

# Cultural Factors on Female Entrepreneurship: A Literature Review

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**Abstract.** Tourism industry is one of the leading sectors in economic development as create business opportunities, such as hospitality; food; handicraft; etc. However, gender stereotypes are still inherent in running a business so men dominate business ownership even though many women start a business. The low level of female entrepreneurship, based on several studies, identified by culture which limits their movement. It is because women are identical with housework. Given the lack of discussion on this issue, we'll evaluate what has been studied theoretically and gained deep insight through literature review. A systematic review of the culture on female's decision making for entrepreneurship will be undertaken in this study.

**Keywords:** Culture; Female Entrepreneurship; Tourism.

## 1 Introduction

Entrepreneurship closely related with environment, especially women has an ultimate role to enhance social environment to create an advance and educated society. Women has some roles related to develop people quality in education and economic sector. Through entrepreneurship woman could develop her skills to create more educated society especially in tourism and economic sector.

Tourism is called the leading sectors because it contributes great GDP and foreign exchange along with creates job. Not surprisingly, tourism industry becomes one of development priorities in developing countries. They attempt to attract tourists as much as possible so that the tourists are willing to spend money in tourism destinations. It is a great opportunity for local people to run business, such as hospitality, food, handicraft, etc. Thus tourism and entrepreneurship can be regarded as two interrelated sectors cause the development of both can create growth and prosperity in society.

## 2 Methodology

The method used in this research is qualitative, using the theory and concept of gender. The term of gender was first introduced by Robert Stoller to describe people based on biological physical characteristics [1] that would determine individual's behavior [2]. Based on these characteristics, men are expected to behave masculine while women are expected to think and behave feminine [3]. According to social role theory, gender stereotypes can make a person socially acceptable [4]. This theory also mentions that people describe men as individuals with a higher domain attitude or achievement than women. In particular, men

have responsibility to work and earn money while women do housework.

Another theory is gender role proposed by Connel (1990). This theory states that gender stereotypes related to hegemonic masculinity. Hemogonic masculinity is positioned men in society through certain patterns, actions, ideologies, and discourses that enable them to gain more benefits from women [4]. Therefore one's role will be associated with gender attributes. When a role is associated with men, women do not suitable to the role because they do not have the necessary skills. It seems to be happening in entrepreneurship where the business environment requires rationality and less emotional where men are ideal for it then home needs emotional and less rational that appropriate for women.

## 3 Discussion

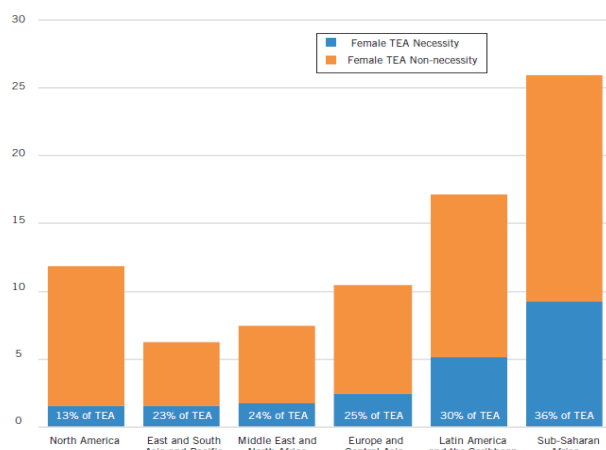
Female entrepreneurship is defined as women who are involved in independent business decision-making related to business management [5]. The contribution of female entrepreneurs to the economy is significant, namely reducing poverty increasing revenues, and encouraging local determinism [6]. According to Perez & Hernandez there are elements that encourage women to start or run a business [7], including: (1) *Internal factor* that related to motivation. It shows a number of personal aspects such as illusions, desires and self-confidence that encourage women to do business. There are interesting findings about the choice of business between young and middle-aged women. A young woman runs a business based on her ideas, as a result of the training which has been obtained. As for middle-aged women choose the type of business based on personal experience; (2) *External factor* is a

socioeconomic crisis, which hinders women's access to entry into the labor market; (3) *Family factors* in which women have a responsibility to take care of family so entrepreneur is considered as the right choice because it can control the schedule, free, and flexible; and (4) *Factors of cultural change & women's development* so that women are more educated, have initiative & support from environment which accept & acknowledge women's work.

The Global Entrepreneurship Monitor reveals the concept of the necessity and opportunities entrepreneurship. Necessity entrepreneurship describes individuals who run a business because it is the best available option [7]. Opportunities entrepreneurship is an individual who runs entrepreneurship because of business opportunities. And female's entrepreneurship is dominated by necessity entrepreneurship.

The relevance of female entrepreneurship and tourism will be discussed. Tourism is known as a labor-intensive industry that can provide great opportunities for both business and employment, especially for women. In addition, various jobs in the tourism industry are considered feminine so it is better to hire women [8]. In addition, women who are engaged in business activities in the tourism industry more participated in the informal sector, especially food [5]. Even Wilkinson & Pratama (1995) argues women in the informal tourism sector gain greater control over their lives and economic independence than other women [5].

**Fig. 1.** Necessity & Opportunity Driven Total Entrepreneurial Activity Around the World in % of Female Population Aged 18 to 64



Source : GEM Women's Entrepreneurship 2016/2017 Report

The positive reaction of society to entrepreneurship can be determined by the culture, values, beliefs, and norms of a country. Even the GEM Model of Entrepreneurship suggests considering the country's socio-cultural and political context to understand the entrepreneurial process [6]. This is because culture can predict a person's behavior through the values and beliefs contained therein [4]. Furthermore, cultural

values can play an important role in determining who deserves to be involved in business activities [3]. This view causes men to be regarded as the ideal figure to have their own business. In Pakistan, a country with male dominant societies, women face socio-cultural problems to start a new business because families tend to support men who do it [9]. As with United Arab Emirates, women in this country prefer to work in the government sector rather than managing their own business because of the prevailing social norms [10]. However, interesting findings are found in Thailand. The participation rate of women entrepreneurs in this country is quite high because it is in line with cultural and religious values, namely Buddhism [2]. But research conducted in Kenya found that national culture has no effect on entrepreneurship. Ethnic culture plays a greater role in women's tendency towards entrepreneurship [3]. This is similar to Banon & Lloret where high levels of masculinity in a country do not determine the gender gap in entrepreneurship [4]. Based on the previous review literature, Hofstede's cultural dimensions are still often used as a benchmark for measuring cultural influences in women entrepreneurship. The cultural dimensions include power distance, individualism vs. collectivism, uncertainty avoidance, masculinity vs femininity, long term orientation vs. short term orientation. However, recent studies that measure the impact of ethnic culture use indicators consisting of overt belief, covert belief, work available, depiction of men, and depiction of women. The result, although traditionally, women and men are considered equal but male superiority and dominance still exists. One of them is reflected in the behavior of women who make decisions after consulting to their husbands [5].

The number of entrepreneurs is continuously improved to boost the economy in developing countries. Entrepreneur population that grows rapidly is a female entrepreneurship. The Global Entrepreneurship Monitor mentions that female entrepreneurs have increased 10% for the last 2 years or approximately 163 million women start new businesses in 74 countries in all over the world and 111 million women have been running an established business (GEM Women Entrepreneurship Report, 2017). But this number remains lower compare to male entrepreneurs. The low level of female entrepreneurs participation is allegedly due to gender stereotypes [4] and cultural factors that inhibit the entrepreneurship development.

Historically, males were positioned to dominate women where this group was considered to have a higher domain or achievement attitudes [4]. Men also have a responsibility to sustain family life therefore it is considered to be an ideal to run a business. Women are placed in roles related to housework, caring for children and parents. This is proved by Alvarez, et al (2012) that the involvement of individuals in the house work decreases the possibility to become an entrepreneur [7]. Besides that, socio-cultural values in some countries prevent women from having their own

business. For example, in Pakistan, families only support the men to run a business [9].

Issues about gender stereotypes have received widespread attention on previous studies. But it does not happen on the cultural factors that are still being debated. Therefore, this paper will discuss what has been studied by cultural factors in female's entrepreneurship.

#### 4 Conclusion

Culture is the values and beliefs held by a group that can shape the mindset, feelings, and reactions. Therefore, cultural issues in gender perspectives are still an obstacle for women to start or run businesses in some countries. This is because women are placed in roles related to domestic work and caring for children. In addition, women are seen as incompatible with the business because it is too emotional and less rational in making decisions.

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