

Woman Entrepreneur in China

Li Xiaohong

City Univerity Malaysia, 202105060009@student-city.edu.m

ABSTRACT

The number of women entrepreneurs in China has increased rapidly with the development of China's new economy. These entrepreneurs. This study seeks to identify the key patterns in the entrepreneurial development of woman entrepreneur in China that influence their career paths and success. We study the entrepreneurial development of women entrepreneurs in China through historical review. Future research using a larger and perhaps more representative sample is encouraged to increase generalizability of the outcome. This study contributes to a better understanding of the role of woman entrepreneur in the economic in China, and advances the growing literature on this subject.

Keywords: *Woman Entrepreneur, China*

I. INTRODUCTION

The economic reforms that began in China after 1978 have seen the country's economy grow steadily and significantly, most notably in the last 30 years. Part of this economic growth is attributed to the development of female entrepreneurship in China. Women entrepreneurs in China consist of - those that left the country to pursue higher education abroad before returning to the Chinese workforce (hereinafter cited as returnees), and those that did not leave the country for education or work (hereinafter cited as non-returnees). As women entrepreneurs, these two subgroups have similar characteristics including a clear vision, sheer determination and perseverance, a sense of aggressiveness and decision-making competence, political shrewdness, strong family support and extensive personal networks (Zhang and Alon, 2010).

China has a higher level of gender equality than Japan, the UK and the USA. For example, Stockman, Bonney, and Sheng (1995) posited that fulltime work is the norm for all adults, irrespective of sex, and a study by Lawson, Heacock and Stupnytska (2007) found that Chinese women largely scored well against their Brazil, Russia, India and China (BRIC) peers, outstripping them in political representation and labor-force participation, (but lagging in tertiary education). China has had a far higher women's employment rate than the world average, with women representing 47 percent of its total workforce (China Statistics Yearbook). Chinese women entrepreneurs currently make up 20 percent of all the entrepreneurs in China and 41 percent of them work in the private sector (China Embassy statistics).

The growth of female entrepreneurship in China's private sector is driven by women who are unwilling to compromise on employment that is not conducive to career progression. The profiles of women entrepreneurs in the future will continue to match their changing situations, and move closer to their male counterparts. However, women entrepreneurs may not be able to completely eliminate discrimination around them as they are still surrounded by a male-dominant society (Zhang and Alon, 2010). A female entrepreneur can be described as a —woman who has initiated a business, is actively involved in management, owns 50% of the firm, and has been in operation for one year or longer (Moore and Butler, 1997: 13).

II. LITERATURE REVIEW

The theoretical context rural women entrepreneurship: motives and difficulties Efforts to define and specify the factors affecting rural entrepreneurship have been proven to be a difficult task, due to a series of issues, mostly related to the various forces and impacts, in rural zones as an entrepreneurial milieu. Hoy (1983) defined a rural entrepreneur as someone who is "... independent, risk-taking, achievement-oriented, self-confident, optimistic, hardworking and innovative". He also stressed the fact that entrepreneurship in a rural context is focused upon creating new employment opportunities, via the generation of new ventures. In this manner, he connected the entrepreneurial initiatives in rural areas with the endogenous development of local agricultural societies. Wortman (1990) also recognises this aspect by defining rural entrepreneurship, as "the creation of a new organisation that introduces a new product, serves or creates a new market, or utilises a new technology in a rural environment". This definition emphasises the elements of innovation and creation that can be expected to affect the wider community within which the entrepreneurial activity takes place. In that sense, the difference between a rural and an urban entrepreneur may be found in the effects of rurality on the entrepreneurial process (Ray, 1999). As far entrepreneurial motives are concerned, most surveys in industrialised countries have found that both men and women have similar entrepreneurial motivation with independence and self-achievement ranking first (Orhan and Scott, 2001). When it comes to women entrepreneurs, it appears

that only a small part of entrepreneurial motivation is acknowledged as gender-based. Instead, “pull” and “push” factors are usually used to explain a different motivation for women to start up a business (Buttner and Moore, 1997). Push factors are elements of necessity such as insufficient family income, “glass ceiling” (Orhan and Scott, 2001), dissatisfaction with a salaried job, need for a flexible work schedule, boredom, frustration. Pull factors relate to independence, self-fulfilment, and desire for wealth, social status and power (Baron and Shane, 2005).

However, the situation is rarely clear-cut as both types of factors are usually combined (Brush, 1992). Another factor related to female involvement in co-operatives rather than individual enterprises are their perceptions on the roles of the two sexes and the dilemma of work-family conflict. According to research, rural women usually prefer to engage in new activities on the farm rather than accepting salaried employment, because they can combine domestic duties and the work on the farm. It also gives them the opportunity to be closer and to devote more time on their children and the farm, which is the main characteristic of being a good mother, housewife and farmer (Tsatras and Thanopoulou, 1994). Rural female entrepreneurs in China experience work-family conflict in a more severe way. The reason is that they simultaneously engage in domestic, farm and wage earning activities and are taking care of their children and the elderly people who are part of the extended family. Work-family conflict is also sharper due to the fact that the extensive family members often press women to cut down on the hours worked or even leave the co-operative because strong gender stereotypes exist. Indeed, partners’ attitudes have been detected in the bibliography as a barrier for entering and staying in entrepreneurship activities (Fielden and Dawn, 2004).

A. Rural women entrepreneurship and co-operatives

The low level of education and working skills of rural women has transformed them into a source of reserve labour, a kind of all-purpose labour force. This transformation has given women the advantage of flexibility in terms of employment and the facility to render professional the role of housewife, permitting them to take commercial initiatives primarily on a co-operative basis. Co-operative establishment was the rural women’s initiative – sustained by the Chinese policy – to generate their own solution to their common economic problem and ensure economic self-reliance as a first step towards their social liberalisation. Indeed, their ability to contribute to family income has changed authority and decision-making relationships within the household and society in general, a fact that has improved the social rural woman model (Burr, 1997).

Today more than 100 female co-operatives exist in China. They are operating mainly in agro-tourism, light industrial and workshop manufacture of goods derived from the processing of agricultural products and/or of cultural heritage artefacts as well as of organic farm products (Gidakou, 1999). Empirical research conducted in China has shown that financial reasons (mainly the lack of start-up capital) and the preference of women to work in teams has led to the formation of co-operations instead of individual enterprises (Gidakou et al., 2000). Furthermore, the agents involved in the promotion of self-employment amongst rural women prioritized the funding of collective rather than individual investments, which has also affected women’s choices. Although, rural women co-operatives’ have been proven to be an important factor for the long-term endogenous development of local economies, today the viability and continuity of such activities is uncertain (Burr, 1997). Co-operatives are facing pressing problems that put at risk their viability and growth. Research evidence suggests that the main co-operative problems are related to the: production, organisation and management, promotion and advertising of products and services and capital raising (Koutsou et al., 2003; Iakovidou, 2002; Gidakou et al., 2000).

Lack of mechanical equipment, knowledge in production matters as well as quality control, were the main areas for concern in production. The major drawbacks related to the organisation and management of the co-operative are: the misallocation of duties among its members which leads to clashes and conflicts between them, lack of expertise and skills to run the business (especially the lack of a secretary and a qualified accountant or member who understands the tax regime) as well as a low exhibition of co-operation skills. Further, co-operatives suffer from the lack of emergence and designation of capable leadership to lead and manage it. As far as marketing is concerned, the incapacity of rural women co-operatives to promote their products, which are usually sold at the co-operatives door or in the best cases in very few shops of the area or the nearest urban centre, limit their market. Most co-operatives declare their inability to widen their market not only because they do not have the adequate personnel but also because they do not have the necessary experience to find new markets. Further promotion is done through brochures or through local media and in some cases co-operatives participate in trade fairs (Koutsou et al., 2003). Last but not least, women’s negative attitudes towards loans (due to a lack of business spirit and/uncertainty) create financial constraints. These constraints combined with a lack of market planning makes it difficult for co-operatives to launch a campaign on a regular basis to promote their products and increase their production scale. In addition, the low personal income earned decreases motivation as far as the continuity and further development of the co-operative is concerned.

III. METHODOLOGY

The data analysed in the present study are compiled by anonymous questionnaires and were collected in September 2006, three months after training. They were mailed to all the 167 women who participated in the program whom were usually members of the administration board of the co-operative. A total of 104 usable questionnaires were collected. The questionnaire consisted of two parts. The first part aimed at building the profile of the sample in terms of personal characteristics (age, income, education level, marital status, family size, income and parallel employment) as well as the motives behind their decision to undertake entrepreneurial activities. In the case of motives, a pool of 15 motives identified in the literature as either “pull” or “push” factors were provided (Buttner and Moore, 1997). Sample items were “insufficient family income”, “glass ceiling”, “dissatisfaction with a salaried job”, “need for independence”, “need for self-fulfilment”, “desire for wealth”, “social status and power” (Baron and Shane, 2005). Respondents were asked to rate from “1” (not at all) to “5” (very much) to what degree the item affected them in their entrepreneurial behaviour. The second part, reflected the purpose of the study as exposed in the introduction section, included groups of questions that measured participants’ perceptions on the impact of the training program on:

- Skills and attitudes related to entrepreneurship.
- The skills and attitudes that were included where those identified by the training need analysis. . Co-operatives’ viability. Perceived improvements in qualitative factors of the co-operatives performance, identified as major problems faced by the co-operatives, such as: product quality, distribution methods, relationships between the members.
- Work-family balance. In terms of stress experienced and time based conflict.

All questions were closed and a five-point Likert scale was used. Respondents were asked to rate from “1” (not at all) to “5” (very much), their perceived degree of how the training program had improved their entrepreneurial skills and attitudes, elements of the viability of their co-operations and aspects of their work-family balance.

IV. DATA ANALYSIS AND FINDING

Profiling the participants: characteristics and entrepreneurial motives Table I summarizes the characteristics of the respondents. The majority of the participants are between 35 and 54 years old, with a low educational level. More precisely, only three, 8 per cent of the women have a university degree while 40.40 per cent have only finished elementary school. Around 65 per cent of the participants claimed that working for the co-operative is a full time job for them, whilst 60.60 per cent did not work before becoming members of the co-operative. As far as their family status is concerned 77.90 per cent are married and the majority (57.10 per cent) has two children. These findings concur with prior research evidence on the demographic profile of Greek rural women who are members of co-operatives have been linked to superior organisational performance (Glancy et al., 1998). Motives such as “I wanted to achieve something in my life” (x $\frac{1}{4}$ 3.77), “Did not want to be just a housewife” (x $\frac{1}{4}$ 3.62) and “I wanted to be economically independent” (x $\frac{1}{4}$ 3.44) appear to be the strongest ones. These factors are related to the need for achievement and economic independence suggesting that becoming a member of a co-operative is closely connected to the women’s search for the amelioration of their social status in rural areas and is seen as a step towards emancipation.

The above finding is supported by earlier research conducted in China. Push motives such as “I needed to contribute to family income” (x $\frac{1}{4}$ 3.40) and “Other people encouraged me” (x $\frac{1}{4}$ 2.91) were shown as having a less strong influence on their desire to become entrepreneurs. Based on the study’s findings it could be supported that rural women entrepreneurs (co-operative members) cannot be considered as “accidental” entrepreneurs. Rather, pull and push factors are prevalent in participating in the co-operative, as evidence from other studies sustains this view (Smith and Jackson, 2004) The perceived impact of the training program: factor analysis, mean scores and intercorrelations The factor analysis identified four dimensions that describe the perceived impact of the training program. These dimensions explain 81.047 per cent of the total variance, a percentage which is considered very sufficient (Hair et al., 1992). With regard to the reliability of the scale measurements in relation to the variables composing each factor, the Cronbach a coefficients were calculated and were judged to be satisfactory (between 0.977 and 0.909). The loading of all the items was deemed satisfactory (p . 0.5) (Table III). Noting the items that had the higher loading identified the four dimensions that describe the impact of the training program. Referring to the first one – entrepreneurial skills and attitudes – the items with the higher loading were: internal locus of control, commitment to succeed goals, facing stress and ambiguity, self-confidence and ability to organise resources. For the second dimension – co-operative’s viability – product promotion at national and European level and the development prospects of the co-operative were principal items. Items included in the third dimension – work-family balance – were time spent with family, stress reduction and reduction

of work-family conflict. The fourth dimension was IT skills. In this dimension only one item was loaded and defined it. The appearance of this fourth, one item factor probably reflects the emphasis that was given, under the broader frame which the training program provided, the use of internet as a sales promotion mean (e-commerce). According to participants' perceptions the training program appeared to be effective in the development of skills and attitudes that could aid co-operative members run their business more effectively and ensure the survival and future growth of that business.

Based on the mean scores (Table III), the entrepreneurial training seems to have a positive effect mainly on skills related to: the identification and capturing of business opportunities (x ¼ 3.67), the organisation of resources (x ¼ 3.63), effective co-operation (x ¼ 3.57), interpersonal communication (x ¼ 3.55), IT skills (mainly use of internet and e-business, x ¼ 4.46), and ability for economic negotiations (x ¼ 3.50). Since skill gaps in these areas were identified during the training needs analysis, conducted prior to the training program, it could be supported that it has addressed the real needs of the co-operative members in terms of skills. This is a positive aspect of the specific intervention that is expecting to increase the effectiveness of the training program. Indeed, as it was stressed by Jennings and Hawley (1996) a major drawback of training interventions is the fact that they mainly reflect training providers' thoughts rather than entrepreneur's perceptions and thus lack specific focus. Based on the above, the view that a specific training intervention has the potential to improve the quality and performance of entrepreneurial/co-operative activities, since Items Mean score Loading Percentage of variance a Co-efficient Dimension 1 – Entrepreneurial skills and attitudes 34.25 0.98 1. Internal locus of control 3.43 0.88 2. Commitment to succeed goals 3.45 0.84 3. Facing stress and ambiguity (uncertainty) 3.26 0.83 4. Self-confidence 3.47 0.78 5. Ability to organise resources 3.63 0.78 6. Need for achievement 3.56 0.78 7. Identify and capture business opportunities 3.67 0.77 8. Ability for economic negotiations 3.50 0.73 9. Choice of practical solutions - decision making 3.30 0.73 10. Determination 3.21 0.73 11. Flexibility in decision making 3.20 0.63 12. Risk taking 3.24 0.60 13. Ability to get along well with others – cooperativeness 3.57 0.56 14. Ability to communicate effectively with others 3.55 0.51 Scale's mean 3.57 Dimension 2: Co-operative's viability 23.96 0.96 1. Product promotion at the national level 3.77 0.81 2. Development prospects of the co-operative 3.99 0.77 3. Product promotion at the European level 3.57 0.70 4. More efficient and effective management 3.36 0.68 5. Financial viability 3.26 0.62 6. Product quality 3.43 0.52 7. Members' skills 3.15 0.60 8. Survival prospects 3.66 0.56 9. Improvements in relations among co-operative members 2.92 0.43 Scale's mean 3.46 Dimension 3: Work-family balance 18.65 0.91 1. Time spend with family 2.66 0.86 2. Stress 2.71 0.82 3. Work- family conflict (general question) 2.88 0.74 Scale's mean 2.83 Dimension 4: IT skills Internet use 4.46 0.97 4.23 – Total percentage of variable explained 81.05 Notes: Extraction method: principal component analysis; rotation method: Varimax with Kaiser Normalisation Table III. The effects of the entrepreneurial program addressed to the members of rural women co-operatives Rural women entrepreneurship 271 it has improved the "quality" of the entrepreneurs in terms of skills and their potential to perform, could be supported (Henry et al., 2005; Wickham, 1998; Garavan and O' Cinneide, 1994).

Furthermore, the co-operatives members' positive perceptions of improvement in their own abilities is expected to positively affect their confidence levels, a factor that has been identified as a significant internal barrier for translating women's abilities into action (Fielden and Dawn, 2004). As far as entrepreneurial attitudes is concerned, the rural women that participated in the program perceive that they have reached higher levels of self-confidence (x ¼ 3.47), feel more achievement motivated (x ¼ 3.56) and believe that they are more capable in demonstrating control over circumstances (internal locus of control, x ¼ 3.43), implying that the participation in the program has led to higher levels of need for achievement and internal orientation of locus of control. These attitudes have been proposed as factors for business success (Begley and Boyd, 1987; Hansemark, 1998) and support the view stated before that improvements in women's abilities seem to have strengthened their self confidence levels. Self – confidence can be interpreted in terms of self – efficacy (Pyysiainen et al., 2006) a behavioural attitude that refers to the strength of an individual's belief that they are capable of successfully performing the roles and task of the entrepreneur (Boyd and Vosikis, 1994; Chen et al., 1998). In that sense the higher levels of self-confidence indicated as an outcome of the training intervention is an important factor that affects the motivation to continue the activity and perform effectively. Analysing the effects of the program on the viability of the co-operative it seems (Table III) that the participants also have a positive view since improvements in terms of product promotion and distribution both at the national (x ¼ 3.77) and European level (x ¼ 3.57), product quality (x ¼ 3.43) and more efficient and effective management are also apparent. The above has probably stimulated the positive perceptions related to the development (x ¼ 3.99) and survival prospects (x ¼ 3.66) of the co-operative. This is an intriguing finding since the issues where improvements were traced, constitute major problems for the co-operatives as obstacles for their survival and development. This finding may be related, besides training, to the use of new product promotion and distribution alternatives (e-commerce) which has given co-operatives the opportunity to enter new geographic markets and not be restraint to sell their products/services only at the local shop.

To conclude, the examined training intervention has succeeded in improving skills and reinforcing attitudes related to entrepreneurship as both elements positively affect the performance of the co-operatives and determine its eventual success.

This is most probably a result of the fact that the program was not only task oriented, focusing on specific skills for small business management, another aspect that entrepreneurial programs have been criticised for, but also managed to incorporate creativity, innovation and problem solving abilities too (Chen et al., 1998; Pyysiainen et al., 2006). Further it cultivated attitudes that are closely associated with higher levels of motivation for entering and remaining in entrepreneurship activities (Sarri and Trichopoulou, 2005; Lee, 1996). As far as work-family balance is concerned, it could be supported that it has also been positively influenced. According to participants views the work stress has been decreased ($x \frac{1}{4} 2.71$) and they have more time to devote to their families ($x \frac{1}{4} 2.66$) Thus, it could be suggested that work-family conflict has also been more effectively managed ($x \frac{1}{4} 2.88$). This finding is most probably related to the prior on the development of entrepreneurial skills and attitudes and the co-operative's viability since it could be supported that women's confidence in their abilities and future of their business reduces the fear of failure and creates less tension and stress. Further, being more efficient and effective as managers of the co-operatives leaves more time for the members to spend fulfilling their family responsibilities. The time devoted to family is the main characteristic of being a good mother, housewife and wife, and thus protected this time with flexibility could affect the continuity of a woman's participation in the co-operative's activity (Iakovidou, 2002; Lee, 1996).

Although, this point requires a more in-depth investigation, it is still an important indication since work-family conflict can make the process of starting-up and running a business very difficult, especially for rural women entrepreneurs. Table IV includes the means, standard deviations and intercorrelations (Pearson correlation) between the variables that capture the impact of the training program. A strong positive correlation exists between the perceptions on the development of skills and attitudes and organisational viability. This denotes that the higher the perceptions on improvements related to skills and attitudes, the higher the perceptions on cooperative's viability ($r \frac{1}{4} 0.75$, $p, 0.01$). This gives support to the suggestion made above that the increased levels of confidence and belief that their skills have been improved, made rural women feel more capable of dealing with the organisational problems and this was reflected to more positive attitudes towards the viability of their co-operative. Perceptions related to work-family balance are positively correlated with opinions on the entrepreneurial skills and attitudes ($r \frac{1}{4} 0.73$, $p, 0.01$) and the co-operative's viability ($r \frac{1}{4} 0.80$, $p, 0.01$). This implies that the more positive the perceptions on skills and attitude developments and organisational viability prospects, the more balance they perceive to have achieved between work and family/personal life. This could be explained by the fact that the work stressor related to anxiety about the success of the business has been managed to a certain point through the development of entrepreneurial skills and attitudes. The positive impact on work family conflict is worth noticing since as it was emphasised earlier, it boosts female entrepreneurship and rural women entrepreneurship in particular. It is also closely related to understanding and addressing the difficulties experienced by women and the barriers they face both internally and externally (Morrison, 2000; Fielden and Dawe, 2004). No statistically significant relation exists between perceptions about IT skills and the other examined variables.

V. CONCLUSION AND RECOMMENDATION

Conclusion Co-operatives one of the main sources of employment for Greek rural women and an important factor for the endogenous development of local economies, is today at stake. Indeed, the viability and continuity of such activities is uncertain. This is related to problems concerning mainly marketing, financial and organizational matters and the member's lack of skills to manage and run the co-operative. To address this issue, initiatives involving mainly training are undertaken by policymakers. The current study is an evaluation research of a training intervention on rural women entrepreneurs, who participate in co-operatives, and highlights the effects on the participants' entrepreneurial behaviour and on their co-operatives viability. The results have indicated that the training support seems to have had positive effects mainly on skills related to;

- IT skills;
- The identification and capturing of business opportunities;
- The organization of resources;
- Interpersonal communications; and
- Economic negotiations.

As far as the effects on women's entrepreneurial attitudes they feel more self-confidence, more achievement motivated, more capable in demonstrating control over circumstances. Co-operatives' survival and development prospects as well as their product promotion both at national and European level, are the main effects on the co-operatives viability. Furthermore, the evaluation research results have indicated that rural female entrepreneurs are motivated to participate in entrepreneurial activities, as members of co-operatives, by their personal needs for achievement and economic independence. This suggests that undertaking entrepreneurial roles is closely related to the need for improvement of the social status of women from lower socio-economic classes located in rural areas. Thus, the preservation of the co-operations is linked not only to the overall

improvement of local resources and development but also to social changes in the quality of life of rural women and the creation of equal employment opportunities. Further, participation in the co-operatives permits women to undertake entrepreneurial roles and action and thus, to find a professional identity, occupational consolidation and recognition as a self-determined working force. Based on the participants' perceptions, the specific training intervention has been evaluated to be effective as far as its impact on entrepreneurial skills and attitudes, co-operatives' viability and work-family balance is concerned. Elements of the design of the project that seem to have affected its effectiveness include:

- It was designed based on training needs analysis to address specific skills gaps and problems faced by the co-operatives and its members;
- It was not only task oriented, focusing on specific skills for small business management but also incorporated creativity, innovation and problem solving abilities;
- It took into consideration the barriers that face women entrepreneurs in terms of work – family balance; and
- It was supported by other forms of interventions such as: the facilitation of network creation between the co-operatives and financial incentives for modernising the co-operatives through their participation in e-commerce.

Through e-commerce co-operatives were able to overcome the problems related to opening the market to sell their products. Moreover, the co-operatives members' positive perceptions on improvements in their own abilities has increased self-efficacy and cultivated attitudes that are closely associated with higher levels of motivation for entering and remaining in entrepreneurship activities. This study in addition to reconfirming the fact that entrepreneurship programs affect skills, attitudes and business success, attempts to further relate the effects of entrepreneurial training on work-family balance as an indirect result. Although the present findings give support for this relation, this point also deserves further in-depth investigation.

REFERENCES

- Arthur, M. B., and Rousseau, D. M. (1996), The boundaryless career as a new employment principle. In M. G. Arthur & D. M. Rousseau (Eds.), *The boundaryless career*: 3-20. New York: Oxford University Press.
- Blanchard, A. and Warnecke, T. (2010), —Shaping economic practices in China's post-command economy period: the interaction of politics, economics, and institutional constraints, presented at the ESHET international conference, Amsterdam, March 25-28.
- Boisot, M. and Child, J. (1996), From Fiefs to clans and network capitalism: Explaining China's emerging economic order, *Administrative Science Quarterly*, 41(4), pp.600-628.
- Brown, B. (2002), *Entrepreneurship and ethics in the Chinese context*, Ruffin Series in Business Ethics, p. 219.
- Brush, C. G. (1992), Research on women business owners: Past trends, a new perspective and future directions, *Entrepreneurship Theory and Practice*, 16(4): pp. 5-30.
- Brush, C.G., Carter, N., Gatewood, E., Greene, P., and Hart, M., (2004), *Clearing the hurdles: Women building highgrowth enterprises*. Financial Times/Prentice-Hall, New York.
- Dew, N., Velamuri, S. R., and Venkataraman, S. (2004), Dispersed knowledge and an entrepreneurial theory of the firm, *Journal of Business Venturing*, 19(5), pp. 659-679.
- Fend, T. and Wang, G. (2010), How private enterprises establish organizational legitimacy in China's transitional economy || , *The Journal of Management Development*, 29(4), pp. 377-398.
- Fischer, E., Reuber, R., and Dyke, L. (1993), A theoretical overview and extension of research on sex, gender and entrepreneurship, *Journal of Business Venturing*, 8, pp. 151-168.