

WOMAN ENTREPRENEUR AND LEADERSHIP¹

- Characteristics of Leadership Style -

Tomoyo Kazumi

Professor of SME Management,

School of Commerce,

Senshu University, Japan

tkazumi@asahi-net.email.ne.jp

Debating Points:

1. What relationships exist between the gender and entrepreneurial leadership?
2. Why woman entrepreneur has tendency to hire more female employees than male?
3. Whether woman entrepreneur's leadership style affect to business performance or not?

Abstract

Using some result of start-ups investigation and two cases, this paper try to consider on woman entrepreneur's leadership style. Woman entrepreneurs start-ups their own business based on their experiences, usually related to their personal life. So women entrepreneurs have tendency to hire female employees who understand the feeling or needs of female customer. These programs considering female employees will be necessary to obtain successful performance for woman entrepreneur. So the leadership style of woman entrepreneur should be high consideration.

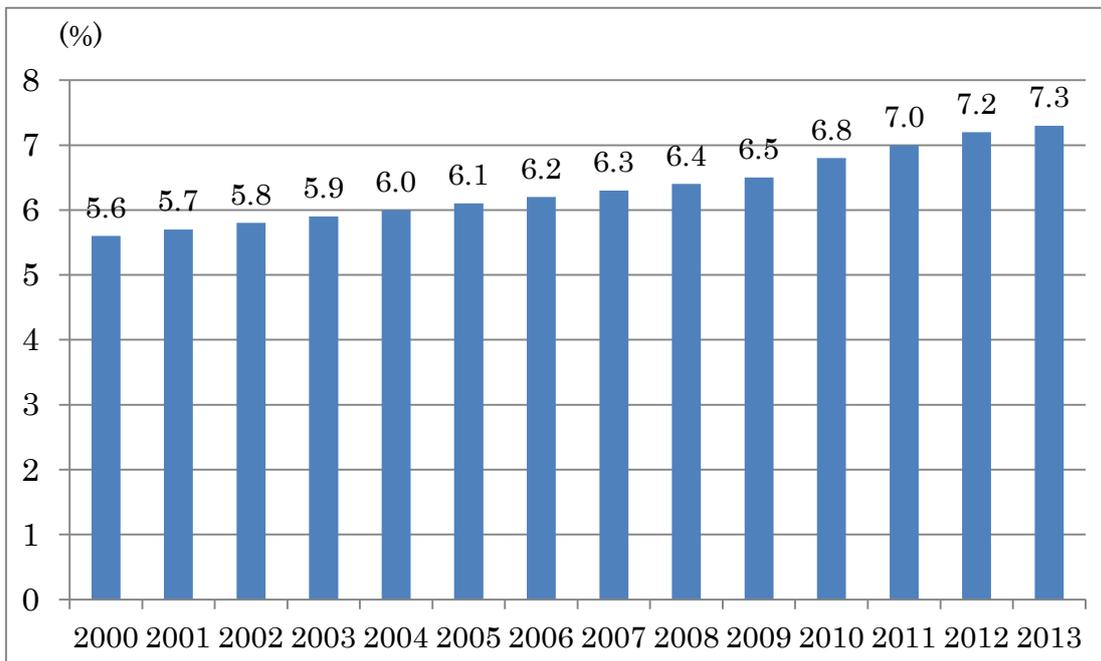
¹ This work was supported by JSPS Grant-in-Aid for Scientific Research (c) grant number 25380530.

1. Entrepreneurship and Gender

Many psychological studies in entrepreneurship area indicated that entrepreneurial characteristics related to masculinity like initiative-taking, accomplishment and the relative risk. Its most obvious contentions were the following: gendered attitudes to entrepreneurs make women invisible (Mirchandani, 1999).

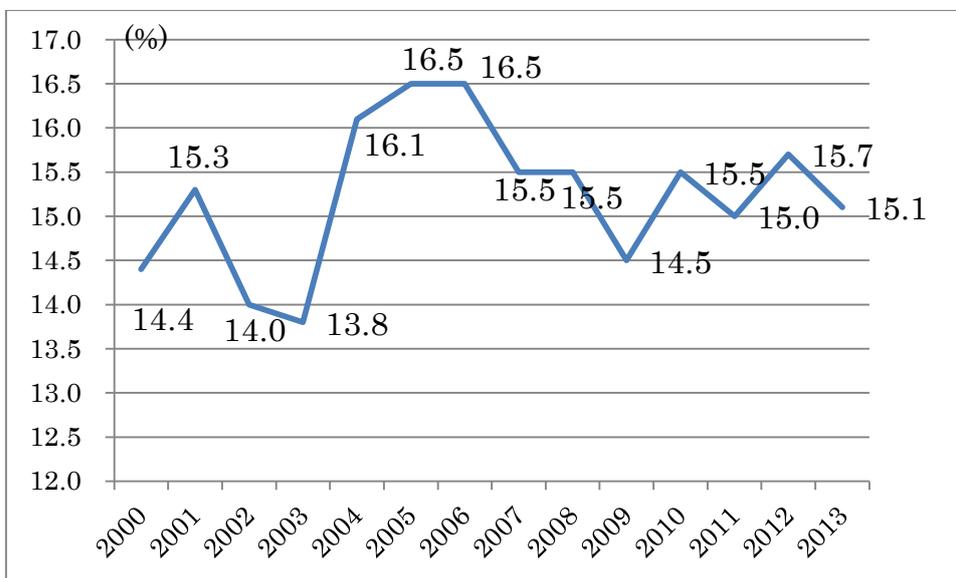
Somehow women entrepreneurs have been increased during decade or two decades in the world, also Japan. But quite few politicians, governmental officers, or feminist researchers had little interest in woman entrepreneur. Prime Minister Abe declared that the ratio of women in the position of leadership should be thirty percent until 2020 recently. "Women in the position of leadership" included managers or directors in organization, politicians, judges, scientists, and entrepreneur or owner managers. But only 7.3 percent of women CEOs operate their corporations (Figure1) or fifteen percent of owner manager of SMEs are there now in Japan (Figure 2). New deal for woman entrepreneur should be considered and we have to make more practical studies.

figure1: Women CEOs' operating company ratio in Japan



Source: The Teikoku Data Bank 2014 (Japan)

Figure2: Women business owner ratio in Japan



Source: Japan Finance Corporation Research Institute “White Paper on New Business Start-ups 2014”²

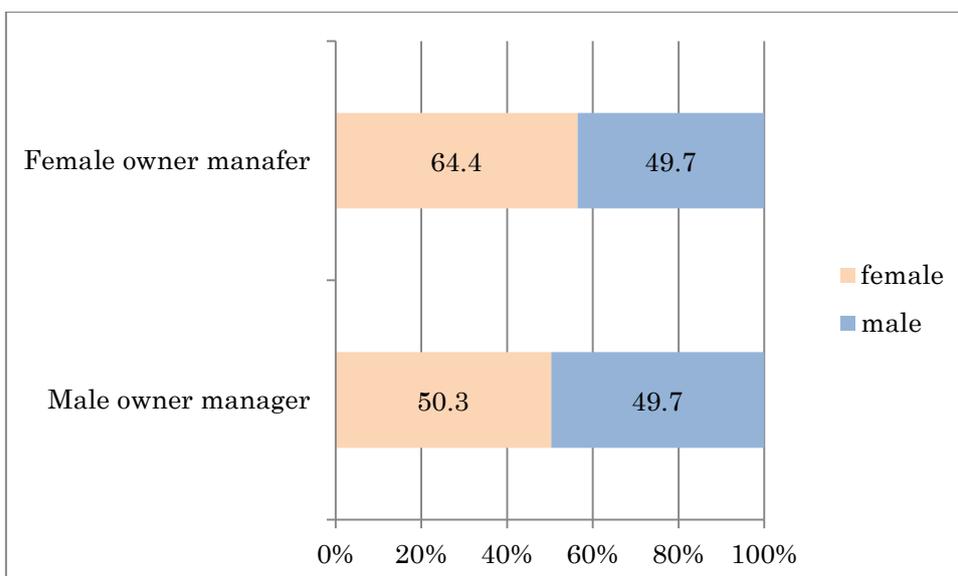
² Japan Finance Corporation Research Institute conducts “New Business Start-ups Investigation” annually. The samples are start-up micro businesses which launched in a year.

2. Woman Entrepreneur's Organization Management Style

Shane, S. A. indicated interesting data that women entrepreneurs have a tendency to start-up their business for work life balance (Shane, 2008). Women entrepreneurs understand women's needs for employment conditions. So they would like to pay the closest attention to organization management for female employees. At the same time, they would like to hire female employee more than male employee. Interesting data set provided by Japan Finance Corporation Research Institute as figure 3 and Figure4.

Figure 3 indicates female owner manager of small business hire more female employees than male compared with male owner manager. And female owner managers provide some motivational programs for employees which are more attractive for female employees like "Flexible working hours", "Creating easy atmosphere for taking a day off", "Setting occasion for discussing CEO and employees" (Figure 4).

figure3: Employee's gender ratio by owner manager's gender



Source: Japan Finance Corporation Research Institute "White Paper on New Business Start-ups 2014"

Figure4: Motivational programs for employees by owner managers' gender

(%)

	Female n=161	Male n=1,301
Wages by job performance or ability	44.7	51.7
Flexible working hours	44.1	39.9
Creating easy atmosphere for taking a day off	41.6	30.2
Setting occasion for discussing CEO and employees	41.0	38.2
Providing financial or other support to take some license	21.7	20.8
Promoting authority transfer to employees	18.6	25.1
Higher amount of wages than other companies in same industry	16.1	20.7
Enriched welfare program	9.3	8.5
Working at home program	3.1	3.0
Others	0.6	1.1
Not at all	3.7	6.5

Source: Japan Finance Corporation Research Institute “White Paper on New Business Start-ups 2014”

Married women take heavy responsibility for home management and nursing children even if they are full-time worker. Therefore female workers prefer flexible work time or easy to take day off to keep work life balance. Women entrepreneurs know their demand because they have same experiences. Women entrepreneurs would like to provide job opportunities for women and they consider that female employees will be able to keep work life balance and keep motivation for their work. The feature of woman entrepreneur's leadership is this kind of consideration for woman employees.

In the next chapter, I would like to show the practical cases of women entrepreneurs in Japan and Taiwan. These cases indicate their management style and leadership style.

3. Case Study: Japan and Taiwan

I'm conducting comparative study on supporting policy for woman entrepreneur among Asian companies (Taiwan, Vietnam and Japan). I have interviewed to women entrepreneurs who have utilized supporting program or policy using half-structured questionnaire. I have thirteen cases (five of them are Taiwanese, six of them are Vietnamese and two of them are Japanese), and this investigation will be continued. I would like to show two cases as practical leadership of woman entrepreneur.

Case 1: HappyCom Inc. (Japan)

<Profile>

CEO: Ms. Eriko Toda

Amount of Capital: 30,000,000Yen

Number of Employees: 5

Year of establish: 2001

Business area: ✓Marketing research of digital equipment and home appliance

✓Web site production

✓Computer literacy Training

Outline of business start-up

Ms. Toda established HappyCom Inc. in 2001. She had started another business before establish HappyCom. She had joined to publish company after she had been graduated from junior college. She promoted to manager in the publish company, but she left the company after she worked for fifteen years and studied management in graduate school, at last she had got MBA degree.

After that, she started her own business to support SMEs' press release and publicity in 1997. That company had no employee. She operated the company for four years. Then

she had a chance to offer promotion plan of home use software which would be on the market to famous woman entrepreneur. Her name is Ms. Hatsuko Ukigawa who is co-founder of Justsystem Corporation which had succeeded in developing the first Japanese word processor software named "Ichitaro". Ms. Toda was willing to make promotion plan and have presentation to Ms. Ukigawa. Her achievement was high evaluated by Ms. Ukigawa and she has got many amount of investment from Ms. Ukigawa. Ms. Toda's promotion plan was focus on woman user. In past days, almost big companies which provide digital equipment or software had targeted to man as their customer. So woman consumer felt dissatisfaction about product information or marketing information which were provided by maker companies. Ms. Toda established Happycom Inc. And she built a mechanism for collecting marketing information by women.

Leadership style

Now five female employees are working for Happycom and almost one handled registered women owner manager who are operated PC training school in all around of Japan. Flexible work time program and working at home program are provided. Two staff are nursing their children, so they leave office at 16:00 and working at home for two or three hours.

Now Happycom gain many clients which are famous IT companies or smart phone companies. Some on line and off line communities are conducted by Happycom to gather valuable marketing information from the perspective of women and reports to client companies. So women staffs are important work forces for HappyCom and Ms. Toda considers their work life balance.

Case 2: Tai Sheng Lee Ltd. Corp. (Taiwan)

<Profile>

CEO: Ms. Joyce Liu

Number of Employees: 7

Year of establish: 2007

Business area: Manufacturing and selling natural flavor SOAP and toiletry products

Outline of business start-up

Ms. Joyce Liu has a daughter and a son. Her daughter has been taken atopic dermatitis and her skin condition has become worse when she had used soap which had been sold usually. Ms. Liu determined to make chemical products additive-free SOAP in hand. Teaching how to make from teacher first and have developed the SOAP alone. And finally the SOAP competed, she used the SOAP into her daughter, then her atopic dermatitis is improved. Ms. Liu's natural SOAP had been famous and was sold. She has hoped to make more SOAP and sell them to general market. She made only 100 SOAP in a day, and she did not know how to sell them. Taiwanese Governmental Office for Labor Force provides supporting policy for micro business start-ups named "Phoenix Program". Ms. Liu took part in the Phoenix Program training seminar and learned strategy and marketing. After taking training seminar, business consultant was sent and he gave some advices for her business. She has got 300,000NT\$ by loan and equipped some machine and equipment for making SOAP. At first, she selected OEM system to concentrate on manufacturing. Now 350 SOAP can be made in a day in her factory, and they made strategic alliance with Chinese company which owned by her husband's relative in Shanghai.

She also has get grant for development new product from Taiwanese government.

Recently her company released new toiletry product which are shampoo and conditioner for Hotel in Taiwan.

Figure 5: SOAPS Produced by Tai Sheng Lee Ltd. Corp.



Leadership style

Seven employees are working for Tai Sheng Lee Ltd. Corporation in Taiwan. Five of them are female employees, and one female staff is taking child-care leave. Ms. Liu's house is near from her office and factory. So her two children come and join her after finish their schools. Also employees live around factory. They can keep work life balance by Ms. Liu's generous management for work time and child care. When Ms. Liu goes out from her office on duty, employees take care of her children. Tai Sheng Lee Ltd. Corporation is well homey atmosphere company.

4. Discussion

Characteristics of women entrepreneurs' leadership should be take care of female employees ' work-life balance. Two cases indicate that women entrepreneurs provided flexible work time program or working at home program, taking easy atmosphere for child-care leave for keeping female employees' work life balance.

Ms. Toda thought that she would like to hire female employees only. Because she need female employees for gathering marketing information focused on female consumer.

High skilled wives are important work forced. So she should construct proper system for keeping working mother work life balance and being possible to effective work. The working at home program is typical one, then she introduced this program at the just started her business.

As same time, Ms. Liu concerns about female staff because she has faced problem that six or seven employees resign from their job. So she would like to be a homey atmosphere.

As Ohio State University studies, leadership contains two major behaviors; consideration and initiating structure. And a leader may have any of four styles as follows;

High Initiating Structure – Low Consideration

High Initiating Structure – High Consideration

Low Initiating Structure – Low Consideration

Low Initiating Structure – High Consideration

I think woman entrepreneur has a tendency of high-high combination or low-high combination. And these two cases are high initiating structure – high consideration combination.

5. Conclusion

Woman entrepreneurs start-ups their own business based on their experiences, usually related to their personal life. So women entrepreneurs have tendency to hire female employees who understand the feeling or needs of female customer. These programs considering female employees will be necessary to obtain successful performance for woman entrepreneur. So the leadership style of woman entrepreneur should be high consideration.

This time I tried case study used only two cases, so these cases represent typical women entrepreneurs' leadership style or not, the question remains. Furthermore it should be compare woman entrepreneur's leadership style with men entrepreneurs' leadership style.

References

- Bruin, Brush & Welter (2007) 'Advancing a Framework for Coherent Research on Women's Entrepreneurship', "Entrepreneurship Theory and Practice", May 2007, pp.323-339
- Bruni, A.,Gherardi, G, Poggio B.(2005) "Gender and Entrepreneurship: An ethnographic approach", Routledge, New York
- Butler, J.E. ed. (2003) "New Perspectives on Women Entrepreneurs", Information Age Publishing
- Japan Finance corporation Research Institute (2014) "The White Paper on New Business Start-ups 2014", Doyukan, Tokyo
- Mirchandani,K.(1999) 'Feminist Insight on Gendered Work: New Directions in Research on Women and Entrepreneurship', "Gender, Work and Organization", 6: pp.224-235.
- Shane, S. (2008) "The Illusion of Entrepreneurship: The Costly Myths That Entrepreneurs, Investors, and Policy Makers Live By", Yale University Press