

WOMEN IN FAMILY BUSINESS

Ms. Anshu

Research Scholar, MBU, Solan, H.P. (INDIA)
 mehta.anshu.24@gmail.com

Abstract

The role of women in family businesses is explored in the paper. Although recognized as generally very important players, the role of women is often defined as invisible in business decision-making, supportive in men's traditional business domains and only rarely adequately recognized and rewarded. The paper explores possible differences in the views of men and women who manage small family firms. Their attitudes opposing the traditional business roles of women, different views on managerial, ownership and transition issues and possible gender discrimination are examined. The findings support the paradigm of a different, more feminine style of management, while signs of discrimination are not clearly revealed. This paper is based on a research intended to provide a comparative analysis of the status of women entrepreneurs and men entrepreneurs in Family Business in India. It first draws demographic & psychographic profiles of women and men entrepreneurs in family business, identifies & addresses operational problems faced by women and men entrepreneurs in family business, draws their inclination for future plans for growth and expansion and also for the furtherance of research on women entrepreneurs in India.

Keywords: Hypothesis, Research methodology.

Introduction

Family managed business employs half the world's workforce and generate well over half of the world's GDP. In India it is estimated that 95% of the registered firms are family businesses. Moreover it is also estimated that presently women entrepreneurs comprise about 10% of the total entrepreneurs in India. It is also clear that this percentage is growing every year. If prevailing trends continue, it is not unlikely that in another five years, women will comprise 20% of the entrepreneurial force in India. As a part of this economic and social development it is clear that the role of women entrepreneurs is important. But there is dearth of research on women entrepreneurs to get clearer insight about them. The growth of women entrepreneurs, the dearth of researches on women entrepreneurs their differences in characteristics & growth rates from male entrepreneurs, has stimulated the researchers to undertake a study on women

entrepreneurs in family business in India. The researchers intend to study multifaceted demographic and psychographic variables and draw a comparative analysis with men entrepreneurs.

Review of literature

Holmquist (1997) points out that empirical studies of women entrepreneurs and the development of theories about women entrepreneurs is a neglected subject in descriptive & perspective research work. Baker al. (1997) stated that surveys with focus on women entrepreneur still account for only 6-8 percent of international research into entrepreneurship.

Brush (1992) concluded from the review of existing research that women's business leadership cannot be understood using traditional (male oriented) framework of business analysis. She writes "significant difference have been found in skills, business goals, management styles, business characteristics and growth rates. These variations suggest that women perceive and approach business differently than men".

Statement of the Problem

This research is intended to conduct a comparative assessment of multi-dimensional issues and challenges related to women entrepreneurs in family business and analysis of the status of women and men entrepreneurs in family business.

Objectives of the study

1. To draw the demographic and psychographic profile of women and men entrepreneurs in family business.
2. To compare the entrepreneurial intensity of women and men entrepreneurs in family business.

3. To analyze and compare the key challenges faced by women and men entrepreneurs in family business.
4. To analyze and compare the future plans for expansion and growth of women and men entrepreneurs in family business.

Hypothesis of the study

H1: There is no difference between the self-esteem of women entrepreneurs and men entrepreneurs.

H2: There is no difference between the entrepreneurial intensity of women entrepreneurs and men entrepreneurs.

H3: Women entrepreneurs face more operational problems than men entrepreneurs.

H4: Women entrepreneurs are less inclinators to make future plans for expansion and growth of business than men entrepreneurs.

Research Methodology

The Research design chosen for this research is exploratory and descriptive research design. After thoroughly considering the problem and the research objectives the researchers selected a two stages research design. In stage first exploratory research design was used followed by stage second in which descriptive research design was used.

Reasons for using two research designs

Research is an iterative process; by conducting one research project we learn and may need additional research. This means that we may need multiple research design. At stage first a questionnaire instrument was used to collect data from women and men entrepreneurs, followed by stage second in which qualitative data was collected by a focus group meeting of women entrepreneurs only.

Research Design: Exploratory Research Design & Descriptive Research Design

Universe: Women and Men Entrepreneurs in

urban areas of Haryana.

Sources of information: Primary data and Secondary data.

Primary: Questionnaire & Focus Group Meeting.

Secondary: Scanning magazines, reports, internet, journals etc.

Statistical design

Stratified Random Sampling and Convenience Sampling would be used as the sampling technique. Convenience sampling would be used, because it uses those respondents who are willing to volunteer. The information is readily available and a large amount of information can be gathered quickly. Stratified Random Sampling would be used because every member of the population strata has the equal chance of selection. It is simple to design and interpret and we can calculate the estimation of the population and the sampling error. If sampling from the strata is Simple Random Sampling then whole procedure is called Stratified Random Sampling. If data of known precision is required to certain subdivisions of the population, then each subdivision or strata can be treated as a population. Administrative convenience may dictate its use, so that each field office can supervise one strata. Sampling problems may differ markedly within a population (e.g. Women in Small Scale Industries and Women in Service Industry). Stratification will almost certainly produce a gain in precision in the estimates of the whole population, because a heterogeneous population is splitted into fairly homogeneous strata. For the proposed study the researcher has chosen Haryana as the geographical area of study. Journals, books, reports and other published materials have been utilized to collect the secondary data and conduct review of previous researches. Since this concept is relatively less researched subject in India, hence both qualitative and quantitative instruments have been used to collect data in two stages:

- a) In stage first collection of data is being done through questionnaire method so as to cover a wide range of population.
- b) After summarizing the data collected through stage first, the data would be re-tested and reinforced through focus

group meetings at stage second.

The following variables have been examined in the research:

Variables: Women entrepreneurs face several challenges in establishing and running the business. To understand the women entrepreneurs, their profiles and their challenges, data has been collected for the following variables:

1. **The Demographic Variables:** in the study include age, number of children, age of children, past experience, educational qualification and marital status.
2. **Self esteem:** It is a perceptual variable, which determines the favorable opinion of self i.e., entrepreneur's own assessment of themselves. Rosenberg's self-esteem scale (Rosenberg, 1965, 1986) was used to test the self-esteem of women and men entrepreneurs. The instrument is a ten-item scale in which respondents were asked to indicate their perceptions of positive and negative items as true for themselves. Responses were given on a four point range from strongly agree to strongly disagree. Rosenberg reported the alpha reliability of 0.82.
3. **Entrepreneurial intensity:** It is the measure of level of commitment to the entrepreneurial endeavor. It can be characterized as the passion required for entrepreneurial success (concept introduced and thoroughly researched by Prof. Harold P. Welsch). It is a 11 item scale with alpha reliability between low seventies to low eighties; each item is measured on 5 point Likert scales ranging from strongly disagree to strongly agree.
4. **Entrepreneurial experiences:** As much as seventy-seven operational problems faced by entrepreneurs in running a business were identified. This classification scheme was developed through a preliminary survey on problems encountered by business

enterprise in small and medium industries. In all 230 entrepreneurs and senior managers were surveyed through an open-ended response to develop this scheme which was much more comprehensive and exhaustive than the existing schemes. It was used to observe the degree of types of problems faced by entrepreneurs in running their businesses. The problems were classified into Financing Bodies (3 items), Marketing & Sales (16 items), Human Resource Management (5 items), Operation Management (11 items), Strategic Management (5 items), Financial Management (5 items), General Management (6 items), Economic Environment (5 items), Social environment (4 items), Political and Legal Environment (12 items), Networking (4 items) and Gender Discrimination (3 items).

For strategies and plans for expansion for future expansion and growth of business, strategic growth and expansion intentions were defined as the degree to which entrepreneurs intend to actively engage in specific strategies to grow and expand their business. On the basis of Miles and Snow's (1978) typology of strategy, activities measured included adding of new products or services, expanding operations, selling to a new market and applying for loan to expand operation. Pistrui (1999) termed these series of entrepreneurial behaviors reflecting strategic characteristics implementable attributes of planned growth: (IAPG). IAPG serves to operationalize the Schumpeterian characteristics described earlier by identifying the specific types of new combinations entrepreneurs tend to pursue. Nineteen strategic intentions were measures in this study.

Analysis and interpretation

Hypothesis 1: There is no difference between the self-esteem of women entrepreneurs and men entrepreneurs.

Table 1.1

Gender wise \bar{X} , σ , S.E.M, and ‘t’ value related to self esteem of women and men entrepreneurs

| Self esteem | N | Mean | S.D. | S.E _M | ‘t’ value |
|---------------------|----|-------|------|------------------|-----------|
| Women Entrepreneurs | 60 | 34.53 | 2.69 | .042 | -2.77* |
| Men Entrepreneurs | 60 | 36.12 | 2.43 | .041 | |

- (Not significant at 0.05 level of significance)

The mean value of self esteem of women entrepreneurs is 34 (SD 2.6) whereas mean value of self-esteem of men entrepreneurs is 36 (SD 2.4). Though the self esteem of both men and women entrepreneurs are high but the mean value of self esteem of women entrepreneurs is low than that of men entrepreneurs, hence it was not clear whether this difference is significant or not and hence an independent sample t test was performed to confirm the same. The t value was

found to be -2.77, hence the statistical value of ‘t’ was far less than the critical value of ‘t’ which rejects the null hypothesis that there is no difference between the self-esteem of women and men entrepreneurs. It was found that self-esteem of men entrepreneurs is significantly different and infact more than the women entrepreneurs.

Hypothesis 2: There is no difference between the entrepreneurial intensity of women entrepreneurs and men entrepreneurs.

Table 1.2

Gender wise \bar{X} , σ , S.E.M, and ‘t’ value related to entrepreneurial intensity of women and men entrepreneurs

| Entrepreneurial Intensity | N | Mean | S.D. | S.E _M | ‘t’ value |
|---------------------------|----|-------|------|------------------|-----------|
| Women Entrepreneurs | 60 | 37.05 | 5.63 | .087 | -5.58* |
| Men Entrepreneurs | 60 | 42.75 | 3.31 | .051 | |

* (Not significant at 0.05 level of significance)

From the table 1.2 it can be seen that the mean value of entrepreneurial intensity of women and men entrepreneurs are 37 (SD 5.6) and 42 (3.3), when independent sample ‘t’ test was performed it was found that ‘t’ value of -5.58 was far less than the significant. And hence the second hypothesis is also rejected and it is concluded that entrepreneurial intensity of women entrepreneurs is significantly different from men entrepreneurs, infact it is far less than men entrepreneurs.

Hypothesis 3: Women entrepreneurs face more operational problems than men entrepreneurs In

all 79 operational problems were identified for running a business, in the categories of Financing Bodies (3 items), marketing & sales (16 items), human resource management (5 items), Operations Management (11 items), Strategic Management (5 items), Financial Management (5 items), General Management (6 items), Economic Environment (5 items), Social Environment (4 items), Political and Legal Environment (12 items). Networking (4 items) and Gender Discrimination (3 items).

Table 1.3
Table showing operational problems faced by men and women entrepreneurs

| Operational Problems | Categories | %age of operational problems faced by men entrepreneurs | %age of operational problems faced by women entrepreneurs |
|---------------------------------|------------|---|---|
| Financing Bodies | 3 | 56 | 77 |
| Marketing & Sales | 16 | 76 | 88 |
| Human Resource Management | 5 | 60 | 67 |
| Operations Management | 11 | 18 | 23 |
| Strategic Management | 5 | 10 | 8 |
| Financial Management | 5 | 60 | 85 |
| General Management | 6 | 43 | 52 |
| Economic Environment | 5 | 11 | 12 |
| Social Environment | 4 | 41 | 56 |
| Political and Legal Environment | 12 | 10 | 7 |
| Networking | 4 | 39 | 66 |
| Gender Discrimination | 3 | 0 | 87 |

77% of women entrepreneurs and 56% of men entrepreneurs reported problems in obtaining finance, 88% of women and 76% of men entrepreneurs reported marketing management as a problem, 67% of women and 60% of men entrepreneurs reported human resource management as a problem, 23% of women and 18% of men reported operation management as problem, 8% of women and 10 % of men reported strategic management as a problem, 85% of women and 60% of men reported financial management as a problem, 52% of women and 43% of men entrepreneur reported general management as problem, 12% of women

and 11% of men reported economic environment and 56% women and 41% men reported social environment as a problem, 7% of women and 10% of men reported political environment as a problem, 66% of women and 39% of men reported networking as a problem and 87% of women and 0% of men reported gender discrimination as a problem.

Hence from the above analysis it can be easily concluded that women entrepreneurs face far more operational problems than men entrepreneurs. Hence, hypothesis can be accepted.

Hypothesis 4: Women entrepreneurs are less inclined to make future plans for expansion and growth of business than men entrepreneurs.

Table 1.4

Table showing variables considered for future plans by men and women entrepreneurs

| Variables | % of men drawing future plans | % of women drawing future plans |
|-----------------------------------|-------------------------------|---------------------------------|
| Market Expansion | 72 | 42 |
| Technological Upgradation | 60 | 32 |
| Financial Aid | 64 | 22 |
| Increasing the scale of operation | 87 | 12 |
| Organizational Development | 58 | 8 |

43% of women entrepreneurs draw future plans where 77% of men entrepreneurs draw future plans. When the variables of future plans were analyzed separately, women who drew future plans could be classified into the following: 42% women drew plans for market expansion, 32% women drew plans for technological up gradation, 22% drew plans for searching financial aid, 12% planned for increasing the scale of operation and only 8% drew plans for organizational development, whereas 72% men drew plans for market expansion, 60% men drew plans for technological up gradation, 64% drew plans for searching financial aid, 87% planned for increasing the scale of operation and a decent 58% drew plans for organizational development. Hence this fourth hypothesis is accepted that women entrepreneurs are less inclinators to expansion and growth of business as compared to men entrepreneurs.

Implication of the findings

In summary, the following distinctions were found:

Women entrepreneurs score less in all the variables analyzed in this study i.e. they had lower self-esteem, entrepreneurial intensity, faced more operational problems and had fewer plans for growth and expansion as compared to men entrepreneurs, the focus group meeting also supported that women entrepreneurs had lower status (in terms of self-esteem, entrepreneurial intensity, future plans) and more problems than men entrepreneurs in family owned businesses. It is proposed that though there has been considerable growth in the number of women opting to work in family owned business but they still have lower status and face more operational challenges in running the business.

The purpose of uncovering these differences is to enable the entrepreneurs, researchers and policy makers to identify more clearly the attributes of distinction between women and men entrepreneurs and to move closer to the field understanding the challenges of women entrepreneurs. The scope for future research is to seek reasons for difference between the women entrepreneurs and men entrepreneurs in family business (note that all the difference have positioned women entrepreneurs as weaker than their male counterparts). We hope that our present research would help understanding women entrepreneurs in family business better, formulate policies to further facilitate the growth of women entrepreneurs and also for furtherance of research on women entrepreneurs.

Findings of the study

- It was found that self-esteem of men entrepreneurs is significantly different and in fact more than the women entrepreneurs.
- It is concluded that entrepreneurial intensity of women entrepreneurs is significantly different from men entrepreneurs, in fact it is far less than men entrepreneurs.
- Women entrepreneurs are less inclined to expansion and growth of business as compared to men entrepreneurs.
- It can be easily concluded that women entrepreneurs face far more operational problems than men entrepreneurs.

Conclusion

Academics and governments appear to be focused on encouraging entrepreneurship, because they symbolize innovation and a dynamic economy. The number of women willing to risk starting their own businesses is growing. But few studies have been conducted in India that address gender analysis of entrepreneurship, which has meant that women's contributions and concerns remain too often ignored in economic structures, such as financial markets and institutions, labour markets, economics as an academic discipline, economic and social infrastructure, taxation and social security systems, as well as in families and households. The present research is an effort to provide some meaningful information and understanding about women entrepreneurs in family business to researchers, policy makers and women entrepreneurs themselves. It desires to do value addition to the field of "Research & their implications on Women Entrepreneurs in Family Business".

References:

- [1] Dadhich, C.L. *lessons from the Micro Credit Experience of India*, www.approacha.th.com
- [2] Kamesan, Vepa(2003), “*Indian Economic Scenario-yesterday-today-tomorrow*”
- [3] Krishnaiah , P(2003) *Poverty Reduction: Self-Help Group Strategy UBSPD New Delhi* p.180
- [4] Purohit, Sheela, “*Micro Credit and Women Empowerment*”, <http://www.gdre.org>
- [5] Sabharwal , Gita (2003) “*From Margin to the Mainstream: Micro-finance Programmes and Empowerment : The Bangladesh Experience*” <http://www.gdre.org>
- [6]Websites:- :
- ww.en.wikipedia.org/wiki/Family_business
www.en.wikipedia.org/wiki/Women_in_India
www.google.co.in
www.womenencyclopedia.com
www.womenempowerment.com
www.womenperspective.com
www.education.unesco.org
www.familybusinessmagazine.com/