AN ANALYSIS OF SOCIAL NETWORKS AS A DETERMINANT OF WOMEN ENTREPRENEURS STARTING ENTERPRISES IN MALE-DOMINATED SECTORS IN KENYA

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ABSTRACT

Women constitute more than half of the population of Kenya and make a significant contribution to the economy accounting for about 48% of all micro, small, and medium sized enterprises contributing about 20% to Kenya's Gross Domestic Product. Studies have revealed that, Kenyan women are competing with their male counterparts in starting businesses in previously male dominated sectors of the economy. social networks is a determinant of women entrepreneurs to start enterprises in male dominated sectors. Social Learning Theory, Sociology Theory, and Network Affiliation Theory were adopted as the theoretical framework for the study. Descriptive and exploratory research designs were used. Data was collected using a questionnaire, analysed using SPSS and presented by the use of descriptive and inferential statistics. The study established that social networks influenced women entrepreneurs to start enterprises in male dominated sectors. The study recommended the need to introduce concepts related to women entrepreneurship in schools colleges and university curricula to demystify entrepreneurship as a male vocation and provide proper networking amongst women entrepreneurs with affiliations at national level for dissemination of information, financing, facilitating technology transfer and monitoring.

Key words: Entrepreneurship, women entrepreneurs in male dominated sectors, social networks.
Introduction

Research has suggested that women entrepreneurship is changing from the traditional female dominated to a more modern type of entrepreneurship, seeking new forms which are typical of male entrepreneurship; high profile, growth oriented and export based, many studies have confirmed that women are entering male dominated sectors such as manufacturing, construction, engineering and transportation, (McClelland et al., 2005). It has also been suggested that women are in fact setting up “new economy” companies in high technology professional services and construction. A research carried out by the centre for Women’s Business Research in the USA established that though majority of women still operate in the service (69%) and retail (14.4%) sectors, there was an increase in the number of women entrepreneurs entering the professional scientific and technical service sectors (Centre of Women Business Research).

Women-owned businesses are one of the fastest growing entrepreneurial populations in the world. They make significant contributions to innovation, employment and wealth creation in all economies (Brush et al., 2006). Minnite and Aurenius, 2003 argued that women are a readily available resource that countries at different stages of economic development may use to achieve economic progress. To support of this argument, Verheul et al., 2009 in his study found a positive correlation between women share in entrepreneurship and economic performance at both country and regional levels. Kjeldsen and Nielson, (2000) revealed that women are becoming increasingly important in the socio-economic development of both developed and developing economies as they account for a significant percentage of the operators of Small and Medium Enterprises (SMEs) and they make a substantial contribution to national economies through their participation in starting successful SMEs (United Nations, 2006).
A study by IFC, 2010 established that Women-owned businesses are making a significant contribution to the Kenyan economy, their businesses account for about one-half (48 percent) of all micro-, small-, and medium-sized enterprises (MSMEs), which contribute around 20 percent to Kenya's Gross Domestic Product (GDP) The study further states that while being in a male-dominated industry can be challenging, Kenyan women are increasingly breaking barriers and excelling in arenas traditionally occupied by men. The above situation suggests that for Kenya to attain economic growth and development women entrepreneurship is core and it must be addressed. Women entrepreneurs must be encouraged to start enterprises in the male dominated sectors of the economy that are characterized by high growth rates, high income, high technology, high employment and high survival rates. The above scenario also suggests that there must be fundamental and practical determinants that influence some women entrepreneurs’ to start enterprises in the male dominated sectors as opposed to starting enterprises in the female dominated sectors as would be the norm. This study therefore sought to examine and analyse social network as a determinant of women entrepreneurs in male dominated sectors of the economy in Kenya.

**Literature Review**

**Profile of Women Entrepreneurs.**

Women entrepreneurs often have a special personality. They value autonomy and independence. They possess energy and a high need for achievement. Women Entrepreneurs often have a strong internal locus of control. They perceive change as opportunity and are willing to take careful risks. They usually have social skills and possess a balance between intuition and thinking. According to Gould & Perzen (1990) women business owners generally have the same characteristics as men business owners. Their entrepreneurial characteristics include adaptability, competitiveness, discipline, drive, honesty and organization (Birley, 1989.), internal locus of control (Bartol & Martin 1998, Timmons,
1995), skepticism, flexibility, impulsiveness and propensity to take risks (McClelland, 1961), leadership, readiness for change, and endurance (Buttner & Rosen 1992) and high tolerance for ambiguity (Bartol & Martin, 1998).

Women in entrepreneurship enjoy a number of potential advantages such as; possession of dual characteristics; (entrepreneurial and women characteristics) which gives them extraordinary ability to carry out their role as entrepreneurs.

**Profile of Women Entrepreneurs in Male Dominated Enterprises**

Hisrich & O’Brien (1982) in their study gave the characteristics of women entrepreneurs in male dominated sectors. They stated that women entrepreneurs in the more male dominated sectors were older, had more education, and were more likely to have self-employed parents. While both women in male dominated and those in female dominated sectors reported using their personal savings to finance their businesses, those in the male dominated areas were more concerned about the lack of external financing sources possibly because their industries required larger capital investments.

**Profile of the Kenyan Woman Entrepreneur**

According to the 1999 baseline survey, there were 612,848 women entrepreneurs (MSEs) in Kenya accounting for 47.7 per cent of the total MSEs. Women were more likely to be operating in the trade sector (75 per cent), and were more dominant than men in leather and textiles (accounting for 67 per cent of total MSEs in that sector), retail (accounting for 56 per cent of total MSEs in that sector), entertainment (accounting for 55 per cent of total MSEs in that sector) and other manufacturing (accounting for 68 per cent of the total MSEs in that sector). The average number of employees in a female-owned MSE was 1.54 versus 2.1 for male-owned MSEs. In MSEs owned by women, about 86 per cent of the workers were the
owner operators; only four per cent of their workers were hired; the remainder was made up of either family members or apprentices (GoK, 1999).

McCormick, (2001) in her study on women entrepreneurs in Kenya found out that, the ease in setting up an enterprise and availability of technical know-how are considered as priorities by women in trading and manufacturing enterprises, whereas women entrepreneurs in the high technological enterprises are influenced by the profession or occupation taken up earlier. According to an ILO study carried out by Stevenson & St-Onge (2005), there are three profiles of women entrepreneurs operating MSEs in Kenya, namely those in Jua Kali micro-enterprises, "very small" micro-enterprises and "small-scale" enterprises. These are differentiated by their demographic profiles, extent of previous business experience, needs, access to resources and growth orientation. The Jua Kali micro-enterprisers are identified as owners of unregistered (informal) businesses who have little formal education (usually less than secondary school level) and lack entrepreneurial and business know-how. They also have little access to credit, with limited awareness of markets and market opportunities. They are constrained by their household responsibilities and marital status.

The "very small" micro-enterprisers are identified as those registered, operating from legitimate business premises and employing 6 to 10 workers. "Small-scale" enterprises are identified as being registered, operating from legitimate business premises and employing over 10 workers and having, at least, secondary level education with some previous experience as employees. Occasionally, women entrepreneurs in this category have supportive husbands who may also be directly or indirectly involved in the enterprise. This segment is constrained by lack of access to finance for various reasons, including having no land/property title deeds to be used as collateral for large loans (Stevenson & St-Onge 2005).
The study also noted that there was significant gender segregation by sector with women dominating in food processing, beer brewing, hairdressing, dressmaking, and retail of second-hand clothing, while men dominate in metalwork, carpentry, vehicle repair, shoe making, construction and transport.

**Comparison of Men and Women Entrepreneurs**

Hisrich, Michael & Shepherd (2009) argues that differences in men and women entrepreneurs’ result from the fact that men and women differ in terms of; (i) reasons for starting an enterprise (ii) the types of business they run (iii) the chosen method of accessing finance (iv) choice of business location (v) choice of labour force (vi) educational background (vii) age (viii) business of the parents, (ix) position in the family (x) educational background, (xi) propensity to risks taking (xii) structure of business (xiii) type of business ownership (xiv) sources of finance (xv) type of marketing.

Hisrich, Michael & Shepherd (2009) in their comparison of men and women entrepreneurial characteristics viewed men as agents that strive to make things happen, self-image relates to their status, sources of funds usually come from personal assets, savings, and bank financing; goal oriented, innovative and idealistic, high level of self-confidence, enthusiastic and energetic; from parents who are self-employed; usually belong to support groups of friends, professional, acquaintances, business associates and spouse. On the other hand, they viewed women entrepreneurs as those that are out to accomplish goals; those that always desire to do it alone; they go into business because they are frustrated in their job; source their funds mainly through personal assets and savings; they are usually goal oriented, creative and realistic, medium level of self-confidence, enthusiastic, energetic and ability to deal with social and economic environments. Apart from the above areas of differences between men and women entrepreneurs, the World Bank (1994) observed that a great disparity exist.
between men and women entrepreneurs in Africa especially in terms of literacy rate, earned income and other economic activities and the type of enterprises they start.

**Role of Women Entrepreneurs in Economic Development**

Women in different nations play equal role with their men counterparts in economic development through entrepreneurship. An entrepreneur, whether male or female play important role in a particular economy. In an attempt to offer an acceptable definition of an entrepreneur, Wennekers & Thurik (1999) identified thirteen roles of an entrepreneur in every economy. According to them “An entrepreneur is: “a person who assumes the risks associated with uncertainty, an innovator, a decision maker, an industrial leader, an organizer and a coordinator of economic resources, a contractor, a resource allocator, a person who realizes a startup of a new business, an employer of other factors of production, the owner of an enterprise, manager or super rider, a person who supplies financial capital. Women entrepreneurship development can help women –owned businesses generate more income which then can be used to support their households and improve their family welfare (Thomson 2002, Kantor, 1999). This income can help women to start and grow their businesses which will in turn help them to offer employment to others in their community.

Many women support themselves and their families through the income they receive from their entrepreneurial activities (Kantor, 1999). Women also play a big role in economic vitality; economic vitality is a necessary condition for achieving social vitality which improves the standard of living of the citizens of a nation. The easiest approach to economic vitality is through women entrepreneurship development. Women have been known for their ability to combine different activities that have the potential to enhance the standards of living and quality of life of the citizenries. Floro (2001) argued that “women are more likely to juggle their working time between the market sector and non-market economic activities. Non-market production whether it involves subsistence crop production, water and fuel
gathering, food preparation and housecleaning or care for the children and elderly is a crucial element in determining the quality of life”.

**Theoretical Review**

Social Networks will be informed by various theories. These includes: Social Learning Theory, Sociology Theory, and Network Affiliation Theory.

**Social Learning Theory**

The Social Learning Theory by Bandura (1977) emphasizes the role of entrepreneurial socialization as an explanation of entrepreneurial behavior and career development. Social learning can occur through the observation of behavior in others, often referred to as role models. The individual socialization process which occurs in the family setting transmits social norms, language, educational aspirations, and shape career preferences through observation learning and modeling. This informed the social Networks variable which could have an impact on sector choice by women entrepreneurs.

**Sociological Theory**

Sociological theories argue that social structures (workplace, family and organizational social life) affect women access to entrepreneurial opportunities and may influence sector choice (Aldrich, 1989). Occupational segregation, under-representation in upper level management position and expectations about family roles may restrict women to certain industrial sectors. The extent to which these structural dimensions affect women entrepreneurs depend greatly on the context and cultural norms for women in that society. The African society culturally has defined roles for men and women. Social Networks Variable will therefore be investigated to determine their effect on choice of enterprises by women entrepreneurs.
Network Affiliation Theory

The Network Affiliation perspective views entrepreneurship as embedded in a complex network of social relationships. Within this network, entrepreneurship is facilitated or constrained by linkages between aspiring entrepreneurs, resources and opportunities (Aldrich, 1986). According to this view, the presence or absence of networks such as access or memberships in associations’ play a role in influencing enterprise sector choice. Women entrepreneurs are embedded in different personal and social networks than men. These divisions and barriers limit the reach and diversity of their networks hence has far reaching consequences for choice of sector. There is evidence that women’s networks are different than men’s (Aldrich, 1989). This therefore instigates the study of social networks variable on choice of sector by woman entrepreneur.

Empirical Review

Social networks have been cited as having an influence on certain aspects of the venture creation process, for example, enabling access to finance and relationships with financial backers (Millman, 1997; Rosa & Carter, 1998). Research investigating the choice of sector in enterprise establishment by female entrepreneurs have often stressed the important role of social networks, (Rosa and Hamilton, 1994 and Aldrich et al., 1997). According to Aderemi (2008) on Nigeria women entrepreneurs in high technological enterprises, he established that being a woman does not represent a difference; being a married woman does. He further noted that single women behave in business more similar like men; their social networks are diverse. Once women are married their networks are concentrated to family. Sometimes the access to informal groups is restricted to women and especially married women. After work there is an opportunity to share expectations with colleagues but different studies have demonstrated that women are disadvantaged in this area.
Brush and Hirsrich (1991) found out that the inclusion of women within the group of venture capital investors would open the opportunity to other women entrepreneurs to obtain financing and this is motivating factor for women entrepreneurs to start enterprises in male dominated sectors which require a huge sum of money to start. Gartner et al., (2004) established that there are two forces that promote homogeneity within a network: people tend to associate with similar people and people tend toward emotional and personal balance across their social relations according to him, the friends of our friends are not strangers to us. He emphasises that social networks requires having strong and weak ties because each of them provides a different level of information to the entrepreneur. According to Burt (1998) women prefer social networks smaller than men, therefore, it can be argued that the larger and the more diverse the network a woman entrepreneur has, the larger the number of business opportunities and the greater the chance of starting male dominated enterprises.

Buttner and Moore (1997) assessed how women entrepreneurs developed and sustained networks as they moved from corporate environments to entrepreneurial ventures and established that social networks had an influence on the choice of sectors they started enterprises. The authors borrowed from ideas proposed by others to define and assess the network structures of women entrepreneurs, identifying them as follows: The propensity to network (who connects with others), Network activity (number of people connected to and the time spent making contacts), Network density (degree to which an entrepreneur reaches beyond immediate friends and the actual size of their networks), Network intensity (number of years a member has known other members of their network and the frequency of their interaction).
Methodology

The research design used for this research was exploratory and descriptive research designs. From the population pulled from Kariobangi Light Industry in Nairobi Kenya, there were 200 women entrepreneurs: 120 operating in female dominated sectors and 80 in male dominated, these formed the population of the study. A sample of 130 was reached using statistical method followed by stratified sampling to get a representative sample of 52 for male dominated enterprises and 78 for female dominated enterprises. The instrument for the study was questionnaire. Data was analyzed using the logistic regression model. To test the goodness of fit, chi-square was used at 5% level of significance.

Results and Discussion

It was established that affiliation to social networks and presence of role models had no significant association with women starting enterprises in male dominated sector with a chi-square p-value of 0.109 and 0.291 respectively. However, number of social networks, composition of social networks and composition of role models were found to have a significant association to women starting enterprises in male dominated sectors with p-values of 0.036, 0.025, and 0.002 respectively. These findings are in support of Manolova et al., 2007 and Ardichvili et al., 2003 who stated that social networks were very important for successful identification and development of business opportunities. Aderemi (2008), Arenius and De Clerq, (2005) also suggested that women entrepreneurs sector choice is influenced greatly by the composition of their social networks.

The findings of the study established that social networks had a statistical significance to women entrepreneurs starting enterprises in the male dominated sectors with a p-value of 0.037, these findings have been supported by scholars that have analyzed the entrepreneur’s
social capital and particularly the social networks in which the entrepreneur is embedded (Arenius & De Clerq, 2005; Burt, 1991; Singh, 2000). The studies also established that social networks provides certain benefits that are shared among its members such as communication of information; funds (Shane & Cable, 2002); exchange content, or goods and services; and a special characteristic or attribute that people expect from another like advice through their contacts (Christensen & Peterson, 1990; Ozgen & Baron, 2007).

The studies therefore indicate that social encounters are often a source of venture ideas and thus are likely to influence the choice of sectors that women tend to start enterprises. The diversity of the social network is important to an individual who is looking for new business opportunities (Aldrich & Carter, 2004). It can therefore be argued that the larger and the more diverse the network a woman entrepreneur has, the greater the chance of starting an enterprise in male dominated sectors.

**Conclusion and Recommendations**

Having established the importance of social networks influence on women entrepreneurs to start enterprises on the male dominated sectors, this study came up with the following recommendations. Firstly, there is need to provide proper networking amongst women entrepreneurs with affiliations at national level. These could help in building a network for dissemination of information and approach international funding as well as the government for financing and facilitating technology transfer and monitor and advise women entrepreneurs in male dominated sectors. Secondly, women should understand that there is no sector demarcated for a particular gender. This will help in building up their self-confidence and self-esteem which are important factors in taking the risks involved in starting and growing entrepreneurial ventures in the male dominated sectors. Lastly, programmes for the
development of women entrepreneurship should recognize the traditional gendered role of women that contributes to the double burden of responsibilities. Capacity building in entrepreneurship should be complemented by access to social programmes to relieve the burden of the woman entrepreneur and appreciate her role in the economic development of the country just as their male counterparts. This will encourage more women to venture into areas of the economy that have been dominated by men.

References


