context of female entrepreneurship research (Baugh et al., 2006). Drawing

on institutional theory, Scott (1995) enumerates salient regulative, normative and cognitive pillars of institutions, which promote stability and predictability in social behavior, through compliance with codified laws.

Of course there are some factors that contribute to the prediction of the entrepreneurial intentions such as the attitude and the degree of desirability toward that behavior and the level of the feasibility (Krueger, 2005).

Davidson (2005) mentioned other factors defining the intentions of entrepreneurship such as propensity to action, personal convictions and other “ demographic” variables such as gender, age, educational level and economic environment.

1. 2 Women in Business

The 20th century has been a period of rapid change for many women, but life for women in some parts of the world still remains harsh. However, women are getting a vital role in the global market as entrepreneurs, they play a large and growing role in the US, Canada and UK. Hisrick & Ozturk, (1999) attributed their success to access to greater support from women mentors and role models and easier access to formal training in the principles of business planning and organization. Whereas, women in developing countries face obstacles such as lack of access to education and training, access to finance as well as discrimination and lack of respect or not being taken seriously (Woldie & adersua, 2004; Ezeaku & Ozigbo, 2009). Globally, it is estimated that women account for 25-33 percent of all businesses (National Foundation of Women Business Owners, 1998).

Whilst in the UK and the USA, they account for 26 and 33 percent of business start-ups respectively, surprisingly, in the Sub-Saharan Africa it is 80 percent (Kitching and Woldie, 2004). Despite the high contribution in Africa, their needs seem to be overlooked and largely hidden within the informal sector compared to their male counterparts (Mordi et al., 2009).

The subject of women's career development has become increasingly important as the percentage of the Nigerian labour force that is female has increased from 11.2% two decades ago to 40.4% today (Federal office of statistics) and the proportion is expected to increase further (Nakhaie, 2007). Although there have been some women in managerial positions during the last decade, the number has been painfully few in the light of the fact that over forty percent of the work force are women.

Nigerian Economy

Nigeria is the most populous country in Africa, and accounts for half of West Africa's population, and over 25 percent of Sub-Saharan Africa (SSA) (Nkamnebe, 2008). It is populated with over 150 million inhabitants, of which, over half of the population 15-64 years is young and active (C. I. A, 2010), still the country is characterized with poverty and is on the increase. For instance, poverty increased from 35 million people in 1985, to 39 million people in 1992; 67 people in 1996; and 74 million people in 1999. In addition, Human Development Programme indicates that 70.8 percent and 92.4 percent of Nigerian population live below US\$1 (N117) and US\$2 (N234) daily respectively (UNDP, 2007). This claim supports the ranking of Nigeria among less developed nations of the world (UNDP, 2007).

The Nigerian labour market has been characterized by high rate of unemployment, low wage and poor working conditions. This unwholesome situation evolved after the oil boom of the 1970s and remained so till date (Nnanna, Alade and Odoko, 2003). Prior to the oil boom, the Nigerian economy was largely agrarian and about 70% of the working population was engaged in agricultural activities in the rural areas. Wage rates were also comparable to international standards and the average Nigerian worker could afford decent living.

In the 1960s, the emphasis of employment policies was that of shifting labour from the agricultural sector to the manufacturing sector. This appeared to be the natural path of economic growth and development, following the experienced of the developed countries (Ajakaiye, 2001). However, the Nigerian peculiarities of land tenure system, tenancy and the very rudimentary processes of farming made it extremely difficult to deploy substantially advance technology in the sector. Moreover, at that time economic policies concentrated more on the development of the manufacturing sector, under the much touted “ import-substitution strategy”. Rather, labour moved from the agricultural sector to the services sector, with little productivity gains. Both agriculture and manufacturing lost out.

The issue of sustainable development in the Third World like Nigeria has been a growing concern to both the government and the private sector. The government had invested so much money on this platform over the years but has not yielded any meaningful result. It has been realized in the recent years that there are limits to which the government alone can promote

development especially with Nigerian peculiar developmental challenges due to maladministration, corruption, unstable macroeconomic regime and unpredictable fiscal policies by successive administrations (Fasua, 2006). Thus, both the public and the private sectors of the economy need to be involved in the industrial development process of the country. It is on this basis that government begins to engage in privatization policy with the view of allowing the private sector to participate in the economic development of the nation (Olu, 2009).

The weak economy itself choked out several business enterprises and curtailed employment opportunities. Staff retrenchment became pervasive, starting first in the private sector and later the public sector. The unemployment was more problematic in the urban areas, as shown in the following chart (CBN, 2003).

Nwoye (2007) further suggested that the best way to stimulate the economic system is by mobilizing energy, expertise and resource in Small and Medium Enterprises which will increase productivity, and ultimately improve the social life and economic welfare. The author was also concerned about the attainment of economic growth when half the population being female gender is marginalized in policy planning and economic resource management matters. Moreover, with women comprising of 52 percent of Africa's estimated 805 million population, women's empowerment is of the essence for Africa' sustainable growth. This claim is applicable to Nigeria which is the most populous country in Africa.

1.3 Research Gap

Research on female business owners is extensive in the industrialised economies, especially the United States and Canada (Lerner, Brush and Hisrich, 1997), which has helped the development and needs of the female entrepreneurs. Most of the research reflects the characteristics, experiences and challenges of female entrepreneurs in the western world (Kitching and Woldie, 2004; Carter, 2000). However, a limited number of studies have been undertaken to investigate these issues in the developing countries (Mordi et al., 2010).

Despite the extent of female entrepreneurs in involvement in new business formation, “ the economic impact of women led businesses has been downplayed” (Carter et al., 2002):

Female entrepreneurship is an under-researched area with tremendous economic potential and one that requires special attention (Henry, 2002)

Thus, there has been a growing call by scholars for studies in non- Western context to deepen our knowledge of the socially constructed nature of female entrepreneurs. In response to this research gap, the author chooses Nigeria as the scope of analysis.

Aims and Objective of the Research

The aim of the study is to take a deeper look at the problems faced by female entrepreneurs in Nigeria focusing on gender effects and other factors in the environment.

The following objectives are formulated to guide the investigation:

- To identify factors in the business environment that affects the development and survival of female entrepreneurs in Nigeria.
- To ascertain if the issue of female gender marginalization in Nigeria affects entrepreneurial ability of women.
- To determine whether family roles have any effect on female entrepreneur performance in Nigeria.
- To determine if there is any relationship between gender and entrepreneurial skill in Nigeria.
- To ascertain whether culture and beliefs affect the performance of female entrepreneurs in Nigeria

The dissertation deals with the problem of female entrepreneurs in Nigeria.

The unit of analysis is the gender. The focus is on individual and organizational shortcomings of nascent and young entrepreneurs and their ventures and employs a theoretical framework that allows for addressing these managerial problems by adopting an evolutionary perspective.

Research Questions

The following research questions are formulated to guide the investigation:

- Are there factors in the business environment that affects the development and survival of female entrepreneurs in Nigeria?
- Does the issue of female gender marginalization in Nigeria affects entrepreneurial ability of women?
- Do family roles have effect on female entrepreneur performance in Nigeria?
- Is there any relationship between gender inequality and entrepreneurial skill in Nigeria?

- Do culture and beliefs affect the performance of female entrepreneurs in Nigeria?

Research Hypotheses

For the purpose of this study, it is important to test the following hypotheses:

Hypothesis I

Ho: The issue of female gender marginalization in Nigeria has no effects on entrepreneurial ability of women.

Hi: The issue of female gender marginalization in Nigeria has effects on entrepreneurial ability of women.

Hypothesis II

Ho: There is no relationship between the family roles and female entrepreneur's performance in Nigeria.

Hi: There is relationship between the family roles and female entrepreneur's performance in Nigeria.

Hypothesis III

Ho: Gender inequality is not significant to female entrepreneurial ability in Nigeria

Hi: Gender inequality is significant to female entrepreneurial ability in Nigeria

Significance of the Study

This is significant to many people in many areas. In this light, the study is relevant because it seeks to provide entrepreneurial guideline and gender development procedure that would lead to effective attainment of national

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objectives in terms of economic growth and reduction of unemployment in Nigeria.

To the female gender the study would serve as eye opener in terms of discovering their entrepreneurial potentials despite the influence of culture and beliefs. The conclusions can be used both in the evaluation of the current system concerning entrepreneurship as well as in the formation of new strategies in the entrepreneurship in tertiary education.

It would provide students in higher-institutions with sound knowledge and give them avenue to the understanding the need for venturing into entrepreneurial activities, how, why and when entrepreneurial skills acquired tertiary institutions should be implemented.

Finally, the study would serve as a veritable source of information for individuals, youths irrespective of gender and the government, on how to harvest the rich benefit of entrepreneurship in the national building and economic development.

1. 7 Scope of the Study

In view of the fact that the study of “ problems faced by female entrepreneurs” involves all and sundry and cannot be exhausted in this research. It therefore becomes necessary to define the scope of the study. The scope of this study is female entrepreneurs and graduates on National Youth Corps Service (NYSC) in Lagos area of Nigeria, 2010. Therefore, this research is an empirical examination of entrepreneurship problems in Nigeria and entrepreneurial skills among graduates on NYSC; analysis by gender; it

will go beyond theoretical approach to evaluate entrepreneurs' problems and gender effect on entrepreneurship to generate further insight.

1. 8 Structure of the Dissertation

This study is divided into five parts. Chapter one is the introductory which highlights the statement of the identified problems, objectives, research questions and significance of the study, etc.

Chapter two contains a detailed review of literature on key concepts of entrepreneurship, gender influence on entrepreneur performance and problems faced by female entrepreneurs in Nigeria.

Chapter three discusses the research design, data collection methods, sample size determination, questionnaire design and administration, etc.

In chapter four, the presentation and analysis of data and the testing of hypotheses are carried out. The results and interpretation are presented.

Chapter five is the concluding part of the study, where reasons are given for the results obtained from the research. Conclusions, recommendations, and suggestions are made for improvement based on the research findings.

1. 9 Definition of Terms

Entrepreneur: Is the innovating individual, who initiates and nurtures to growth a new and an on going business organisation, where none existed before.

Entrepreneurial Skill: The potential and ability of an individual to initiate and nurtures a new business to growth, expertly.

Development: Is defined as gradual advancement through progressive stages of growth from within

Capital Venture: Is a form of long term investment for start-up companies and growing businesses that have the potential to develop into significant economic contributors.

Gender: Nature of human being that depict sex which is made of male and female.

Graduates: Young Schools leavers especially those from higher institution of learner (i. e. universities, polytechnic and colleges, etc)

National Youth Corps Service: A compulsory one year work experience program for graduates in Nigeria