# Entrepreneurship Education --- An Alternative Route to Alleviating Unemployment and the Influence of Gender: An Analysis of University Level Students' Entrepreneurial Business Ideas

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## Abstract

The study addresses the concept of entrepreneurship education and the influence of gender on entrepreneurship based on the longitudinal survey on entrepreneurial interest of University of Zimbabwe students. The study that covered a period of three years compared the male and female students' entrepreneurial interest based on the nature of business plans they wrote; and the results show that the male students have a higher entrepreneurship interest than female students. Besides, if the business ideas were to be implemented, the male students' businesses would require more capital outlay, would be riskier and would have more economic impact in the way of employment creation and contribution to Gross Domestic Product (GDP) than the female students' business ideas.

Keywords: Entrepreneurship, Business ideas, Gender, Employment creation, Risk, University of Zimbabwe

## 1. Introduction

Developing countries such as Zimbabwe caught up with the culture of entrepreneurship education in the early 1990s. This came up as a result of the massive retrenchment programs companies, including government, embarked upon in response to the International Monetary Fund (IMF)/World Bank's recommended Economic Structural Adjustment Program (ESAP).

Economic Structural Adjustment Programs (ESAPs) are recommended by the International Monetary Fund/ World Bank for developing countries whose economies would be going through some slow to negative economic growth. The ethos of ESAP is that the host country adjusts its economic activities especially those that do not generate revenue and at the same time invest into activities that generate employment and revenue. In 1990 the International Monetary Fund (IMF) recommended that the Zimbabwe government embark on the Economic Adjustment Program (ESAP) and that was tried between 1990 and 1995. The focus was on the liberalisation of trade and labour laws and that saw a number of organisations retrenching their workers. By August 1993, 293 companies in the private sector had retrenched 16 686 employees (Employers Confederation of Zimbabwe (EMCOZ) 1993). That exercise fuelled up entrepreneurship interest in Zimbabwe, as the retrenched people used their terminal benefits to start self- employment projects. Allen and Truman (1993), MacDonald (1996) and Mirchandani (1999) argue that self-employment is an individual solution to the lack of employment alternatives.

At that time, big companies such as Coca Cola International initiated **Entrepreneurship Development Programs** at universities in a number of African countries such as Ghana, Kenya and Zimbabwe. The programs were meant to instill the entrepreneurship spirit within the students so that they could start their own self-employment projects on completing their degrees; or partner with those that had become unemployed and inspired to be entrepreneurs. It was during that same time that the University of Zimbabwe's Faculty of Commerce and in particular the Department of Business Studies started an Entrepreneurship Development Program that was sponsored by Coco-Cola International and Barclays Bank Zimbabwe. Laukkanen (2000) cited by Petridou et al (2009) posit that a University can be conceptualized as a social innovation system, and that entrepreneurship education, when embedded in such a system, could be regarded, not only as a task of producing entrepreneurially oriented competent individuals, but also as reproducing the social mechanisms that underpin and facilitate the birth and growth of businesses and firms.

The group studied comprised both female and male students who had interest in entrepreneurship education. These could be termed potential entrepreneurs and according to (Mueller, 2004) and (Krueger and Brazeal, 1994), the term

potential entrepreneur applies to those individuals (male and female) within a given population or society that possess a particular set of personal traits, skills, aptitudes and desires believed to motivate entrepreneurial behavior.

## 2. Research Objective

The research objective is to find out whether gender determines the kind of business a person is interested in starting as an entrepreneur. Embedded in the business idea are issues of the capital requirements to start the business, risks associated with the business, the contribution of the business to the country's Gross Domestic Product (GDP). Gender is taken to mean the difference between a female and male student and it is also part of the bigger culture map.

## 2.1 Propositions

**Proposition 1:** Gender influences the different types of business that both female and male students are interested in starting if money was available.

Proposition 2: Gender influences the nature of the business in terms of

- a) Capital requirements and hence growth
- b) Risk involved
- c) Contribution of the business to country's Gross Domestic Product

## 3. Literature Review

### 3.1 Entrepreneurship

Entrepreneurship is a French word that means someone who undertakes or a doer and it involves risk taking with the hope of profit making. However, different authors have defined entrepreneurship in different ways. Krueger, Reilly and Carsud (2000) defined entrepreneurship as a way of thinking that emphasizes opportunities over threats. Drucker (1993 p 26) asserts that entrepreneurship rests on a theory of economy and society; the theory that sees change as normal and healthy. In that context the entrepreneur always searches for change, responds to it and exploits it as an opportunity (Drucker, 1993).

Vernon (2001) instead identifies five characteristics that are associated with entrepreneurship which are creativity, ability to spot opportunities, willingness to take risks, drive and determination to add value. On the other hand Kuratko (2009 p.4) describes entrepreneurship as a kind of behavior that includes initiative taking, the organizing of social economic mechanisms to turn resources and situations to practical account and the acceptance of risk of failure. As such entrepreneurship revolves around the individual be it a man or woman who searches for change, responds to it and exploits it as an opportunity. According to Vernon (2001) the entrepreneurship spirit is part of human nature and should be cherished. In that case the planner thinks about the business venture they want to get into first, processes the cues from the environment and set about constructing the perceived opportunity into a viable business proposition.

Given that entrepreneurship is a type of planned behavior, universities and other institutions have embarked upon entrepreneurship education as a way of shaping students' behavior so that they can think in an entrepreneurial way. Wang and Wong (2004) argue that entrepreneurship has been recognized as one of the crucial factors that help youths to understand and foster entrepreneurial attitudes. Due to the influence that education could have on the attitudes and aspirations of youth, there is a need to understand how to develop and nurture potential entrepreneurs even while they are still students in schools (Wang & Wong (2004). The task of educating students on entrepreneurship is necessary since entrepreneurs have been known as a catalyst for economic change through history (Vernon, 2001).

## 3.2 Gender

Gender translates into biological sex, i.e. men and women. In this view, men and women are assumed to have equal access to opportunities. Both man and women in society have the disposition of becoming entrepreneurs since they live in a society that avails them with the opportunity to exploit the changes around them. Entrepreneurship among both men and women has been in existence since time immemorial even during the industrial revolution. People engaged in barter trade as they tried to meet each other's economic needs and wants. With the passage of time they engaged in trade where money became the means of exchange, and all this was driven by the entrepreneurship spirit in the individuals.

Wang and Wong (2004) argue that the gender factor has been closely scrutinized in many past studies. Studies cited include Dewit and Van Winden (1989) in the Netherlands; Lerner and Yeoshua (1996) and Mesch and Czamanski (1997) on Russia immigrants in Israel; Mathews and Moser (1996) on business graduates in the US; Crant (1996) on US undergraduates and MBAs; and Kourilsky and Walstad (1998) on US high school students. Stevenson (1986), Green and Cohen (1995) and Beggs *et al.* (1994) note that the entrepreneur has historically been assumed to be male.

On the hand, Buttner and Moore (1997) and Mirchandani (1999) note that women's desire for challenge and self-determination, their desire to balance work and family responsibilities and blocked mobility within corporate structures motivate them to become entrepreneurs.

Mueller (2004) posits that the formation of entrepreneurial intentions depends on personal *attitudes* toward the act of starting a new venture. Krueger and Carsrud (1993) further say that the *attitudes* in turn reflect individual beliefs and perceptions shaped by one's personality, upbringing, education, values and experiences.

Literature has it that women are less preoccupied than men with economic gain from their entrepreneurship activities. Instead they cite child-raring demands and career dissatisfaction as reasons for embarking on self-employment activities Mathews and Moser (1996). As cited by Wang and Wong (2004), Mathews and Moser (ed) also discovered that males' interests are consistent but females' interests decline with time. Studies by Cromie (1987); Birley (1989) and Changanti (1986) comparing motivations of female and male entrepreneurs found out the following factors that explain their differences:

- Women and men are socialized differently and as a result have different orientations.
- Women face certain structural barriers such as lack of industry experience, limited networking among other factors. Mirchandani (1999) suggests that women need to develop a 'girls' network' to parallel the 'old boys' network.
- Ways of doing business where women strive towards 'small and stable' firms, and that allows them to balance their entrepreneurial role with family and social roles.

Brush (1992) argues that women's business relationships tend to be 'integrated' rather than separated from family, societal and personal relationships. On the other hand Marlow and Strange (1994) and Mirchandani (1999) characterize self-employment as an 'accommodation tactic' through which women can obtain the flexibility they need to meet the demands of their domestic responsibilities.

In Zimbabwe before 1980, the year of independence, the majority of the entrepreneurs were men. Women were relegated to tilling the soil in the rural areas, but after independence in 1980 the women joined the self-employment/entrepreneurship revolution to sustain themselves and their families because the economic environment became more supportive.

## 3.3 Entrepreneurship and Employment Creation

The entrepreneur in today's world is the linchpin between capital, technology and people and also the driving force behind local long-term sustainable development. Entrepreneurship contributes directly to economic growth through innovation and job creation Merrett and Gruidl (2000). Through entrepreneurship, both men and women and other disadvantaged groups can achieve material and personal success, gain independence and control over the products of their labor.

University students are seen as more viable catalysts for economic change in a world where employment creation is dwindling. Timmons (1994) cited by (Wang and Wong 2004) found out that one third of Harvard Business School (HBS) graduates ended up working for themselves, and 90% of the students have the dream of self-employment. Scott and Twomey (1988) in Wang and Wong (2004) reported that whereas 24.6% of students in the US aspired to self-employment in the early 1980s, the trend has changed particularly with the recent perceived success of internet-based businesses. Instead the percentage has gone up since the 1980s. Some of the living examples include Mark Zuckerberg and the Facebook that was developed into a full- fledged business in 2004. In other countries, Scott and Twomey (1988) cited by Wang and Wong (2004) found that 40.7% of students in the UK and 34.3% of Irish students were interested in starting their own business in the early 1980s.

Johannison (1993) demonstrated how the entrepreneurial contents of an academic program can be increased by including 'substantive' technological knowledge as evidenced by the successes of high frequencies of patent application and business startups by (student academics). The most intriguing aspects of the program proposed by Johannisson (1993) is the interface between university and industry including the opportunity of building personal networks of mentors, resource suppliers and those providing business intelligence during the study period. This rapid expansion of creative opportunity recognition and business venture development in recent years is viewed as the equivalent of an entrepreneurial revolution (Timmons 1995). Merrett and Gruidl (2000) argue that interest in entrepreneurship was further fueled by the findings of Birch (1987) who concluded that four times more jobs are created through business startups and expansion than by recruiting existing firms into the locality.

Goffee and Polise (1985) cited by (Merrett and Gruidl (2000) have also argued that entrepreneurship contributes so much to economic development that the rate of new business startups serves as a bellwether of regional economic

vitality. Entrepreneurship may offer the only route to financial independence and control over personal futures (Merrett and Gruidl (2000).

### 4. Methodology

The preposition is that gender influences the different types of business that both female and male university students would like to start given the availability of funds. The methodology involved an analysis of the business plans the students prepared over a period of three years. The sample size consisted of all the students who participated on the Entrepreneurship Development Program over the three years; and the total number came to 292 business plans. The students came from the ten faculties at the University of Zimbabwe with the majority coming from the faculties of commerce and social studies.

### 4.1 Ethnographic Approach

The ethnographic strategy was used to a greater extend. Berg (2009) asserts that the practice of ethnography places the researchers in the midst of whatever it is they study which Ellen (1984, 1987) and Berg (2009,p 191) describe as the process of subjective soaking. Ethnography as a research method includes document collecting and in this case the researcher collected and analyzed students' business plans. Ellen (1984), Stoddart (1986) and Berg (2009) assert that ethnography involves the end product field research which is the written accounts of observations.

### 5. Results and Discussion

### 5.1 Gender and Entrepreneurial Interest

As depicted from Table 1 below, from Year 1 through year 3 the number of male students who came to attend the Entrepreneurship Development Program was a lot higher than that of female students. In Year 1 a total of 100 students took part in the Entrepreneurial Development Program and out of that number 80 were males while 20 were females. In Year 2 there were 112 students interested in the program and of that 90 were males while 22 were females. In Year 3 there were 80 participants and 70 were males while 10 were females. Out of that observation it is concluded that the level of interest in entrepreneurship is related to gender; male students' interest is higher than female students' interest. Stevenson (1986), Green and Cohen (1995) and Beggs *et al.* (1994) note that the entrepreneur has historically been assumed to be male. The results also support Mathews and Moser (1996) cited by Wang and Wong (2004) who also discovered that males' interests are consistent but females' interests decline with time.

## 5.2 The Business Ideas

From the business ideas outlined in Table 2 below the observation is that the female students' business ideas would have less economic impact while the male students' ideas would have a more economic impact if they were implemented into operational businesses. In the context of proposition 2 it can be said that the business ideas from the female students in general would require less capital to start and there would be less risk involved. Female entrepreneurs are more likely to establish maximum business sizes and these sizes are smaller than those set by their male counterparts (Cliff, 1988) cited by (Yordanova, 2011).

The contribution of the female students' businesses to the country's Gross Domestic Product which is normally measured through the sales of a business entity would also be relatively small as compared to the contribution by the male students' businesses; and by the same token that would have some influence on business growth. Female entrepreneurs are less growth-oriented than male entrepreneurs (Isakova et al., 2006). This can also be explained by the fact that female- entrepreneurs might pursue goals other than profit and growth (Brush 1992, Yordanova, 2011). Romano (1994) argues that female-entrepreneurs differ in their understanding of various aspects of success and place less importance on economic measures of success (Butner and Moore, 1997).

The gender argument can be attributed to the fact that the family situation mainly revolves around the power dynamics within the households where boys and girls stick to their socialized roles. This to some extend is consistent with the literature on women-owned businesses which indicate that many women with childcare responsibilities will establish businesses that offer flexibility in work-time and work-place (Cromie, 1987). Dignard and Havet (1995) also noted that women – home based workers find that their economic work fits better with their other roles than does formal wage employment and this in a way supports the significance of the females' business ideas. Goffee and Scase's (1987) typology underscores the masculinity orientation of entrepreneurial ideals which include ambition, independence, individualism, competitiveness, self-reliance, risk-taking behavior and ease of decision-making.

It is believed in general that innovation, risk taking and internal locus of control are essential traits for the success of starting new businesses (Wang and Wong 2004). At the same time (Mill 1984 and Cunningham 1995) argue that starting one's own business is potentially a high-risk, high-return career, and thus it is natural to assume that the

attitude of the high interest group should be less risk-averse. Entrepreneurship educational programs can play a role in attenuating the risk-averse attitude of students by providing them with training to take calculated business risks, and by emphasizing the use of local role models (e.g. successful entrepreneurs) and local case studies to raise the students' awareness of the upside opportunities of starting their own businesses (Wang and Wong 2004).

## 6. Conclusion

The major point to consider in this discussion is that the study's focus was on the analysis of business ideas written by both female and male university students; and not on actual businesses. This was an empirical study.

The findings on the level of interest in entrepreneurship over the three years show that the male students have more interest than the female students. The other observation made in this study indicates that the female students focused on business ideas that would have less economic impact while the male students' ideas would have a more economic impact if they were implemented into operational businesses. The male students' businesses would make a significant contribution to the overall economy. At the same time the female students' business ideas would require low amounts of capital and less risk while the male students' ideas would involve huge capital outlays and some significant level of risk. This may be as a result of lack of industry experience and family situations based on social structures which support gender differences and more so in a third world country.

Further study is needed to find out the number of businesses that were started as a result of the Entrepreneurship Development Program. At the same time it would be helpful to find out the number and the different types of businesses that were also started as result of partnership between the students and the retrenched employees.

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Table 1. Gender and entrepreneurial interest

	Gender		
Descriptive Statistics	Female	Male	Total
Year 1	20	80	100
Year 2	22	90	112
Year 3	10	70	80
Totals	52	240	292

#### Table 2. The business ideas

Female Students	Male Students	
Hiring services	Consultancy on various business issues	
Soft furnishings	Water harvesting management	
Dress/Gown making	Furniture manufacturing	
Gift ware and flower shops	Provision of telecommunication services	
Hair salons	Electrical wiring of both commercial and	
Day cares	residential properties	
	Waste removal	
	Advertising services	
	Commodity trading	
	Provision of auto spare parts	
	Oil seed processing	
	Laundry and dry cleaning facilities	
	Small Scale Milling	
	Brick moulding	
	College for higher education	
	Take away type of business	
	Tourism	
	Photography	
	Panel beating/auto body shops	
	Video/game shops	