

# Impact of culture on women entrepreneurship



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The author has been involved from the age of thirteen years old in business enterprise both Small and Medium Enterprises (SME). The author comes from a business orientated family and spent her working life both in family business and private capacity. This made the author believes that one of the most important issues that the women entrepreneur experiences in this business sector is culture challenges. The author believes that women entrepreneurship has got many opportunities but the impact of culture challenges these opportunities in particular if we compare UK and Sub-Saharan women entrepreneurship.

Considering entrepreneurship sector it has long been considered an important factor for socioeconomic growth and development because it provides millions of job opportunities, offers a variety of consumer goods and services, and generally increases national prosperity and competitiveness (Zahra, 1999). Although in recent years women have been included in a number of studies on entrepreneurship, however, there has been little focus on challenging traditional definitions of entrepreneurship or on developing new methods to collect information on entrepreneurship (Moore 1990, p. 278; Stevenson 1990, p. 442; Moore and Buttner 1997). The entrepreneurship literature has increasingly acknowledged the desire by women to be economically independent and their role and contribution as female entrepreneurs in shaping the labour market (Goffee & Scase, 1985).

Entrepreneurship or self-employment normally involves setting up a new business or buying an existing business. Gartner, (1988) defines entrepreneurship as the behaviours associated with performing

entrepreneurial activities (i. e. what an entrepreneur does rather than on whom the entrepreneur is).

The entrepreneur environment is surrounding by many societal factors such as cultural, economic, political and social forces. These factors can join together to create threats or opportunities where entrepreneur operates. Despite the presence of a favourable environment, individuals who are motivated by factors such as financial rewards, achievement, social, career, and individual fulfilment, for these conditions or motives to encourage into entrepreneurship a national culture supports and encourages entrepreneurial activity is needed. Berger, (1991), points out that individual's personalities and behaviours, firms, political/legal systems, economic conditions, and social traditions are all intertwined with the national culture from which they originate. Hence, the study of entrepreneurship on a cultural basis seems appropriate. Furthermore, taking women themselves as subjects for analysis and comparison three levels of similarity or difference should be considered. First, no matter where women live, they experience similar types of role complexity, especially when combining the roles of working mother and wife. Second, no matter where women live, they encounter similar problems when trying to get started as entrepreneurs or when trying to expand their business activities. Third, in contrast to male entrepreneurs, women entrepreneurs face unique challenges arising from the local environment in which they must operate. It is these differences arising from the specific social and cultural environments in which WEs operates that are the subject of investigation in this study as well as the differences between women themselves, their roles or their personal experiences.

Consequently, this study takes the cultural approach to study the women entrepreneurs by examining factors in the environments in which Women Entrepreneurs (WEs) operate. The goal is to understand better how cultural barriers of many types impact the efforts of WEs. In order to address these gender-particular problems, social cultural is suggested to cover two goals:

Addressing the changing social beliefs, attitudes and behaviours that negatively affect women entrepreneurs.

The ways of improving conditions in institutional systems and environments in the women entrepreneurs

## **The research questions**

The extant entrepreneurial literature has certainly increased our understanding of entrepreneurs and the gender dynamics of entrepreneurship, a key concern is the tendency for typical studies to focus on entrepreneurship issues in Western developed economies to the neglect of developing . If entrepreneurship is accepted as a key driver of economic growth and an essential component of national development, then a better understanding is needed of those factors which promote or inhibit women's entrepreneurship . Two questions are of principal interest in this study:

Under what conditions do women become entrepreneurs What types of cultural and environmental barriers must they face and overcome?

The next section explains the methodology. We then present and discuss the findings and argue that while many challenges identified are common in this

sector they are experienced differentially and are strongly influenced by the nature of the cultural values in context.

Keywords: women entrepreneurs, cultural environment

## **The research methodology**

In order to understand the nature of WEs' experience in the U. K and sub-Saharan Africa, it is necessary first to understand the socio-economic and cultural context in which they live and work. The present study is exploratory in nature. The study was carried out in the U. K with selecting women entrepreneurs doing different types of business. The study covered two types of participants' women entrepreneurs from the U. K and others women entrepreneurs who originally came from Sub Saharan African countries settled and started a business in the U. K. The combination of the selected groups gives different business cultures. Our goal is to demonstrate both similarities and differences in the experiences of WEs trying to operate their own business. The data for the study was collected from both primary and secondary sources. Primary data was collected from selected women entrepreneurs through formal interviews. The participants from the Sub Saharan Africa were selected on a convenience basis to represent Somali, Ethiopian, Eritreans, and Ugandans. The reasons that made the researcher to perform samples interviews from both participants are the limited timescale for the researcher as well as the availability of these women in entrepreneur business in the U. K. Secondary data was collected from published data in books, journals, magazines report and newspapers. In trying to assemble relevant statistical data from secondary sources for this profile, the researcher encountered considerable difficulties with incomplete, out-of-

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date, or missing data. Even in publications produced by Department for Business innovation and Skills (BIS), banking system such as Nat west, in the U. K and leading international agencies such as the World Bank, UNESCO (2011), UN, and the CIA (2011), statistics proved to be inadequate for the purposes of this study. The next section presents the relation between the gender and the entrepreneur.

## **Gender and the Entrepreneurial Career Choice**

The literature described the term entrepreneur with a particular emphasis on the view of the nature and purpose of entrepreneurial activities. Thus, an entrepreneur is defined as one who undertakes a commercial enterprise and who is an organisational creator and innovator (Gartner, 1990; 2004).

Theoretically entrepreneur includes elements of smallness, competition, deregulation, innovation and risk (Verheul & Thurik, 2000). Considering these features an entrepreneur historically assumed to be male (Green and Cohen 1995, p. 299; Beggs et al. 1994). However, Winn, (2005) stated that entrepreneur is the one who prospects for or exploits opportunities and who has a tenacity to face challenges. Whereas, Krueger and Brazeal (1994) described entrepreneurship as gender neutral who perceive themselves as pursuing opportunities irrespective of existing resources. This definition is in line with affirmation of Buttner and Moore's (1997) that the entrepreneurship is a gender-blind career choice. Although this assertion is theoretically true, in practice gender and environment act together to confirm the success or failure of women as entrepreneurs. Studies report that women entrepreneurs differ from men in terms of their motivations, the types of external barriers that they face, and the type of help available to women (Buttner and Moore

1997; Mattis 2004; Woldie and Adersua 2004). Cromie (1987) compares women's and men's reasons for forming businesses on 13 different criteria and notes that women are less preoccupied than men with economic gain, and more often cite child-rearing demands and career dissatisfaction as reasons for business formation. In a similar way, Hisrich (1989) summarises the comparisons that have been made between female and male business owners in terms of motivation, source of funds, occupational background, and reasons for occupational departure, personality, background, support group and type of business. Other studies similarly compare the motivation of female and male entrepreneurs (Cromie 1987; Birley 1989) and management styles in women-owned and men-owned enterprises (Chaganti 1986).

Accordingly, the literature points to a variety of intrinsic and extrinsic factors that might influence women to choose an entrepreneurial career. Intrinsic factors include the person's personality or traits such as having a proactive, assertive personality, being self-governed and positive (Akrivos et al., 2007, Mordi, et, al., 2010). In this respect, female entrepreneurs have been found to be less oriented to financial reward than men (Rosa et al, 1996), valuing work satisfaction and challenge, and to hold 'androgynous' or masculine self perceptions (Brodsky, 1993) such as confidence, a sense of adventure and risk taking. Extrinsic factors include family circumstances and family orientation, the influence of socio-cultural factors, the political-economic climate surrounding the business environment and dominant features of human resources within the labour market (Ituma & Simpson, 2007). The aspiration to own and manage a business might stem from a desire to be

self-sufficient, to gain personal satisfaction and esteem as well as a desire for more opportunities and flexibility than exists for women in the employed labour market (Carter, 2000; Winn 2004, 2005; Carter and Cannon, 1992). This quest for autonomy and flexibility may be particularly relevant for those women with caring responsibilities (Carter, 2000; Hewlett, 2002) who accordingly seek to combine work and non-work activities (Mordi, et, el., 2010).

Using these comparisons and to develop a form of typical female entrepreneur the factors that describe the differences between the male and female entrepreneur can include women and men are socialized differently and as a result have different orientations especially when it comes to business; as women face certain structural and cultural barriers rather than men and finally women have distinctive ways of conducting and managing their own business (Amine &Staub, 2009). Carter (2000) points out; women are not disadvantaged in the world of self employment because of their lack of mental, physical, educational and other kinds of abilities, but as a result of gendered categorisations. These categorizations have close links to other variables, such as cultural values, family commitment, lack of business capital and credit facilities that can act as limitations to the female entrepreneur (Mordi, et, al., 2010).

Taking these differences there is anecdotal evidence that cultural beliefs about gender and entrepreneurship have consequences for women entrepreneurs. For example, women entrepreneurs frequently reported that perceived lack of credibility by investors due to their gender disadvantages them in their searches for credit (Moore and Buttner 1997; Carter and



Cannon 1992). Kiggundu (2002) reported that most successful African entrepreneurs are male, middle-aged, married with a number of children, and are more educated than the general population. Staub and Amine (2006) argue that many women in sub-Saharan Africa are 'ready to go' as entrepreneurs, if only environmental conditions are more favourable to their efforts. Consequently, theory suggests that gender stereotypes may systematically disadvantage women entrepreneurs as few studies have investigated the extent to which cultural beliefs about gender might impact men and women in the initial decision-making process of choosing to start a business in the first place (Heilman and Chen 2003). This gender carrier choice review highlights the significance and value of some of the cultural and environmental factors which is the focus of this study. To deepen our understanding for these factors the next section will present more cultural motivations and types of women entrepreneurs.

## **Types and motives of Women Entrepreneurs**

Definitions of the term entrepreneur tend to assume and emphasise a particular view of the nature and purpose of entrepreneurial activities. Goffee and Scase (1985) distinguish between four types of female entrepreneurs (conventional, innovative, domestic and radical). Goffee and Scase (1985) argue that 'Conventional' businesswomen are highly committed both to entrepreneurship ideals and to the conventional gender role for women. These women accept the fact that they have to work long hours to fulfil both their domestic and entrepreneurial roles. Goffee and Scase note that conventional businesswomen run their business in ways which are compatible with their domestic obligations and do not require

family members to undertake additional tasks. Goffee and scase (1985, p. 96) suggest that these women 'do not see the need for restructuring of gender relationship'. However 'Innovative' entrepreneurs, by contrast, are committed to entrepreneurship ideals but not to the conventional gender roles. 'Domestic' businesswomen do not uphold entrepreneurship ideals but are committed to conventional gender roles. 'Radical' proprietors have low commitment to both entrepreneurship ideals and to conventional gender roles. Through this framework, Goffee and Scase (1985) are able to explain some of the differences in whose 'willingness to compromise with the male business world and to sacrifice personal and family relationships for the sake of their enterprises enables them to overcome many of the obstacles which many women face'(ibid., p. 142). To be precise, innovators women entrepreneurs are likely to be booming entrepreneurs in so far as they imitate the male work norm. Considering these types of women entrepreneur Birley (1989, p. 37) argues that 'profile of women entrepreneur in the future will continue to move closer to that of their male counterparts'. To achieve this stage women entrepreneurs need certain motives to encourage them to be in business.

Scholars emphasised different motives for entrepreneurs as general the most notably economist Cantillon and Marx who pointed out that profit maybe one motive of entrepreneur business. Furthermore, the entrepreneur may be driven not only by economic motives but also by psychological motives like the desire to innovate and create new products (Schumpeter, 1934). The desire to take risk and a spirit of adventure may be another (Knight, 1921). Moreover some entrepreneurs have greater access to

information or knowledge and wish to exploit that advantage (Kirzner, 1973). However, the positive reasons alone may not motivate entrepreneurship as some individuals may have no other option but to choose self-employment (Basu & Altinay, 2002). (references in london articles)

Krueger and Brazeal (1994, p. 101) asserted that favourable environmental conditions such as 'support from political, social, and business leaders and a team spirit in the community' effectively encourage entrepreneurship among both men and women. Social support from family and friends who provide positive role models, as well as from parents who promote entrepreneurial aspirations during childhood, all contribute to create positive environmental conditions favouring women's entrepreneurship. In contrast, (Mordi, et, al., 2010) argue that lack of access to seed funds and working capital are two environmental factors that particularly discourage women entrepreneurs. It is clear that motivations of women entrepreneurs based to some extent on the gender beliefs. Thus in the next section the relation between the gender beliefs and entrepreneurship will be discussed.

## **Gender Beliefs and Entrepreneurship**

This section presents the shared cultural belief about genders by prescribing different expectations of competence for women and men or gender status beliefs in the area of entrepreneurship. Then analyze the implications of those beliefs for women's as entrepreneur business choice.

It is reported that women often perceive they lack credibility because of their gender when they seek funding (Carter and Cannon 1992; Moore and Buttner 1997; Smallbone et. al. 2000). To discuss this sociologists

increasingly understand gender as a multilevel structure, which includes cultural beliefs and distributions of resources at the macro level, patterns of behavior at the interactional level, and roles and identities at the micro level (Ferree, Lorber, and Hess 1999; Ridgeway and Correll 2004; Risman 1998) (Reference- baud2010. SPQ. snap article).

The influence of culture on entrepreneurship was first emphasised by Max Weber at the beginning of this century. As Weber (1976) famously argued, Protestantism encouraged a culture that emphasised individualism, achievement motivation, legitimization of entrepreneurial vocations, rationality, asceticism, and self-reliance. Based on that Hofstede (1991, p. 5) defines culture as " a collective programming of the mind which distinguishes the members of one group or category of people from another". In this sense Hofstede (1991) regards culture as a collective phenomenon that is shaped by individuals' social environment, not their genes. In this way he defines culture a set of shared values, beliefs and norms of a group or community. Basu & Altinay, (2002) argue that these cultural values and norms will either converge or conflict with a society's ability to develop a strong entrepreneur orientation. For example, thinking about a new business ventures means confronting a great deal of uncertainty. Moreover, in the development of new ideas, entrepreneurs have to make their own decisions in setting where there are few, if any, historical trends, and relatively little direct information (Basu & Altinay, 2002). Accordingly, Hofstede's in his research shows that national culture affects workplace values across a range of countries. Basu & Altinay (2002) views the cultural differences result from national, regional, ethnic, social class,

religious, gender, and language variations. Hence, values are held to be a crucial feature of culture and cultural uniqueness. Consequently, Berger (1991) argues that any modernisation in countries must include cultural transformation. As such, entrepreneurship develops from the "Bottom up" such that culture gives rise to entrepreneurial potential. Thus, Berger's stated that "it is culture that serves as the conductor, and the conductor, and the entrepreneur as the catalyst (to entrepreneurship)" (Berger 1991, p. 122).

To widen our understanding to the effect of culture on the women entrepreneurs it seems necessary to take some examples on this field. In the United Kingdom, notably in the East Midlands (Nottingham and Leicester) Somali women have challenged the male-dominated perception which portrays women as housewives with little contribution to the public arena. Study by Hassan (2002) reveals how Somali women in the UK rejected their traditional culture that gives husbands authority over their wives. A traditional power relation at the household level that allows husbands to control their wives is no longer accepted in the UK. A Somali woman narrates "Men should learn how to cook, do the laundry and change the nappies" (Hassan 2002), a new male role which used to be a female role in Somali. This led to an increase in marriage breakdown. However, women have become shapers of their lives. On the other hand men seem not happy with the new culture that they need to understand and to response to positively. They put religion to stop women taking new roles. Men" are using religion as a scapegoat when they say that women are abandoning Islam. This is the way this country is, and we should adapt to it", said a female

interviewee (Hassan 2002). The interviews done by the author suggests that as case study no says that " Some men refuse to buy food from me because I am women, they told my husband it's Aab". This particular case her husband is very supportive. Where else in case study no , its was was the women who constantly questioned the motive of her doing business with a man. "

Case study no was

In the city of London Ethiopian and Eritrean women have improved their entrepreneur skills and become engaged in different small business activities such as restaurants and cafes to generate income to help them to support themselves and to improve their living standard as well as to send remittances to their families and communities in their homeland. Thus, challenging the economic exclusion is that many women in Diaspora are exposed to and also giving them financial independence and economic power. Moreover, gaining economic power could lead to decision-making power at household level. Thus, challenging the patriarchal system that perpetuates male's domination. In a study comparing indigenous African entrepreneurs to entrepreneurs of European and Indian descent operating in Kenya, Tanzania, Zambia and Zimbabwe, Ramachandran and Shah (1999) found significant differences between sample members. Differences were seen in their education, networks, and business growth rates, with entrepreneurs of European or Indian descent having more formal education and better business networks. Despite the considerable progress many countries have achieved in developing their economies, entrepreneurial activity remains relatively limited in many these nations (Berger 1991)

## **Cultural Challenges of Women Entrepreneur**

The literature showed that women entrepreneur businesses are generally smaller, grow more slowly, and are less profitable (Fasci & Valdez, 1998; Hisrich & Brush, 1984; Kalleberg & Leicht, 1991; Rosa & Hamilton, 1994). Buttner and Rosen (1988) similarly found that American loan officers rated women as significantly less like "successful" entrepreneurs on the dimensions of leadership, autonomy, risk taking, readiness for change, endurance, lack of emotionalism, and low need for support when compared to equivalent men. More generally, scholars have argued that entrepreneurship is an activity that involves a sense of dominance tied to notions of masculinity within modern capitalist cultures (Bruni, Gherardi, and Poggio 2004; Connell 1995; Mirchandani 1999).

A number of theorists attempt to identify 'barriers' which female business owners face. These theorists focus on the social structures, which support gender differences. Several authors maintain that research on women entrepreneurs suffers from a number of shortcomings. These include a one-sided empirical focus (Gatewood, Carter, Brush, Greene, & Hart, 2003), a lack of theoretical grounding (Brush, 1992), the neglect of structural, historical, and cultural factors (Chell & Baines, 1998; Nutek, 1996), the use of male-gendered measuring instruments (Moore, 1990; Stevenson, 1990), the absence of a power perspective, and the lack of explicit feminist analysis (Mirchandani, 1999; Ogbor, 2000; Reed, 1996). Loscocco et al. (1991), for example, examine why women-owned businesses are typically less financially successful than businesses owned by men. They argue that women's lack of industry experience and family situation (in particular

responsibility for childcare) explain part of the difference in income. Other reasons include the fact that women-owned businesses are typically small in size and are concentrated in poorly paid sectors of employment. Other barriers are identified by Aldrich who studies entrepreneurial networking and notes that women tend to form larger numbers of strong ties; this over-investment in the maintenance of networks can translate into business disadvantage as 'a woman entrepreneur risks spending much of her time on relationship matters rather than business ones' (1989, p. 121).

Woldie and Adersua (2004) reported that aspiring WEs face additional barriers to success arising from negative social attitudes. Prejudice against WEs is experienced much more severely in Africa than in developed Western nations, arising from deeply-rooted, discriminatory cultural values, attitudes, practices, and the traditions of patriarchal cultures. Local prejudice is expressed through differential attitudes toward women in general, and through different standards and expectations for women's social behaviour in particular. While social attitudes are not the only factors hindering women's entrepreneurship, they are recognized by Gartner (1985) as critical factors.

Lack of educational opportunities for girls throughout sub-Saharan Africa puts women at a tremendous disadvantage in adult life. Not only are they unable to improve their own intellectual and social abilities through education, they also suffer from social subservience and an inability to engage in business on an equal footing with men. Inadequate education leaves women ill-equipped to resist normative pressures from society for them to conform to traditional social role expectations for division of labour.



Educational deficits also make it difficult for women to counter pressure by their husbands and family members to conform to social norms.

In Muslim communities of sub-Saharan Africa (such as in Nigeria), it is not considered socially right or proper for a woman to work outside the home or to own her own business. It is feared that a married woman's access to an independent source of income will change traditional roles in the family, undermine patriarchal domestic relations, and affect the balance of power within the household, potentially leading to divorce and the possibility of self-determination.

Socially constructed meanings may interpret the fact of a married woman working for pay outside the home as deriving directly from a man's inability to control his wife or to provide adequately for his family without her assistance. Fearing such a loss of control, personal honour or social standing, many men simply refuse to allow their wives to start or operate their own businesses. An even greater threat is the social stigma that might attach to a man if his wife is seen to be more successful than he is (Njeru and Njoka 2001). Such deep social embarrassment and dishonour of the family name are deemed intolerable outcomes in many cultures of the world, not just in Africa. (See, for example, studies of the social impact on families of women's employment in the 'maquiladora' factories along the US-Mexican border over the last 30 years [American Friends Service Committee AFSC 2006].)

While such fears are grounded in traditional socio-cultural beliefs, attitudinal change can be accomplished through education of both men and women, allowing women to achieve self-determination and men to enjoy a more

prosperous family life with their wives' financial contribution to the household. Recommendations on how to bring about this type of change in attitudes towards women, work and independent enterprise will be addressed in a later section on social marketing.

Some type of problem or proposed shortcomings of women. Women are discussed as: (the references on articles on women)

Having a psychological makeup that is less entrepreneurial or at least different from that of a man's (Fagenson, 1993; Neider, 1987; Sexton & Bowman-Upton, 1990; Zapalska, 1997)

Having less motivation for entrepreneurship or for growth of their businesses (Buttner & Moore, 1997; Fischer et al., 1993)

Having insufficient education or experience (Boden & Nucci, 2000)

Having less desire to start a business (Carter & Allen, 1997; Kourilsky & Walstad, 1998; Matthews & Moser, 1996; Scherer et al., 1990)

Being risk averse (Masters & Meier, 1988)

Having unique start-up difficulties or training needs (Birley et al., 1987; Nelson, 1987; Pellegrino & Reece, 1982)

Using less than optimal or perhaps "feminine" management practices or strategies (Carter et al., 1997; Chaganti, 1986; Cuba et al., 1983; Olson & Currie, 1992; Van Auken et al., 1994)

Behaving irrationally by turning to unqualified family members for help  
(Nelson, 1989)

Not networking optimally (Aldrich et al., 1989; Cromie & Birley, 1992; Katz & Williams, 1997; Smeltzer & Fann, 1989)

Perceiving other women as less cut for the role of entrepreneurship  
(Fagenson & Marcus, 1991)

Attributing loan denials to gender bias instead of flaws in the business plan  
(Buttner & Rosen, 1992)

The women entrepreneur we interviewed display an impressive confidence in their entrepreneurial ability. Ins My interview quotation here

## **Women entrepreneurship problems explanation**

Hisrich outlines the central problems faced by women entrepreneur and develops 'prescription for (their) success' (1989, p3). These prescription include the need for women to gain experience in financial management by taking loans and managing family finances, obtain occupational experience in middle management, study engineering, science, technical or business-related subjects, learn to prioritize between organizational and family responsibilities, and develop support systems and mentors. According to Hisrich suggests that women need to develop a 'girls' network' (1989, p. 280 to parallel the 'old boys's network', and to learn to delegate business or family responsibilities to others when necessary.) Aldrick argues that women need to increase their network diversity by adopting, like male entrepreneurs, an 'assertive' and 'instrumental orientation' to personal

networks (1989, p. 128). Goffee and Scase argue that 'real potential for the growth of small business' (1985, p. 142) lies with women who have a low attachment to conventional gender roles, such as the 'innovators' whose 'willingness to compromise with the male business world and to sacrifice personal and family relationships for the sake of their enterprises enables them to overcome many of the obstacles.

## **Recommendation and conclusion**

This study allows us to make several points about the impact of culture on women entrepreneur. This review of the literature on women entrepreneurship and gender presents a complex picture of critical environmental barriers, social challenges and practical problems that men, and more particularly women, must overcome, if they want to become entrepreneurs or expand their small businesses.

In sum, this study supports the theory that cultural beliefs about gender and entrepreneurship play a key role in determining who becomes an entrepreneur and who does not. This finding is substantial given that entrepreneurship, unlike any one specific job or occupation, is an entire form of work. That is, entrepreneurs cover a wide range of occupational skills and educational backgrounds, not just those that are particularly male-dominated. Thus, the simple fact as reviewed that cultural beliefs benefit men at the task of business construction restricts the alternative of otherwise qualified, creative women. Furthermore, there is no doubt that entrepreneurs generate jobs and contribute to economic development and innovation. If widely held cultural beliefs about gender constrain women's

involvement in that process, then their role as leaders in society, and in economic production more specifically is also constrained.

The specific recomm