

THE STUDY OF BARRIERS TO ENTREPRENEURSHIP IN MEN AND WOMEN

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ABSTRACT

The present study aims to investigate the barriers to individual entrepreneurship as well as comparing them in men and women population. This study was applied, correlation-survey method. Using field method, the data are collected from 113 men entrepreneurs and 65 women entrepreneurs. One questionnaire whose validity and reliability is verified by content and Cranach's α methods is also used to collect the research data. To analyze the data, T-test and ANOVA are used. The results indicated that there is a meaningful difference between individual and environmental barriers to entrepreneurship and order of effectiveness of barriers in men and women.

Keywords: *individual, entrepreneurship, barriers, comparative*

1. INTRODUCTION

Entrepreneurship is a decisive factor in order to achieve dynamism and competition for today's knowledge-based economy. According to Thurik & Wennekers, in today's start-ups and its new varieties, entrepreneurship is considered not only as a means of contributing to employment and social and political stability, but as a power for innovation and competition (Sarri & Trihopoulou, 2005). There is a growing belief that entrepreneurship, innovation and new risks provide necessary fuel for modern development engines. Economists and entrepreneurship scholars consider entrepreneurial behavior as an entrepreneurial discovery existing in all economic and human activities (Analoui, Moghimi and Khanifar, 2009).

It is also noteworthy that the simpler and shorter the administrative regulations and procedures are in a country, the greater the potential entrepreneurs' tendency to launch a business is. Therefore, complex and contrasting regulations are always considered as barriers to entrepreneurship and its development. Entrepreneurship development has always been faced with serious barriers in all countries. In most societies, women constitute half of the society and since the awareness and academic education have increased, the position and status of the women have been changed in both family and society. However, gender equality and labor market inequality still remain (Stam, 2010). Thus, the important question raised here is whether there is any difference between men and women with respect to the individual entrepreneurship barriers?

2- LITERATURE REVIEW

2-1-The concept of entrepreneurship

The word "entrepreneur", derived from the French verb *entreprendre*, and the German word "unternehmen", was coined by the French Economist, Richard Cantillon in the early eighteenth century. These words literally mean "to undertake". In Cantillon's view, an entrepreneur is a person who buys at certain prices and sells at uncertain prices. This definition primarily focuses on the element of risk-taking and decisions about resource allocation (Oseifuah, 2010).

Entrepreneurs are known for what they do: they create new products, processes, and services for the market. In general, entrepreneurs can be defined as individuals who bring about an improvement, both for other individuals and for society as a whole. Entrepreneurs can be identified in all sorts of professions and are active in many different ways. Nevertheless, they seem to have some characteristics in common that have been shown consistently throughout a wide range of studies. In reviewing the findings, most of which result from comparisons between entrepreneurs and others, the following list can be derived: entrepreneurs seem to have a high need for achievement, show creativity and initiative, are risk takers and self-confident, have an internal locus of control, need independence and autonomy, accomplish their tasks with great energy and commitment,

and, finally, are persistent in following their aims (Schmitt, 2004). For example, an entrepreneur has been defined as: “the owner or manager of a business enterprise who, by risk and initiative, attempts to make profits” (Collins English dictionary); someone who “carries out new combinations” and someone who has the “ability to see and evaluate business opportunities; gather the necessary resources to take advantage of them, and initiate appropriate action to ensure success” (Henry, Hill and Leitch, 2005). Being an entrepreneur, one who is self-employed and who starts, organizes, manages, and assumes responsibility for a business, offers a personal challenge that many individuals prefer over being an employee working for someone else (Segal, Borgia and Schoenfeld, 2005).

The concept of the entrepreneur is not clearly defined, Casson (1982) argues that the essence of entrepreneurship consist in different perceptions about the environment. We consider that birth of a business can be considered a phase of the entrepreneurial activity, but not its starting point or its final result. The existence, the discovery of the entrepreneurial opportunity and the decision to exploit it are considered the starting point of any entrepreneurial activity. An entrepreneur is a person who starts a new business venture. He/she is a person who can find opportunities and has the ability to develop those opportunities into profit-making businesses. Gartner (1988) described entrepreneurship as a wide range of activities including the creation of organizations. Morris (2001) viewed entrepreneurship as being a major force in economic development (Naser, Mohammed and Nuseibeh, 2009).

2-2- Barriers to independent entrepreneurship

In general, the limiting factors of independent entrepreneurship can be divided into three categories:

I. Individual entrepreneurship: these barriers include the following varieties: (Jodyanne, 2009)

1- Family and Entrepreneurship: in traditional society where men work outside the home to earn money and women play an important role in doing housework and bringing up the children, men are more likely than women to transmit business idea. The modern structure of family in today's society and consequently the women's role outside the home may result in the emergence of new manifestation of creativity and innovation in both males and females. Following this change in attitude, manner of production, lifestyle, parental roles within the family were also affected by these changes so that parents can play an important role in developing confidence, creating new ideas in the family and determining children's career path.

2- Education and Entrepreneurship: one topic of interest to researchers is whether individuals are born entrepreneur or will become entrepreneur through academic education. This strongly points out to the importance of education in entrepreneurship. Regarding the concept of education, Wesper believes that failure is more likely to happen in entrepreneurs who have experience but no degree. The second group of entrepreneurs whose failure is more likely to happen than the first group includes those who are trained but not experienced. In complete contrast, experienced and well-trained entrepreneurs are believed to lead the most lucrative business.

II. Organizational barriers: these barriers include the following varieties:

1- Financing: one of the keys to success and progress in launching a business is to attract and provide sufficient funds to start up a small business. There are many sources for raising capital. It is noteworthy that we should examine all possible resources prior to making any decisions.

2- Physical resources: physical resources are defined as organization's tangible assets using in producing goods and services as well as managing organization. These resources consist of equipments, machineries, land and facilities. Some organizations possess natural resources such as minerals, energy resources and land. These natural resources may affect the quality of raw materials and physical outputs.

3- Marketing: today, the problem faced by companies is not the shortage of goods, but lack of customers. Most companies are unable to sell their goods and consequently go bankrupt. The findings of a study revealed that the causes of bankruptcy in these occupations are as follow: (Analoui, Moghimi and Khanifar, 2009)

a- Lack of enough customers (80%) b- Lack of appropriate customers (10%) c-Lack of suitable goods and products (10%)

III. Environmental barriers: these types of barriers include the following varieties:

1. Socio-cultural factors: the beliefs, attitudes and values of a society towards the subject of entrepreneurship are known as the entrepreneurial culture of that society. Type of attitudes, values and norms determines the culture of the society and consequently this culture causes the development, progress and innovations. In a survey conducted on 21 women entrepreneurs in the US, they faced many problems including getting credit and overcoming this social belief that women are not serious in their work as much as men. According to some researchers, lenders, customers, employees and spouses do not believe in women as much the men. In a research conducted on 129 women entrepreneurs in the US, some of them suggested that they are not able to enter social circles due to being woman. With respect to establishing communication and contact networks, it seems that men enjoy more privileges and facilities than women.

2. Rules and regulations: some tenors of Labor law and current state regulations may create a couple of constraints on the development of entrepreneurship (Jodyanne, 2009).

2-3- A Comparison between women and men's entrepreneur

The issue of women and men's entrepreneurship has received growing attention among policy makers in the developing as well as developed countries. Women and men's entrepreneurial activities are an important factor in creating and increasing employment opportunities and ensuring economic growth (Costanza, Hrund and Angela, 2003).

OECD (1998) has referred women entrepreneur as equally to someone who has started a one-woman business, to someone who is a principal in a family business or partnership, or to someone who is a shareholder in a publicly held company which she runs. An ILO study carried out by Marcellina et al. (2002) has defined women enterprises as ones that were started, owned, and managed by women (Amzad, Naser and Zaman, 2009)

Gender differences in the prevalence of entrepreneurship have been studied for decades. Numerous studies show that there is a higher prevalence of entrepreneurship for men than that for women with similar backgrounds. In the US, women-owned businesses made up only 37% of all sole proprietorships in 1998 (Small Business Administration., 2001). This lower prevalence for women entrepreneurs in various countries indicates a main effect of gender on the propensity of people to become entrepreneurs (Costanza, Hrund and Angela, 2003).

However, there is increasing evidence that more and more women are becoming interested in small business ownership and/or actually starting up in business. In addition, rates of self employment among women are increasing in several EU countries. Although there are no official statistics relating businesses to the gender of their owner/manager, there is evidence to suggest here has been significant increase in female entrepreneurship. [4] Women and men possess differing motivators for becoming entrepreneurs. A higher proportion of women become entrepreneurs in order to balance work and family, while a higher proportion of men seek wealth creation and/or economic advancement (Demartino and Barbato, 2003).

3. RESEARCH METHODOLOGY

This study enjoys an applied, Correlation-survey method. Using field method, the data are collected from 113 men entrepreneurs and 65 women entrepreneurs living in Golestan province, Iran. Based on Likert spectrum, additionally, one questionnaire including 29 questions is designed to determine entrepreneurship barriers with respect to the individual, organizational and environmental dimensions. Out of 29 questions, 10 questions are allocated to individual barriers, 11 questions to organizational barriers and 8 questions to environmental barriers. It is noteworthy that the validity and reliability of the questionnaire are verified by content and Cronbach's α methods and the collected data are analyzed using T-test and ANOVA.

4. THE FINDING OF RESEARCH

The results of testing first hypothesis proposing a significant difference between individual barriers to independent entrepreneurship and its dimensions are presented in Figure 1.

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	T	df	Sig.	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Upper	Lower
Individual barriers of entrepreneurship	Equal variances assumed	0.245	0.621	3.184	125	0.002	0.4642	0.14581	0.1756	0.7527
	Equal variances not assumed			3.331	99.531	0.001	0.4642	0.13936	0.1876	0.7407
Family barriers	Equal variances assumed	0.719	0.398	4.224	125	0.000	0.86199	0.20405	0.4581	1.2658

	Equal variance s not assumed			4.193	85.906	0.000	0.86199	0.20559	0.4532	1.2707
Scienti fic barrier s	Equal variance s assumed	4.418	0.037	0.313	151	0.755	0.03581	0.11447	- 0.1903	0.2619
	Equal variance s not assumed			0.334	137.98 4	0.739	0.03581	0.10713	- 0.1760	0.2476

Fig. 1: The results of testing first hypothesis using T-test

Regarding the 0.00 level of significance in the first and third rows, one can find that there is a meaningful difference between individual and family barriers to entrepreneurship in men and women. According to the 0.755 level of significance in the fifth row, one can come to this result that there is no significant difference among scientific barriers to entrepreneurship in men and women. The results of testing second hypothesis proposing a significant difference between organizational barriers to independent entrepreneurship and its dimensions among men and women are presented in Figure 2. Given the significance level, no meaningful difference has been found among organizational, financial, physical and marketing barriers to entrepreneurship in men and women.

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig	T	df	Sig	Mean Differenc e	Std. Error Differenc e	95% Confidence Interval of the Differenc	
									Upper	Lower
Organizational barriers	Equal variances assumed	1.024	0.313	1.238	151	0.218	0.10768	0.0869	-0.06416	0.27952
	Equal variances not assumed			1.294	130.6	0.198	0.10768	0.0832	-0.05693	0.27229
Financial barriers	Equal variances assumed	11.918	0.001	-0.244	151	0.807	-0.0257	0.1052	-0.23361	0.18221
	Equal variances not assumed			-0.268	145.5	0.789	-0.0257	0.0958	-0.21517	0.16377
Physical barriers	Equal variances assumed	0.942	0.333	1.044	151	0.298	0.12451	0.1192	-0.11108	0.36009
	Equal variances not assumed			1.06	120.3	0.291	0.12451	0.1174	-0.10795	0.35697
Marketing barriers	Equal variances assumed	0.878	0.35	1.92	151	0.06	0.22423	0.116	-0.00654	0.45499
	Equal variances not assumed			1.908	112.8	0.06	0.22423	0.1174	-0.00855	0.45701

Fig. 2: the results of testing 2 hypothesis using T-test

The results of testing third hypothesis proposing a significant difference between environmental barriers to independent entrepreneurship and its dimensions among men and women are presented in Figure 3. The

significance level in the first and third rows, on the other hand, implies that there is a meaningful difference between environmental barriers and socio-cultural barriers to entrepreneurship in men and women. This difference favors men's group, i.e. the environmental and socio-cultural barriers to entrepreneurship among men are less than women. Given 0.997 level of significance in the fifth row, no meaningful difference has been found among legal barriers to entrepreneurship in men and women.

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	T	df	Sig.	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Upper	Lower
Environmental barriers	Equal variances assumed	4.183	0.043	2.36	151	0.02	0.228	0.0969	0.037	0.420
	Equal variances not assumed			2.522	137.9	0.013	0.228	0.0907	0.049	0.408
Socio-cultural barriers	Equal variances assumed	3.084	0.081	3.767	151	0.000	0.458	0.1216	0.217	0.698
	Equal variances not assumed			4.012	136.9	0.000	0.458	0.114	0.232	0.683
Regulatory barriers	Equal variances assumed	0.004	0.95	-0.004	151	0.997	-0.000	0.111	-0.220	0.219
	Equal variances not assumed			-0.004	111.2	0.997	-0.000	0.1123	-0.223	0.222

Fig. 3: the results of testing third hypothesis using T-test

5. CONCLUSION

The results indicated that there is a significant difference between individual and environmental barriers in men and women and there is also a significant difference among the order of effectiveness of barriers to entrepreneurship in men and women. Comparing the order of effectiveness of barriers to independent entrepreneurship in men and women, it was found that financial constraints are the main barrier to entrepreneurship. Additionally, family constraints are the last factor in men while the fifth of seven factors in women. It also became clear that financial, marketing, scientific and legal constraints have had greater impact than socio-cultural, family and physical factors in both groups. Eventually, it is also revealed that organizational barriers, followed by environmental and individual barriers, show greatest impact in men. However, it is interesting to say that all three barriers have the same impact on independent entrepreneurship in women.

So, According to the research results the following suggestions are offered to reduce these barriers:

1- As far as possible, new entrepreneurs have to seek ideas fully investigated for investment and develop an appropriate business plan for their ideas to present the idea of business plan to the potential investors and attract their attention to invest on their projects.

2- Providing appropriate facilities to finance entrepreneurs through elimination of collateral, and non-rational and non-normative guarantees.

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