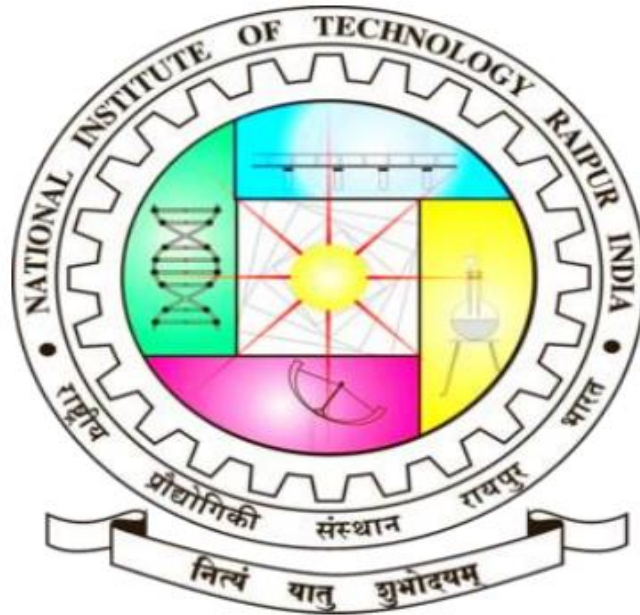


National Institute of Technology Raipur



Subject -Basic Entrepreneurship Topic:- **Gender issues in Entrepreneurship Development**

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Abstract:-

In this paper we will discuss the gender issues in entrepreneurship. This issue is wider when compared to the labour force participation in other sectors. The case in India is not so different either. There are many socio economic explanations on this issue. The economics aspect is attributed to a disadvantage in owning the factors of production by women. However the ownership disadvantage does not explain the issue fully in all sectors. More entrepreneurs choose service sectors for entry and this sector requires the traditional factors of production to a lesser extent. Thus the gender issues in entrepreneurship is not fully explainable on this basis. This research paper, taking the case of some of the factors involved in enterprise formation and tries to investigate from an attitudinal perspective and tries to differentiate the proclivities of women with respect to men and tries to give a behavioural, attitudinal, psychological explanation to such differences.

Introduction:-

Creation of any organisation or enterprise is fundamentally social in nature. However participation and contribution in creating an enterprise is found till date to be skewed across gender. Men continue to dominate in the field of entrepreneurship. The difference with respect to gender has been ascribed to structural position of women in society or interpersonal difference across gender. Why is there such a gender gap in entrepreneurship formation, and where could there be any scope for possible improvement? Is there any gap, also in the perception of women entrepreneurs?

Women entrepreneurship has an 'economic dimension, wherein the percentage of women entrepreneurs is higher for the countries with low per capita income. The observation is a cross country comparison with respect to gender, nonetheless the percentage of female entrepreneurs in a given context is less compared to male entrepreneurship. One study involving multiple countries, argues that the lower business ownership in case of women is because of lower inclination to start, rather than the

failure rate. The study attributes low start up rate by women to a higher level of fear of failure, less confidence in entrepreneurial abilities and different social networks; and these factors seem to explain the gender gap. The difference in the average level of intention between genders has been attributed to the attitude towards risk.

Beyond motivation, gender differences have also been studied about entrepreneurial efficacy. Study finds that females are less likely to start their own business and they are better able to assess their own deficiencies. It can be suggested that men are foolhardy or take refuge in 'ignorance being bliss'. In another research in a related theme, finds that the impact of entrepreneurship education is stronger on entrepreneurial self-efficacy for women as compared to such impact for men.

Constructs and Variables

Challenges of doing a business- The entrepreneurs' perception about the overall challenges forms a part of efficacy. If the individual perceives a very high level of challenge in doing a business, then the likelihood of choosing entrepreneurship diminishes. These perceptions are socioeconomic and cultural context specific. The variables for the challenges as a construct, involved following items reflecting following themes: Doing business is easy, business has high uncertainty, no social acceptance for business persons, there are legal issues, it disturbs family life, corruption, competition, lack of knowledge, fund constraint (own fund and loan), lack of government support and good employees, market risks and lack of input resources like raw materials etc.

Sources and Evaluation of Idea- One of the most important processes of entrepreneurship is to conceptualise, select and freeze on the business idea to work on. There are various sources from which the entrepreneur could get the seed idea. The diversity of sources and ideas are indicative of the robustness of the ideas. In the instrument, indicative sources of ideas were given as media sources, exposure visits, work experience, peer network, resolving an issue faced and serendipity. Respondents are to indicate their

choices in Likert scale. Similarly for evaluation of the ideas, entrepreneurs can depend on various sources like; industry experts, friends/colleagues/relatives, bankers and may consult industry reports. The entrepreneur can also depend on the gut feel or on own judgement. An entrepreneur develops a strong conviction about the chosen idea and would plan to commit resources at this phase.

Planning- At the planning stage the entrepreneur may search for ways and means to refine the idea to suit the available skills and resources. At this stage, the strategic and execution intent is balanced with the risk mitigation options. The section of the instrument had questions to capture the responses with regard to planning, the entrepreneur went through. The statements were: ‘Continual search of ideas for fine tuning’; ‘Financial projection’; ‘Devoting adequate time for planning rather than learning on the job’; ‘Written business plan’; and ‘Having a backup plan in case of failure’. These factors were finalised after the pilot study of the instrument. Conviction about success. Sense making about the performance or developing the gut feel about the success takes place, before the actual measurement process is laid out and business performance measurement takes place. A small business entrepreneur in fact keeps doing this process mentally, without an elaborate process or method. To access such conviction, intrinsic ability and the indicative heuristics, the instrument included the following factors; ‘growth in customers’, ‘opinion from experts and peer group’, ‘family’, ‘ability to drive down cost’, ‘technological superiority’, ‘waiting as a strategy’, ‘network building’, ‘comparing the growth of market’ and ‘trust in delivery process’. Responses were sought in a five point Likert scale.

Measuring the indication of success- Depending on the strategic intent, an entrepreneur deploys various parameters or a combination of parameters, therefore, for measuring the business performance. These measures become of vital importance during the formation period. These measures are process outcomes or input to substantiate any vital process of the new venture.

Following factors were chosen in this section of the instrument: “Sales”; “Cash flow”; “Product or service Quality”; “Price reduction”; “Investment in Assets, Research and Development”; “Promotions and advertisement”; “Measure return per Employee”; “Growth in employee number”; “Growth in market share”.

Self-rating of prior knowledge- Organisations are a combination of functional processes like finance, marketing, operations, managing employees, creating network/contacts etc. These also can be treated as traits of individual entrepreneurs. This section in the instrument was intended to find, if there is any threshold level for entrepreneurs in any particular trait or a combination thereof.

Differentiation- Though innovation is the hallmark of entrepreneurship but each new venture is not absolutely unique. However it is expected that the new venture should be different from the incumbent and should have some unique proposition to survive and grow. Entrepreneurs should display the ability to make their organisation distinct from the rest on different dimensions. This section of the instrument sought the response as to the degree of distinctiveness of the new venture on cost, quality, speed of delivery and ability to deliver more functionality or service at the prevailing price.

Satisfaction - With a large percentage of unregistered sectors, low level of record keeping and unwillingness of the entrepreneur to share the financial data, it is difficult to measure the business success in quantitative terms. On the basis of qualitative feedback received during the pilot study, satisfaction was considered to be taken as a proxy measure for entrepreneurial success. Satisfaction as a construct was considered from financial aspects of income and savings; social aspect of esteem, career as compared to the peer group, and an overall satisfaction component to include any other measure of success by entrepreneurs. The respondents were required to indicate it on a five point Likert Scale.

It is indicated that if the challenges are perceived to be higher compared to the ability, individuals may not try to venture into such activity. All the variables for business challenge construct were summed for each respondent and analysed. The data does not indicate any difference between the genders about perceived challenges of doing a business, thus the null hypothesis of equality of mean, is accepted. The challenges of doing business are perceived to an equal degree by both the genders. Few of the statements, within the construct of 'challenges of doing business', however, showed significant differences across gender. Such statements are indicated below: Business is full of uncertainty. Response to this statement indicated that women perceive higher mean levels of business uncertainty. Levene's test for equality of variance and t-test result indicate that the difference of the perception is significant, thus the null hypothesis of equality of mean is rejected. Social acceptance of business. It is a common observation in this part of India, that there is less social acceptability of business persons. Social and cultural acceptance influences the intent as well as perception of challenge to individuals desirous of taking up entrepreneurship as a career.. There is no overwhelming acceptance, as indicated by the entrepreneurs.

Conclusion:-

Number of employees during start and currently as a proxy for growth does not indicate any difference across gender. Overall business challenges are perceived by both genders in similar ways. Women entrepreneurs have a stronger feeling that there is social acceptability of business persons. Compared to men, women feel that the degree of competition is less. Women feel that there is Government support for entrepreneurs whereas men feel that there is no support. Similarly, men agree to the fact that good quality employees are not available whereas women disagree. Source and evaluation of ideas seems to be distinct between genders. Women would have fewer sources of ideas but would like to verify the ideas from more sources before acting on it. There is no difference in the way both gender plans about the new venture. Both the genders don't display any difference about conviction of business success.

Men display differences in the way they measure business performance as compared to females. There is no difference between genders in their self-evaluation of knowledge before starting the organisation. Men respond at a higher level in the ability to differentiate their business as compared to women. Women are more satisfied compared to men with respect to income, savings, social respect and overall satisfaction. This research points out distinctiveness between the genders in various processes, yet the proxy measure of growth is no different. This could possibly explain the reason for their lower degree of satisfaction.

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